FORWARD 10 YEARS What matters most

Whakarāpopototanga o te Pūrongo ā-Tau
Annual Report 2024/25

Waikato REGIONAL COUNCIL
Te Kaunihera ā Rohe o Waikato

Kia tau iho ngā manaakitanga a te wāhi ngaro ki runga ki a tātou katoa, tae atu rā ki te Arikinui Kuini Nga wai hono i te po e noho mai rā i runga i te ahurewa tapu o ōna tūpuna, o tōna pāpa. Nei rā te kōrero,

‘ko Tuheitia kei te rangi,

ko Nga wai hono i te po kei te whenua’.

Paimārire ki a ia.

Nō reira, e te hunga mate tāruru nui, haere ki tua o Paerau, haere ki te iti o kahurangi, okioki ai.

Ka huri ki a tātou, ki te hunga ora.

E ngā maunga whakahī, e ngā wai whakatere taniwha, e ngā karangatanga maha puta noa i te rohe, ko te Kaunihera ā-Rohe o Waikato e mihi atu nei ki a koutou, tēnā koutou, tēnā koutou, tēnā koutou katoa.

May the providence of the unseen realm cascade upon all of us, especially upon the Māori Queen Nga wai hono i te po, who sits on the throne of her ancestors, and of her father. As the saying goes,

‘Tuheitia is in heaven,

Nga wai hono i te po is on earth’.

Peace and goodwill to her.

To the vast number of loved ones who have passed, journey to the next world, to the stars, to rest.

To those living in the Waikato region, we acknowledge you, your ancestral mountains, your waterbodies, your people and your communities. Warmest regards from Waikato Regional Council.

Rārangi kaupapa
Contents

Section 1
Whakataki
Introduction

Whakapuakitanga **Foreword**

In 2024/25, we continued our mahi to help make the Waikato even better – environmentally, socially and economically.

This report – the last annual report for this triennium of council – reflects our achievements and confirms our finances and service performance for the financial year ended 30 June 2025.

The ongoing impacts of inflationary pressures on the cost of living and the cost of delivering services remained top of mind when setting our budget for the period.

At the same time, however, we were resolved to keep moving forward to meet the expectations of our communities and the challenges ahead.

This resulted in a strong emphasis on prioritising work in the areas we believe matter most to our communities to deliver efficient, effective and fiscally responsible services.

This report is the first of the new three-year cycle that measures progress against the work programme set out in the *2024-2034 Mahere Whānui | Long Term Plan*.

Improving water quality, planning for climate change and the transition to a low emissions economy, enhancing the health of our coastal and marine ecosystems, protecting and restoring our unique native plants and animals and the ecosystems they live in, keeping people safe on our roads and waterways as well as from floods and other hazards, and providing passenger transport services – we do all this, and more. And it's work that makes a real difference.

This year, work began to ensure everyone eligible was empowered to participate in the 2025 local elections – either by standing for the job of councillor or voting. A lot of effort goes on behind the scenes to make sure people have the information they need to stand and vote for the candidates who best represent them. It's easy to take for granted when things like this run like clockwork, and it's been a key part of our mahi this year.

Being ready to respond to the unexpected is also vital to our role. When reports came in that the Ōhinemuri River – which runs through the Karangahake Gorge – had turned bright orange, our incident response team acted immediately. The cause was a natural barrier collapse in front of a long-abandoned mine entrance, which released naturally occurring arsenic into the water. Thanks to the swift action of our staff, who are on call for the environment 24/7, communities were kept well-informed and safe throughout.

The land protected by our flood and land drainage infrastructure makes an important contribution to the region's agriculture sector, which contributes around $2.2 billion to the region's GDP. Over the past financial year, we completed nine major infrastructure capital projects across these schemes. One standout was our asset rationalisation project near the Piako River mouth, which replaced three ageing floodgates with a single, modern structure designed to last 100 years. This not only meets future flood protection needs in the face of climate change but also reduces maintenance costs. The project also delivered many environmental benefits, including safe fish passage for tuna (eels) and a new 10-hectare habitat for resident and migratory shorebirds.

Keeping people connected is another cornerstone of our work. Following our commitment in the last long term plan to take on rating for bus services region-wide, we worked to ensure the way we collect rates for public transport is fairer, simpler and more efficient. This involved collaborating with communities and local councils across the region to confirm a new rating model – one that better reflects the varying levels of access to services in what people pay. This new way of funding these important services was implemented for the first time from 1 July 2025.

In 2024/25, our public transport services covered seven million kilometres across 39 routes, with over 340,000 scheduled trips transporting more than 80,000 passengers on over four million journeys. And public transport users continue to tell us how much they value our services, with a 98 per cent satisfaction rate in our latest Te Huia rail survey. The Waikato to Aukland train service benefited this year from the addition of Sunday services and a convenient new stop at Pukekohe Station to make onward travel into central Auckland even easier.

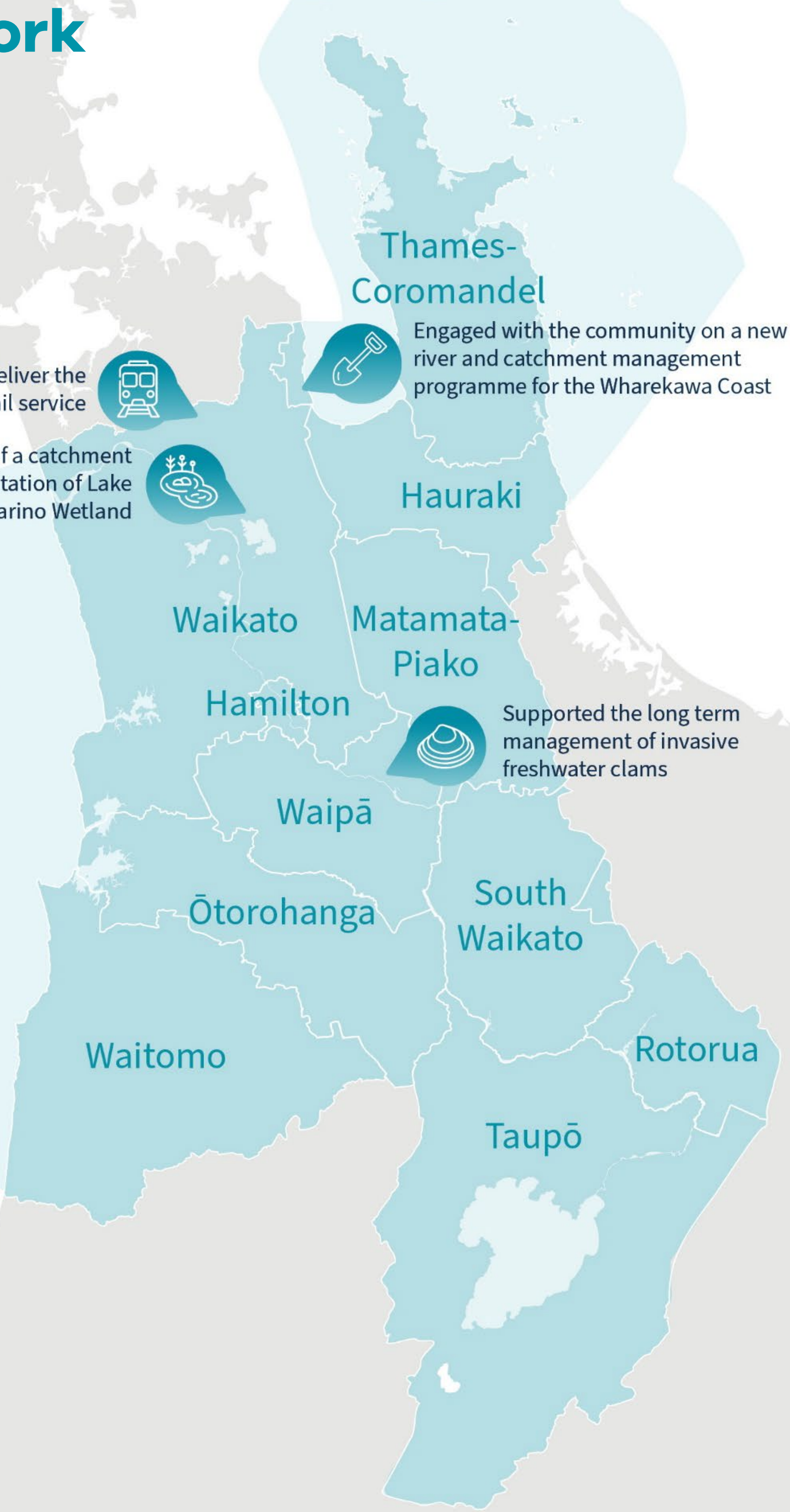
It has been a year defined by robust and responsive solutions – showcasing the power of local knowledge, technical expertise and economies of scale. And it's been a year where we believe our ongoing commitment to working together – in partnership with iwi, and with residents and ratepayers, community groups, central and local government, the primary sector, and businesses – has enabled us to deliver value far greater than the sum of its parts.

Our council looks forward to continuing to work together over the next year and beyond as we build a future for the Waikato that can be enjoyed for generations to come.

Chris McLay
Chief Executive

Warren Maher
Chair

Ngā hua tāke kaunihera
Your rates at work



Engaged with the community on a new river and catchment management programme for the Wharekawa Coast

Continued to deliver the Te Huia passenger rail service

Began the development of a catchment action plan for the rehabilitation of Lake Waikare and Whangamarino Wetland

Supported the long term management of invasive freshwater clams

- Laid the groundwork for the development of a Water Security Management Plan
- Adopted a simplified region-wide public transport rate
- Stepped up our coastal water monitoring
- Progressed the sustainable peatland programme to identify opportunities to reduce greenhouse gases
- Supported communities to understand and adapt to natural hazard risks
- Developed a regional spatial inventory
- Grew the Natural Heritage Partnership Programme

Te tuku ratonga whaihua i te rahi tika
Delivering efficient services at the appropriate scale

Regional councils were formed as a result of the amalgamation of some 600 catchment, rabbit, pest and drainage boards. Further regional responsibilities, such as transport, were added to our portfolio of functions. Waikato Regional Council alone incorporated more than 40 of these small entities.

So a focus on efficiency has always been central to the way we deliver services.

And we remain committed to exploring how services provided by local and central government, iwi and other stakeholders might be delivered more efficiently and effectively at the appropriate scale moving forward.

Our role under the *Local Government Act 2002* means we must respond to both the needs of our communities – with local democratic processes like public consultations ensuring the services we deliver continue to meet expectations – and the requirements of legislation set by central government.

Most important is the principle that levels of service – whether required by legislation or agreed through community consultation – must match the funds available to deliver those services.

Fiscal responsibility is essential. Yet, just like our communities, we must also contend with higher interest rates, larger insurance premiums, greater construction expenses, and increased costs due to the impacts of climate change.

We remain conscious of affordability and do a good job of ensuring moderate rates increases when compared with other councils, which is evident in the benchmarking data now provided by the Department of Internal Affairs | Te Tari Taiwhenua.

Whether through funding and mechanisms currently available or an alternative future funding mix, we can only deliver the outcomes communities expect by keeping the books balanced.

The services we deliver help shape this country’s future, creating the right conditions for the growth, resilience and prosperity of Aotearoa New Zealand. We’re big enough to deliver them efficiently and effectively, yet we’re small enough to have place-based knowledge of our landscapes and communities.

Failing to invest sustainably today could mean greater costs tomorrow. That's why we are building and maintaining flood defences to protect lives, livelihoods and services, and protecting the environment that helps sustain the natural resources that businesses, farmers and growers rely on.

We want to work in a constructive partnership with central government, alongside iwi and stakeholders, to change and improve our regulatory settings for a Waikato that has a healthy environment, vibrant communities and a strong economy.

Section 2

Ngā whakatutukitanga

Our performance

Ngā putanga ā-hapori **Community outcomes**

Our *Strategic Direction 2023-2025, Takatū Waikato | Making a Stand for the Waikato* sets out our vision and purpose. It also covers the six strategic priorities that guide our work: water, biodiversity and biosecurity, coastal and marine, sustainable development and infrastructure, community connections, and transition to a low emissions economy. A focus on wellbeing and how we respond to climate change are woven through all our priorities.

Legislation guides councils to improve the social, economic, environmental and cultural wellbeing of our communities, both now and for generations to come. We've embedded this within our purpose – working together for a Waikato region that has a healthy environment, vibrant communities and strong economy.

We track our progress against these community outcomes through our annual planning and reporting cycles, which include annual reports like this one.

Matawhānui **Our vision**

Waikato mārohirohi: Manaaki whenua, whakamana tangata

The mighty Waikato: Caring for our place, empowering our people

Aronga **Our purpose**

Working together for a Waikato region that has a healthy environment, vibrant communities and strong economy.

He taiao mauriora **Healthy environment**

A resilient and sustainable region that works in harmony with the natural environment, one that's actively transitioning to net carbon zero and fosters the growing of our indigenous biodiversity.

He hapori hihiri **Vibrant communities**

A connected and inclusive community where our people are actively engaged with whānau and families, communities and governance. A region with a vibrant Māori culture and one that celebrates diversity, participation and understanding.

He ōhanga pakari **Strong economy**

An innovation leader with a diversified economy that attracts people to the region and builds their capabilities.

Ngā aronga nui **Strategic priorities**

Wai
Water

Rerenga rauropi, tiakitanga taiao
Biodiversity and biosecurity

Takutai moana
Coastal and marine

Hononga hapori
Community connections

Hanganga tauwhiro
Sustainable development and infrastructure

Whakaheke tukunga
Transition to a low emissions economy

Tō mātou urupare āhuarangi
Our climate response

A focus on responding to climate change is woven through all six of our strategic priorities. This signals the council's intent to proactively respond to the impacts of climate change and initiate changes, through the current long term plan, for a more resilient, environmentally sustainable, socially cohesive and economically prosperous region.

We've included the following measures in our long term plan to demonstrate this intent, which are guided by our Strategic Direction and *Climate Action Roadmap*.

Our *Climate Action Roadmap* sets out a plan for developing and leading a coordinated programme to drive climate change responses in order to reduce the emissions of our region and council and adapt to the impacts of climate change. The roadmap includes a total of 109 commitments across nine pathways, cutting across each of the council's groups of activities.

Find out more about our *Climate Action Roadmap* on our website.

How we measure our performance	Target	Actual	Commentary
Our corporate emissions reduction plan, including targets, strategies to reduce emissions, and progress towards our emission reduction goal[1], is published annually	Information is audited and published	Achieved	Our greenhouse gas emissions inventory and management report for 2023/24 was published in November 2024, showing that the council's corporate emissions were 1,195 tCO_2e, a 29 per cent reduction against the baseline year (2016/17) and 38.5 per cent lower than the previous year. The 2024/25 report is currently being prepared for publication in late 2025.
Progress made on actions in the Climate Action Roadmap is reported to the council annually	Reporting on progress completed	Achieved	Progress towards the action in the Climate Action Roadmap has been reported every six months to the council's Climate Action Committee. The year end results were provided to council due to a cancellation of the final committee meeting.

[1] It should be noted that there is a level of uncertainty in reporting greenhouse gas emissions, which is due to inherent scientific uncertainty in measuring emissions factors as well as estimation uncertainty in the measurement of activity quantity data.

Te Ture Whaimana o te Awa o Waikato
Vision and Strategy for the Waikato River

Restoring the Waikato River

The Waikato River is the lifeblood of our region. It provides clean drinking water for communities, a home for native fish and birds, hydroelectricity to power our homes, and places to paddle, fish and swim. For Waikato River iwi, the awa is an ancestor and a taonga of immense cultural, spiritual and historical significance.

The restoration of the river is guided by *Te Ture Whaimana o Te Awa o Waikato – the Vision and Strategy for the Waikato River.* Treaty settlement legislation requires councils and other agencies to give effect to Te Ture Whaimana in all decisions affecting the river and its catchment.

Te Ture Whaimana was developed by the Guardians Establishment Committee, formed under the Agreement in Principle between Waikato-Tainui and the Crown, and legislated in the *Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010*. It is the primary direction-setting document for the Waikato and Waipā Rivers and for activities across their catchments.

The custodian of Te Ture Whaimana is the *Waikato River Authority (WRA)*. The WRA invests millions of dollars each year in environmental rehabilitation projects and is governed jointly by iwi and Crown representatives – one from each of the five river iwi authorities (Waikato-Tainui, Tūwharetoa Māori Trust Board, Te Arawa River Iwi Trust, Raukawa Charitable Trust and Te Nehenehenui), alongside five Crown appointees.

The vision is for a future where a healthy Waikato River sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato River, and all it embraces, for generations to come.

Restoring the river is more than a legal requirement – it is a shared responsibility. Every year, iwi, councils, community groups, and landowners work together to give life to Te Ture Whaimana. Over the past year, this has meant:

- planting thousands of native trees to stabilise riverbanks and improve water quality
- restoring wetlands that filter water and provide habitat for fish and birds
- supporting marae and community-led mahi
- partnering with farmers and landowners to improve land practices.

These actions bring us closer to the vision of a river we can all be proud of – one where people can swim, paddle and fish safely, where native species thrive, and where future generations inherit a healthy awa.

Every person has a role to play. Whether it's planting a tree, reducing waste, or simply recognising the river as part of who we are, together we can uphold Te Ture Whaimana and ensure the Waikato River continues to sustain life and wellbeing for generations to come.

Delivering on objectives

There are 13 objectives in *Te Ture Whaimana*, and a number of them are related. The work we do often helps to deliver on more than one objective. In 2024/25, we supported the restoration and protection of the health and wellbeing of the Waikato River in the following ways.

Relationships

This included supporting the economic, social, cultural and spiritual relationships of river iwi and communities with the Waikato River.

We are working with Waikato-Tainui and other river iwi authorities to co-develop a reporting framework designed to demonstrate how our mahi gives effect to *Te Ture Whaimana* in a way that provides a consolidated view and valuable insight to support decision making.

Strategy and policy development

We aim to protect the Waikato River, through our regulatory and statutory processes, from the adverse effects of activities on the water and land.

The proposed *Waikato Regional Coastal Plan* was notified in August 2023 and hearings commenced in early 2025. The coastal marine area in the lower Waikato River is subject to the provisions of *Te Ture Whaimana*.

We continue to work on *Healthy Rivers | Wai Ora Proposed Waikato Regional Plan Change 1*. An Environment Court hearing occurred in late 2023 and an interim decision from the Court was delivered in late May 2025. While the Interim decision provides some guidance, the Court has directed Waikato Regional Council to undertake further work and report back to the Court prior to a final decision being released. Once we have a final decision from the Court, we can proceed to make the plan operative. The proposed plan seeks to reduce the level of contaminants entering the Waikato and Waipā catchments to help achieve the goals of *Te Ture Whaimana*.

Te Ture Whaimana guides the way we administer resource consents, with applicants having to consider the potential effects of their consent application on the Waikato River and explain how their activity will improve the quality of the river.

We are undertaking a freshwater policy review. This responds to legislative requirements to comply with the *Resource Management Act* and the *National Policy Statement for Freshwater Management 2020*. In late 2024, the council established a joint working group and a combined co-governance committee with the five river settlement iwi for the Waikato and Waipā River catchments to provide for iwi to participate in decisions on the freshwater policy review.

Central government is presently progressing with a substantial resource management reform package, which will have wide-ranging implications for freshwater management. Throughout council's responses to the packages of reform, Te Ture Whaimana is repeatedly acknowledged as the primary direction-setting document for freshwater management for the Waikato and Waipā catchments.

Monitoring consents and permitted activities, and investigating alleged breaches of rules and regulations remain key parts of our business as usual.

We continue to hold people accountable for non-compliance or undertaking activities that adversely affect the environment, including the Waikato and Waipā Rivers.

Ecological health

In 2024/25, we continued our work to protect and enhance significant sites, fisheries, flora and fauna.

We continued our river erosion protection works, installing fish habitat structures, planting riparian margins, increasing in-stream habitats and improving food sources for our native fish. And we'll continue to support numerous iwi and community groups undertaking restoration projects with co-funding and technical support.

We continued to work with a multi-stakeholder group (including Waikato-Tainui, Ngā Muka, Ngāti Hine, Ngāti Naho and the Waikato River Authority) to develop the *Whangamarino Catchment Action Plan*. This plan involves a collaborative and inclusive process to identify and test options for rehabilitation of the interconnected waters of the Whangamarino Wetland and Lake Waikare. Te Ture Whaimana provides the guiding vision for this action plan. The action plan will guide medium to long term investment in more effective catchment management. Action plan implementation will be incorporated into business cases for the *2027-2037 Long Term Plan*.

Work continued with the University of Waikato on the development of a detailed 3D model of Lake Waikare. This will be used to test scenarios for the restoration of the health and wellbeing of this lake and will feed into the *Whangamarino Action Plan*.

We are supporting central government funded research into climate change impacts on the Waikato River and have also initiated a response group to improve our understanding and management of algal blooms in the Waikato hydrolakes, in partnership with the Raukawa Charitable Trust, Tūwharetoa Māori Trust Board and Te Arawa River Iwi Trust.

Whai wāhi ai a Ngāi Māori
Iwi Māori participation

In accordance with the *Local Government Act 2002*, we are committed to strengthening Māori capacity to actively participate in our decision-making processes. Our strategic priorities reflect a deliberate effort to integrate Māori principles, mātauranga (knowledge) and aspirations throughout all areas of focus, ensuring these values guide and enrich our mahi (work).

Whether it involves achieving clean water and healthy ecosystems, promoting sustainable development, protecting biodiversity and biosecurity, fostering vibrant communities, or transitioning to a low-emissions economy, collaboration with iwi is central to achieving positive outcomes for the Waikato rohe (region).

Our plan for improving the way we work as an organisation, *Te Ara Tupu*, further highlights our efforts to support our people to develop the capability and confidence needed to engage effectively with iwi Māori. These partnerships are essential for creating a balanced, sustainable and thriving Waikato. By embracing Māori principles and actively working with iwi, we aim to lay a strong foundation for a culturally inclusive and resilient region.

However, we acknowledge that iwi entities often face capacity constraints when engaging with local and central government institutions. This challenge is particularly acute for pre-settlement iwi, but even post-settlement iwi with greater resources encounter significant pressures. These limitations can affect our ability to meet shared engagement commitments and deliver on our work programme objectives.

We recognise that true partnership and meaningful engagement require all parties to have adequate capacity. To address these challenges, funding has been allocated to support iwi capacity, ensuring that both the council and iwi are equipped to collaborate effectively, with a growing emphasis on joint projects that deliver meaningful outcomes for all communities.

By investing in capacity-building and fostering strong, enduring relationships, we aim to achieve outcomes that benefit not only iwi Māori but the entire Waikato rohe. Together, we can create a future that reflects the shared aspirations and values of mana whenua and everyone who calls the Waikato region home.

Section 3

Ko ngā momo mahi

Groups of activities

Kiritaki, hapori, me ngā ratonga
Customer, community and services

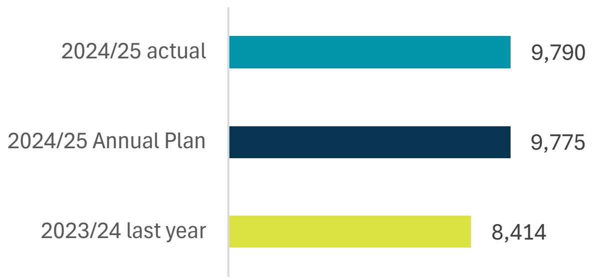
Our work in this area includes **governance** activities, **iwi Māori partnerships, planning and reporting,** and **community support**.

How these activities improve wellbeing

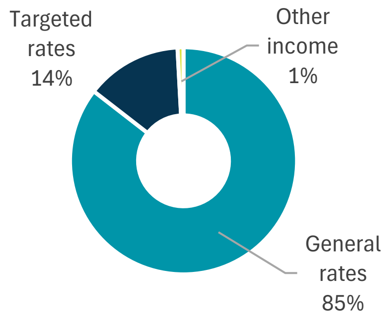
These activities help support a **healthy environment**, **vibrant communities** and a **strong economy**.

They provide opportunities for community engagement with the council, allowing residents to share their feedback, opinions and aspirations for the future. They identify how our work supports the achievement of outcomes that positively impact communities. And they ensure our region's strong cultural heritage is considered and reflected in the work we do.

Our spending



Our funding



What we delivered

- Supported our staff to understand and appreciate the Māori worldview so they can work more effectively with mana whenua in our region.
- Facilitated active iwi participation in the council's collaborative programmes and projects using the iwi capacity fund.
- Began our campaign to ensure everyone is well-informed and empowered to participate in the 2025 local election.
- Ensured decision making through our democratic processes was conducted in an open and transparent manner.
- Ensured fit-for-purpose statutory planning and reporting processes were in place so our communities could participate in decision making about our planned activities and funding.
- Administered the council's partnership funding in line with priorities and strategic outcomes.

Responded to all 194 Official Information Act requests within the statutory timeframes	Ensured all 83 formal council meetings were open to the public (unless legislative grounds existed to exclude the public)	Supported a treaty-based partnerships programme in our engagement with iwi Māori

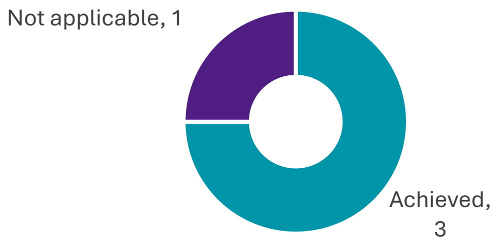


Our performance

We have four performance targets for customer, community and services activities.

Three of these were achieved for 2024/25 and one was not applicable.

Full details of our performance for customer, community and services activities can be found on page 34.



What it cost

Revenue and expenditure for customers, community and services

	2024/25 Actual $000	2024/25 Annual Plan $000	2023/24 Last year $000
UAGC	7,124	7,124	6,647
Targeted rates	1,138	1,138	1,085
Government grants	-	2	-
Other income	71	190	-
Total income	**8,333**	**8,453**	**7,731**
Operating expenditure	9,790	9,775	8,414
Operating surplus / (deficit)	**(1,457)**	**(1,321)**	**(682)**
Total funding from / (to) reserves			
General	(356)	(356)	25
Regional development fund	1,356	2,150	-
Prior year surplus	-	-	50
Total reserve transfers	**999**	**1,794**	**75**
Increase / (decrease) in retained earnings	**(458)**	**472**	**(608)**

Te Rakau Whakamarumaru ā Rohe o Waikato
Waikato Civil Defence Emergency Management Group

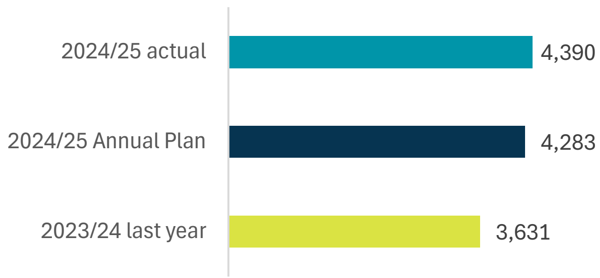
We are the administrating authority for the **Waikato Civil Defence Emergency Management Group**.

How these activities improve wellbeing

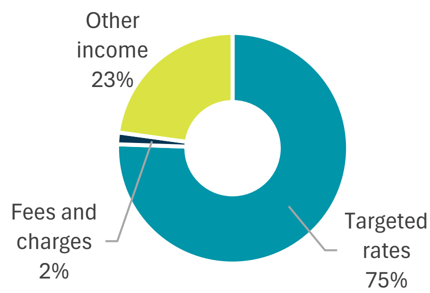
This activity primarily contributes to **vibrant communities**.

Civil Defence Emergency Management supports communities by enhancing community resilience. It ensures people, organisations and businesses are well prepared for emergency events, minimising the impact of disasters when they occur and supporting swift recovery efforts. This preparedness protects lives and property. It also safeguards future income and employment opportunities, contributing to the overall wellbeing and economic stability of the region.

Our spending



Our funding



What we delivered

- Approved the *Waikato CDEM Strategic Group Plan 2025-2030* and the *Group Plan Actions 2025/26* for public consultation to guide regional emergency management priorities and approaches.
- Strengthened partnerships with iwi, local authorities, emergency services and community organisations to ensure a coordinated and inclusive approach to emergency management.
- Delivered targeted training and public awareness programmes to enhance community preparedness and understanding of emergency response procedures.
- Maintained a robust and scalable emergency response system for rapid activation and effective coordination during emergency events.
- Ensured strategic recovery planning is in place to support communities during and after emergencies, enabling timely and effective recovery efforts.
- Supported the *National Emergency Management Agency (NEMA)* to develop emergency management legislation.

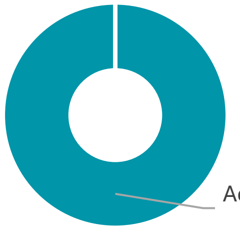
Increased the percentage of staff trained and available for Civil Defence activation events

Our performance

We have one performance target for Waikato Civil Defence Emergency Management Group activities.

This was achieved for 2024/25.

Full details of our performance for Waikato Civil Defence Emergency Management Group activities can be found on page 35.



What it cost

Revenue and expenditure for Waikato Civil Defence Emergency Management

	2024/25 Actual $000	2024/25 Annual Plan $000	2023/24 Last year $000
Targeted rates	3,116	3,116	2,555
Fees and charges	68	222	66
Government grants	0	-	50
Other income	941	945	948
Total income	**4,124**	**4,283**	**3,619**
Operating expenditure	4,390	4,283	3,631
Operating surplus / (deficit)	**(266)**	**(0)**	**(12)**
Total funding from / (to) reserves			
Civil defence	266	-	12
Total reserve transfers	**266**	**-**	**12**
Increase / (decrease) in retained earnings	**-**	**(0)**	**-**

Ngā mahi hei ārai, hei ārahi hoki i ngā waipuke
Flood protection and control works

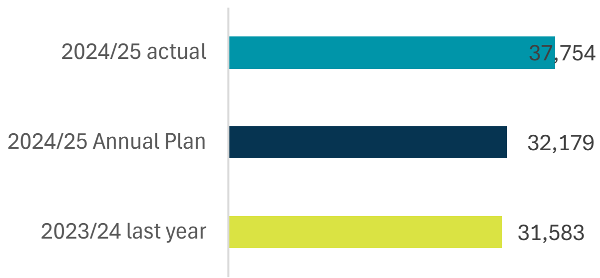
Our work in this area includes **flood protection**, **land drainage** and **river management**.

How these activities improve wellbeing

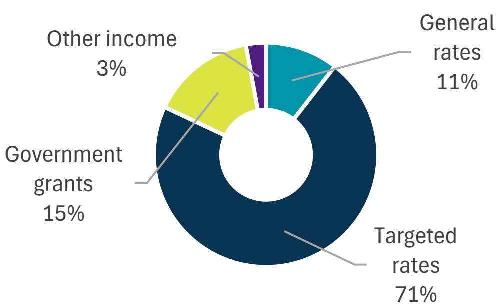
These activities contribute to a **healthy environment**, **vibrant communities** and a **strong economy**.

They help safeguard public and private assets and investments that provide economic stability for communities and the region. They also contribute to maintaining the natural environment through the rehabilitation and preservation of river channels and riparian areas.

Our spending



Our funding



What we delivered

- Progressed the application of the *Sustainable Infrastructure Decision-making Framework* to the Motukaraka catchment, including the investigation of nature-based solutions to help mitigate flooding.
- Operated and maintained our flood protection and land drainage infrastructure to agreed service levels.
- Progressed work on a replacement pump station for Island Block and improvements to the Mangatāwhiri Compartment 3 Pump Station.
- Completed nine major infrastructure capital projects across our flood schemes to improve resilience.
- Maintained river management programmes to reduce erosion and increase the resilience of priority rivers.
- Progressed the build of our new river maintenance vessel for the Waikato and Waipā Rivers, with delivery expected in early 2025/26.
- Continued the Crown Infrastructure co-funded Waikato, Waipā, West Coast and Coromandel Rivers Projects.
- Formally consulted on and confirmed a new river and catchment work programme and targeted rate for Wharekawa (Kaiaua) to improve the community's resilience to extreme weather events.

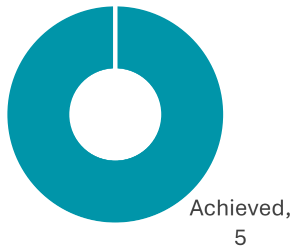
Maintained, repaired and renewed flood protection and control works to key standards defined in relevant planning documents	Commenced a regional risk-factor review	Maintained the channel capacity and stability of priority rivers and streams in each catchment zone
		

Our performance

We have five performance targets for flood protection and control works activities.

All of these were achieved for 2024/25.

Full details of our performance for flood protection and control works activities can be found on pages 36-37.



What it cost

Revenue and expenditure for flood protection and control works

	2024/25 Actual $000	2024/25 Annual Plan $000	2023/24 Last year $000
General rates	4,100	4,100	3,650
Targeted rates	27,838	28,017	24,545
Fees and charges	2	1	47
Government grants	5,879	-	6,287
Other income	1,129	886	1,438
Total income	**38,948**	**33,005**	**35,967**
Operating expenditure	37,754	32,179	31,583
Operating surplus / (deficit)	**1,193**	**826**	**4,384**
Total funding from / (to) reserves			
Watershed	(1,522)	(599)	(4,268)
Coromandel	(422)	(35)	(47)
West coast	(31)	-	(112)
Waihou	45	(91)	91
Piako	1,783	(192)	(1,849)
Drainage	(253)	25	475
Regional disaster recovery	(97)	(133)	2,009
Zone disaster recovery	(146)	(185)	(133)
Lower waikato main channel	(403)	-	(551)
LW flood community works	(147)	-	0
Asset revaluation	-	-	0
Total reserve transfers	**(1,193)**	**(1,210)**	**(4,384)**
Increase / (decrease) in retained earnings	**0**	**(384)**	**(0)**

Te Whakahaere ā-tōpū i te rauwiringa wai

Integrated catchment management

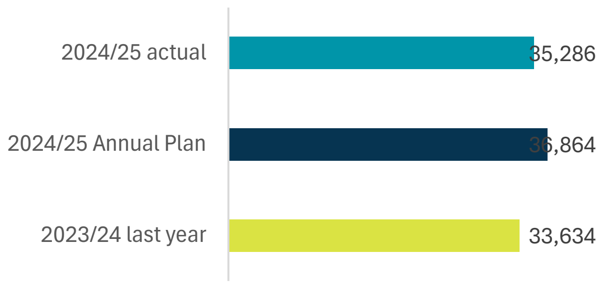
Our work in this area includes **biodiversity** protection and restoration, **biosecurity**, and **catchment planning and management**.

How these activities improve wellbeing

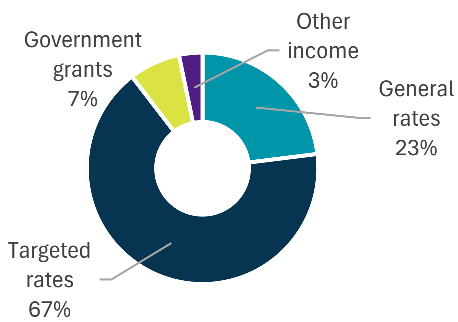
These activities help support a **healthy environment**, **vibrant communities** and a **strong economy**.

They help improve our natural environment, prevent the loss of natural amenity for the benefit of all our communities and protect employment and income opportunities through the removal of pests.

Our spending



Our funding

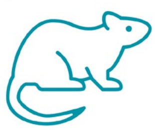
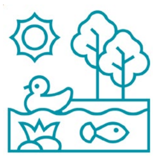


What we delivered

- Delivery of co-funded partnership programmes (with the Waikato River Authority, Ministry for Primary Industries, Ministry for the Environment and Crown Infrastructure Partners), including the Hill Country Erosion Programme, Whirinaki Catchment Project, Ngā Wai o Waikato Partnership Programme, Waipā Catchment Plan, Ngāti Haua Mahi Trust Partnership Programme, completion of the Piako River Green Corridor Project, and completion of the three Coromandel River Resilience projects.
- Provided funding to five large, landscape-scale community groups through increases in Natural Heritage Partnership Programme funding.
- Continued to support the region's communities, iwi and landowners to protect kauri.
- Developed and implemented a comprehensive surveillance programme for alligator weed and yellow flag iris.
- Supported the process to transition to long term management for both golden clams (corbicula) and caulerpa seaweed.
- Delivered cyclone recovery remediation works.

Delivered 39 on-the-ground projects on private land in high-priority ecosystems	Funded 64 community groups through the Natural Heritage Partnership Programme	Reduced animal pest populations at identified sites with assessed biodiversity values	Implemented catchment plans to reduce erosion, improve water quality and enhance biodiversity



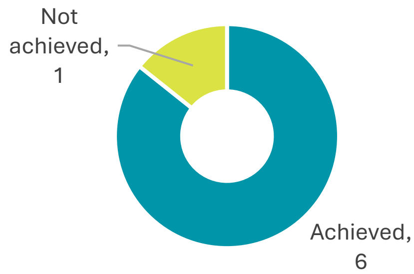



Our performance

We have seven performance targets for integrated catchment management activities.

Six of these were achieved for 2024/25 and one was not achieved.

Full details of our performance for integrated catchment management activities can be found on pages 38-40.



What it cost

Revenue and expenditure for integrated catchment management

	2024/25 Actual $000	2024/25 Annual Plan $000	2023/24 Last year $000
General rates	6,156	6,156	8,899
UAGC	2,399	2,399	2,202
Targeted rates	24,722	24,899	22,171
Government grants	2,664	1,541	3,557
Fees and charges	11	58	144
Investment income	1	-	0
Other income	1,214	959	2,121
Total income	**37,167**	**36,012**	**39,095**
Operating expenditure	35,286	36,864	33,634
Operating surplus / (deficit)	**1,881**	**(853)**	**5,461**
Total funding from / (to) reserves			
Watershed	(770)	0	(3,279)
Coromandel	(477)	-	(326)
West coast	(263)	1	(211)
Waihou	168	-	(481)
Piako	457	-	(252)
Pathways to the sea	-	-	3
Biosecurity	435	851	(412)
Natural heritage	(978)	-	192
Environmental initiatives	(126)	-	(21)
Stock truck effluent	-	-	(195)
Shovel ready	-	-	93
Healthy rivers	-	-	(232)
Wharekawa coast	72	-	-
Total reserve transfers	**(1,483)**	**853**	**(5,121)**
Increase / (decrease) in retained earnings	**398**	**0**	**340**

Mōreatanga ā rohe me te whakarata ohotata
Regional hazards and emergency response

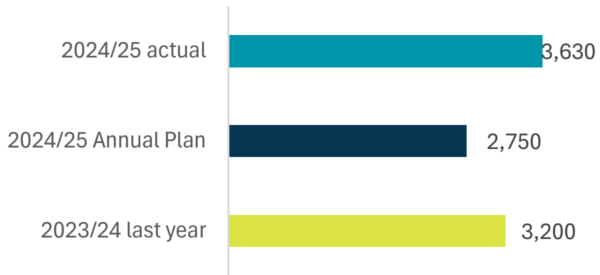
Our work in this area includes supporting **resilient communities** and the **Waikato Regional Council emergency response**.

How these activities improve wellbeing

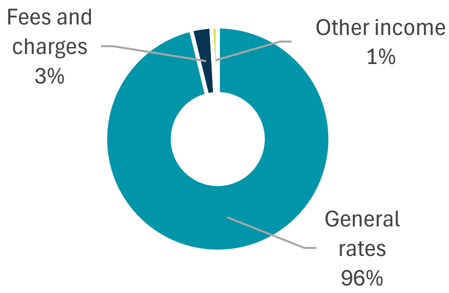
These activities contribute to **vibrant communities** and a **strong economy**.

They help support communities to make informed decisions about their own wellbeing, as well as helping to protect people in the event of an emergency. The work we do strengthens community networks and supports businesses and individuals to be more resilient.

Our spending



Our funding



What we delivered

- Collaborated with territorial authorities, iwi and communities to provide natural hazard risk and resilience information as they worked through the adaptation planning process (priority areas include the floodplains of the Lower Waikato, and the Waihou and Piako rivers).
- Supported territorial authorities to advance their climate change risk assessments.
- Commenced development of a regional resilience strategy that will set out how we'll increase regional resilience to natural hazard risks.
- Developed a comprehensive work programme to deliver flood models for the entire region.
- Commenced a groundbreaking piece of work in collaboration with Dutch Government funded Hydrologic programme to integrate rain forecasting and groundwater data to models that will enable impact assessments based on events.
- Continued training and exercises to ensure we are response-ready and capable at all times.

Achieved a 96 per cent customer satisfaction rate, for our flood warning text alert system

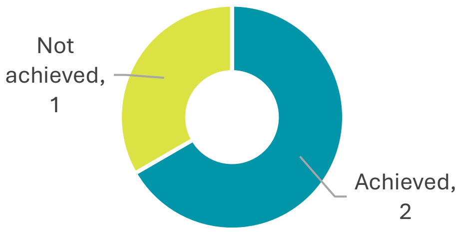
Undertook two readiness exercises to hone our response to marine oil spills

Our performance

We have three performance targets for regional hazard and emergency response activities.

Two of these were achieved for 2024/25 and one was not achieved.

Full details of our performance for regional hazards and emergency response activities can be found on page 41.



What it cost

Revenue and expenditure for regional hazards and emergency response

	2024/25 Actual $000	2024/25 Annual Plan $000	2023/24 Last year $000
UAGC	2,584	2,584	1,863
Fees and charges	78	166	-
Other income	24	-	125
Total income	**2,686**	**2,750**	**1,987**
Operating expenditure	3,630	2,750	3,200
Operating surplus / (deficit)	**(944)**	**(0)**	**(1,213)**
Total funding from / (to) reserves			
Resilient development	-	-	0
Total reserve transfers	-	-	0
Increase / (decrease) in retained earnings	**(944)**	**-**	**(1,213)**

Ngā ara hono ā-rohe
Regional transport connections

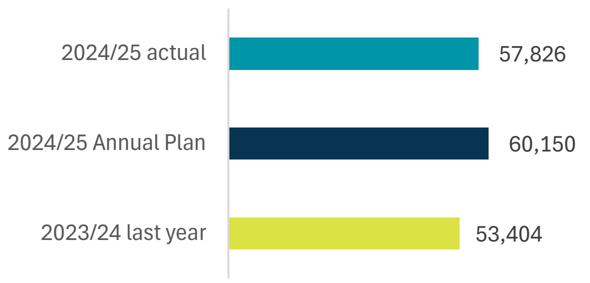
Our work in this area includes **public transport**, **interregional passenger rail**, and **transport and policy programmes**.

How these activities improve wellbeing

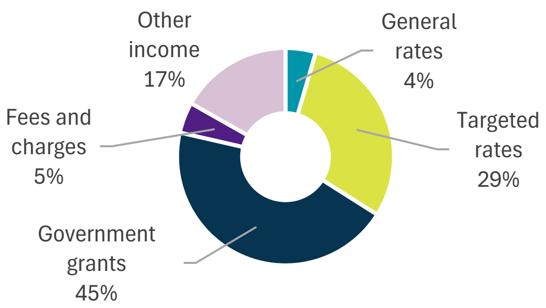
These activities contribute to a **healthy environment**, **vibrant communities** and a **strong economy**.

They provide communities in the Waikato region with affordable transport options to access jobs, education, essential services, recreational and social activities, and community events. They also help to limit congestion by encouraging greater use of public transport, reducing the use of single occupancy vehicles and cutting carbon emissions in the process.

Our spending



Our funding



What we delivered

- Continued to operate a network of urban, medium and longer distance bus routes regionwide.
- Provided increased support and engagement with community transport providers.
- Ongoing growth of Total Mobility, including the successful launch of this service in the Hauraki District.
- Collaborated with communities and local councils across the region to confirm a regional rating model for public transport, to create efficiencies in the planning, funding and implementation of public transport solutions.
- Led a regional response to NZ Transport Agency Waka Kotahi proposals to implement regional private share targets for public transport, helping to influence greater moderation in the pace of fare increases.
- Supported NZ Transport Agency Waka Kotahi and the Future Proof committee with the development of the Hamilton Southern Links Investment Case, a requirement of the Roads of National Significance programme, to plan for growth.
- Began work to advance our transition to a zero-emission bus fleet, including preparation for the roll out of new public transport bus contracts across the region.
- Completed a Customer Experience Roadmap, defining key customer types and supporting future development of a unified public transport brand.
- Collaborated with other councils on the delivery of the Metro Spatial Plan, a framework to respond to the current and future challenges of growth in the Hamilton-Waikato metro area.
- Continued to operate Te Huia, our passenger rail service between Waikato and Auckland.

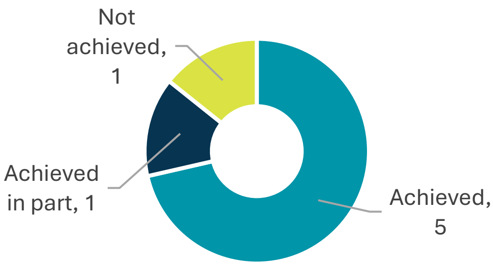
Increased the number of bus trips per capita by 4 per cent in the region (outside of Hamilton)	Ensured 70 per cent of bus departures were on time, in accordance with the timetable	Achieved a 98 per cent customer satisfaction rate in our rail customer satisfaction survey

Our performance

We have seven performance targets for regional transport connection activities.

Five of these were achieved for 2024/25, one was not achieved and one was achieved in part.

Full details of our performance for regional transport connections activities can be found on pages 42-44.



What it cost

Revenue and expenditure for regional transport connections

	2024/25 Actual $000	2024/25 Annual Plan $000	2023/24 Last year $000
General rates	1,459	1,459	1,241
UAGC	1,055	1,055	852
Targeted rates	16,407	16,481	15,756
Government grants	24,856	26,367	28,447
Fees and charges	2,565	3,021	2,236
Investment income	-	-	-
Other income	9,374	8,109	6,645
Total income	**55,716**	**56,492**	**55,177**
Operating expenditure	57,826	60,150	53,404
Operating surplus / (deficit)	**(2,110)**	**(3,658)**	**1,773**
Total funding from / (to) reserves			
Public transport	279	1,748	(3,097)
Stock truck effluent	(88)	25	-
Prior year surplus	409	740	0
Total reserve transfers	**599**	**2,512**	**(3,097)**
Increase / (decrease) in retained earnings	**(1,511)**	**(1,146)**	**(1,324)**

Te Whakamahinga o te taiao
Resource use

Our work in this area includes **regional consenting**, **regional compliance**, **maritime services**, **community education** and **primary industry engagement**.

How these activities improve wellbeing

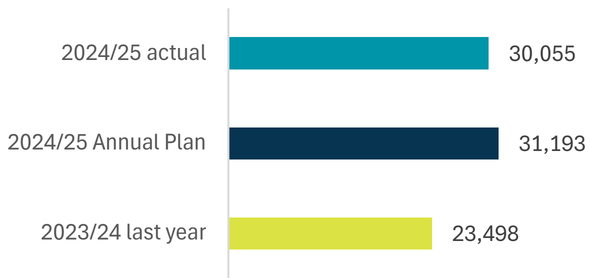
These activities contribute to a **healthy environment**, **vibrant communities** and a **strong economy**.

They enable the use of natural resources to support the generation of income and employment, providing financial security to our communities and supporting industries to be compliant with regulations.

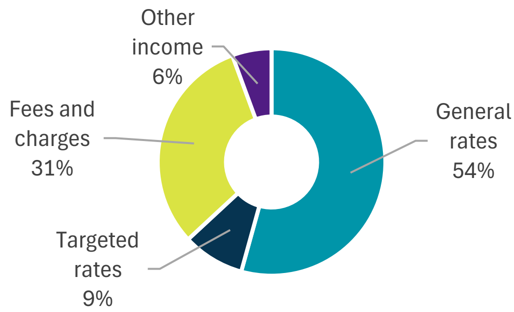
This is balanced with protecting the amenity value of those resources and ensuring they can be used and enjoyed by future generations.

These activities also support community groups to make environmental improvements and ensure our waterways and harbours are safe to navigate.

Our spending



Our funding



What we delivered

- Provided maritime services to maintain safe and navigable waterways in the region.
- Identified ways to support the rural sector to meet their regulatory obligations.
- Provided input to the Plan Change 1 development process and national Freshwater Farm Plan regulatory system to identify opportunities for streamlining implementation.
- Provided a wide range of popular community education programmes to encourage better environmental outcomes.
- Provided efficient and effective consenting, compliance monitoring and enforcement processes under the *Resource Management Act 1991 (RMA)* to enable the sustainable management of natural resources.

Processed 99 per cent of resource consents within RMA timeframes	Maintained a 24-hour, seven-day-a-week response service for environmental incidents	Maintained safe and navigable waterways to protect the people who use them	Monitored 100 per cent of our 453 highest priority consented sites

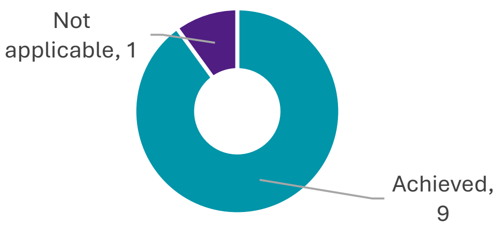


Our performance

We have ten performance targets for resource use activities.

Nine of these were achieved for 2024/25 and one was not applicable.

Full details of our performance for resource use activities can be found on pages 45-48.



What it cost

Revenue and expenditure for resource use

	2024/25 Actual $000	2024/25 Annual Plan $000	2023/24 Last year $000
General rates	11,789	11,789	8,776
UAGC	3,447	3,447	2,783
Targeted rates	2,469	2,491	1,574
Government grants	25	106	0
Fees and charges	8,783	9,338	8,423
Investment income	-	-	0
Other income	1,574	695	1,297
Total income	**28,087**	**27,866**	**22,853**
Operating expenditure	30,055	31,193	23,498
Operating surplus / (deficit)	**(1,969)**	**(3,327)**	**(645)**
Total funding from / (to) reserves			
Permitted activity monitoring	(1,375)	29	397
Building act contingency	24	-	-
Healthy rivers	1,923	150	-
Prior year surplus	1,114	-	-
Total reserve transfers	**1,686**	**179**	**397**
Increase / (decrease) in retained earnings	**(283)**	**(3,148)**	**(248)**

Pūtaiao, kaupapahere me te mōhiohio

Science, policy and information

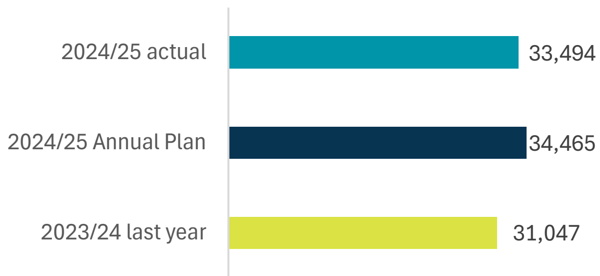
Our work in this area includes **environmental monitoring**, **environmental science and information**, **social and economic information**, **strategic policy implementation**, **resource management policy** and **spatial information**.

How these activities improve wellbeing

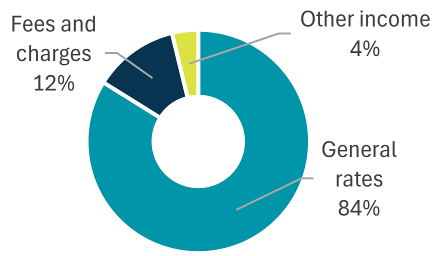
These activities contribute to a **healthy environment**, **vibrant communities** and a **strong economy**.

They help support an environment that can sustain healthy communities by ensuring land is used and managed well, fresh water is available, biodiversity is protected and the air is kept clean.

Our spending



Our funding



What we delivered

- Continued work to improve our understanding and management of peat soils.
- Developed a Regional Spatial Planning Inventory and Spatial Plan Framework, laying foundations to help inform better strategic decision making around the way land and resources are used to benefit communities.
- Began the development of a catchment action plan to identify, test and promote options for the rehabilitation of Lake Waikare and Whangamarino Wetland.
- Progressed the Proposed Regional Coastal Plan through the hearings and deliberations phases.
- Advocated on behalf of the region regarding central government legislative changes.
- Facilitated a regionwide application to the government's Regional Deals process.

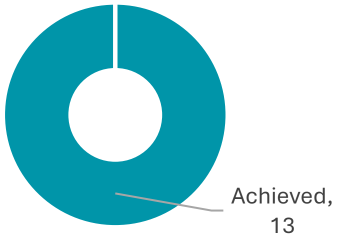
Undertook state of the environment reporting	Ensured swimmability data was uploaded weekly during the recreational bathing season	Completed hearings on the *Proposed Regional Coastal Plan*	Ensured data was available 99 per cent of the time during flood events

Our performance

We have 13 performance targets for science, policy and information activities.

All of these were achieved for 2024/25.

Full details of our performance for science, policy and information activities can be found on pages 49-53.



What it cost

Revenue and expenditure for science, policy and information

	2024/25 Actual $000	2024/25 Annual Plan $000	2023/24 Last year $000
General rates	25,898	25,898	25,244
UAGC	2,736	2,736	2,542
Government grants	-	-	150
Fees and charges	4,215	3,944	3,676
Investment income	-	-	750
Other income	1,295	1,239	1,290
Total income	**34,145**	**33,817**	**33,651**
Operating expenditure	33,494	34,465	31,047
Operating surplus / (deficit)	**650**	**(648)**	**2,604**
Total funding from / (to) reserves			
Prior year surplus	247	814	244
General	(166)	(166)	(220)
Contaminated land	-	-	(1)
Regional development fund	-	-	150
Total reserve transfers	**81**	**648**	**173**
Increase / (decrease) in retained earnings	**732**	**(0)**	**2,777**

Section 4

Ko te hohonutanga ō ā tātou mahi

Our activities in depth

Ko ngā momo mahi
Groups of activities

How to read this section

Eight groups of activities are outlined. Within each group, a number of different activities are categorised to reflect the types of work we do.

Level of service

Describes how we will measure our success.

Strategic alignment

The strategic driver/s for levels of service.

Performance measures

Provides measure, target and result for each activity, along with supporting commentary. Commentary is provided for measures that were not achieved or were achieved in part. Additional performance commentary is included if it provides useful context. Performance status is determined using four categories, as described below. Where additional disclosures have been made, these are provided as footnotes at the end of the group of activity information to which they relate.

How we measure our performance

Achieved	All components of the performance measure have been met, including meeting or exceeding a stated target for performance.	**Not achieved**	All components were not achieved.
Achieved in part	One or more but not all of the components of a measure have been completed. This result is only applicable when the measure can be broken into more than one component.	**Not applicable**	No work scheduled or data available in the current year.

About this report

This report follows PBE FRS 48 Service Performance Reporting standards.

Service performance measurement

The council has selected service performance measures that reflect its overall responsibilities to our ratepayers. The responsibilities may be legislative requirements or driven by our strategic direction set by the governing body. Judgement has been used to select the best measures to reflect to the readers the level of service delivered. ***Section 3: Our activities*** contains Waikato Regional Council's performance information, cost of service tables and graphs, and non-financial performance graphs. ***Section 4: Our activities in depth*** contains Waikato Regional Council's non-financial performance results tables. Our Service Performance Judgements and Assumptions are found at the end of Section 4 on page 54. Waikato Regional Council's Statement of compliance can be found in Section 5 on page 62. ***Section 2: Our performance*** provides useful context for the general reader but does not form part of the service performance information for audit purposes.

Kiritaki, hapori, me ngā ratonga

Customer, community and services

Activity: Governance

Level of service: We provide and promote governance processes that are robust and transparent for the regional community.

Why this is important (strategic alignment): Community connections			
Performance measure	**Target**	**Actual**	**Commentary**
Percentage of official information requests responded to within statutory timeframes	100%	**2024/25 Achieved, 100%** 2023/24 Achieved, 100%	In 2024/25, 194 of 194 information requests have been responded to within statutory timeframes.
All formal council meetings are open to the public unless grounds exist under LGOIMA (Local Government Official Information and Meetings Act 1987) to exclude the public	100%	**2024/25 Achieved, 100%** New measure in *2024-2034 LTP*	In 2024/25, 83 of 83 formal council and committee meetings have been open to the public. While this result was not measured or reported through the *2023/24 Annual Report*, all 117 formal council and committee meetings were open to the public in 2023/24 (100%).

Activity: Iwi Māori partnerships

Level of service: We support a Treaty-based partnership approach in our engagement with iwi Māori.

Why this is important (strategic alignment): Community connections			
Performance measure	**Target**	**Actual**	**Commentary**
Key actions are completed within the specific timeframes identified in the *Māori Partnership Approach*	2024/25 80% of actions completed per schedule 2023/24 100% of actions completed as per schedule	**2024/25 Achieved, 85%** 2023/24 Achieved, 100%	Seven key actions were identified for completion during the 2024/25 financial year. Six actions were completed by 30 June 2025 (85%), with the remaining action complete by the end of July. The final action was to evaluate the effectiveness of He Whare Taumatua up until 30 June 2025, so while it will this was identified for 2024/25, reporting is only possible after the conclusion of the financial year.

Activity: Planning and reporting

Level of service: We produce high-quality and fit-for-purpose long term plans and amendments to long term plans to encourage participation in decision making by the regional community.

Why this is important (strategic alignment): Community connections			
Performance measure	**Target**	**Actual**	**Commentary**
Long term plans and amendments to long term plans receive 'unmodified' audit opinions	Unmodified opinion received	**2024/25 Not applicable** 2023/24 Achieved	No amendment to the *2024-2034 Long Term Plan* was required, and as a result this measure is not applicable for 2024/25. The *2024-2034 Long Term Plan* was adopted by council on 27 June 2024 and received an unmodified audit opinion.

Te Rākau Whakamarumaru ā Rohe o Waikato

Waikato Civil Defence Emergency Management Group

Activity: Waikato Civil Defence Emergency Management

Level of service: To provide suitable trained staff to coordinate an efficient and effective region-wide response to a civil defence emergency.

Why this is important (strategic alignment): Sustainable development and infrastructure.			
Performance measure	**Target**	**Actual**	**Commentary**
Ensuring an increasing percentage of staff are trained and available for any activation of CDEM Group Coordination Centres, aiming to meet the WRC/CDEM Service Level Agreement (SLA) requirements[1]	An increasing percentage of WRC workforce is trained to meet the SLA requirement	**2024/25 Achieved** New measure in *2024-2034 LTP*	At 30 June 2025 the targeted number of CL2 trained staff was exceeded for this year. The current number of staff trained to CL2 Intermediate course is 142 (23% of 628 staff on 30 June 2025), so an excellent start towards the 25% of WRC staff to be trained by the end of 2026/27 year. While this result was not measured or reported through the *2023/24 Annual Report*, the baseline at June 2024 was 127 staff trained to Competency Level 2 (CL2), 21% of permanent and fixed term employees.

Note

[1]As per the SLA, 25 per cent of Waikato Regional Council's workforce should be trained and available for any activation of the CDEM group coordination centres. As this is a new SLA, we aim to reach the 25 per cent target by 2026/27.

Ngā mahi hei ārai, hei ārahi hoki i ngā waipuke

Flood protection and control works

Activity: Flood protection

Level of service: We provide a standard of flood protection, agreed with communities, as set out in our zone plans and associated documents.

Why this is important (strategic alignment): Sustainable development and infrastructure.			
Performance measure	**Target**	**Actual**	**Commentary**
Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents (such as zone management plans, annual works programmes or long-term plans). Note: the two elements to this measure are described in more detail in parts one and two below	Achieved	**2024/25** **Achieved** 2023/24 Achieved in part	This measure is made up of two elements, both have been achieved for 2024/25.
Part one: percentage of planned mandatory maintenance[1] actions achieved each year	2024/25 90% 2023/24 85%	**2024/25** **Achieved, 99%** 2023/24 Achieved, 99.9%	3,012 mandatory maintenance actions were planned for 2024/25. 2,983 (or 99%) were completed by 30 June 2025. Planned mandatory maintenance actions are set out in the council's Mandatory Actions Programme, which describes all works scheduled for completion during the year. Scheduled works that are completed within the year are determined to be achieved.
Part two: percentage of stopbanks maintained above designed flood height, as agreed within each zone	2024/25 Rural: 92% Urban: 95% 2023/24 Rural: 93% Urban: 95%	**2024/25** **Achieved** 2023/24 Achieved in part	Both urban and rural targets have been achieved: • Rural: 92.9% • Urban: 95.7% This performance measure represents the proportion of stopbanks where the actual crest level (ACL) meets or exceeds the agreed design flood level (DFL). Stopbanks are considered to have been maintained when this condition is met. The basis for measurement uses survey results and compares ACL against DFL. Surveys are completed on priority stopbanks as per budget availability. Surveys completed during the year but still undergoing quality control have not been included in the reported results. Sensitivity analysis was conducted on surveys pending quality control, and it was concluded that their inclusion would not materially affect the reported result. The results for 2023/24 were: • Rural: 92.64% • Urban: 95.73%

Percentage of flood recovery plans[2] implemented[3] after all major events[4]	100%	**2024/25 Achieved** 2023/24 Achieved	There have been no major incidents in 2024/25 that required flood recovery plans. Note: Local flood response manuals for the Lower Waikato and Waihou/Piako Zones were updated as per annual review requirement.

Level of service: We provide communities where flood and drainage infrastructure exist, with a review of where we could make systematic change to our infrastructure.

Why this is important (strategic alignment): Sustainable development and infrastructure.			
Performance measure	**Target**	**Actual**	**Commentary**
We will undertake a review of region-wide risks and issues to identify specific catchments they are affecting and recommend areas where there is an opportunity to consider something fundamentally different to what is delivered now	Commence review of regional risk factors affecting flood and drainage infrastructure	**2024/25 Achieved** New measure in *2024-2034 LTP*	Initial hazards for each community have been identified, and assessment criteria have been agreed. Available data is now being sourced and assessment has commenced. This measure was not relevant in 2023/24 as it relates to a service that was provided for the first time in 2024/25.

Activity: Land drainage

Level of service: We provide reliable water table management on land within drainage schemes to help maintain pastoral production.

Why this is important (strategic alignment): Sustainable development and infrastructure.			
Performance measure	**Target**	**Actual**	**Commentary**
Number of reported incidences where it takes more than three days to remove surface water after events with an annual exceedance probability of up to 10%[5]	≤5	**2024/25 Achieved** 2023/24 Achieved	There have been no reported incidences of weather events with an annual exceedance probability of 10% where it took more than three days to remove surface water.

Activity: River Management

Level of service: To maintain channel capacity and stability of priority rivers and streams in each management zone.

Why this is important (strategic alignment): Sustainable development and infrastructure.			
Performance measure	**Target**	**Actual**	**Commentary**
Percentage of planned maintenance actions undertaken each year in priority river and/or at priority sites across all zones	80%	**2024/25 Achieved** New measure in *2024-2034 LTP*	Of the 309 planned maintenance actions undertaken in 2024/25, 254 (82%) were undertaken in priority rivers/sites. It is not possible to retrospectively determine council's performance for the previous year as these parameters were not previously measured.

Note

[1] Maintenance can mean repair, renewal or maintenance.

[2] The plans set out timeframes within which flood response actions are to be completed.

[3] A flood recovery plan is considered 'implemented' when the flood recovery plan, containing remediation actions and costs for said actions, has been approved by the Integrated Catchment Management Committee (ICMC).

[4] Major refers to any flood event that causes damages that cannot be remediated through normal operational funding and requires disaster recovery funding to rectified.

[5] This measure is only applicable if a weather event of up to 10 per cent annual exceedance probability occurs.

Te whakahaere ā-tōpū i te rauwiringa wai

Integrated catchment management

Activity: Biodiversity

Level of service: We work with private landowners and others to maintain and enhance indigenous biodiversity.

Why this is important (strategic alignment): Biodiversity and biosecurity, coastal and marine			
Performance measure	**Target**	**Actual**	**Commentary**
Number of on-the-ground projects on private land within the top 30% of priority ecosystems delivering biodiversity restoration action	2024/25 20 2023/24 16	**2024/25 Achieved, 39** 2023/24 Achieved, 46	There have been 39 funded projects within the top 30% of priority ecosystems delivering biodiversity restoration actions. Each project is negotiated with the landowner and tailored to their property (activities include but are not limited to fencing, native planting, pest control, etc) to protect, maintain and restore priority biodiversity sites. Therefore, the number and cost of each project will vary each year to stay within budget. These projects are multiyear (3-5 year) agreements with landowners, designed to achieve better biodiversity outcomes at that site.

Level of service: We work in partnership with communities to educate on, maintain and enhance indigenous biodiversity.

Why this is important (strategic alignment): Biodiversity and biosecurity, coastal and marine			
Performance measure	**Target**	**Actual**	**Commentary**
Number of community groups and individuals funded through the Natural Heritage Partnership Programme that undertake restoration activities as per their funding agreement	2024/25 60 2023/24 65	**2024/25 Achieved, 64** 2023/24 Not achieved, 59	There are currently 64 groups and/or individuals undertaking activities in accordance with their funding agreements. A breakdown of projects per fund as follows: • Small Scale Community Initiatives Fund: 36 projects • Environmental Initiatives Fund: 20 projects • Natural Heritage Fund: 8 projects.

Activity: Biosecurity

Level of service: We reduce animal pest populations at identified sites with assessed biodiversity values.

Why this is important (strategic alignment): Biosecurity and biodiversity			
Performance measure	**Target**	**Actual**	**Commentary**
Average Rat Tracking Index[1] (RTI) level for rat control operations	≤5%	**2024/25 Achieved, 0.87%** 2023/24 Achieved, 2.40%	This measure has been completed, resulting in an average RTI of 0.87%. Operation results as follows: • OMR – Hope: 1.43% RTI • OMR – Johnstone's: 1.25% RTI • Pukemako: 0.00% RTI • Tirohanga Rd: 0.00% RTI • Te Miro – 1.67% RTI This measure is a stand-alone measure for the Hamilton Halo programme. The Hamilton Halo programme aims to reduce rat numbers during the native bird breeding season at key sites surrounding Hamilton, improving fledging success.

			In 2024/25 rats were controlled at five sites (Old Mountain Road – Ed Hilary Hope Reserve, Old Mountain Road – Johnstone, Tirohanga Road, Pukemako, and Te Miro). A post-control RTI below 5% indicates the operation has been successful. The number of rats surviving a control operation depends on several factors: some may avoid the toxin entirely, others may migrate from untreated areas soon after control, and environmental conditions such as weather and food availability also influence outcomes.
Average number of possums[2] caught for every 100 traps set for possum operations	≤5% Residual trap catches (RTC) for ground control	**2024/25 Achieved, 1.63%** 2023/24 Achieved, 1.1%	The average RTC for 2024/25 was 1.63%. The following operations were completed in 2024/25: • Ōpārau: 0.48% RTC • Mt Pirongia West: 1.11% RTC • Ngaroma 1: 3.18% RTC • Tiroa: 0.48% RTC • Matira: 3.10% RTC • Waikaretu: 0.54% RTC • Mangakino: 2.20% RTC • Ngutunui: 0.26% RTC • Whenuakite: 1.44% RTC • Onewhero: 2.05% RTC • Piopio West: 4.57% RTC • Piopio East Bush: 0% RTC Eight PPCA sectors have been carried over to the 2025/26 financial year: • Piopio East Farmland* • Whitehall/Te Miro* • Whareorino Farmland* • Whangape* • Ngaroma 2* • Pukekawa • Rotowaro • Nukuhakari 1 Farmland These will be reported in *2025/26 Annual Report*. Post-operational monitoring has been completed in the five sectors marked*; however, we are still waiting for decontamination to be completed. Monitoring and decontamination is still required in the remaining three sectors. Weather extremes (drought conditions) in the second and third quarters followed by severe wet weather in the fourth quarter impacted access to some areas delaying the completion of control in several sectors. Combined with the deferrals of aerial operations into 2025/26. The final result for Ruapaparae (Te Ākau) were recieved in the first quarter, this was part of the Te Ākau operation and was carried over from 2023/24, achieving a 2.0% RTC overall.

Level of service: We control low-density, high-threat plant pests to minimise impacts on human health and primary industry.

Why this is important (strategic alignment): Biosecurity and biodiversity			
Performance measure	**Target**	**Actual**	**Commentary**
Reducing trend for coverage of eradication pest plants[3] at known sites	Reducing trend	**2024/25 Achieved** 2023/24 Achieved	Operational and contractor management is complete. Data is available. Each eradication site is inspected annually for plants to undertake treatment if required and to survey the wider area.

			By continuing this management programme from year-to-year the seed banks / rhizomes are being exhausted which means there is a reducing trend in the coverage of all eradication pest plants at known sites. This measure is achieved.

Activity: Catchment planning and management

Level of service: We maintain existing works to ensure gains are preserved.

Why this is important (strategic alignment): Water, Biodiversity and biosecurity			
Performance measure	**Target**	**Actual**	**Commentary**
Percentage of sampled catchment works maintained in effective condition to the standards set out in zone plans.[4]	2024/25 85% 2023/24 80%	**2024/25 Not Achieved, 81%** 2023/24 Achieved, 86%	81% of the works inspected were found to be maintained to an effective standard as set out in zone plans. Almost 70% of all compartments inspected in the Waikato Region in the 2024/25 year were within the Upper Waikato and Taupo zones, accounting for 86% of the total non-compliant compartments monitored. Inspection levels were increased in the 2024/25 year within the Upper Waikato and Taupo zones (which have the largest and oldest soil conservation schemes within the region) finding increasing levels of maintenance/fence replacement required. A large proportion of the non-compliant compartments were located within three large, trust-owned properties and a focus for 2025/26 will be on these properties.

Level of service: We implement agreed plans (new catchment works) with landowners and land managers to reduce erosion, improve water quality and enhance biodiversity.

Why this is important (strategic alignment): Water, biodiversity and biosecurity			
Performance measure	**Target**	**Actual**	**Commentary**
Percentage of new catchment works undertaken in priority catchments and/or at priority sites across all zones.[5]	80%	**2024/25 Achieved, 94%** 2023/24 Achieved, 91%	The 80% target is a minimum level to be achieved and 94% of new catchment works were undertaken in priority catchments and/or priority sites. Over time, the proportion of priority catchments and/or priority sites across all zones has increased. Coupled with an increase in targeting priority areas, this has resulted in a significant over achievement of this measure.

Note

[1] Rat tracking index is a monitoring method used to obtain an estimate of the relative abundance of rats in an area before and after rat control activities take place. For further information please refer to Department of Conservation: Animal pests: tracking tunnel indices of small mammal abundance.

[2] Possums are targeted as they have a detrimental impact on our native flora and fauna, including devastating native forests and impacting on pasture, horticulture, and forestry.

[3] Plants included in the operative Regional Pest Management Plan (RPMP) eradication category.

[4] A sample of at least 10 per cent of all catchment scheme and non-scheme works (individual work agreements) legally protected on a property title are inspected to assess the works' condition every year. Works include fencing, planting, and erosion control structures.

[5] The 80 per cent target requires the majority of work to be implemented in priority catchments and/or at priority sites while providing some capacity to meet landowner and community demand for work at non-priority catchments/sites.

Mōreatanga ā rohe me te whakarata ohotata

Regional hazards and emergency response

Activity: Resilient communities

Level of service: We collaborate with communities, iwi, and stakeholders to develop and deliver a regional resilience strategy and plan.

Why this is important (strategic alignment): Water, biodiversity and biosecurity, coastal and marine, sustainable development and infrastructure, community connections.			
Performance measure	**Target**	**Actual**	**Commentary**
Regional resilience strategy is developed, and plans developed, reviewed, and implemented for identified areas	Develop a regional resilience strategy and plan	**2024/25** **Not Achieved** New measure in *2024-2024 LTP*	The initial draft regional resilience strategy, high level plan and supporting discussion document have been developed; however, these have not yet been tested internally nor with councillors. Central government consultation on national direction (NPS - natural hazards) and recommendations on the National Adaptation Framework have required additional time to consider the potential implications for the strategy and how to best manage the strategy development in light of these. This measure was not relevant in 2023/24 as it relates to a service that was provided for the first time in 2024/25.

Activity: Waikato Regional Council emergency response

Level of service: We provide the community with timely flood event information and situation reports to respond effectively to flood events and lessen the adverse effects.

Why this is important (strategic alignment): Sustainable development and infrastructure.			
Performance measure	**Target**	**Actual**	**Commentary**
Percentage of customers that reporting being satisfied with Waikato Regional Council's flood warning text/alert system[1] through our contact database survey	2024/25 95% 2023/24 90%	**2024/25** **Achieved, 96%** 2023/24 Achieved, 95%	96% of survey respondents were satified with the Waikato Regional Council's flood warning service. This year, 203 customers were contacted to participate in Waikato Regional Council's flood warning service survey, and 69 replies were received. Of those who replied, 96% were satisfied.

Level of service: We reduce the environmental impact of marine oil spills by having a safe, coordinated and effective plan in place, maintaining an effective readiness to respond.

Why this is important (strategic alignment): Coastal and marine.			
Performance measure	**Target**	**Actual**	**Commentary**
Two readiness exercises are undertaken per year	Two exercises undertaken	**2024/25** **Achieved** 2023/24 Achieved	The first marine oil spill exercise was completed on 27 August 2024, and the second exercise was undertaken on 11 March 2025.

Note

[1] The text/alert system is one component of the overall Flood Warning Service.

Ngā ara hono ā-rohe

Regional transport connections

Activity: Transport policy and programmes

Level of service: We complete three-yearly reviews of our regional transport plans, as required by the Land Transport Management Act, and maintain a regional road safety strategy

Why this is important (strategic alignment): Sustainable development and infrastructure, community connections, transition to low emission economy.			
Performance measure	**Target**	**Actual**	**Commentary**
Regional plans and strategies are reviewed and submitted within statutory timeframes and implemented	2024/25 Complete reviews of the Regional Public Transport Plan and Road Safety Strategy 2023/24 Complete a review of the Regional Land Transport Plan. Develop a regional speed management plan.	**2024/25 Achieved** 2023/24 Achieved	Council carried out a review of the existing Regional Public Transport Plan (RPTP) in early 2025, and determined that the current plan, which is valid until 2032, remains fit for purpose. The next RPTP will be developed after the renewal of new bus contracts for the Waikato region, concurrently with the next Regional Land Transport Plan. Council approved the deferral of the review of the Road Safety Strategy until 2026. The benefit of doing so is complete development and oversight under a single council committee. As the Road Safety Strategy is not a statutorily required document (but is regionally significant) there is no impact on the obligations of council as a result of the decision.

Activity: Public transport

Level of service: We will transition Hamilton's bus network from a coverage-based system (many low-frequency routes) to a ridership-orientated network (focusing resources on high-frequency routes in the areas of greatest demand), supplemented by demand-responsive services.

Why this is important (strategic alignment): Sustainable development and infrastructure, community connections.			
Performance measure	**Target**	**Actual**	**Commentary**
Number of public bus trips per capita (Hamilton)	Number of trips per capita increase year-on-year	**2024/25 Achieved in part, 16.1 trips per capita** 2023/24 Achieved, 16.5 trips per capita	The total number of trips in Hamilton increased by 2.8%, with 3,018,725 passenger trips made in 2024/25. However, primarily attributed to a lack of NZTA funding to enable service improvements required to keep pace with the city's population growth, the number of trips per capita in Hamilton dropped compared to the previous year (16.1 trips per capita compared to 16.5 in 2023/24). Fare increases in July 2024 and the introduction of NZTA regional private share targets are also likely to have had some impact on ridership. This measure represents total passenger boardings on Hamilton bus services, excluding transfers, divided by the estimated population of Hamilton for the financial year. This is calculated with data sourced from the Regional Interim Ticketing Solution (RITS) and population estimates are based on the 'medium' scenario from the University of Waikato's 2018 forecasts.

Level of service: We will expand public transport to include more areas within our region, enabling greater access to essential services, education, employment, and social opportunities.

Why this is important (strategic alignment): Sustainable development and infrastructure, community connections.			
Performance measure	**Target**	**Actual**	**Commentary**
Number of public bus trips per capita (regional total outside of Hamilton)	Number of trips per capita increase year-on-year	**2024/25 Achieved, 2.2** 2023/24 Achieved, 2.1	Trips per capita outside Hamilton increased by 3.7% in 2024/25, rising from 2.11 in 2023/24 to 2.19. This growth was primarily driven by optimisation of Waipā routes (Cambridge and Te Awamutu services), with a 44% increase to scheduled trips on these services to meet growing demand. This measure represents total passenger boardings on regional bus services, excluding transfers, divided by the estimated population of the region for the financial year. This is calculated with data sourced from the Regional Interim Ticketing Solution (RITS) and population estimates are based on the 'medium' scenario from the University of Waikato's 2018 forecasts.

Level of service: We deliver a public transport service that is reliable, and that people can depend on.

Why this is important (strategic alignment): Sustainable development and infrastructure, community connections.			
Performance measure	**Target**	**Actual**	**Commentary**
Percentage of buses that depart[1] on time from bus stops in accordance with the timetable	2024/25 70% 2023/24 80%	**2024/25 Achieved, 70%** 2023/24 Not achieved, 69%	70% of buses departed on time from bus stops according to the timetable in 2024/25, up from 69% in 2023/24. This increase not only met our annual target but also demonstrates the positive impact of our timetable optimisations. • 70% of stops were in accordance with the timetable. • 15% were earlier than timetabled. • 11% were later than timetabled. • 4% of the bus stops were flagged as not sighted. 'Not sighted' status flags occur when trip telemetry data for the stop is not received due to technical issues.

Level of service: We deliver bus services that people and communities value, and regard as a quality service.

Why this is important (strategic alignment): Sustainable development and infrastructure, community connections.			
Performance measure	**Target**	**Actual**	**Commentary**
Percentage of customers who are 'satisfied' or better with the bus transport service	2024/25 82% 2023/24 >95%	**2024/25 Achieved, 93%** 2023/24 Not achieved, 91%	93% of respondents to the 2024/25 bus service customer survey were satisfied with our bus service. The result is higher than the 2023/24 score of 91%. A range of improvements to the passenger experience are likely to have driven this uplift in customer satisfaction, including the refurbishment of the Hamilton Transport Centre, including real time display implementation as well as improved weatherproofing. 991 bus passengers were surveyed across all public bus routes in the region, with participants selected proportionally to patronage levels on each service. The overall satisfaction score is calculated by aggregating a range of responses in relation to the bus transport service.

Activity: Interregional passenger rail

Level of service: We will progressively improve Te Huia passenger rail services between Hamilton and Auckland.

Why this is important (strategic alignment): Sustainable development and infrastructure, community connections.			
Performance measure	**Target**	**Actual**	**Commentary**
Year-on-year passenger rail patronage growth[2]	2024/25 2% patronage growth compared to the previous 12 months 2023/24 10% patronage growth compared to the previous 12 months of operations	**2024/25** **Not achieved, -9.2%** 2023/24 Achieved, 10%	The primary reason this measure has not been achieved is the reduced number of operating days as Auckland has prepared to open the City Rail Link. Changes to the network closure model by KiwiRail resulted in longer closures over school holidays (rather than closures on Sundays), impacting periods when Te Huia patronage has previously been strong. The service ran for only 260 days in 2024/25, compared to 280 days in the previous year. In addition, 53 service days were cancelled due to other Auckland line blockages and public holidays, compared to 34 cancellation days in 2023/24. The impact of this was that in 2024/25 total patronage declined by 9.2% compared to the previous year, with 72,580 trips made. The daily average patronage figure normalises for service disruptions, by dividing the total annual patronage by the number of operating days during the financial year. This figure also declined slightly (2.3%) compared to last year, with average daily patronage of 279 for 2024/25. Fare increases in July 2024, changes to SuperGold fares in September 2024, and the introduction of NZTA regional private share targets are also likely to have had some impact on ridership.
Percentage of customers who are 'satisfied' or better with our passenger rail services	2024/25 92% 2023/24 90%	**2024/25** **Achieved, 98%** 2023/24 Achieved, 99%	Te Huia achieved a customer satisfaction score of 98%, exceeding our target by 6%. However, this represents a 1% decline from 2023/24 and remains unchanged from 2022/23. This result still reflects that the vast majority of our passengers are highly satisfied with the Te Huia service. Out of a total sample population of 498 survey respondents, 482 were included in the validated sample frame. Within this frame, 473 participants were satisfied with our Te Huia service.

Note

[1]This measure was stated as bus stop arrivals in the previous 2021-2031 LTP and 2023/24 Annual Report. However performance has always been measured against bus stop departures, a correcton made through the 2024-2034 LTP and this Annual Report.

[2] Patronage growth was significant in 2022/23 as a result of a low baseline due to COVID-19 travel restrictions that saw services paused throughout much of 2021/22. Growth on the service has since stabilised and is anticipated to align with 2 per cent per annum growth targets set out in accordance with the Hamilton to Auckland passenger rail service – Te Huia business case.

Te whakamahinga o te taiao

Resource use

Activity: Regional consents

Level of service: We provide efficient and effective consenting and consent compliance monitoring processes under the Resource Management Act 1991 (RMA) to enable the lawful use of natural and physical resources.

Why this is important (strategic alignment): Water, coastal and marine, sustainable development and infrastructure, community connections.			
Performance measure	**Target**	**Actual**	**Commentary**
Percentage of resource consents processed in accordance with the RMA timeframe discount regulations	≥ 95%	**2024/25 Achieved, 99%** 2023/24 Achieved, 98%	For the financial year 1 July 2024 to 30 June 2025, 99% resource consent applications were processed in accordance with the RMA timeframes. This is determined by dividing the number of applications processed in accordance with the RMA timeframes (798 applications) by the total number of applications received (804 applications). Six applications were therefore subject to the Resource Management (Discount on Administrative Charges) Regulations 2010. A number of other applications were excluded from this measure, which did not trigger the Discount on Administrative Charges Regulations as follows: • Nine applications subject to a queued priority process (ie. water take applications that needed to be processed in priority order) - so did not trigger a discount in accordance with section3 (2)(d)(iii)) of the discount regulations. • Six applications where s124 RMA applied and which were issued prior to the expiry of the existing consents - so did not trigger a discount in accordance with section 7(1) of the discount regulations. • Three applications processed under the Severe Weather Emergency Recovery (Waka Kotahi New Zealand Transport Agency) Order 2023 (SWERO) which has a 30 working day processing time in accordance with section 8(2)(b)(v) of SWERO.
Percentage of highest priority consented sites monitored each year	100%	**2024/25 Achieved, 100%** 2023/24 Achieved, 100%	For the 2024/25 year, 453 consented sites were identified as highest priority. Compliance assessments were completed for 443 sites, while compliance assessments were deferred* at 10 sites because they were non-operational at the time. All 443 of 443 (100%) eligible highest priority sites were monitored for compliance. Sites that have had their monitoring deferred are not included in the calculation. A further 495 lower priority sites were also monitored, reflecting a total of 938 sites monitored in the 2024/25 year. *Deferred monitoring happens for the following reasons. • The consent has only recently been granted, and not enough activity time has passed to warrant a full assessment of compliance.

			• A site has obtained a resource consent, but the activity has not yet commenced (i.e., a factory has not been built/finished yet) therefore there is nothing to monitor. • There is insufficient data/evidence to undertake an adequate assessment of compliance at this time. Monitoring will occur when there is sufficient evidence to proceed. • The activity, although consented, has been suspended by the consent holder for operational reasons (machinery breakdown, climatic issues, financial difficulties etc).

Activity: Regional compliance

Level of service: We provide a dedicated incident response service to ensure the environment, people and property are not seriously affected by pollution incidents or non-compliant activities.

Why this is important (strategic alignment): Water, coastal and marine.			
Performance measure	**Target**	**Actual**	**Commentary**
Percentage of time the 24-hour, seven-day-a-week response service for reporting environmental incidents is available	100%	**2024/25 Achieved, 100%** 2023/24 Achieved, 100%	There was a total of two outages of the phone system during 2024/25, occurring on 18 March and the 26 May, with a collective time of just over two hours where calls were diverted to PNCC. The ability to respond was still maintained through this period and allowed members of the public to report incidents.

Level of service: We take appropriate action in response to serious non-compliance.

Why this is important (strategic alignment): Water, coastal and marine.			
Performance measure	**Target**	**Actual**	**Commentary**
Percentage of incidences of serious[1] non-compliance[2] with the environmental regulations that are actioned[3]	100%	**2024/25 Achieved, 100%** 2023/24 Achieved, 100%	This year, 63 instances of serious non-compliance were identified across 1849 sites; all 63 instances were followed up with punitive action (formal warning) or directive action (abatement notices served) or are subject to further investigation at the time of this reporting. Action has been taken on 100% of serious non-compliances detected in accordance with the Waikato Regional Council Enforcement Policy for the 2024/25 year.
Percentage of notifications, related to potential breaches of environmental regulation and assessed as requiring physical attendance, that are attended	2024/25 100% 2023/24 ≥90%	**2024/25 Achieved, 100%** 2023/24 Achieved, 100%	A total of 1518 notifications were received from the public relating to environmental incidents this year. 457 were assessed as requiring physical attendance, and of those 100% were attended.

Activity: Maritime services

Level of service: We maintain safe and navigable waterways in the region to protect the people who use them.

Why this is important (strategic alignment): Coastal and marine.			
Performance measure	**Target**	**Actual**	**Commentary**
Risk to boaties is appropriately mitigated within 12 hours of a known failure of a category one aid to navigation[4]	100%	**2024/25 Achieved** New measure in *2024-2034 LTP*	There have been six known failures to Category 1 Aids to Navigation in 2024/25, occurring at Kāwhia, Tairua, Raglan, Opito Bay and Whangamatā. In each instance, a safety plan was implemented with 12 hours, mitigating risk to boaties. All incidents were reported to Maritime NZ within 24 hours and other appropriate safety mitigations initiated. It is not possible to retrospectively determine council's performance for the previous year as these parameters were not previously measured.
A 24-hour, 365-day-per-year response service is maintained for serious maritime incidents[5]	100%	**2024/25 Achieved, 100%** 2023/24 Achieved, 100%	There was a total of two outages of the phone system during 2024/25, occurring on 18 March and the 26 May, with a collective time of just over two hours where calls were diverted to PNCC. The ability to respond was still maintained through this period and allowed members of the public to report incidents.

Activity: Community education

Level of service: We deliver education programmes that bring about behaviour change.

Why this is important (strategic alignment): Water, Sustainable development and infrastructure, Community connections.			
Performance measure	**Target**	**Actual**	**Commentary**
Number of education programmes[6] evaluated for their effectiveness and updated as required	2024/25 1 2023/24 2	**2024/25 Achieved, 1 programme evaluated** 2023/24 Achieved, 2 programmes evaluated	The review and evaluation of the Advancing Mātauranga Māori Programme of work has been completed. The draft and final reports have been received from the team of external evaluators. The information provided through this report is being reviewed and will be used to update the programme. Four programmes are scheduled for review in each three-year cycle, with generally one evaluation undertaken per year; however, two reviews were completed in 2023/24.

Activity: Primary industry engagement

Level of service: We work with partners and stakeholders to develop solutions to emerging challenges facing the rural sector.

Why this is important (strategic alignment): Water.			
Performance measure	**Target**	**Actual**	**Commentary**
Based on customer feedback, engagement activities undertaken in collaboration with partners and stakeholders meet their intended purpose[7]	80%	**2024/25 Achieved, 81%** New measure in *2024-2034 LTP*	We held six engagement events in collaboration with our partners during 2024/25. Across these engagements, an average of 81% of attendees agreed that events met their purpose. The number of attendees for each event who agreed engagement activities met the inteded purrpose: • Plan Change 1 implementation dairy event 1: 11 attendees and 10 (90%) agreed • Plan Change 1 implementation dairy event 2: 15 attendees and 12 (80%) agreed • Plan Change 1 implementation drystock event 1: nine attendees and seven (78%) agreed • Plan Change 1 implementation drystock event 2: nine attendees and six (67%) agreed

			• Plan Change 1 implementation arable – 13 attendees and 11 (85%) agreed • Primary industry – navigating change together – 94 attendees and 71 (76%) agreed This measure was not relevant in 2023/24 as it relates to a service that was provided for the first time in 2024/25.

Level of service: We provide resources and systems to support the primary sector to meet its regulatory obligations.

Why this is important (strategic alignment): Water.			
Performance measure	**Target**	**Actual**	**Commentary**
Customer feedback confirms that the resources and systems developed to support the primary sector to meet their regulatory obligation for freshwater farm plan implementation met the intended purpose[7]	80%	**2024/25** **Not applicable** New measure in *2024-2034 LTP*	Freshwater farm plan regulations are still paused while the Government looks to make them more pragmatic and cost effective. We are using this time to identify how stakeholders wish to be involved in the development of resources and systems. The areas identified include the PC1 registration tool, creation of information and guidance, comms and events. This measure was not relevant in 2023/24 as it relates to a service that was provided for the first time in 2024/25.

Note

[1] There are a number of factors that are relevant in determining whether a breach of the RMA is 'serious'. These include (but are not limited to) what the actual or potential adverse environmental effects of the breach are, sensitivity of the receiving environment, whether the parties involved have a history of non-compliance, whether the breach was as a result of careless, negligent, or deliberate behaviour, what efforts at mitigation have been made.

[2] Non-compliance can come about from proactive consent monitoring, proactive permitted activity monitoring or reactively responding to incidents that are reported to council.

[3] Actions include: no further enforcement action, letter of direction, abatement notice, formal warning, infringement notice, prosecution.

[4] Considered to be of primary navigational significance including leading lights, outer channel markers, isolated danger marks and wreck marks.

[5] Maritime incidents are those Waikato Regional Council has jurisdiction over that include, but are not limited to, serious boating mishaps or obstruction of navigable waterways.

[6] The programme includes Advancing Māori Medium, Enviroschools, Waste Minimisation, Youth and Secondary.

[7] A twice-yearly survey will be conducted with our partners and stakeholders to identify whether 80 per cent of respondents believe our engagement activities meet the intended purpose and that the resources and systems we develop deliver the intended purpose of supporting the primary sector.

Pūtaiao, kaupapahere, me te mōhiohio

Science, policy and information

Activity: Environmental monitoring

Level of service: We provide high-quality and timely data to key decision makers and the community.

Why this is important (strategic alignment):
Water, Biodiversity and biosecurity, coastal and marine, sustainable development and infrastructure, community connections.

Performance measure	Target	Actual	Commentary
External audit of one area of monitoring each year shows good quality control of data collection	2024/25 Positive audit received, and recommendations for improvement implemented 2023/24 1 domain audited	**2024/25 Achieved, 1 domain audited** 2023/24 Achieved, 1 domain audited	Wetland delineation was audited in 2024/25, with eight minor recommendations that have been incorporated into the work.
Percentage of time (during flood events) when data isn't available for more than 70 continuous minutes[1]	<2% of the time	**2024/25 Achieved, 0.9%** 2023/24 Achieved, 1.1%	Data was unavailable at one or more sites for more than 70 continuous minutes during flood events only 0.9% of the time throughout 2024/25. This means that data being available for 99.06% of the time.

Activity: Environmental science and information

Level of service: We provide decision makers and the community with robust and timely information on the current state of the environment and advice on appropriate responses to issues.

Why this is important (strategic alignment):
Water, biodiversity and biosecurity, coastal and marine, sustainable development and infrastructure, community connections, transition to a low emissions economy.

Performance measure	Target	Actual	Commentary
State of Environment monitoring and reporting systems are reported on biannually to meet council requirements	Implementation plan for State of the Environment Report developed	**2024/25 Achieved** New measure in *2024-2034 LTP*	A project to review our state of the environment monitoring and reporting is underway. A scoping document has been produced identifying an expanded remit for reporting in 2027/28. A paper on the National State of the Environment 2025 was presented and carried at the Environmental Performance Committee (EPC) in May 2025. This identified environmental issues, emerging contaminants and their relevance to the Waikato. There was a further presentation at the August 2025 EPC which recommended that Council endorse the extended draft scope of reporting proposed for inclusion in the Waikato State of Environment 2028 Report. This measure was not relevant in 2023/24 as it relates to a service that was provided for the first time in 2024/25.

Level of service: We provide decision makers and the community with (solutions-focused) insights and evidence to support identification and appropriate responses to existing and emerging environmental issues.

Why this is important (strategic alignment): Water, biodiversity and biosecurity, coastal and marine, sustainable development and infrastructure, community connections, transition to a low emissions economy.			
Performance measure	**Target**	**Actual**	**Commentary**
Peer-reviewed environmental science is used to respond to emerging regional issues	Annual summary of science output and uptake/ outcomes reported to council	**2024/25 Achieved** New measure in *2024-2034 LTP*	An Environmental Science Impact Report 2024/25 has been drafted, compiling recent technical science outputs, and identifying metrics for measuring science impacts. This measure was not relevant in 2023/24 as it relates to a service that was provided for the first time in 2024/25.

Level of service: We monitor the quality of our freshwater environment and provide accurate and timely data

Why this is important (strategic alignment): Water, coastal and marine, community connections.			
Performance measure	**Target**	**Actual**	**Commentary**
Annual report on coastal and freshwater 'swimmability'[2] monitoring results to Environmental Performance Committee at the end of the recreational bathing season	'Swimmability' results reported	**2024/25 Achieved** New measure in *2024-2034 LTP*	A report summarising coastal and freshwater swimmability monitoring results during the recreational bathing season was presented and carried at the May 2025 meeting of the Environmental Performance Committee. Results from sampling showed that this summer, the open coast beaches, estuaries, Waikato River and Lake Taupō were suitable for recreation, most of the time. However, other rivers and lakes were unsuitable for recreation most of the time. The long-term grades show that open coast beaches, Lake Taupō and Lake Puketirini have "good" or "excellent" water quality. Most sites along the Waikato River show "fair" water quality, whereas for other rivers, lakes and estuaries the water quality is mostly "poor". 'Swimmability' is defined as the suitability of waterbodies for recreational contact, reflecting compliance with national water quality standards, with 540 MPN/ 100 mL or 280 MPN/ 100 mL for *E. coli* or enterococci, respectively. Samples are taken weekly at 60 sites throughout the bathing season (1 November to 1 April). Laboratory analysis is conducted by accredited providers (Hill Laboratories and NIWA), with results interpreted against national guidelines. This measure was not relevant in 2023/24 as it relates to a service that was provided for the first time in 2024/25.
Weekly upload of 'swimmability'[2] monitoring data to LAWA (www.lawa.org.nz) during recreational bathing season	Weekly 'swimmability' data updated weekly during recreational bathing season	**2024/25 Achieved** New measure in *2024-2034 LTP*	Weekly 'swimmability' data was updated weekly throughout the recreational bathing season (1 November 2024 to 31 March 2025). See *Land, Air, Water Aotearoa (LAWA) - Swim Guide* While this result was not measured or reported through the *2023/24 Annual Report*, the equivalent target was achieved.

Activity: Strategic policy implementation

Level of service: We work with territorial authorities and advocate to government to achieve alignment on policies, plans and strategies.

Why this is important (strategic alignment): Water, biodiversity and biosecurity, coastal and marine, ustainable development and infrastructure, community connections, transition to a low emissions economy.			
Performance measure	**Target**	**Actual**	**Commentary**
Actively engage in national policy reforms and district plan change processes to promote high quality, well-informed national direction and to ensure the Waikato Regional Policy Statement is given effect to	>95% of formal submissions made within time >90% endorsed by elected members	**2024/25 Achieved** New measure in *2024-2034 LTP*	All submissions to legislative change have been brought to elected members for discussion and endorsement as per our submission process. A summary report of all involvement in central government proposals and district plan changes is brought to every Strategy and Policy Committee meeting. While this result was not measured or reported through the *2023/24 Annual Report*, the equivalent target was achieved.

Level of service: We work with Future Proof partners to enable sustainable, low-carbon development.

Why this is important (strategic alignment): Water, biodiversity and biosecurity, coastal and marine, sustainable development and infrastructure, community connections, transition to a low emissions economy.			
Performance measure	**Target**	**Actual**	**Commentary**
Actively engage in Future Proof discussions and initiatives to ensure direction is in line with the Waikato Regional Policy Statement and national direction	>90% attendance at Future Proof technical meetings, with at least two accountability measures implemented that strengthen Future Proof outcomes	**2024/25 Achieved** New measure in *2024-2034 LTP*	All Future Proof technical meetings were attended. The Future Development Strategy and its implementation have been a key focus. The revised Future Proof structure is well established, providing for more effective and efficient partner involvement and outcomes. Accountability measures implemented: 1. To create and implement joint processes both internally and for the Future Proof partnership to respond to 'Fast Track' applications, ensuring responses are as efficient as possible and joint advocacy on Future Proof's strategic outcomes. These processes now part of BAU. 2. To embed new structures for Future Proof working groups and review their effectiveness six months in, to ensure most efficient implementation of Future Proof strategy implementation. New structure now BAU, review workshop held May 2025. This measure was not relevant in 2023/24 as it relates to a service that was provided for the first time in 2024/25.

Level of service: We will work with our regional partners to develop the regional spatial strategy foundation.

Why this is important (strategic alignment): Water, biodiversity and biosecurity, coastal and marine, sustainable development and infrastructure, community connections, transition to a low emissions economy.			
Performance measure	**Target**	**Actual**	**Commentary**
Facilitate a process for the development of a Regional Spatial Strategy	Regional Spatial Strategy preparedness progressed in accordance with project plan	**2024/25 Achieved** New measure in *2024-2034 LTP*	The Regional Spatial Strategy preparedness has progressed in accordance with the project plan, with phase one – the regional spatial inventory, and phase two – a draft framework towards creating a regional spatial strategy, now complete and endorsed by Council. This measure was not relevant in 2023/24 as it relates to a service that was provided for the first time in 2024/25.

Activity: Resource management policy

Level of service: We prioritise our policy programme to meet legislative requirements and community expectations.

Why this is important (strategic alignment): Water, biodiversity and biosecurity, coastal and marine, sustainable development and infrastructure, transition to a low emissions economy.			
Performance measure	**Target**	**Actual**	**Commentary**
Policy programme is delivered as per the planning schedule	2024/25 Hearings on Proposed Regional Coastal Plan and Regional Plan reviews progressed in accordance with project plans. 2023/24 No target	**2024/25** **Achieved** 2023/24 Not Applicable	The proposed Regional Coastal Plan hearings were completed in April 2025, and the hearings panel is now deliberating. The decisions on submissions will be notified in the second half of 2025. The freshwater policy review was delivered in accordance with the project management plan targets for 2024/25. A freshwater combined co-governance committee for the Waikato, Waipā and Nga Wai o Maniapoto Rivers and their catchments was established by Council in December 2024. Engagement with tangata whenua is in progress and engagement with a technical science group has been established. An interim decision from the Environment Court on PC1 was received in late May 2025.

Activity: Social and economic information

Level of service: We help ensure social and hard infrastructure in the region is planned and provided for, and that it is economical, sustainable, and climate resilient to 2050 and beyond.

Why this is important (strategic alignment): Water, biodiversity and biosecurity, coastal and marine, sustainable development and infrastructure, community connections, transition to a low emissions economy.			
Performance measure	**Target**	**Actual**	**Commentary**
We will undertake a review of current arrangements and recommend a revised infrastructure funding model to inform decision making	Review of critical infrastructure funding is undertaken in accordance with the agreed project plan	**2024/25** **Achieved** New measure in *2024-2034 LTP*	The target for 24/25 is achieved as the review is being undertaken in accordance with the agreed project plan. The review is being completed in 2025/26 financial year, with recommendations scheduled to follow in 2026/27, consistent with the timeframes and deliverables outlined in the agreed project plan. This phased approach ensures the work remains strategically aligned and appropriately sequenced. This measure was not relevant in 2023/24 as it relates to a service that was provided for the first time in 2024/25.

Activity: Spatial information

Level of service: We provide high quality information and data to key decision makers and the community.

Why this is important (strategic alignment): Water, biodiversity and biosecurity, coastal and marine, sustainable development and infrastructure, community connections, transition to a low emissions economy.			
Performance measure	**Target**	**Actual**	**Commentary**
Percentage of data and metadata that has quality controls[3] in place	2024/25 >90% 2023/24 90%	**2024/25** **Achieved, 91%** 2023/24 Achieved, 94%	The percentage of spatial data and metadata that meet the quality control measures has stayed consistently above the 90% threshold over 2024/25, with an average of 91% for the year.

Level of service: We provide community benefits by updating LiDAR data and a range of derived products over time.

Why this is important (strategic alignment): Water, biodiversity and biosecurity, coastal and marine, sustainable development and infrastructure, community connections, transition to a low emissions economy.			
Performance measure	**Target**	**Actual**	**Commentary**
At least two key layers are added or updated per year, addressing business/community needs. For example, year one includes an update of coastal inundation model, and a hydrologically corrected digital elevations model which underpins flood modelling	Publish at least two new layers derived from LiDAR data	**2024/25 Achieved** New measure in *2024-2034 LTP*	Two key layers derived from LiDAR data were updated during 2024/25: • coastal inundation model • hydrologically conditioned digital elevation model (Hydro-DEM) and Digital River Network (DRN). Additional derived layers that have been completed include: • seamless regional contour • a height difference layer that indicates the height of features above ground. Each of these new and updated information layers will be used to enhance our spatial understanding of the region, allowing for more accurate flood modelling and coastal inundation modelling. This measure was not relevant in 2023/24 as it relates to a service that was provided for the first time in 2024/25.

Note

[1] 70 minutes is considered the maximum time we would like flood managers to be without data before making decisions.

[2] A summary of our actual reported swimmability results and the basis for these will be included in our future annual reports.

[3] Quality controls mean an audit will be done on a regular basis. This will involve checking the metadata to ensure the mandatory fields are filled in and that any restrictions on use are applied to any ArcGIS (Geographic Information System) online applications.

Puakanga
Disclosure

Service performance judgments and assumptions

In the selection of our service performance measures for the forecast statement of service performance in our 10-year budget, we made the following judgments.

- We reflected on how to best ensure the levels of service we plan to provide to the community are captured by our performance measures, adjusting them accordingly.
- We considered the views expressed by our residents, ratepayers and communities, including feedback relevant to the levels of service and performance measures received throughout the long-term plan consultation process.
- We ensured our performance measures adequately track progress towards delivering our community outcomes.

In relation to the flood protection group of activities, we are required under the Local Government Act 2002 to provide standard performance measures so the public may make comparisons with other providers.

We are also required to demonstrate regulatory compliance for statutory measures (such as the percentage of resource consent applications processed in accordance with the Resource Management Act Timeframe Discount Regulations).

To determine the number of performance measures to monitor and report on, and the level of aggregation, we considered the information needs of our communities, the costs and benefits of these, practical feasibility, and the requirement to provide performance information across the full breadth of the services we provide.

Furthermore, we applied judgments to the measurement, aggregation and presentation of service performance information.

In the setting of funding levels, we considered the impact on services and their performance measures and have set targets that reflect what we believe can be achieved within the 10-year budget set.

We have applied the following material judgments across our performance measures.

Surveys

Surveys are one of the tools we use to measure the quality of the services we provide. Customer surveys, for example, are considered appropriate for assessing community perceptions. The frequency of each survey differs in line with the specific performance measures. For example, interaction-based customer surveys are more frequent, given the service is ongoing and there are consistent interactions.

Our surveys are designed in-house, or by external research experts, based on best practice in survey design. For example, questions are written so they are neutral in tone and can be clearly understood by participants. Response options are designed to be balanced, not lead participants to respond in a certain way and cover all likely responses a participant may wish to provide. Analysis of survey responses is used to improve our processes and inform future service-level improvements.

External implications mean some conditions that affect service performance and may result in a variation from anticipated or forecast results are outside our control.

Examples include, but are not limited to, changes in government policy in New Zealand, changes in international travel restrictions, global and domestic economic conditions, major weather events and international policy.

Selection of measures

Each new LTP period allows Waikato Regional Council to re-evaluate its performance measures and targets to ensure their relevance and reflection of major matters of council's business.

The following performance measures from the previous LTP have been removed:

Removed performance measure	Reason
The percentage of council agendas that are publicly available within statutory timeframes	Achievement of this target is a legislative minimum and therefore reporting progress does not enable the public to meaningfully assess council's effectiveness.
The evaluation of our annual exercise as a measure of effectiveness of training delivery (mandatory measure)	These two measures relate to the performance of the Waikato Civil Defence Emergency Management Group rather than Waikato Regional Council is responsible so it has been removed.
The time taken for the Group Emergency Coordination Centre (GECC) to be activated in response to an event or emergency	
Provide relevant and up-to-date hazard information to communities and stakeholders via the online hazards portal	WRC's hazards portal is now operational, with reviews and updates undertaken as required as part of council's usual activities.
Percentage of surveyed passengers who believe bus fares represent good value for money	This result is measured through the bus customer satisfaction survey, contributing to the overall satisfaction score.
Percentage of serious non-compliance incidents (arising from consented activities) where action is taken	Performance towards this metric is captured under a regional compliance measure that reports the percentage of serious non-compliance activities that are actioned. By coupling the measures together, WRC recognises that non-compliance can come about from proactive consent monitoring, practice permitted activity monitoring, or reactive response to incidents that are reported to council.
Percentage of time Category 1 aids to navigation are operational within 24 hours of failure or notified to Maritime NZ	WRC's ability to achieve this measure has been impacted by the fact that not all navigational assets covered by this measure are owned by council.
Percentage increase in one-on-one contacts with recreational boaties	WRC's ability to uplift interactions with recreational boaties is influenced by weather events during the summer season, which is outside of the council's control.
Percentage of rural professionals that provide a rating of good or excellent after engaging with the council	Due to limited availability of data, this measure has not enabled the public to assess the effectiveness of council's primary industry compliance activities.
Percentage of agricultural community event attendees that are satisfied the event met its intended purpose	Audience expectations have tended to be mismatched with the intended purpose of these events, so results do not give a clear indication of council's performance.
State of the environment reporting is completed and made available to the public through the WRC website	This measure has been updated to reflect that the state of environment report has shifted to implications and systems reporting phase.
Develop a freshwater accounting framework	Achievement of this measure has been impacted to shifting direction from central government in relation to Plan Change 1.
Actively engage with district plan change processes to ensure RPS is given effect to	These measures have been consolidated as a single measure in the 2024-2034 LTP as they are closely related.
Actively engage in national policy reforms to promote high quality, well-informed national direction	
Annual trends and implications report delivered	WRC has limited ability to influence trends and implications for the region.
Preparation, changes or reviews of policies and plans will be carried out in accordance with statutory processes	Achievement of this target is a legislative minimum and therefore does not enable the public to meaningfully assess council's effectiveness.
Percentage of indicators on the changes and trends in social and economic indicators analysed and reported on as per the indicator monitoring schedule	WRC has limited ability to influence social and economic indicators for the region.
Rolling annual average net promoter score (for the Spatial Information section)	WRC's ability to achieve this measure has been impacted by the net promotor score formula, which weighs detractors considerably higher than promoters.

These were replaced by the following performance measures judged to be of greater strategic importance:

New performance measure	Reason
All formal council meetings are open to the public unless grounds exist under LGOIMA (Local Government Official Information and Meetings Act 1987) to exclude the public.	This measure reflects WRC's focus on transparency and acknowledges guidance from the Ombudsman for council meeting to be open to the public.
Ensuring an increasing percentage of staff are trained and available for any activation of CDEM Group Coordination Centres, aiming to meet the WRC/CDEM Service Level Agreement (SLA) requirements.[1]	This measure reflects the terms of the service level agreement between WRC and the Waikato Civil Defence Emergency Management Group.
We will undertake a review of region-wide risks and issues to identify specific catchments they affect and recommend areas where there is an opportunity to consider something fundamentally different to what is delivered now.	This measure demonstrates the council's commitment to undertaking a regional risk assessment to inform its Infrastructure Strategy 2027-2077.
Percentage of planned maintenance actions undertaken each year in priority river and/or at priority sites across all zones	This measure relates to performance of the council's river management activities.
Regional resilience strategy is developed, and plans developed, reviewed, and implemented for identified areas.	This measures the performance resulting from a key area of investment for the 2024-2034 Long Term Plan.
Risk to boaties is appropriately mitigated within 12 hours of a known failure of a category one aid to navigation.	This replaces the previous measure relating to category one navigation aids, correcting to mitigation within 12 hours (previously notification to Maritime NZ within 24 hours).
Based on customer feedback, engagement activities undertaken in collaboration with partners and stakeholders meet their intended purpose.	This metric measures the success of primary industry engagement activities.
Customer feedback confirms that the resources and systems developed to support the primary sector to meet their regulatory obligations for freshwater farm plan implementation met the intended purpose.	This measure relates to council's engagement in relation to freshwater farm plans.
State of environment monitoring and reporting systems are reported on biannually to meet council requirements.	This measure has been updated to reflect that state of environment report has shifted to implications and systems reporting phase.
Peer-reviewed environmental science is used to respond to emerging regional issues.	A range of science projects and outputs are reported on through this performance measure, several of which are key areas for investment through the 2024-2034 LTP.
Annual report on coastal and freshwater 'swimmability'[2] monitoring results to Environmental Performance Committee at the end of the recreational bathing season.	These two measures demonstrate WRC's role in monitoring and reporting on the quality of the freshwater environment in the region.
Weekly upload of 'swimmability'[2] monitoring data to LAWA (www.lawa.org.nz) during recreational bathing season.	
Actively engage in national policy reforms and district plan change processes to promote high quality, well-informed national direction and to ensure the Waikato Regional Policy Statement is given effect to.	This measure replaces two previous measures in relation to engaging on national policy reforms and district plan changes.
Actively engage in Future Proof discussions and initiatives to ensure direction is in line with the Waikato Regional Policy Statement and national direction.	This metric reflects WRC's role in the collaborative Future Proof partnership for sustainable planning and development in the Waikato sub-region.
Facilitate a process for the development of a Regional Spatial Strategy.	This measures the performance resulting from a key area of investment for the 2024-2034 Long Term Plan.
We will undertake a review of current arrangements and recommend a revised infrastructure funding model to inform decision making.	This measures the performance resulting from a key area of investment for the 2024-2034 Long Term Plan.
At least two key layers are added or updated per year, addressing business/community needs. For example, year one includes an update of coastal inundation model, and a hydrologically corrected digital elevations model which underpins flood modelling.	This measure demonstrates WRC's focus on using emerging spatial technology to enhance knowledge of the region and create efficiencies.

Whakatutukitanga tauroa
Long-term performance

Customer, community and services

Performance measure	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Percentage of official information requests responded to within statutory timeframes	✓	✓	✓	✓
All formal council meetings are open to the public unless grounds exist under LGOIMA (Local Government Official Information and Meetings Act 1987) to exclude the public	New measure			✓
Key actions are completed within the specific timeframes identified in the Māori Partnership Approach	✓	✗	✓	✓
Long term plans and amendments to long term plans receive 'unmodified' audit opinions	✓	–	✓	–

Waikato Civil Defence Emergency Management Group

Performance measure	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Ensuring an increasing percentage of staff are trained and available for any activation of CDEM Group Coordination Centres, aiming to meet the WRC/CDEM Service Level Agreement (SLA) requirements	New measure			✓

Flood protection and control works

Performance measure	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents (such as zone management plans, annual works programmes or long-term plans). Note: the two elements to this measure are described in more detail in parts one and two below	!	!	!	✓
Part one: percentage of planned mandatory maintenance actions achieved each year	✓	✓	✓	✓
Part two a: percentage of stopbanks maintained above designed flood height, as agreed within each zone - rural	✗	✗	✗	✓
Part two b: percentage of stopbanks maintained above designed flood height, as agreed within each zone - urban	✓	✓	✓	✓
Percentage of flood recovery plans implemented after all major events	✓	✓	✓	✓
We will undertake a review of region-wide risks and issues to identify specific catchments they are affecting and recommend areas where there is an opportunity to consider something fundamentally different to what is delivered now	New measure			✓

Number of reported incidences where it takes more than three days to remove surface water after events with an annual exceedance probability of up to 10%	✗	✓	✓	✓
Percentage of planned maintenance actions undertaken each year in priority river and/or at priority sites across all zones	New measure			✓

Integrated catchment management

Performance measure	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Number of on-the-ground projects on private land within the top 30% of priority ecosystems delivering biodiversity restoration action	✓	✓	✓	✓
Number of community groups and individuals funded through the Natural Heritage Partnership Programme that undertake restoration activities as per their funding agreement	✓	✓	✗	✓
Average Rat Tracking Index (RTI) level for rat control operations	✓	✓	✓	✓
Average number of possums caught for every 100 traps set for possum operations	✓	✓	✓	✓
Reducing trend for coverage of eradication pest plants at known sites	✓	✓	✓	✓
Percentage of sampled catchment works maintained in effective condition to the standards set out in zone plans	✓	✓	✓	✗
Percentage of new catchment works undertaken in priority catchments and/or at priority sites across all zones	✓	✓	✓	✓

Regional hazards and emergency response

Performance measure	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Regional resilience strategy is developed, and plans developed, reviewed, and implemented for identified areas	New measure			✗
Percentage of customers that reporting being satisfied with Waikato Regional Council's flood warning text/ alert system through our contact database survey	✓	✓	✓	✓
Two readiness exercises are undertaken per year	✓	✓	✓	✓

Regional transport connections

Performance measure	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Regional plans and strategies are reviewed and submitted within statutory timeframes and implemented	✓	✓	✓	✓
Number of public bus trips per capita (Hamilton)	✗	✓	✓	!
Number of public bus trips per capita (regional total outside of Hamilton)	✗	✓	✓	✓

Percentage of buses that depart on time from bus stops in accordance with the timetable	✗	✗	✗	✓
Percentage of customers who are ‘satisfied’ or better with the bus transport service	✗	✗	✗	✓
Year-on-year passenger rail patronage growth	–	✓	✓	✗
Percentage of customers who are ‘satisfied’ or better with our passenger rail services	✓	✓	✓	✓

Resource use

Performance measure	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Percentage of resource consents processed in accordance with RMA timeframe discount regulations	✓	✓	✓	✓
Percentage of highest priority consented sites monitored each year	✓	✓	✓	✓
Percentage of time the 24-hour, 7-day-a-week response service for reporting environmental incidents is available	✗	✓	✓	✓
Percentage of incidences of serious non-compliance with the environmental regulations that are actioned	✓	✓	✓	✓
Percentage of notifications, related to potential breaches of environmental regulation, that are assessed as requiring, and then receive, a physical attendance	✓	✓	✓	✓
Risk to boaties is appropriately mitigated within 12 hours of a known failure of a category one aid to navigation	New measure			✓
A 24-hour, 365-day-per-year response service is maintained for serious maritime incidents	✗	✓	✓	✓
Number of education programmes evaluated for their effectiveness and updated as required	✓	✓	✓	✓
Based on customer feedback, engagement activities undertaken in collaboration with partners and stakeholders meet their intended purpose	New measure			✓
Customer feedback confirms that the resources and systems developed to support the primary sector to meet their regulatory obligation for freshwater farm plan implementation met the intended purpose	New measure			–

Science, policy and information

Performance measure	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
External audit of one area of monitoring each year shows good quality control of data collection	✓	✓	✓	✓
Percentage of time (during flood events) when data isn’t available for more than 70 continuous minutes	✓	✗	✓	✓
State of environment monitoring and reporting systems are reported on biannually to meet council requirements	New measure			✓
Peer-reviewed environmental science is used to respond to emerging regional issues	New measure			✓

Annual report on coastal and freshwater 'swimmability' monitoring results to Environmental Performance Committee at the end of the recreational bathing season	New measure			✓
Weekly upload of 'swimmability' monitoring data to LAWA (www.lawa.org.nz) during recreational bathing season	New measure			✓
Actively engage in national policy reforms and district plan change processes to promote high quality, well-informed national direction and to ensure the Waikato Regional Policy Statement is given effect to	New measure			✓
Actively engage in Future Proof discussions and initiatives to ensure direction is in line with the Waikato Regional Policy Statement and national direction	New measure			✓
Facilitate a process for the development of a Regional Spatial Strategy	New measure			✓
Policy programme is delivered as per the planning schedule	✗	✗	–	✓
We will undertake a review of current arrangements and recommend a revised infrastructure funding model to inform decision making	New measure			✓
Percentage of data and metadata that has quality controls in place	✓	✓	✓	✓
At least two key layers are added or updated per year, addressing business/community needs. For example, Year one includes an update of coastal inundation model, and a hydrologically corrected digital elevations model which underpins flood modelling	New measure			✓

Section 5

Pūtea

Finances

Tauākī ahumoni
Financial statements

The financial statements from pages 63-66 are to be read in conjunction with the notes to the financial statements from pages 69-120.

Statement of compliance

The government body and management of Waikato Regional Council hereby confirms that all statutory requirements in relation to the annual report, as outlined in the *Local Government Act 2002*, have been complied with.

The financial statements of the council are for the year ended 30 June 2025. The financial statements were authorised for issue by the council on 20 November 2025.

Section 98 of the Local Government Act 2002 requires that the council adopts its annual report within four months of the end of the financial year (30 June 2025). The council opted to delay adoption of the report to 20 November 2025 due to local government elections and thus the requirement was not met.

Chris McLay
Chief Executive

Warren Maher
Chair

Statement of comprehensive revenue and expense for the year ended 30 June 2025

	Note	2024/25 Actual $'000	2024/25 Annual plan $'000	2023/24 Last year $'000
Revenue				
Rates revenue	3	141,333	142,947	132,166
Fees and charges	4	15,720	16,750	14,594
Subsidies and grants	5	33,427	28,016	38,491
Other revenue	6	16,529	13,773	14,599
Investment revenue	7	2,598	6,051	2,325
Investment fund capital protection revenue	8	2,553	2,548	3,266
Change in market value of investments	8	5,634	-	3,178
Total revenue		**217,794**	**210,085**	**208,619**
Expenditure				
Employee benefit expenses	12	67,040	66,886	61,481
Depreciation and amortisation expense	25, 26, 28	13,153	14,120	11,129
Other losses	17	1,016	-	435
Interest expense	7	2,507	3,470	1,760
Other expenses	10	132,170	128,968	119,182
Total operating expenditure		**215,886**	**213,444**	**193,987**
Net surplus / (deficit) after tax		**1,908**	**(3,359)**	**14,632**
Surplus / (deficit) attributable to Waikato Regional Council				
Other comprehensive revenue and expense				
Gain / (loss) on revaluation of property, plant and equipment	36	19,289	-	(888)
Total other comprehensive revenue		19,289	-	(888)
Total comprehensive revenue		**21,197**	**(3,359)**	**13,744**

The accompanying notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.

Statement of financial position as at 30 June 2025

	Note	2024/25 Actual $'000	2024/25 Annual plan $'000	2023/24 Last year $'000
Current assets				
Cash and cash equivalents	19	26,117	4,308	16,426
Trade and other receivables	24	24,195	24,388	26,627
Prepayments		1,321	3,009	1,818
Inventories	30	2,051	1,372	1,521
Work in progress	30	970	1,486	989
Other financial assets	20	14,252	23,000	4,921
Derivative financial instruments	31	9	-	776
Total current assets		**68,915**	**57,563**	**53,078**
Non-current assets				
Financial assets	20	104,385	109,497	102,979
Other financial assets	20	20	20	20
Investments in CCO*	20	1,570	1,068	1,264
Biological assets	27	229	290	290
Intangible assets	26	2,125	5,954	5,447
Property, plant and equipment	25	1,030,811	1,020,184	1,007,276
Derivative financial instruments	31	431	1,467	432
Total non-current assets		**1,139,571**	**1,138,480**	**1,117,708**
Total assets		**1,208,486**	**1,196,043**	**1,170,786**
Current liabilities				
Trade and other payables	32	27,555	33,760	28,822
Employee benefits liabilities	13	7,788	7,986	7,314
Borrowings	33	14,139	10,332	5,066
Total current liabilities		**49,482**	**52,078**	**41,202**
Non-current liabilities				
Employee benefits liabilities	14	1,755	2,519	1,495
Borrowings	33	35,281	54,088	27,318
Total non-current liabilities		**37,036**	**56,607**	**28,813**
Total liabilities		**86,518**	**108,685**	**70,015**
Net assets		**1,121,968**	**1,087,358**	**1,100,771**
EQUITY				
Accumulated funds	36	201,690	208,022	212,361
Other reserves	36	920,278	879,336	888,410
Total equity		**1,121,968**	**1,087,358**	**1,100,771**

*Investments in Council Controlled Organisations (CCOs) relate to the council's interest in Waikato Local Authority Shared Services Limited (WLASS), Regional Software Holdings Limited (RSHL) and the NZ Local Government Funding Agency Limited (LGFA). Explanations of major variances against budget are provided on pages 67-68.

The accompanying notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.

Statement of changes in equity for the year ended 30 June 2025

	Note	2024/25 Actual $'000	2024/25 Annual plan $'000	2023/24 Last year $'000
Opening equity		1,100,771	1,090,717	1,087,026
Surplus / (deficit)		1,908	(3,359)	14,632
Other comprehensive revenue		19,289	-	(888)
Balance at 30 June	36	**1,121,968**	**1,087,358**	**1,100,771**
Components of equity				
Council created reserves				
Council created reserves at beginning of the year		81,980	69,926	66,832
Net transfer (to) / from retained earnings	36	12,580	(487)	15,148
Council created reserves at end of year	36	**94,560**	**69,439**	**81,980**
Asset revaluation reserves				
Asset revaluation reserves at beginning of the year		806,429	809,897	807,317
Net transfer (to) / from retained earnings	36	19,289	-	(888)
Asset revaluation reserves at end of the year	36	**825,718**	**809,897**	**806,429**
Retained earnings				
Retained earnings at beginning of the year		212,362	210,894	212,878
Total comprehensive revenue		21,197	(3,359)	13,744
Net transfer (to) / from council created reserves		(12,580)	487	(15,148)
Net transfer (to) / from Asset revaluation reserve		(19,289)	-	888
Retained earnings at end of the year		**201,690**	**208,022**	**212,362**
Equity at end of the year		**1,121,968**	**1,087,358**	**1,100,771**

Explanations of major variances against budget are provided on pages 67-68.

The accompanying notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.

Statement of cash flows for the year ended 30 June 2025

	Note	2024/25 Actual $'000	2024/25 Annual plan $'000	2023/24 Last year $'000
Cash flows from operating activities				
Receipts from customers		173,881	171,946	163,893
Grants		34,072	28,016	39,029
Interest revenue received		2,781	1,920	2,281
Goods and services tax paid		(1,820)	-	(208)
Payments to suppliers and employees		(189,894)	(193,838)	(191,409)
Receipts / (Payments) of funding held on behalf of third parties		49	-	(72)
Interest paid		(2,471)	(3,470)	(1,766)
Net cash flow from operating activities	18	**16,597**	**4,574**	**11,750**
Cash flows from investing activities				
Receipts from sale of property, plant and equipment		532	-	1,794
Receipts from sale of investments		135,015	1,900	72,317
Purchase of investments		(138,488)	(16,313)	(65,650)
Purchase of property, plant and equipment		(20,591)	(19,640)	(24,164)
Purchase of intangible assets		(374)	(835)	(726)
Net cash flow from investing activities		**(23,906)**	**(34,888)**	**(16,429)**
Cash flows from financing activities				
Proceeds from borrowings		22,000	36,348	13,384
Repayment of borrowings		(5,000)	(11,172)	(11,000)
Net cash flow from financing activities		**17,000**	**25,176**	**2,384**
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		9,691	(5,137)	(2,295)
Cash, cash equivalents and bank overdrafts at the beginning of the year		16,426	9,445	18,721
Cash, cash equivalents, and bank overdrafts at the end of the year	19	**26,117**	**4,308**	**16,426**

As per Public Benefit Entry (PBE) IPSAS (International Public Sector Accounting Standards) 2, the receipt and purchase of long term deposits (greater than 3 months) cannot be offset in the Statement of Cash Flow. The variance between this year's actual and the budget arises because the budget shows the receipt and purchase of long term deposits as a net figure. The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Explanations of major variances against budget are provided on pages 67-68.

The accompanying notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.

Mō ngā rerekētanga matua ki te tahua
Explanation of major variances against budget

Explanations for major variations from Waikato Regional Council's estimated 2024/25 Annual Plan figures are as follows.

Statement of comprehensive revenue and expense

Total rates revenue for the year is unfavourable to budget ($1.328 million) as a result of changes in capital values through pending revaluations varying from those assumed and modelled at the time of the annual plan. Rates penalty income was also lower than budget ($205,000), and more rates remissions than anticipated were granted ($80,000).

Lower than planned fees and charges revenue was driven in part by reduced contributions from district councils with respect to public transport services ($456,000), most notably from Waikato District Council due to the lower than budgeted cost of rail operations following service disruptions. Consent application fees were also lower than planned ($207,000) as a result of more time being spent on non-recoverable activities, including consent appeals. The remainder was driven by lower than planned activity in both Emergency Management ($88,000) and Civil Defence Emergency Management ($154,000).

Lower than planned NZ Transport Agency Waka Kotahi grant revenue ($848,000) was received as a result of funding for several planned projects being excluded from funding approvals contained in the National Land Transport Plan released in September 2024. This was more than offset by additional central government funding for catchment and flood control and protection works ($6.259 million), including Kānoa flood resilience funding not anticipated in the annual plan.

Other revenue includes public transport fare revenue, which is $1.045 million favourable to budget as a result of higher patronage levels. This is despite the fare increases that were introduced in July 2024 to address central government direction on the public share funding for these services. In addition, the council received higher than budgeted fines income ($489,000) in relation to prosecution decisions through the courts. Cost recovery revenue offsetting costs for Community Education services provided by council were $195,000 higher than budget.

The investment fund return for the year is $7.758 million, against a budgeted return of $6.679 million. This represents a 7.53 per cent return for the year. The council modified its strategic asset allocation, increasing exposure to growth assets to 60 per cent of the portfolio. This change was implemented in the third quarter of the financial year and has assisted with the positive fund performance over the final quarter of the year when financial markets have performed strongly.

As a result of lower interest rates, lower capital expenditure and lower than forecast borrowing, both interest costs and depreciation were favourable to plan, by $963,000 and $967,000 respectively. Infrastructure capital depreciation was $1.123 million unfavourable to budget as result of the capitalisation of work in progress costs over the year. Operational capital depreciation was favourable by $2.089 million due to delays in operational capital projects. The council's decision to write off software development costs associated with a registration tool, developed for Plan Change 1 and placed on hold in 2020, also resulted in lower depreciation expense for the year, of $420,000.

Other expenses include the recognition of the loss on disposal of infrastructure assets following their renewal/ replacement ($2.057 million).

Statement of financial position

Cash and cash equivalents reflect cash held by the council to meet its operating cash flow requirements. Total holdings at the end of the financial year include $1.741 million of funds held on behalf of third parties by way of consent bonds. Cash held at 30 June 2025 is $21.809 million favourable to budget. This includes the short term funds previously held as part of the investment fund that are now managed as part of the council's working capital ($8.5 million). This is offset by the lower a than budgeted balance for other financial assets, which relates to term deposits held by the council that mature more than 3 months from the date of acquisition. Funds are invested over terms that consider the council's short and long term working capital requirements.

Inventories are $679,000 higher than budget. This is largely driven by the accumulation of sediment trap material that will be used for the stopbank upgrade programme ($403,000) as well as an increase in timber stock to mitigate supply challenges ($80,000).

Prepayments are $1.687 million lower than budget. The annual plan budget was set with reference to forecast prepayments in 2023/24. The timing of actual expenditure this year has avoided the need for the recognition of prepayments to the level anticipated.

The investment fund this year was $5.112 million lower than budgeted. A change to the strategic asset allocation was implemented in the second half of the year. This assisted with the positive fund performance over the final quarter of the year when financial markets performed strongly. Short term or working capital funds previously held as part of a low risk portfolio within the investment fund have been withdrawn and are now held as cash and cash equivalents ($8.5 million).

Property, plant and equipment is $10.627 million higher than budget, primarily due to an unbudgeted revaluation of stop banks totalling $19.278 million. This increase is partially offset by a lower than budgeted opening balance ($5.300 million), unbudgeted asset disposals of $2.536 million and a $7.610 million lower than planned infrastructure capital programme following a review and rephasing of the programme.

Trade and other payables are $6.205 million lower than budget. This reflects that the council is clearing past obligations faster than it takes on new credit purchases, in addition to a delayed capital programme.

Employee benefits are $962,000 lower than budget. This mostly reflects the independent valuation results of long service and retirement gratuities undertaken at the end of the financial year. Changes in valuation reflect current assumptions regarding salary escalation rates, resignation rates, and forward interest (discount) rates.

Borrowings reflect the council's external borrowing through the Local Government Funding Agency (LGFA). The annual plan projected a total borrowing programme of $64.420 million by the end of the 2024/25 financial year. Actual borrowing at 30 June 2025 was $49.420 million. This reflects a lower opening balance ($32.384 million against a budgeted $62.662 million) as well as a lower than budgeted capital works programme completed for the 2024/25 financial year.

Investment in council-controlled organisations CCOs reflects the council’s investment in the IRIS software product through Regional Software Holdings Ltd (RSHL), as well as the borrower notes held in relation to borrowing from the LGFA.

Council's investment in IRIS has continued to be impaired this year in line with the judgements made by the RSHL board which reflect the estimated remaining useful life of this investment. As a result, the value of the investment in RSHL has reduced from $554,000 to $367,000. The council's interest in the LGFA arises by way of borrower notes associated with the council's borrowing. Total borrower notes held have increased this year from $710,000 to $1.203 million, reflecting the increase in term borrowing through the LGFA, since June 2024, of $7.036 million.

Derivative financial instruments reflect interest rate swaps that the council has entered to manage the interest rate risk associated with its borrowing programme. The net interest rate swaps position is $1.027 million unfavourable to budget, reflecting the increasing current and future expectations of floating interest rates at 30 June 2025 compared to the committed fixed rate payments.

The value of intangible assets held by the council is $3.829 million unfavourable to the annual plan budget. This reflects the write-off of software development costs associated with a registration tool, developed for Plan Change 1 and placed into hibernation in 2020, which was deemed obsolete following an analysis to assess the viability of completing the development of the tool versus alternative more technologically advanced and flexible solutions.

The accompanying notes form part of these financial statements.

Ngā pitopito tuhinga mō ngā tauākī ahumoni
Notes to the financial statements

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

Reporting entity

Waikato Regional Council is a territorial local authority governed by the *Local Government Act 2002* and is domiciled in New Zealand. The relevant legislation governing the council's operations includes the *Local Government Act 2002* and the *Local Government (Rating) Act 2002*. The primary objective of Waikato Regional Council is to enable democratic local decision-making and action by, and on behalf of, communities, and to promote the environmental, social economic and cultural wellbeing of communities in the present and for the future. The council does not operate to make a profit. Accordingly, Waikato Regional Council has designated itself a public benefit entity for financial reporting purposes. The financial statements of the Council are for the year ended 30 June 2025. The financial statements were authorised for issue by Council on 20 November 2025, exceeding the statutory timeframe for adoption.

Basis of preparation

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

Statement of compliance

The financial statements and service performance information for 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 includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). Section 98 of the *Local Government Act 2002* requires that Council adopt its annual report within four months of the end of the financial year (30 June 2025). The annual report was adopted on 20 November 2025. The financial statements and service performance information for the Council have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) accounting standards. These financial statements comply with PBE standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars ($000), other than the remuneration and severance payment disclosures in note 11. The remuneration and severance transaction disclosures are rounded to the nearest dollar.

Changes in accounting policies

There have been no changes in the council's accounting policies since the date of the last audited financial statements.

Summary of significant accounting policies

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the cash flow statement. Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the council in its 2024/25 Annual Plan. The plan is the first year of the 2024-34 Long-Term Plan. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the council for the preparation of the financial statements.

Costs allocation

Cost of service for each significant activity is calculated as follows.

- Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.
- Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Foreign currency transactions

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

Critical accounting estimates and assumptions

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 or future events that are believed to be reasonable under the circumstances.

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

- estimating the fair value of land, buildings, and infrastructure assets - see note 25
- estimating the retirement and long service leave obligations - see note 13 and 14.

2. Summary of cost of services

	2024/25 Actual $'000	2024/25 Annual plan $'000	2023/24 Last year $'000
Revenue			
Customer, Community and Services	8,333	8,453	7,731
Civil Defence Emergency Management	4,124	4,283	3,619
Emergency Management	2,686	2,750	1,987
Flood Control and Protection Works	38,948	33,005	35,967
Integrated Catchment Management	37,167	36,012	39,095
Regional Transport Connections	55,716	56,492	55,177
Resource use	28,087	27,866	22,853
Science, Policy and Information	34,145	33,817	33,651
Corporate and Self-funding	8,477	7,296	8,427
Council Controlled Organisations	111	111	112
Total income from activities	**217,794**	**210,085**	**208,619**
Expenditure			
Customer, Community and Services	9,790	9,775	8,414
Civil Defence Emergency Management	4,390	4,283	3,631
Emergency Management	3,630	2,750	3,200
Flood Control and Protection Works	37,754	32,179	31,583
Integrated Catchment Management	35,286	36,864	33,634
Regional Transport Connections	57,826	60,150	53,404
Resource Use	30,055	31,193	23,498

Science, Policy and Information	33,494	34,465	31,047
Corporate and self-funding	3,660	1,674	5,503
Council controlled organisations	1	111	71
Total operating expenses	**215,886**	**213,444**	**193,985**
Net total	**1,908**	**(3,359)**	**14,634**

The total number of rateable properties in the region in 2025 was 227,026 (2024: 226,983), the total capital value of rateable properties was $261.5 billion (2024: $268.6 billion) and the total land value of rateable properties was $151.2 billion (2024: $157.7 billion).

3. Rates revenue

	2024/25 Actual $'000	2023/24 Last year $'000
General rates	65,128	62,550
Total general rates revenue	**65,128**	**62,550**
Targeted rates attributable to activities		
Biodiversity	2,878	1,086
Biosecurity	12,652	11,333
Permitted activity monitoring	2,469	1,570
River and catchment services	36,988	34,217
Public transport	16,388	15,757
Stock truck effluent	63	76
Civil defence emergency management	3,115	2,551
Community partnerships	423	372
Regional services	714	712
Total targeted rates	**75,690**	**67,674**
Less rates remissions	(730)	(564)
Plus rate penalties	1,245	2,506
Total rates, excluding targeted water supply rates	**141,333**	**132,166**

Revenue is measured at fair value.

Rates revenue

The following policies for rates have been applied.

- General rates, targeted rates, 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 instalment 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.
- Rates remissions are recognised as a reduction of rates revenue when the council has received an application that satisfies its rates remission policy.

Rates revenue is shown net of rates remissions. Waikato Regional Council's rates remission policies allow for the remission of the following rates.

- Sporting and recreational organisations
- Community organisations
- Māori freehold land
- Māori freehold land under development

- Land protected for biodiversity
- Lake Taupō lakebed
- Urban land in areas classified as rural, commercial or industrial
- Waihou/Piako scheme catchment rate
- Waikato – Waipa (Watershed) catchment contributor rate
- Properties affected by natural disasters
- Rating units with CV of $1,000 or less
- Public transport rate
- Financial hardship
- Rates postponement
- Penalties
- Uncollectable rates
- General remission policy
- Early payment of rates
- Primary industry compliance rate

The council is required to disclose any rates that have been written off during the period of these financial statements by the chief executive under powers granted by section 90A of the *Local Government Rating Act 2002*. For the period covered by these financial statements, $271,830 was written off by the chief executive (2024: $59,000).

Non-rateable land

Under the *Local Government (Rating) Act 2002* certain properties cannot be rated. These properties include national parks and reserves, schools, places of religious worship, land that is subject to a Ngā Whenua Rāhui Kawenata. The non-rating of non-rateable land does not constitute a remission under the council's rates remission policy.

The council is required by the Local Government Funding Agency (LGFA) Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the *Local Government (Rating) Act 2002* together with any revenue received by the council from other local authorities for services provided by that council for which those other local authorities rate. Annual rates revenue by this definition is as disclosed in the table above.

4. Fees and charges

	2024/25 Actual $'000	2023/24 Last year $'000
Compliance monitoring direct charges	2,803	2,530
Consent application fees	4,301	4,184
Consent holder charges	5,745	5,101
Other direct charges	2,871	2,779
Total fees and charges	**15,720**	**14,594**

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.

5. Subsidies and grants

	2024/25 Actual $'000	2023/24 Last year $'000
Land transport government grants	24,856	28,620
Other grants	8,571	9,871
Total subsidies and grants	**33,427**	**38,491**

Land transport government grants

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

Government grants are received from NZ Transport Agency Waka Kotahi, which subsidises part of the cost of the provision of public transport services and development of transport policies and plans. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants

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

6. Other revenue

	2024/25 Actual $'000	2023/24 Last year $'000
Public transport fare revenue	9,082	5,443
Rental	759	809
Royalties	214	237
Other revenue	6,474	8,110
Total other revenue	**16,529**	**14,599**

Provision of services

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

7. Finance revenue and expenses

	2024/25 Actual $'000	2023/24 Last year $'000
Interest revenue		
Statutory land charges	159	-
Term deposits and call accounts	1,539	1,878
Interest rate swaps	397	438
Other	503	9
Total interest revenue	**2,598**	**2,325**
Interest expense		
Interest on borrowings	2,506	1,759
Interest rate swaps	-	-

Other	1	1
Total interest expense	**2,507**	**1,760**

Interest revenue

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

Borrowing costs

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

8. Change in market value of investments

	2024/25 Actual $'000	2023/24 Last year $'000
Unrealised gains on assets at fair value through surplus or deficit		
Fixed interest	3,025	3,144
Equities	4,229	2,751
Property	702	262
Unrealised gain on revaluation of interest rate swaps	-	-
Total unrealised gains	**7,956**	**6,157**
Realised gains on assets at fair value through surplus or deficit		
Fixed interest	231	287
Equities	-	-
Property	-	-
Total realised gains	**231**	**287**
	8,187	**6,444**

Investment fund capital protection revenue	2,553	3,266
Net change in market value	5,634	3,178
Unrealised gain on interest rate derivatives	-	
Total change in market value of investments	**8,187**	**6,444**

Financial risk management strategies

Waikato Regional Council is exposed to financial risks associated with changes in the value of the financial instruments that comprise its investment fund. Waikato Regional Council is a long-term investor and accepts that returns in any given year may vary from its long-term target return. Risk is managed through the use of a diversified portfolio of financial assets. Council also undertakes a regular review of the risk profile associated with the investment fund and adjusts its asset allocation policy accordingly. Refer to note 23 for further information regarding the council's financial instrument risks.

9. Exchange and non-exchange revenue

The total revenue from non-exchange transactions includes the revenue from rates, government grants, public transport revenue, fines and other revenue. Total non-exchange revenue for the 2024/25 financial year is $198.932 million (2024: $192.090 million).

The total revenue from exchange transactions includes the revenue from interest, rental, royalties, fees and charges and other revenue. Total exchange revenue for the 2024/25 financial year is $18.862 million (2024: $16.529 million).

10. Other expenses

The Council's financial statements and service performance information for the year ended 30 June 2025 (the "financial report") are audited by Audit New Zealand on behalf of the Auditor-General. The fees incurred for these services provided are disclosed below:

	2024/25 Actual $'000	2023/24 Last year $'000
Insurance premiums	1,706	1,883
Subscriptions and levies	260	375
Debts written off	247	16
Impairment of receivables	356	675
Fees paid to auditors: audit of annual report	317	261
Fees paid to auditors: assurance engagement in relation to debenture trust deed	9	9
Fees paid to auditors: audit of long term plan	-	122
Additional fees charged for the 2023/24 audit	18	-
Additional fees charged for the 2022/23 audit	-	20
Donations	4	10
Minimum lease payments under operating leases	3,822	3,793
Other operating expenses	86,188	79,329
Inventory consumption	768	359
Property, plant and equipment losses / (gains) on disposal	2,057	(346)
Councillors' remuneration: meeting attendance fees and salary	1,133	1,095
Councillors' remuneration: expenses	155	84
Investment fund management fees	429	392
Contracted services - pest control	745	745
Contracted services - buses	33,956	30,360
Total other expenses	**132,170**	**119,182**

11. Remuneration

	2024/25 $	2023/24 $
Chief executive		
Salary	388,369	375,023
Vehicle (value per contract)	17,506	17,506
Total key management personnel remuneration	**405,875**	**392,529**

Elected representatives

	Salary $	Travel time allowance $	Total remuneration $
This Year			
B Clarkson	86,693	200	86,893
R Cookson	80,024	1,722	81,746

M Downard	76,690	9,500	86,190
B Dunbar Smith	66,687	-	66,687
C Graf	76,690	-	76,690
K Hodge	68,688	172	68,860
C Hughes	76,690	268	76,958
S Kneebone	68,688	220	68,908
W Maher	80,024	5,664	85,688
T Mahuta	68,688	-	68,688
J Nickel	76,690	668	77,358
N Smith	73,355	224	73,579
P Storey	164,333	-	164,333
A Strange	68,688	440	69,128
Total	**1,132,628**	**19,078**	**1,151,706**
Last Year			
B Clarkson	83,600	130	83,730
R Cookson	77,169	1,041	78,210
M Downard	73,954	9,800	83,754
B Dunbar-Smith	64,308	152	64,460
C Graf	73,954	1,080	75,034
K Hodge	66,237	370	66,607
C Hughes	73,954	312	74,266
S Kneebone	66,237	200	66,437
W Maher	77,169	5,862	83,031
T Mahuta	66,237	-	66,237
J Nickel	73,954	874	74,828
N Smith	70,738	602	71,340
P Storey	158,293	-	158,293
A Strange	66,237	1,086	67,323
Total	**1,092,041**	**21,509**	**1,113,550**

Chair Pamela Storey had the full private use of a motor vehicle valued at $4,961 (2024: $4,961).

The figures presented above exclude mileage expenses paid to councillors.

Employee remuneration

At balance date, the council employed 603 (2024: 542) full-time employees, with the balance of staff representing 58 (2024: 66) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

Total annual remuneration by band for employees as at 30 June:

	2024/25 Actual	2023/24 Last year
< $60,000	50	71
$60,000-$79,999	126	177
$80,000-$99,999	176	156
$100,000-$119,999	129	115
$120,000-$139,999	96	80
$140,000-$159,999	28	22

$160,000-$179,999	10	6
$180,000-$199,999	10	10
$200,000-$259,999	7	6
$260,000-$479,999	4	5
Total employees	**636**	**648**

Severance payments

For the year ended 30 June 2025, Waikato Regional Council made severance payments to the value of $144,942 to eight individuals (2024: $15,000 to one individual). The value of each of the severance payments was $26,300, $10,000, $6,909, $7,500, $12,500, $6,600, $47,500 and $27,633.

12. Employee benefit expenses

	2024/25 Actual	2023/24 Last year
	$'000	$'000
Breakdown of personnel costs and further information		
Salaries and wages	64,849	60,594
Defined contribution plan employer contributions	1,829	1,713
Increase / (decrease) in employee benefit liabilities	362	(826)
Total employee benefit expenses	**67,040**	**61,481**

Salaries and wages

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

The impact of the actuarial valuation of long service leave and retirement gratuity liability has been to increase the employee benefit expense by $177,000 in total (2024: $666,000 decrease). The retirement gratuity liability increased by $7,000 and the long service leave liability increased by $170,000.

Employer contributions to defined contribution plans include contributions to KiwiSaver.

13. Current liabilities - employee benefits liabilities

	2024/25 Actual	2023/24 Last year
	$'000	$'000
Current		
Annual leave	4,617	4,424
Long service leave	289	384
Retirement gratuities	332	320
Sick leave	226	234
Other employee expenses	841	797
Accrued pay	1,483	1,155
Total current portion	**7,788**	**7,314**

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

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

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

Presentation of employee entitlements

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

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

14.Non-current liabilities - employee benefits liabilities

	2024/25 Actual $'000	2023/24 Last year $'000
Non-current		
Long service leave	1,447	1,182
Gratuities	308	313
Total non-current	**1,755**	**1,495**

The present value of retirement and long service leave obligations depends on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary growth rate. Any changes in these assumptions will affect the carrying amount of the liability. Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary growth assumed for an employee is the salary inflation component plus the promotional salary scale for that employee's age. The 10-year discount rate of 5.65 per cent (2024: 5.28 per cent) and a long-term salary growth rate of 1.98 per cent (2024: 2.01 per cent) was used.

There was a further change in the actuarial assumptions and methods from last year due to the migration to a different actuarial valuation system, which is used by the wider Aon team in Australia. The model results in a slight difference in the timing the assumptions are applied and results in an increase in the liability (all else being equal). This is not material to the valuation results. The losses this year relate to the change in actuarial financial assumptions (e.g. discount rate and salary increase rate) year-to-year.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders 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.

15. Related party transactions

Transactions with key management personnel

During the year councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Waikato Regional Council (such as the payment of rates).

Key management personnel include the council chair, councillors, chief executive and other senior management personnel.

	2024/25 Actual	2023/24 Last year	2024/25 Actual	2023/24 Last year
	FTE	FTE	$'000	$'000
Councillors			-	-
Remuneration			1,152	1,114
Full-time equivalent members	14	14	-	-
Senior management team, including the chief executive			-	-
Remuneration and post-employment benefits			2,246	1,935
Full-time equivalent members	7	7	-	-
Balance at 30 June			3,398	3,049
Total full-time equivalent personnel	21	21		

Due to the difficulty in determining the full-time equivalent for councillors, the full-time equivalent figure is taken as the number of councillors.

Transactions between Waikato Regional Council and Waikato Local Authority Shared Services Limited and Regional Software Holdings Limited have been treated as related party transactions.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2024: nil).

16. Tax

	2024/25 Actual	2023/24 Last year
	$'000	$'000
Components of tax expense		
Current tax expense	-	-
Adjustment to current tax in prior years	-	-
Deferred tax liability	-	-
Net surplus (deficit) before tax	1,908	14,634
Tax at 28 per cent	534	4,098
Plus (less) tax effect of:		
Non-deductible expenditure	(534)	(4,098)
Non-taxable revenue	-	-
Add: Revenue taxable to council	-	-
Less: expenses deductible to council	-	-
Less: tax expense over/understated prior period	-	-
Less: Payments reclassified to other expenditure	-	-
Tax loss not recognised	-	-
Tax expense	-	-

Generally, local authorities are exempt from income tax, except for any revenue derived from any council controlled organisation or port activity as per the *Income Tax Act 2007*.

Income tax expense includes components relating to both current tax and deferred tax.

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

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

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the council expects to recover or settle the carrying amount of its assets and liabilities.

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

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

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

17. Other gains/(losses)

	2024/25 Actual	2023/24 Last year
	$'000	$'000
Gain / (loss) on changes in fair value of biological assets	(61)	66
Gain / (loss) on changes in fair value of other investments	(186)	(220)
Gain / (loss) on changes in fair value of property, plant and equipment	-	-
Gain / (loss) on foreign exchange transactions	(1)	1
Unrealised loss on revaluation of interest rate swaps	(768)	(282)
Total	**(1,016)**	**(435)**

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

	2024/25 Actual	2023/24 Last year
	$'000	$'000
Surplus / (deficit)	1,908	14,632
Add / (less) non-cash items:		
Depreciation and amortisation expense	13,153	11,129
Assets adjustments relating to disposals	4,299	-
Other gains and losses	248	154

Bad and doubtful debts	603	-
(Gains) / losses on derivative financial instruments	768	282
Total non-cash items	**19,071**	**11,565**
Add / (less) items classified as investing or financing activities:		
Change in market value of investments	(7,757)	(6,444)
Net loss / (gain) on disposal of property, plant and equipment	2,057	(346)
Total items classified as investing or financing activities	**(5,700)**	**(6,790)**
Add / (less) items movements in working capital items		
Creditors and other payables	(1,231)	(3,734)
Current employee entitlements	474	60
Non-current employee entitlements	260	(793)
Prepayments	497	1,084
Work in progress and inventory	(511)	(512)
Debtors and other receivables	1,829	(3,762)
Net cash inflow / (outflow) from operating activities	**16,597**	**11,750**

19. Cash and cash equivalents

Cash and cash equivalents include cash on hand; deposits held at call with banks; and other short-term highly liquid investments with original maturities of three months or less.

	2024/25 Actual $'000	2023/24 Last year $'000
Cash at bank and in hand	26,109	15,409
Investments under management	8	1,017
Total cash and cash equivalents	**26,117**	**16,426**

The reported balance includes $1.747 million (2024: $1.698 million) which is held on behalf of other parties that Waikato Regional Council is administering. Funds are paid out once expenditure is approved by the relevant party.

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

20. Other financial assets

The methods and assumptions used to estimate the fair value of each class of financial instrument, for which it is practical to estimate that value, are as follows.

Investment fund and term deposits

The carrying amount of these items is approximately equivalent to the fair value.

Interest rate risk

In making its investments, the council adopts a conservative risk profile, while aiming to maximise its returns. The range of interest rates receivable on financial instruments at 30 June 2025 range from 4.20 per cent - 5.20 per cent. (2024: 2 per cent - 6.43 per cent).

Collateral

The council does not require collateral or other security to support financial instruments subject to credit risk.

Foreign currencies

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. At balance date, foreign monetary assets and liabilities are translated at the closing rate, and exchange variations arising from these translations are included in the statement of comprehensive revenue and expense.

Investment fund

The investment fund is invested with a number of fund managers whose performance is monitored by Makao Investments Limited. Makao Investments Limited provides investment strategy advice to council. At 30 June 2025, the investment fund was invested with the following fund managers:

	2024/25 Actual $'000	2023/24 Last year $'000
Equity		
Harbour Asset Management (Trans-Tasman)	-	7,864
Macquarie (AMP Capital) - Hedged	-	11,654
Stewart Investors (Colonial First State) - Unhedged	-	9,553
Vanguard - Hedged	24,403	-
Vanguard - Unhedged	28,175	-
First Sentier (Colonial First State) ($NZ)	9,693	5,300
Net book amount	**62,271**	**34,371**
Fixed Interest		
Macquarie (AMP Capital) (Cash)	2,053	22,547
Fisher Funds (Global Bonds)	19,951	22,331
Term deposits managed internally	-	11,136
Harbour NZ Short Duration	-	8,074
Colchester	20,118	-
Less: Working capital held in fund	(8)	(1,017)
Net book amount	**42,114**	**63,071**
Property		
Fisher NZ Direct Property	-	5,537
Net book amount	-	5,537
Total Net book amount	**104,385**	**102,979**

As at 30 June 2025, the following investments were held by council's fund managers:

	2024/25 Actual $'000	2023/24 Last year $'000
Listed securities - held for trading		
NZ local authority investments	182	1,718
NZ Government guaranteed investments	19,468	8,723
Corporate investments	388	12,967
NZ cash/short term deposits	2,437	17,691
Overseas bonds	19,951	22,331
Equity investments	61,959	34,012
Property	-	5,537

Net book amount	**104,385**	**102,979**
Other Investment		
Term deposits with maturities greater than 3 months	14,252	4,921
NZ Local Government Insurance Corporation shares	20	20
Net book amount	**14,272**	**4,941**
Investments in CCO		
Integrated Regional Information System shares	367	554
NZ Local Government Funding Agency Ltd (LGFA) - borrower notes	1,203	710
Net book amount	**1,570**	**1,264**
Total Financial Assets		
Financial assets (investment fund)	104,385	102,979
Other investments	15,842	6,205
Total	**120,227**	**109,184**

The Council has a 10 per cent holding in Regional Software Holdings Limited (RSHL). There are ten shareholding councils, each with an equal share. There are 7 RSHL Board members, who are elected and retire by rotation. The original six participating councils retain their relative shares in the Integrated Regional Information System (IRIS) software. The value of this asset is being impaired in line with the expected useful life of the underlying technology. Waikato Regional Council has a 32.75 per cent holding in the IRIS software. RSHL operates on a cost recovery basis with the participating shareholders with no distributable profits retained in the business. Given the governance structure of RSHL and the nature of its activities, Council do not believe they hold “significant influence” and accordingly has not accounted for the RSHL investment as an associate.

Waikato Local Authority Shared Services (WLASS), trading as Co-Lab, is a CCO for Waikato Regional Council, however the fair value of our investment is $0.

Borrower notes

Borrower notes are required to be held by each local authority that borrows from LGFA. The borrower notes are amounts equal to 0 per cent of $10 million (for short-term commercial paper held - there are no associated borrower notes with a short-term commercial papers), 1.6 per cent of $8 million ($128,000), 2.5 per cent of $19 million ($475,000) and 5 per cent of $12 million ($600,000) of council's borrowing from LGFA. The borrower notes are repaid to council as the underlying debt matures.

	2024/25 Actual	**2023/24 Last year**
	$'000	**$'000**
The council's investments are included in the balance sheet as follows:		
Current portion		
Term Deposits	14,252	4,921
Non-current portion		
Financial assets (investment fund)	104,385	102,979
NZ Local Government Insurance Corporation shares	20	20
Investments in CCOs	1,570	1,264
Total	**120,227**	**109,184**

It is the council's intention to continue to hold the investment fund as a non-current asset. Individual assets held by the fund managers have maturity periods as follows:

	2024/25 Actual	**2023/24 Last year**

	$'000	$'000
0-1 year	2,880	20,070
1-3 years	5,850	11,772
Greater than three years	33,696	37,125
No specified maturity date	61,959	34,012
Total	**104,385**	**102,979**

The maturity profiles of other investments held by the council is as follows:

0-1 year	14,334	4,996
1-3 years	396	312
Greater than three years	725	323
No specified maturity date	388	574
Total	**15,843**	**6,205**

Fair value

Unlisted investments

The fair value of the investment in NZ Government Insurance Corporation Limited is $20,000 (2024: $20,000).

The fair value of Council's equity investments in Waikato Local Authority Shared Services Limited and Regional Software Holdings Limited have not been disclosed because the fair value cannot be reliably measured as there is no quoted market price in an active market for these shares.

Other financial assets

Other financial assets are initially recognised at fair value. They are then classified as, and subsequently measure 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 ay initial recognition unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

Debt instruments

The classification of a financial asset depends on its cash flow characteristics and the council's management model for managing them. A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset. A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by 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, the council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Equity instruments

A financial asset that is an equity instrument is classified at FVTSD, unless the council elects at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

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.

Subsequent measurement of financial assets at FVTOCRE

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The council includes in this category:

- investments that it intends to hold long term, but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

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.

The council's investment fund was designated as such a financial asset on recognition as the primary goal of the council's investment strategy is to maximise investment returns within an acceptable level of risk, to both protect the capital base of the investment fund and allow withdrawals to subsidise the required level of rates revenue. The council is assisted by external advisors in this regard.

Financial assets acquired principally for the purpose of selling in the short term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

Expected credit loss allowance (ECL)

The council recognises an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to the council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the council’s historical experience and informed credit assessment, including forward-looking information.

The council considers a financial asset to be in default when the financial asset is more than 90 days past due. The council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

21. Investment policy

The council delegates responsibility for the management, monitoring and reporting of its investment activities to its Finance and Services Committee and Customer and Corporate Services directorate. A treasury policy sets out the parameters for the operation of the Treasury management function and the volume of investments that the council will be involved with. The mix of investments between current and non-current is determined according to the council’s working capital needs.

The council's investment fund made a return of $7.758 million against an annual plan budgeted return of $6.679 million, reflecting strong market performance over the year. The council continues to take external advice as to changes to be made to any asset class mix.

The new strategic asset allocation has been reviewed during the 2024-34 Long-Term Plan and was fully implemented in the 2024/25 financial year. For the investment fund, the council has a strategic asset allocation for investments under management of 60 per cent growth (equities and real assets) and 40 per cent income assets (fixed interest and cash). This has been considered a prudent policy to maintain the real value of the capital of the fund firstly, and then to provide sufficient returns to meet the council's distribution policy for returns. The Harbour NZ short duration was wholly liquidated which is considered a prudent policy to protect the capital value of funds set aside for the council's Regional Development Fund and other working capital funds. The council continues to take external advice as to changes to be made to be made to any asset class mix.

22. Treasury risk management policy

The council's Treasury Risk Management Policy was updated in June 2024. The policy is considered to be appropriate for the council, designed with specific consideration to the nature and materiality of the risks faced, and provides the reader with a thorough understanding of the underlying mechanics of those risks. The next update in policy is scheduled for June 2027.

There are no significant variations or material departures from the council's Liability Management Policy.

23. Financial instruments

Waikato Regional Council has a series of policies to manage the risks associated with financial instruments and treasury activities. The council has established approved liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

(a) Financial instrument categories

	Amortised costs	Fair value through other comprehensive revenue	Fair value through surplus or deficit	Total
	$'000	$'000	$'000	$'000
30 June 2025				
Cash and cash equivalent	26,117	-	-	26,117
Receivables	18,757	-	-	18,757
Other financial assets:				
Term deposits	14,252	-	-	14,252
Investment fund	-	-	104,385	104,385
Investments in CCOs	-	367	1,203	1,570
Unlisted shares	-	20	-	20
Derivative financial instruments - not hedge accounted	-	-	440	440
Total	**59,126**	**387**	**106,028**	**165,541**
30 June 2024				
Cash and cash equivalent	16,426	-	-	16,426
Receivables	22,607	-	-	22,607
Other financial assets:				
Term deposits	4,921	-	-	4,921
Investment fund	-	-	102,979	102,979
Investments in CCOs	-	554	710	1,264
Unlisted shares	-	20	-	20

Derivative financial instruments - not hedge accounted	-	-	1,208	1,208
Total	**43,954**	**574**	**104,897**	**149,425**

Liabilities	Liabilities at fair value through surplus or deficit	Measured at amortised cost	Total
	$'000	$'000	$'000
30 June 2025			
Payables and accruals	-	22,776	22,776
Borrowings secured loans	-	49,420	49,420
Total liabilities	-	**72,196**	**72,196**
30 June 2024			
Payables and accruals	-	21,520	21,520
Borrowing secured loans	-	32,384	32,384
Total liabilities	-	**53,904**	**53,904**

(b) Market risk

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The investment fund is a fully hedged asset apart from the Vanguard Ethically Conscious International Shares Index Fund and Vanguard Emerging Markets Shares Index Fund (30 June 2025 AUD $26,100,000 converted to NZD $28,175,000: exchange rate NZD/AUD: 0.9264) (30 June 2024 AUD $8,716,000 converted to NZD $9,553,000: exchange rate NZD/AUD: 0.9124).

The council purchases plant and equipment associated with the construction of certain infrastructure 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 the delivery of the plant and equipment from overseas.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through surplus and deficit. This price risk arises due to market movements in listed securities. This price risk is managed by diversification of the council’s investment portfolio in accordance with the limits set out in the council’s investment policy.

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.

If interest rates on the council's fixed interest financial instruments at 30 June 2025 had fluctuated by plus or minus 0.5 per cent, the effect would have been to decrease/ increase the fair value through comprehensive revenue reserve by $282,000 (2024: $345,000).

Borrowings issued at fixed rates of interest expose council to interest rate risk. The council's Treasury Risk Management Policy sets a range of control limits for the fixed rate proportion of borrowings with different maturities. The range is from a maximum of 60 per cent for debt maturing in any one period with a 15 per cent minimum placed on 0-3 years and 3-5 years periods.

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.

Generally, the council raises long term borrowing at floating rates and swaps them into fixed rates using interest rate swaps to manage the cash flow interest rate risk. The council enters into interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the 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.

Sensitivity analysis

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

30 June 2025	**Interest rate risk**			
	-100bps		**+100bps**	
Interest rate risk	**Surplus**	**Equity**	**Surplus**	**Equity**
	$'000	**$'000**	**$'000**	$'000
Financial assets				
Cash and cash equivalents	(261)	-	261	-
Derivatives - non hedge accounting	(44)	-	44	-
Total sensitivity	**(305)**	**-**	**305**	**-**

30 June 2025	**Equity price risk**			
	-100bps		**+100 bps**	
Equity price risk	**Surplus**	**Equity**	**Surplus**	**Equity**
Financial assets				
Other financial assets	(526)	-	526	-
Total sensitivity to equity price risk	**(526)**	**-**	**526**	**-**

30 June 2024	**Interest rate risk**			
	-100bps		**+100bps**	
Interest rate risk	**Surplus**	**Equity**	**Surplus**	**Equity**
Financial assets				
Cash and cash equivalents	(164)	-	164	-
Derivatives - non hedge accounting	(1,237)	-	1,171	-
Total sensitivity	**(1,401)**	**-**	**1,335**	**-**

30 June 2024	**Equity price risk**			
	-100bps		**+100bps**	
Equity price risk	**Surplus**	**Equity**	**Surplus**	**Equity**
Financial assets				
Other financial assets	(291)	-	291	-
Total sensitivity to equity price risk	**(291)**	**-**	**291**	**-**

Explanation of sensitivity analysis

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1 per cent.

Cash and cash equivalents include deposits at call totalling $23.500 million (2024: $13.177 million) which are at floating rates. A movement in interest rates of plus or minus 100bps (1.0 per cent) has an effect on interest revenue of $235,001 (2024: $131,765).

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps (2024: -100bps/+100bps).

(c) Credit risk

Credit risk is the risk that a third party will default on its obligation to Waikato Regional Council, causing the council to incur a loss.

Council is exposed to credit risk as a guarantor of all of LGFA's borrowings Information about this exposure is explained in note 35.

The council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and the council has powers under the *Local Government (Rating) Act 2002* to recover outstanding debts from ratepayers.

Waikato Regional Council invests funds only in deposits with registered banks and local authority stock. Its investment policy limits the amount of credit exposure to any one institution or organisation.

Other than other local authorities, the council only invests funds with those entities which have a Standard and Poor's credit rating of at least A2 for short-term and A- for long-term investments. Accordingly, the council does not require any collateral or security to support these financial instruments.

Maximum exposure to credit risk

The council's maximum credit exposures for each class of financial instruments are as follows:

	2024/25 Actual $'000	2023/24 Last year $'000
Cash at bank and term deposits	40,369	21,347
Debtors and other receivables	18,757	22,607
LGFA borrower notes	1,203	710
Total credit risk	**60,329**	**44,664**

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	2024/25 Actual $'000	2023/24 Last year $'000
Counterparties with credit ratings		
Cash at bank and term bank deposits		
A	14,252	-
AA	-	-
AA-	26,117	21,347
Total	**40,369**	**21,347**
stock and government bonds		

AAA	1,203	710
Total	**1,203**	**710**

The council has no financial assets with counterparties without credit ratings.

Debtors and other receivables mainly arise from Waikato Regional 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. The 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 the council has powers under the *Local Government (Rating) Act 2002* to recover outstanding debts from ratepayers.

(d) Liquidity risk

Liquidity risk is the risk that Waikato Regional 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. The council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the council maintains a target level of investments that must mature within the next 12 months.

The council has a sweep facility in place. A sweep facility is an automatic system that transfers funds between the current account and call account to improve cash management and maximise interest on funds. The council nominated a target balance for its current account of $10,000. Once all debits and credits have been processed every night (with the exception of bank fees) the system automatically calculates the amount required to maintain the target balance. Funds are then moved out of the current account into the nominated call account or if the current account has an overdrawn balance the system will transfer funds back from the call account to retain the set balance of the current account.

The council utilises funding through the Local Government Funding Agency Limited (LGFA). As at 30 June 2025 council had borrowed $49 million (2024: $32 million) and held borrower notes with a face value of $1.203 million (2024: $710,000).

The council is also exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due Information about this exposure is contained in note 35.

Contractual maturity analysis of the council's financial liabilities excluding derivatives

The table below analyses the council's financial liabilities into relevant maturity groupings based on the period remaining at balance date until 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.

30-Jun-25	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (assets) / liabilities
	$'000	$'000	$'000	$'000	$'000	$'000
Trade and other payables	22,776	-	-	-	22,776	22,776
Secured borrowing	14,139	9,082	26,199	-	49,420	49,420
Total financial liabilities	**36,915**	**9,082**	**26,199**	**-**	**72,196**	**72,196**

30-Jun-24	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (assets) / liabilities
	$'000	$'000	$'000	$'000	$'000	$'000
Trade and other payables	21,520	-	-	-	21,520	21,520
Secured borrowing	5,066	4,050	23,268	-	32,384	32,384
Total financial liabilities	**26,586**	**4,050**	**23,268**	**-**	**53,904**	**53,904**

Contractual maturity analysis of financial assets

The table below analyses the council's financial assets into relevant maturity groupings based on the period remaining at balance date until the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

30 June 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	$'000	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	26,117	-	-	-	26,117	26,117
Debtors and other receivables	18,757	-	-	-	18,757	18,757
Other financial assets:	-	-	-	-	-	-
Term deposits	14,252	-	-	-	14,252	14,252
Investment fund	2,230	1,748	38,448	61,959	104,385	104,385
Investment in CCO	82	198	923	367	1,570	1,570
Unlisted shares	-	-	-	20	20	20
Total financial assets	**61,438**	**1,946**	**39,371**	**62,346**	**165,101**	**165,101**

30 June 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	$'000	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	16,426	-	-	-	16,426	16,426
Debtors and other receivables	22,607	-	-	-	22,607	22,607
Other financial assets:	-	-	-	-	-	-
Term deposits	4,921	-	-	-	4,921	4,921
Investment fund	20,070	11,772	37,125	34,012	102,979	102,979
Investment in CCO	75	114	396	679	1,264	1,264
Unlisted shares	-	-	-	20	20	20
Total financial assets	**64,099**	**11,886**	**37,521**	**34,711**	**148,217**	**148,217**

(e) Fair value hierarchy disclosures

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:

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
30 June 2025	**$'000**	**$'000**	**$'000**	**$'000**
Derivatives	440	440	-	-
NZ local authority investments	182	182	-	-
Corporate investments	388	388	-	-
NZ cash/short term deposits	2,437	2,437	-	-
Overseas bonds	19,951	19,951	-	-
NZ Government guaranteed investments	19,468	19,468	-	-
Equity investments	61,959	61,959	-	-
Property	-	-	-	-
Total financial assets	**104,825**	**104,825**	-	-
Financial liabilities				
Derivatives	-	-	-	-
Total financial liabilities	-	-	-	-

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
30 June 2024	**$'000**	**$'000**	**$'000**	**$'000**
Derivatives	1,208	1,208	-	-
NZ local authority investments	1,718	1,718	-	-
Corporate investments	12,967	12,967	-	-
NZ cash/short term deposits	17,691	17,691	-	-
Overseas bonds	22,331	22,331	-	-
NZ Government guaranteed investments	8,723	8,723	-	-
Equity investments	34,012	34,012	-	-
Property	5,537	5,537	-	-
Total financial assets	**104,187**	**104,187**	-	-
Financial liabilities				
Derivatives	-	-	-	-
Total financial liabilities	-	-	-	-

There were no transfers between the different levels of the fair value hierarchy during the period.

24. Receivables

	2024/25 Actual $'000	2023/24 Last year $'000
Exchange		
Net trade receivables		
Other receivables	18,698	19,433
Provision for doubtful receivables	(1,603)	(1,363)
Net debtors	**17,095**	**18,070**
Receivables from exchange transactions	**17,095**	**18,070**
Non-exchange		
Rates receivables	5,035	5,894
Other receivables	3,094	3,576
Provision for doubtful receivables	(1,030)	(913)
Net debtors	**7,099**	**8,557**
Receivables from non-exchange transactions	**7,099**	**8,557**
Total receivables	**24,195**	**26,627**

Fair value

Receivables are measured at their face value, less any provision for impairment.

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

Impairment

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

Council applied the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss expenditure, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written off":

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

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

The fair value of receivables past due and impaired is as follows:

	2024/25 Actual $'000	2023/24 Last year $'000
Past due > 90 days	5,510	3,888
Less impairment	(2,632)	(2,276)
Balance as at 30 June	**2,878**	**1,607**

The ageing profile of gross receivables not impaired is as follows:

	2024/25 Actual $'000	2023/24 Last year $'000
Not past due	20,550	21,875
Past due 1-60 days	105	2,653
Past due 61-90 days	662	492
Balance as at 30 June	**21,317**	**25,020**
Grand total	**24,195**	**26,627**

Waikato Regional Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

There is no concentration of credit risk with respect to receivables as the council has a large number of customers.

The impairment provision has been calculated based on expected losses for Waikato Regional Council's pool of debtors. Expected losses have been determined based on an analysis of Waikato Regional Council's losses in previous periods, and a review of specific debtors.

	2024/25 Actual $'000	2023/24 Last year $'000
Individual impairment	-	-
Collective impairment	2,632	2,276
Total provision for impairment	**2,632**	**2,276**

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor.

Movement in the provision for impairment of receivables is as follows:

	2024/25 Actual $'000	2023/24 Last year $'000
At 1 July	2,276	1,601
Additional provisions made during the year	356	691
Receivables written off during the period	-	(16)
Total gross trade receivables	**2,632**	**2,276**

The council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

25. Property, plant and equipment

2024/25	Cost / revaluation	Accumulated depreciation and impairment charges	Carrying amount	Additions	Disposals	Transfers	Depreciation / Impairment	Write back depreciation on disposal / valuation	Revaluation	Cost / Revaluation 30 June 25	Accumulated depreciation and impairment charges 30-Jun-25	Carrying amount 30-Jun-25
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Operational assets												
At cost and valuation												
Land	1,232	-	1,232	-	-	-		-		1,232	-	1,232
Buildings	4,843	(343)	4,500	-	(297)	(2,152)	(63)	-	11	2,405	(406)	1,999
Leasehold improvements	7,195	(1,478)	5,717	2,443	(21)	-	(650)	-	-	9,617	(2,128)	7,489
Vehicles	5,583	(1,846)	3,737	1,915	(1,293)	-	(796)	968	-	6,205	(1,674)	4,531
Plant and equipment	13,836	(5,253)	8,583	2,556	(146)	(237)	(1,149)	121	-	16,009	(6,281)	9,728
Computer equipment	7,222	(5,512)	1,710	1,000	(2)	-	(640)	-	-	8,220	(6,152)	2,068
Office furniture and fittings	2,211	(1,053)	1,158	13	-	-	(305)	-	-	2,224	(1,358)	866
Total operational assets	**42,122**	**(15,485)**	**26,637**	**7,927**	**(1,759)**	**(2,389)**	**(3,603)**	**1,089**	**11**	**45,912**	**(17,999)**	**27,913**
Infrastructure assets												
At cost & valuation												
Land	74,704	-	74,704	-	-	-	-	-	-	74,704	-	74,704
Bridges	1,941	(465)	1,476	-	-	-	(43)	-	-	1,941	(508)	1,433
Channels	68,451	(995)	67,456	39	-	-	(318)	-	-	68,490	(1,313)	67,177
Control gates	3,461	(633)	2,828	-	-	-	(158)	-	-	3,461	(791)	2,670

Culverts	3,928	(379)	3,549	347	(27)	-	(73)	1	-	4,248	(451)	3,797
Debris traps	180	(29)	151	-	-	-	(3)	-	-	180	(32)	148
Detentions	15,823	(924)	14,899	-	-	-	(47)	-	-	15,823	(971)	14,852
Drop structures	34	(14)	20	-	-	-	(1)	-	-	34	(15)	19
Fencing	4,409	(3,018)	1,391	136	(1)	-	(419)	-	-	4,544	(3,437)	1,107
Floodgates	50,679	(10,545)	40,134	7,807	(869)	-	(1,435)	72	-	57,618	(11,908)	45,710
General structures	6,095	(1,370)	4,725	39	-	-	(187)	-	-	6,134	(1,557)	4,577
Plantings	361	-	361	309	-	-	-	-	-	670	-	670
Pump stations	73,203	(18,410)	54,793	13,812	(1,534)	-	(2,796)	153	-	85,481	(21,053)	64,428
Retaining structures	10,004	(4,214)	5,790	2,195	-	-	(231)	-	-	12,199	(4,445)	7,754
River training works	3,745	(328)	3,417	-	-	-	(47)	-	-	3,745	(375)	3,370
Stopbanks	690,599	(21,617)	668,982	5,069	-	-	(2,705)	-	19,278	714,946	(24,322)	690,624
Weirs	963	(48)	915	27	-	-	(11)	-	-	990	(59)	931
Total	**1,008,580**	**(62,989)**	**945,591**	**29,780**	**(2,431)**	**-**	**(8,474)**	**226**	**19,278**	**1,055,208**	**(71,237)**	**983,971**
Work in progress												
-Land	51	-	51	0	-	-	-	-	-	51	-	51
- Bridges	197	-	197	11	-	-	-	-	-	208	-	208
- Channels	489	-	489	54	(1)	-	-	-	-	542	-	542
- Control gates	22	-	22	-	-	-	-	-	-	22	-	22
- Culverts	108	-	108	-	(4)	(71)	-	-	-	33	-	33
- Detentions	3	-	3	-	(3)	-	-	-	-	-	-	-
- Fencing	20	-	20	80	-	-	-	-	-	100	-	100
- Floodgates	1,578	-	1,578	2,966	(47)	(2,406)	-	-	-	2,091	-	2,091
- General structures	54	-	54	53	-	(39)	-	-	-	68	-	68
- Plantings	-	-	-	-	-	-	-	-	-	-	-	-
- Pump stations	14,950	-	14,950	4,214	(2)	(13,086)	-	-	-	6,076	-	6,076
- Retaining structures	87	-	87	51	-	-	-	-	-	138	-	138

- River training works	4,089	-	4,089	999	-	(2,640)	-	-	-	2,448	-	2,448
- Stopbanks	13,382	-	13,382	6,597	(1,336)	(11,512)	-	-	-	7,130	-	7,130
- Weirs	18	-	18	28	-	(27)	-	-	-	19	-	19
Total infrastructure work in progress	**35,048**	**-**	**35,048**	**15,053**	**(1,394)**	**(29,780)**	**-**	**-**	**-**	**18,927**	**-**	**18,927**
Total property, plant and equipment	**1,085,750**	**(78,474)**	**1,007,276**	**52,760**	**(5,584)**	**(32,169)**	**(12,077)**	**1,315**	**19,289**	**1,120,047**	**(89,236)**	**1,030,811**

2023/24	Cost / revaluation	Accumulated depreciation and impairment charges	Carrying amount	Additions	Disposals	Transfers	Depreciation / impairment	Write back depreciation on disposal / valuation	Revaluation	Cost / revaluation 30 June 24	Accumulated depreciation and impairment charges 30 June 24	Carrying amount 30 June 24
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Operational assets												
At cost & valuation												
Land	995	-	995	-	-	-	-	-	237	1,232	-	1,232
Buildings	2,254	(288)	1,966	2,785	(6)	-	(55)	-	(190)	4,843	(343)	4,500
Leasehold improvements	7,023	(1,034)	5,989	172	-	-	(444)	-	-	7,195	(1,478)	5,717
Vehicles	4,975	(2,817)	2,158	2,596	(1,988)	-	(726)	1,697	-	5,583	(1,846)	3,737
Plant and equipment	11,730	(4,378)	7,352	2,744	(159)	(479)	(1,017)	142	-	13,836	(5,253)	8,583
Computer equipment	6,714	(4,745)	1,969	547	-	(39)	(767)	-	-	7,222	(5,512)	1,710
Office furniture and fittings	2,187	(745)	1,442	24	-	-	(308)	-	-	2,211	(1,053)	1,158
Total operational assets	**35,878**	**(14,007)**	**21,871**	**8,868**	**(2,153)**	**(518)**	**(3,317)**	**1,839**	**47**	**42,122**	**(15,485)**	**26,637**
Infrastructure assets												
At cost & valuation												
Land	74,704	-	74,704	-	-	-	-	-	-	74,704	-	74,704
Bridges	1,941	(422)	1,519	-	-	-	(43)	-	-	1,941	(465)	1,476
Channels	68,451	(681)	67,770	-	-	-	(314)	-	-	68,451	(995)	67,456
Control gates	1,470	(562)	908	1,995	(4)	-	(73)	2	-	3,461	(633)	2,828
Culverts	3,958	(307)	3,651	33	(63)	-	(74)	2	-	3,928	(379)	3,549
Debris traps	180	(27)	153	-	-	-	(2)	-	-	180	(29)	151
Detentions	15,815	(883)	14,932	8	-	-	(41)	-	-	15,823	(924)	14,899

Drop structures	34	(12)	22	-	-	-	(2)	-	(50)	34	(14)	20
Fencing	4,459	(2,605)	1,854	-	-	-	(413)	-	-	4,409	(3,018)	1,391
Floodgates	50,447	(9,130)	41,317	349	(112)	-	(1,423)	8	(6)	50,679	(10,545)	40,134
General structures	5,650	(1,232)	4,418	445	-	-	(141)	-	-	6,095	(1,370)	4,725
Plantings	361	-	361	-	-	-	-	-	-	361	-	361
Pump stations	72,113	(15,949)	56,164	1,653	(316)	-	(2,499)	38	(248)	73,203	(18,410)	54,793
Retaining structures	9,790	(4,032)	5,758	214	-	-	(182)	-	-	10,004	(4,214)	5,790
River training works	3,286	(284)	3,002	459	-	-	(44)	-	-	3,745	(328)	3,417
Stopbanks	690,093	(19,948)	670,145	1,138	-	-	(1,669)	-	(632)	690,599	(21,617)	668,982
Weirs	963	(37)	926	-	-	-	(11)	-	-	963	(48)	915
Total	**1,003,715**	**(56,111)**	**947,604**	**6,294**	**(495)**	**-**	**(6,931)**	**50**	**(936)**	**1,008,580**	**(62,989)**	**945,591**
Work in progress												
-Land	-	-	-	51	-	-	-	-	-	51	-	51
- Bridges	1	-	1	196	-	-	-	-	-	197	-	197
- Channels	509	-	509	-	-	(20)	-	-	-	489	-	489
- Control gates	1,995	-	1,995	23	-	(1,996)	-	-	-	22	-	22
- Culverts	123	-	123	26	(7)	(34)	-	-	-	108	-	108
- Detentions	25	-	25	8	-	(30)	-	-	-	3	-	3
- Fencing	20	-	20	1	-	(1)	-	-	-	20	-	20
- Floodgates	1,386	-	1,386	612	(6)	(414)	-	-	-	1,578	-	1,578
- General structures	33	-	33	468	-	(447)	-	-	-	54	-	54
- Plantings	-	-	-	-	-	-	-	-	-	-	-	-
- Pump stations	9,508	-	9,508	7,208	(12)	(1,754)	-	-	-	14,950	-	14,950
- Retaining structures	37	-	37	264	-	(214)	-	-	-	87	-	87
- River training works	3,359	-	3,359	1,170	(3)	(437)	-	-	-	4,089	-	4,089
- Stopbanks	9,207	-	9,207	5,736	(614)	(947)	-	-	-	13,382	-	13,382
- Weirs	20	-	20	-	-	(2)	-	-	-	18	-	18

Total infrastructure work in progress	**26,223**	**-**	**26,223**	**15,763**	**(642)**	**(6,294)**	**-**	**-**	**-**	**35,048**	**-**	**35,048**
Total property, plant and equipment	**1,065,816**	**(70,118)**	**995,698**	**30,925**	**(3,290)**	**(6,812)**	**(10,248)**	**1,889**	**(889)**	**1,085,750**	**(78,474)**	**1,007,276**

Infrastructure assets - further disclosures

30-Jun-25	Closing book value	Additions Additions: constructed by council	Most recent replacement cost estimate for revalued assets
	$'000	$'000	$'000
Infrastructure assets			
Flood protection and control works	983,897	29,780	1,155,058
Total infrastructure assets	**983,897**	**29,780**	1,155,058

30-Jun-24	Closing book value	Additions Additions: constructed by council	Most recent replacement cost estimate for revalued assets
	$'000	$'000	$'000
Infrastructure assets			
Flood protection and control works	945,593	6,296	1,127,814
Total infrastructure assets	**945,592**	**6,296**	**1,127,814**

Property, plant and equipment consists of the following:

Operational assets – these include land, buildings, plant and equipment, motor vehicles, leasehold improvements, computer equipment and office furniture.

Infrastructure assets – infrastructure assets are the flood protection and erosion control assets owned by Waikato Regional Council.

Operational land is measured at fair value, and buildings and infrastructure assets are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Work in progress

Included in the operational fixed asset balances as at 30 June 2025 is work in progress in the following asset classes: Buildings $309,000 (2024: $2,751,000), Vehicles $547,000 (2024: $104,000), Leasehold improvements $40,100 (2024: $22,000), Furniture and fittings $13,480 (2024: $2,000), Plant and equipment $4,993,230 includes $4,626,000 for constructing vessel (2024: $4,602,000 including $3,833,000 for constructing vessel) and Information Technology $524,000 (2024: $68,000).

Valuation

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

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

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

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

Operational land

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

The most recent valuation was performed by P Smith, independent registered valuer of SGHU Valuations, and the valuation is effective as at 30 June 2024. The fair value of operational land was assessed as at 30 June 2025 by SGHU Valuations. The assessment indicated no material movement in the asset class and therefore no adjustment was made to the financial statements.

Operational buildings

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. These significant assumptions include the following:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information
- The remaining useful life of assets is estimated
- Straight-line deprecation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates are applied to reflect market value.

The most recent valuation was performed by P Smith, independent registered valuer of SGHU Valuations, and the valuation is effective as at 30 June 2024. The fair value of operational land was assessed as at 30 June 2025 by SGHU Valuations. No material adjustment was made to the financial statements as a result of this assessment.

Infrastructure assets

Infrastructure asset classes include the flood protection and drainage assets.

The most recent valuation was performance by council staff and peer reviewed by an independent registered valuer, M Wyatt of Aecom New Zealand Limited. The valuation was based on the Capital Goods Price Index - Non-residential buildings and Transport ways categories, as published by Stats New Zealand as at 30 June 2025. The valuation is effective as at 30 June 2025.

The indexed valuation is assessed as appropriate for financial reporting purposes between scheduled revaluations but does not contain the dept of analysis or robustness of a full comprehensive valuation. The last full revaluation was undertaken as at 31 December 2022.

Infrastructure land

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

The most recent valuation was performed by QV Valuations, with the valuation effective as at 31 December 2022. The fair value of infrastructural land was assessed as at 30 June 2025 by QV. The assessment indicated no material movement in the asset class and therefore no adjustment was made to the financial statements.

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.

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 council and the cost of the item can be measured reliably.

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

Disposals

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

No significant disposals have been made during 2025.

Impairment

Impairment losses of $nil have been recognised by council during 2025 (2024: $nil).

Collateral

No property, plant and equipment are pledged as security for liabilities, there are no restrictions on title.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land and drainage networks, 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 asset depreciated	Estimated useful life (Years)
Operational assets	
Buildings	5-75
Leasehold Improvements	10-50
Motor vehicles	5-7.5
Computer equipment	3.5-7.5
Office furniture	7-10
Plant and Equipment	3-30
Infrastructure Assets	
Bridges	50-100
Channels	25-100
Control gates	15-100
Culverts	30-100
Debris traps	100
Detentions	15-100
Drop structures	50-80
Fencing	30
Floodgates	20-100
General structures	20-100
Plantings	Not depreciated
Pump stations	10-100
Retaining structures	30-100
River training works	30-100

Stopbanks	20-100
Weirs	100

26. Intangible assets

	Computer software	Total
	$'000	$'000
Year ended 30 June 2025		
Opening net book amount	5,447	5,447
Additions	-	-
Disposals	-	-
Work in progress	(2,245)	(2,245)
Amortisation charge	(1,077)	(1,077)
Write back amortisation on disposal	-	-
Closing net book amount	**2,125**	**2,125**
Cost	11,917	11,917
Accumulated amortisation and impairment	(9,792)	(9,792)
Net book amount	**2,125**	**2,125**

	Computer software	Total
	$'000	$'000
Year ended 30 June 2024		
Opening net book amount	5,600	5,600
Additions	1,200	1,200
Disposals	-	-
Work in progress	(474)	(474)
Amortisation charge	(879)	(879)
Write back amortisation on disposal	-	-
Closing net book amount	**5,447**	**5,447**
Cost	14,161	14,161
Accumulated amortisation and impairment	(8,714)	(8,714)
Net book amount	**5,447**	**5,447**

Realised gains and losses arising from the disposal of intangible assets are recognised in statement of comprehensive revenue and expense in the year in which the disposal occurs.

Software acquisition and development

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

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

Staff training costs are recognised as an expense when incurred.

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

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

Amortisation and impairment

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

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

- Computer software - 4–5 years.

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, and goodwill, are not subject to amortisation and are tested annually for impairment.

Intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit The reversal of an impairment loss is recognised in the surplus or deficit.

There are no restrictions over the title of intangible assets, nor are any intangible assets pledged as security for liabilities (2024: nil).

27. Forestry assets

Waikato Regional Council's forestry asset comprises approximately 60 hectares (2024: 78 hectares) of Pinus radiata forest split between Ryan's Block and Kuaoiti Forest. The Kuaoiti Forest was completely harvested during the 2020/21 year and had approximately 17 hectares replanted during 2021/22 Ryan's Block remains unchanged with the plantations aged nine and ten years. The reduction in hectares is due to the previous mapping which has overstated the forest area by 18 hectares in Ryans block across the two young stands.

	2024/25 Actual $'000	2023/24 Last year $'000
Balance as at 1 July	290	224
Gains / (losses) arising from changes attributable to physical changes	(61)	66
Purchases	-	-
Sales	-	-
Harvest	-	-
Gains / (losses) arising from changes attributable to price changes	-	-
Carrying amount at 30 June	**229**	**290**

Standing forestry assets are independently revalued annually to fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silviculture costs and takes into consideration environmental, operational and market restrictions. Gains or losses arising on initial recognition of forestry assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the statement of comprehensive revenue and expense.

Carl Hanna, a member of New Zealand Institute of Forestry from Wood Marketing Services Ltd, has independently valued the forestry assets as at 30 June 2025. The following significant assumptions have been adopted in determining the fair value of forestry assets:

- the forest has been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis;
- the value of the land has been treated as zero because forestry is currently the best use of the land from an environmental and management perspective The planted forest is part of an integrated land use pattern that mitigates soil erosion;
- both buyer and seller are registered for GST and the impact on the transaction would be neutral.

The following taxation assumptions are made in respect of the forest purchaser:

- rate of taxation is 28 per cent,
- tax losses and tax liability are assumed to be claimable/payable in the year costs are incurred or revenue received,
- a value of Cost of Bush Account equal to the estimated tree crop value is included in the cashflow to be deducted against future revenue,
- the forest is retained by the prospective purchaser through to maturity,
- the new ownership of the forest is affected by equity funding only,
- no change in the New Zealand tax law for the cashflow period considered.

Financial risk management strategies

Waikato Regional 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 and therefore has not taken any measures to manage the risks of a decline in timber prices. The council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

28. Depreciation and amortisation expense by group of activity

Directly attributable depreciation and amortisation expense by group of activity were:

	2024/25 Actual $'000	2023/24 Last year $'000
Customer, Community and services	7	7
Civil Defence Emergency Management	16	11
Flood Protection and Control Works	8,474	6,924
Integrated Catchment Management	9	8
Regional Transport Connections	1,045	1,106
Science, Policy and Information	-	-
Corporate and self-funding	3,602	3,073
Total depreciation and amortisation expense	**13,153**	**11,129**

29. Asset insurance

As at 30 June 2025, the council held insurance contracts in relation to its property, plant and equipment, and intangible assets on the following basis:

- Total insurance contracts to the value of $150 million in relation to operational assets and intangible assets having a book value of $30.038 million (2024: $32.115 million)
- Total insurance contracts to the value of $300 million in relation to infrastructure assets having a book value of $964.619 million (2024: $945.593 million) These insurance contracts provide for the recovery of 40 per cent of the costs of loss or damage to declared assets The council assumes that, in the event of a major disaster, central Government will meet the other 60 per cent of costs
- An insurance contract to the value of $12 million in relation to infrastructure assets having a book value of $964.690 million (2024: $945.593 million) This insurance provides for the recovery of 100 per cent of the costs of loss or damage to declared assets in excess of the insurance policy deductible of $500,000.

The total value of all assets of Waikato Regional Council that are covered by financial risk sharing arrangements, and the maximum amount available to Waikato Regional Council under those arrangements are nil.

The council's infrastructure and material damage insurance policies are held collectively with other councils in the region. In the case of a major event affecting the assets of more than one council, the insurance cover would respond to costs incurred by all councils impacted up to the maximum level of cover.

In addition to the insurance contracts noted above, the council maintains disaster recovery reserves to meet the costs of damage to flood protection schemes that may not be recoverable through insurance (for example, costs associated with channel clearance). At 30 June 2025 the balance of these reserves was $6.574 million (2024: $6.331 million).

30. Inventories and work in progress

	2024/25 Actual $'000	2023/24 Last year $'000
Inventory held for distribution		
Raw materials at cost	2,051	1,521
Commercial inventories		
Inventory held for use in the provision of services		
Work in progress	970	989
Total inventory and work in progress	**3,021**	**2,510**

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method) adjusted when applicable, for any loss of service potential. Inventory acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the first-in first-out (FIFO) method.

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

Work in progress represents unbilled costs associated with consent processing and compliance monitoring. This balance is reduced as costs are invoiced and become a debtor.

31. Derivative financial instruments

Derivative financial instruments are used to manage interest rate risks arising from the council's financing activities.

In accordance with its Treasury Management Policy, the 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 remeasured 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.

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

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

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.

	2024/25 Actual $'000	2023/24 Last year $'000
Interest rate swaps		
Interest rate swaps - current assets	9	776
Interest rate swaps - non current assets	431	432
Interest rate swaps - current liabilities	-	-
Interest rate swaps - non current liabilities	-	-
Total net derivative financial instruments	**440**	**1,208**

Information about interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts totalled $32 million (2024: $19 million). The fixed interest rates of interest rate swaps varied from 2.5 per cent to 3.76 per cent.

The council currently has no fair value hedges.

32. Creditors and other payables

	2024/25 Actual $'000	2023/24 Last year $'000
Non-exchange		
Funds held on behalf of third parties	1,741	1,692
Total creditors and other payables from non-exchange transactions	**1,741**	**1,692**
Exchange		
Trade payables	13,617	6,015
Deposits and bonds	50	50
Accrued expenses	7,368	13,763
Other payables	4,779	7,302
Total creditors and other payables from exchange transactions	**25,814**	**27,130**
Total current creditors and other payables	**27,555**	**28,822**

Short-term creditors and other payables are recorded at their face value. Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payable approximates their fair value.

33. Borrowing

Borrowings are initially recognised at their fair value 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.

	2024/25	2023/24
	Actual	Last year
	$'000	$'000
Secured borrowing	14,139	5,066
Total secured current interest bearing borrowings	14,139	5,066
Total current portion	**14,139**	**5,000**
Secured borrowing	35,281	27,318
Total secured non-current interest bearing borrowings	35,281	27,318
Total non-current portion	**35,281**	**27,318**
Total secured interest bearing borrowings	**49,420**	**32,384**

Interest terms for secured loans

Council's secured debt of $49.420 million (2024: $32.384 million) is issued at various floating rates, with interest rates reset quarterly based on the 90-day bank bill rate plus a margin for credit risk, and fixed rates of interest. Council has 11 swap contracts in place (2024: 9). These swap contracts have a notional value of $32 million dollars (2024: $19 million). The swaps convert part of council's borrowing from floating to fixed rates.

At 30 June 2025 total borrowings from the Local Government Funding Agency Ltd were $49 million (2023: $32 million). The average cost of interest was 5.11% (2024: 5.50%).

Security

The council's secured loans are secured over either targeted or general rates of the council.

Fair values

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

Reconciliation of movements in liabilities arising from financing activities

The table below provides a reconciliation between the opening and closing balance of liabilities with cash flows that were or future cash flows that will be classified as a financing activity in the statement of cash flows.

	Borrowings	
	2024/25	2023/24
	Actual	Last year
	$'000	$'000
Balance at 1 July	32,384	30,390
Cash inflows	22,000	13,384
Cash outflows	(5,000)	(11,000)
Non-cash changes	(354)	(390)
Other changes	390	-
Balance at 30 June	**49,420**	**32,384**

34. Capital commitments and operating leases

Capital expenditure contracted for at the reporting date but not recognised as liabilities as follows:

	2024/25 Actual $'000	2023/24 Last year $'000
Capital commitments		
Vehicles	151	849
Other plant and equipment	1,118	2,197
Intangible assets	-	25
Flood protection and control	2,658	2,711
Leasehold improvements	99	365
IT equipment	4	67
Total capital commitments	**4,030**	**6,196**

Capital commitments relate to property, plant, equipment and intangibles. There are no commitments at balance date for forestry assets.

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 (Note 10) 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.

Operating leases as lessee

Waikato Regional Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 12 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows.

	2024/25 Actual $'000	2023/24 Last year $'000
Not later than one year	3,811	3,621
Later than one year and not later than five years	14,438	14,013
Later than five years	21,119	24,960
Total non-cancellable operating leases	**39,368**	**42,594**

Leases can be renewed at Waikato Regional 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 Waikato Regional Council by any of the leasing arrangements.

Operating leases as lessor

Waikato Regional Council sub-leases part of a property it leases. This sublease has a non-cancellable term of six years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows.

	2024/25 Actual $'000	2023/24 Last year $'000
Not later than one year	226	102
Later than one year and not later than five years	662	460
Later than five years	-	-
Total non-cancellable operating leases	**888**	**562**

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is $888,020 (2024: $562,126).

No contingent rents have been recognised during the period.

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.

35. Contingent liabilities

Unquantified claims

NZ Mutual Liability Riskpool (Riskpool) provided public liability and professional indemnity insurance for its members. The Council was a member of Riskpool until 30 June 2017. The Trust Deed of Risk Pool provides that, if there is shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any fund year, then the board may make a call on members for that fund year.

No unquantifiable material exposure related to any legal matters has been estimated (2024: $Nil).

Local Government Funding Agency

Waikato Regional Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AAA.

Council is one of 72 local authority guarantors of the LGFA as at 30 June 2025. The aggregate amount of uncalled shareholder capital ($20 million) is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the council is a guarantor of all of LGFA's borrowings. At 30 June 2025, LGFA had borrowings totalling $25.530 billion (2024: $23.030 billion).

Financial reporting standards require the 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 the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

DM & MA Gleeson Family Trust

A claim has been lodged by the DM & MA Gleeson Family Trust alleging that the Council's failure to maintain its drainage infrastructure resulted in flooding of the claimant's land for approximately 10 days following the 2023 Auckland Anniversary weather event. The claimant asserts that this inundation caused destruction of pasture and associated losses.

The matter remains under investigation. As of 30 June 2025, the estimated potential financial settlement has increased to $200,000 (including GST) (2024: $50,000).

Contingent assets

No contingent assets have been estimated (2024: $nil).

36. Equity

	2024/25 Actual $'000	2023/24 Last year $'000
Accumulated funds	201,690	212,362

Other reserves	920,278	888,409
Balance at 30 June	**1,121,968**	**1,100,771**

Accumulated funds

Balance at 1 July	212,362	212,877
Transfer to reserves	(12,580)	(15,148)
Surplus / (deficit) for the year	1,908	14,632
Balance 30 June	**201,690**	**212,362**

Reserve	Activities to which the reserve relates	Balance 1 July	Transfers into fund	Transfers out of fund	Balance 30 June
		$'000	$'000	$'000	$'000
2025					
Regional disaster recovery	Integrated catchment management; Flood protection and control works	2,723	97	-	2,820
Waihou Piako Scheme	Integrated catchment management; Flood protection and control works	1,285	-	(2,513)	(1,228)
Lower Waikato main channel	Flood protection and control works	2,183	403	-	2,586
Watershed	Integrated catchment management; Flood protection and control works	18,981	2,639	(347)	21,273
Coromandel	Integrated catchment management; Flood protection and control works	4,383	899	-	5,282
West coast	Integrated catchment management; Flood protection and control works	893	294	-	1,187
Zone disaster recovery	Integrated catchment management; Flood protection and control works	3,608	146	-	3,754
Drainage	Flood protection and control works	(1,442)	340	(87)	(1,189)
Civil defence	Civil defence	174	446	(712)	(92)
Natural heritage	Integrated catchment management	74	1,033	-	1,107
Biosecurity	Integrated catchment management	3,661	-	(275)	3,386
Environmental initiatives	Integrated catchment management	97	137	-	234

General	Community and services	1,773	8,426	(1,927)	8,272
Permitted activity monitoring	Resource use	258	1,454	-	1,712
Building Act contingency	Resource use	94	5	(24)	75
Complaints and enforcement	Resource use	72	-	-	72
Stock truck effluent	Science, policy and information	913	152	-	1,065
Public transport	Public transport	6,917	1,039	(1,164)	6,792
Integrated Regional Information System (IRIS)	Corporate (council controlled organisations)	348	-	-	348
Motor vehicle and plant	Corporate	967	425	-	1,392
Operational fixed asset depreciation	Corporate	747	-	-	747
Communications network	Corporate	550	-	(100)	450
Investment fund equalisation	Corporate (Treasury)	(5,818)	7,758	(4,545)	(2,605)
Investment fund capital protection	Corporate (Treasury)	28,202	2,553	-	30,755
Derivative Financial Instrument	Corporate	1,208	-	(768)	440
Hauraki plan change	Science, policy and information	93	-	-	93
Regional development fund	Science, policy and information	6,694	-	(1,356)	5,338
Contaminated Land Investigation	Science, policy and information	399	-	-	399
Resilient Development Reserve		20	-	-	20
Healthy rivers internal loan	Science, policy and information	1,923	-	(1,923)	-
Lower Waikato Flood Community Works	Flood protection and control works	-	147	-	147
Wharekawa Coast (Kaiaua) Reserve	Integrated catchment management; Flood protection and control works	-	-	(72)	(72)
		81,980	**28,393**	**(15,813)**	**94,560**

Reserve	Activities to which the reserve relates	Balance 1 July	Transfers into fund	Transfers out of fund	Balance 30 June
		$'000	$'000	$'000	$'000
2024					
Regional disaster recovery	Integrated catchment management; Flood protection and control works	4,732	131	(2,140)	2,723
Waihou-Piako Scheme	Integrated catchment management; Flood protection and control works	(1,473)	3,588	(830)	1,285
Lower Waikato main channel	Flood protection and control works	1,632	551	-	2,183
Watershed	Integrated catchment management; Flood protection and control works	11,433	7,548	-	18,981
Coromandel	Integrated catchment management; Flood protection and control works	4,011	495	(123)	4,383
West coast	Integrated catchment management; Flood protection and control works	570	323	-	893
Zone disaster recovery	Integrated catchment management; Flood protection and control works	3,475	133	-	3,608
Drainage	Flood protection and control works	(967)	128	(603)	(1,442)
Civil defence	Civil defence	186	606	(618)	174
Natural heritage	Integrated catchment management	262	-	(188)	74
Biosecurity	Integrated catchment management	3,082	1,336	(757)	3,661
Environmental initiatives	Integrated catchment management	71	26	-	97
General	Community and services	2,369	896	(1,492)	1,773
Permitted activity monitoring	Resource use	528	-	(270)	258
Building Act contingency	Resource use	90	4	-	94
Complaints and enforcement	Resource use	72	-	-	72
Stock truck effluent	Science, policy and information	677	236	-	913

Public transport	Public transport	3,544	3,514	(141)	6,917
Integrated Regional Information System (IRIS)	Corporate (council controlled organisations)	348	-	-	348
Motor vehicle and plant	Corporate	967	-	-	967
Operational fixed asset depreciation	Corporate	747	-	-	747
Communications network	Corporate	550	-	-	550
Investment fund equalisation	Corporate (Treasury)	(5,643)	6,052	(6,227)	(5,818)
Investment fund capital protection	Corporate (Treasury)	24,936	3,266	-	28,202
Pathways to the sea	Flood protection and control works	3	-	(3)	-
Derivative Financial Instrument	Corporate	1,490	-	(282)	1,208
Shovel Ready Reserve	Integrated catchment management; Flood protection and control works	93	-	(93)	-
Hauraki plan change	Science, policy and information	93	-	-	93
Regional development fund	Science, policy and information	6,844	-	(150)	6,694
Contaminated Land Investigation	Science, policy and information	399	-	-	399
Resilient Development Reserve		20	-	-	20
Healthy rivers internal loan	Science, policy and information	1,691	232	-	1,923
		66,832	**29,065**	**(13,917)**	**81,980**

	Balance 1 July	Transfers into fund	Transfers out of fund	Balance 30 June
	$'000	$'000	$'000	$'000
Asset revaluation reserve 2025				
Operational buildings	(4)	11	-	7
Operational Land	3,549	-	-	3,549
Infrastructure assets				
- Bridges	994	-	-	994
- Channels	38,586	-	-	38,586
- Control gates	377	-	-	377
- Culverts	2,818	-	-	2,818
- Debris traps	119	-	-	119
- Detentions	14,165	-	-	14,165
- Drop structures	2	-	-	2
- Fencing	4,678	-	-	4,678

- Floodgates	36,163	-	-	36,163
- Land	57,689	-	-	57,689
- Plantings	171	-	-	171
- Pump stations	36,191	-	-	36,191
- Retaining structures	4,274	-	-	4,274
- River training works	1,173	-	-	1,173
- Stopbanks	600,780	19,278	-	620,058
- Structures	3,912	-	-	3,912
- Weirs	792	-	-	792
Balance at 30 June	**806,428**	**19,289**	**-**	**825,718**

	Balance 1 July	Transfers into fund	Transfers out of fund	Balance 30 June
	$'000	$'000	**$'000**	**$'000**
Asset revaluation reserve 2024				
Operational buildings	(241)	237	-	(4)
Operational Land	3,738	-	(190)	3,549
Infrastructure assets				
- Bridges	994	-	-	994
- Channels	38,586	-	-	38,586
- Control gates	377	-	-	377
- Culverts	2,818	-	-	2,818
- Debris traps	119	-	-	119
- Detentions	14,165	-	-	14,165
- Drop structures	2	-	-	2
- Fencing	4,728	-	(50)	4,678
- Floodgates	36,169	-	(6)	36,163
- Land	57,689	-	-	57,689
- Plantings	171	-	-	171
- Pump stations	36,439	-	(248)	36,191
- Retaining structures	4,274	-	-	4,274
- River training works	1,173	-	-	1,173
- Stopbanks	601,412	-	(632)	600,780
- Structures	3,912	-	-	3,912
- Weirs	792	-	-	792
Balance at 30 June	**807,317**	**237**	**(1,126)**	**806,428**

	2024/25	2023/24
	Actual	Last year
	$'000	**$'000**
Balance 1 July	806,428	807,317
Revaluation adjustment	19,289	(889)
Transfer to accumulated funds on disposal of property	-	-
Balance 30 June	825,718	806,428

Disaster recovery (regional and zone)

To provide funding to respond to natural disaster events, including the funding of insurance excesses.

Waihou-Piako zone

To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.

Project Watershed (including Lower Waikato main channel)

To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.

Coromandel Peninsula

To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.

West coast

To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.

Drainage boards

To recognise the difference between actual and budgeted expenditure in relation to council's land drainage functions. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.

Waikato Civil Defence Emergency Management group

To recognise the difference between actual and budgeted expenditure in relation to civil defence function. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.

Natural heritage

To recognise the difference between actual and budgeted natural heritage expenditure. Applications to the Natural Heritage fund occur in an ad hoc manner. Maintenance of a reserve ensures that funds can be accumulated across financial years, and made available once suitable applications for funding are received.

Biosecurity

To recognise the difference between actual and budgeted biosecurity expenditure. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged.

Environmental initiatives

To recognise the difference between actual and budgeted expenditure in relation to the Environmental Initiatives Fund. Expenditure from the Environmental Initiatives Fund is dependent on applications received each financial year. The use of a reserve ensures that unspent funds can be accumulated across financial years.

General

To smooth the costs of the triennial elections over the three year term of the council.

Permitted activity monitoring

To recognise the difference between actual and budgeted permitted activity monitoring expenditure. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged.

Building Act contingency

A legal contingency fund in relation to council's responsibilities under the *Building Act 2004.* Waikato Regional Council acts as the consenting authority on behalf of a number of other local authorities.

Complaints and enforcement

The compliance and enforcement reserve is held to manage variability in the annual revenue generated from this activity. While a budget provision for revenue recoveries is made, actual revenue received may vary from this amount due to matters outside of the control of the council.

Stock truck effluent

To recognise the difference between actual and budgeted expenditure in relation to this activity.

Public transport

To recognise the difference between actual and budgeted passenger transport expenditure. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve balance will be held at a level that provides some mitigation against increasing costs for these services. This reserve will also be used for the electronic ticketing system.

Integrated Regional Information System (IRIS)

To allow funding for the IRIS project to be smoothed over the development period. The reserve is expected to be fully expended once the project is completed.

Motor vehicle and plant

To recognise the difference between actual and budgeted expenditure. Reserve funds may be applied to the funding of vehicle and plant capital expenditure.

Operational fixed asset depreciation

To recognise the difference between budgeted and actual operational fixed asset depreciation. To ensure that depreciation funding is not applied to general council expenditure.

Communications network

To recognise the difference between actual and budgeted expenditure. Reserve funds may be applied to the funding of communications network capital expenditure.

Investment fund equalisation

To provide a smoothing of the impact of variable investment fund returns over time. The investment equalisation reserve tracks the difference between the budgeted fund return and the actual fund return each year.

Investment fund capital protection

To recognise the provision for the investment fund inflation proofing.

Primary industry compliance

To allow the funding for costs incurred for implementation of primary industry compliance costs to be spread over the agreed funding period.

Hauraki Plan Change

To track funding set aside for the development of the change to the Regional Plan for the Hauraki Catchment area.

Regional development fund

To track funding set aside to form the council's regional development fund, less distributions made through approved funding agreements.

Asset revaluation reserve

The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

Derivative Financial Instruments

To recognise the fluctuations in the value of derivative financial instruments. As financial instruments are held to maturity, movements in the value of the instruments are not realised.

Resilient development

To recognise the difference between actual and budgeted expenditure. Reserve funds will be applied to the resilient development operational expenditure.

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;
- property revaluation reserves;
- restricted reserves.

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 reserve

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

37. Capital management

The council’s capital is its equity (or ratepayer’s funds), which comprises 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. Ratepayer’s funds are largely managed as a byproduct 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 but not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure 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 the council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and the levels of funding are set out in the funding and financial policies in the LTP.

Waikato Regional Council has the following council created reserves:

- reserves for different areas of benefit;
- self-insurance reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the payers of general rate. 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 rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by the council.

38. Compliance with the council's policies

The Local Government Act 2002 requires all local authorities to prepare the following policies and plans:

- long term plan
- revenue and financing policy
- treasury risk management policy (incorporating liability and investment management policies
- development contributions or financial contributions policy
- remission and postponement of rates on Māori freehold land.

In addition, local authorities may adopt a rates remission policy and a rates postponement policy.

39. Events occurring after the balance date

There were no events after balance date that need to be reported.

40. Statements of service performance

Under the *Local Government Act 2002*, the council is required to report on its performance as it relates to measures established in the annual plan. Elements of cost, quality, quantity, timeliness and location (where applicable) must be built into each service performance area. These elements have been covered. Quality processes (which affect the quality of output) are also a standard feature of the internal management control systems, in particular as follows.

Preparation of internal reports

Internal reports are prepared by suitably qualified and experienced staff. Significant reports are subject to a peer review process/consultation review.

Capital works

Capital works are constructed to design specifications Inspections of works are undertaken by suitably qualified and experienced engineers.

Maintenance works

Maintenance works are undertaken by employees or by contract under the supervision of suitably qualified and experienced engineers and monitored thereafter in accordance with the maintenance programme.

Performance review

As part of the annual planning and reporting cycle, the organisation's performance is formally assessed by the council three times during the financial year. At these reviews, progress with the achievement of the performance measures stated in the Annual Plan is evaluated. Where circumstances have changed, adjustments are made to the budget through a resolution of council.

Ngā tahua ā-wāhanga
Group of activity funding impact statements

Customer, community and services

	2024 LTP (Amended) ($000)	2025 LTP ($000)	2025 Actual ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	6,339	7,124	7,124
Targeted rates	1,696	1,138	1,138
Subsidies and grants for operating purposes	-	2	-
Fees and charges	-	190	71
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	214	-	-
Total operating funding (A)	**8,250**	**8,453**	**8,333**
Applications of operating funding			
Payments to staff and suppliers	5,205	7,172	6,795
Finance costs	261	406	343
Internal charges and overheads applied	2,179	2,197	2,645
Other operating funding applications	640	-	-
Total applications of operating funding (B)	**8,287**	**9,775**	**9,783**
Surplus (deficit) of operating funding (A-B)	**(37)**	**(1,322)**	**(1,450)**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	3,025	(472)	1,073
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**3,025**	**(472)**	**1,073**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	22
Increase (decrease) in reserves	2,988	(1,794)	(399)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	**2,988**	**(1,794)**	**(377)**
Surplus (deficit) of capital funding (C-D)	**37**	**1,322**	**1,450**

Funding balance ((A-B)+(C-D))	-	-	-

Waikato Civil Defence Emergency Management Group

	2024 LTP (Amended) ($000)	2025 LTP ($000)	2025 Actual ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	2,492	3,116	3,116
Subsidies and grants for operating purposes	-	-	-
Fees and charges	773	1,168	1,009
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	**3,265**	**4,283**	**4,124**
Applications of operating funding			
Payments to staff and suppliers	2,361	2,875	2,868
Finance costs	-	-	-
Internal charges and overheads applied	897	1,397	1,506
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**3,258**	**4,272**	**4,374**
Surplus (deficit) of operating funding (A-B)	**7**	**11**	**(250)**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	-	-	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**-**	**-**	**-**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	
- to replace existing assets	-	-	-
Increase (decrease) in reserves	7	11	(250)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	**7**	**11**	**(250)**
Surplus (deficit) of capital funding (C-D)	**(7)**	**(11)**	**250**
Funding balance ((A-B)+(C-D))	-	-	-

Regional hazards and emergency response

	2024 LTP (Amended) ($000)	2025 LTP ($000)	2025 Actual ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,002	2,584	2,584
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	590	166	102
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	**2,592**	**2,750**	**2,686**
Applications of operating funding			
Payments to staff and suppliers	1,490	1,428	1,843
Finance costs	-	-	-
Internal charges and overheads applied	1,102	1,281	1,788
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**2,592**	**2,709**	**3,630**
Surplus (deficit) of operating funding (A-B)	**-**	**41**	**(944)**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	-	-	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**-**	**-**	**-**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	50
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	41	(994)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	**-**	**41**	**(944)**
Surplus (deficit) of capital funding (C-D)	**-**	**(41)**	**944**
Funding balance ((A-B)+(C-D))	-	-	-

Flood protection and control works

	2024 LTP (Amended) ($000)	2025 LTP ($000)	2025 Actual ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,326	4,100	4,100
Targeted rates	23,504	28,017	27,838
Subsidies and grants for operating purposes	-	-	2,851
Fees and charges	772	887	1,110
Internal charges and overheads recovered	4,970	5,920	7,279
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	**32,572**	**38,925**	**43,179**
Applications of operating funding			
Payments to staff and suppliers	12,924	14,893	17,123
Finance costs	821	1,345	719
Internal charges and overheads applied	10,538	14,380	16,630
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**24,283**	**30,617**	**34,472**
Surplus (deficit) of operating funding (A-B)	**8,289**	**8,308**	**8,707**
Sources of capital funding			
Subsidies and grants for capital expenditure	1,215	-	3,048
Development and financial contributions	-	-	-
Increase / (decrease) in debt	5,880	24,253	5,580
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**7,095**	**24,253**	**8,628**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	148	1,370	698
- to replace existing assets	14,087	13,612	14,355
Increase (decrease) in reserves	1,149	17,580	2,282
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	**15,384**	**32,561**	**17,335**
Surplus (deficit) of capital funding (C-D)	**(8,289)**	**(8,308)**	**(8,707)**
Funding balance ((A-B)+(C-D))	-	-	-

Integrated catchment management

	2024 LTP (Amended) ($000)	2025 LTP ($000)	2025 Actual ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	11,557	8,555	8,555
Targeted rates	21,129	24,899	24,722
Subsidies and grants for operating purposes	1,352	1,541	2,532
Fees and charges	1,557	1,016	1,225
Internal charges and overheads recovered	2,185	1,316	1,166
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	1
Total operating funding (A)	**37,780**	**37,327**	**38,201**
Applications of operating funding			
Payments to staff and suppliers	26,712	26,254	25,484
Finance costs	(34)	(133)	(218)
Internal charges and overheads applied	11,249	12,037	11,176
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**37,927**	**38,157**	**36,442**
Surplus (deficit) of operating funding (A-B)	**(147)**	**(830)**	**1,759**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	132
Development and financial contributions	-	-	-
Increase / (decrease) in debt	-	49	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**-**	**49**	**132**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	82	798	-
- to replace existing assets	-	25	159
Increase (decrease) in reserves	(229)	(1,604)	1,732
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	**(147)**	**(781)**	**1,891**
Surplus (deficit) of capital funding (C-D)	**147**	**830**	**(1,759)**
Funding balance ((A-B)+(C-D))	-	-	-

Regional transport connections

	2024 LTP (Amended) ($000)	2025 LTP ($000)	2025 Actual ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,976	2,514	2,514
Targeted rates	13,501	16,481	16,407
Subsidies and grants for operating purposes	22,463	26,367	24,856
Fees and charges	11,609	11,131	11,939
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	**49,549**	**56,492**	**55,716**
Applications of operating funding			
Payments to staff and suppliers	46,923	54,134	52,468
Finance costs	-	-	-
Internal charges and overheads applied	3,335	3,847	4,313
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**50,258**	**57,982**	**56,781**
Surplus (deficit) of operating funding (A-B)	**(709)**	**(1,490)**	**(1,065)**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	-	-	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**-**	**-**	**-**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	549	690	553
- to replace existing assets	-	-	2,853
Increase (decrease) in reserves	(1,258)	(2,180)	(4,471)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	**(709)**	**(1,490)**	**(1,065)**
Surplus (deficit) of capital funding (C-D)	**709**	**1,490**	**1,065**
Funding balance ((A-B)+(C-D))	-	-	-

Resource use

	2024 LTP (Amended) ($000)	2025 LTP ($000)	2025 Actual ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	11,156	15,236	15,236
Targeted rates	1,584	2,491	2,469
Subsidies and grants for operating purposes	-	106	25
Fees and charges	9,436	9,591	9,427
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	441	441	930
Total operating funding (A)	**22,617**	**27,866**	**28,087**
Applications of operating funding			
Payments to staff and suppliers	13,560	18,348	18,204
Finance costs	228	474	170
Internal charges and overheads applied	9,033	11,954	11,681
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**22,821**	**30,776**	**30,055**
Surplus (deficit) of operating funding (A-B)	**(204)**	**(2,910)**	**(1,968)**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	1,835	2,731	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**1,835**	**2,731**	**-**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,635	-	-
- to replace existing assets	148	247	430
Increase / (decrease) in reserves	(152)	(426)	(2,398)
Increase / (decrease) of investments	-	-	-
Total applications of capital funding (D)	**1,631**	**(179)**	**(1,968)**
Surplus (deficit) of capital funding (C-D)	**204**	**2,910**	**1,968**
Funding balance ((A-B)+(C-D))	-	-	-

Science, policy and information

	2024 LTP (Amended) ($000)	2025 LTP ($000)	2025 Actual ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	25,783	28,634	28,634
Targeted rates	-	-	-
Subsidies and grants for operating purposes	0	0	-
Fees and charges	4,430	5,183	5,510
Internal charges and overheads recovered	155	155	155
Local authorities fuel tax, fines, infringement fees, and other receipts	750	-	-
Total operating funding (A)	**31,118**	**33,972**	**34,300**
Applications of operating funding			
Payments to staff and suppliers	21,516	20,175	20,021
Finance costs	70	-	-
Internal charges and overheads applied	11,774	14,445	13,628
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**33,360**	**34,620**	**33,649**
Surplus (deficit) of operating funding (A-B)	**(2,242)**	**(648)**	**651**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	(326)	-	(302)
Gross proceeds from the sale of assets	-	-	8
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**(326)**	**-**	**(294)**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	750	696	28
- to replace existing assets	1,618	550	521
Increase / (decrease) in reserves	(4,936)	(1,894)	(192)
Increase / (decrease) of investments	-	-	-
Total applications of capital funding (D)	**(2,568)**	**(648)**	**357**
Surplus (deficit) of capital funding (C-D)	**2,242**	**648**	**(651)**
Funding balance ((A-B)+(C-D))	-	-	-

Corporate, self-funding and other

	2024 LTP (Amended) ($000)	2025 LTP ($000)	2025 Actual ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,013	(1,292)	(3,105)
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	3
Fees and charges	1,120	751	907
Internal charges and overheads recovered	44,236	95,273	54,821
Local authorities fuel tax, fines, infringement fees, and other receipts	4,221	8,599	10,784
Total operating funding (A)	**50,590**	**103,331**	**63,410**
Applications of operating funding			
Payments to staff and suppliers	43,302	51,764	51,931
Finance costs	306	1,379	1,493
Internal charges and overheads applied	541	40,587	54
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**44,148**	**93,730**	**53,478**
Surplus (deficit) of operating funding (A-B)	**6,442**	**9,600**	**9,932**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	(938)	(1,385)	10,685
Gross proceeds from the sale of assets	-	-	1,060
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**(938)**	**(1,385)**	**11,745**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	43	671	184
- to replace existing assets	1,635	1,816	3,127
Increase / (decrease) in reserves	3,826	5,728	18,366
Increase / (decrease) of investments	-	-	-
Total applications of capital funding (D)	**5,504**	**8,215**	**21,677**
Surplus (deficit) of capital funding (C-D)	**(6,442)**	**(9,600)**	**(9,932)**
Funding balance ((A-B)+(C-D))	-	-	-

Whole of council

	2024 Annual Plan ($000)	2024 Actual ($000)	2025 Annual Plan ($000)	2025 Actual ($000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	63,636	64,493	67,456	65,642
Targeted rates	67,719	67,673	76,142	75,690
Subsidies and grants for operating purposes	26,837	33,781	28,016	30,266
Fees and charges	30,898	28,458	30,082	31,300
Interest and dividends from investments	5,682	8,769	8,599	10,785
Local authorities fuel tax, fines, infringement fees, and other receipts	441	735	441	930
Total operating funding (A)	**195,213**	**203,909**	**210,735**	**214,613**
Applications of operating funding				
Payments to staff and suppliers	185,773	180,331	196,504	196,737
Finance costs	3,491	1,760	3,470	2,507
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**189,263**	**182,091**	**199,974**	**199,244**
Surplus (deficit) of operating funding (A-B)	**5,951**	**21,818**	**10,761**	**15,369**
Sources of capital funding				
Subsidies and grants for capital expenditure	2,405	4,710	-	3,181
Development and financial contributions	-	-	-	-
Increase / (decrease) in debt	8,847	1,994	25,176	17,036
Gross proceeds from sale of assets	-	1,095	-	1,068
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	**11,253**	**7,799**	**25,176**	**21,285**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	6,925	1,532	4,226	1,513
- to replace existing assets	24,893	30,715	16,249	21,467
Increase / (decrease) in reserves	(14,613)	(2,630)	15,462	13,674
Increase / (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**17,204**	**29,617**	**35,937**	**36,654**
Surplus (deficit) of capital funding (C-D)	**(5,951)**	**(21,818)**	**(10,761)**	**(15,369)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**

Te tāhura ā ahumoni me ngā ritenga matawhāiti
Financial reporting and prudence regulations

Annual report disclosure statement for the year ending 30 June 2025

What is the purpose of this statement?

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

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

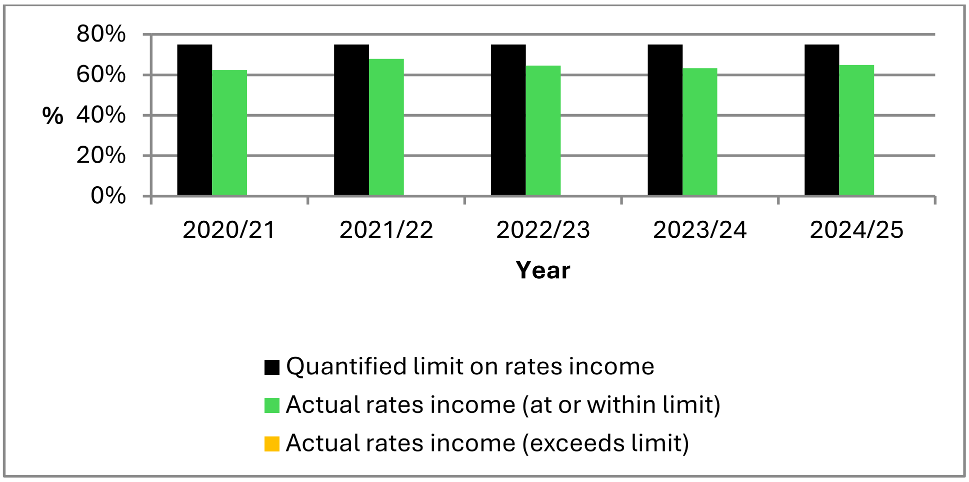
Rates affordability benchmark

The council meets the rates affordability benchmark if:

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

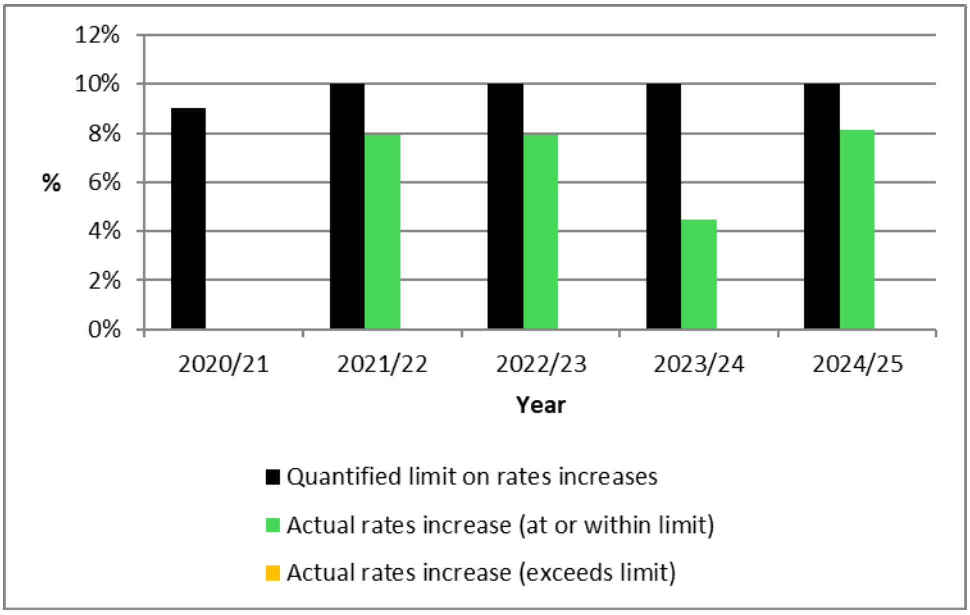
Rates (income) affordability

The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long term plan. The quantified limit is that total rates revenue will comprise up to 75 per cent of the council's annual revenue requirements.



Rates (increases) affordability

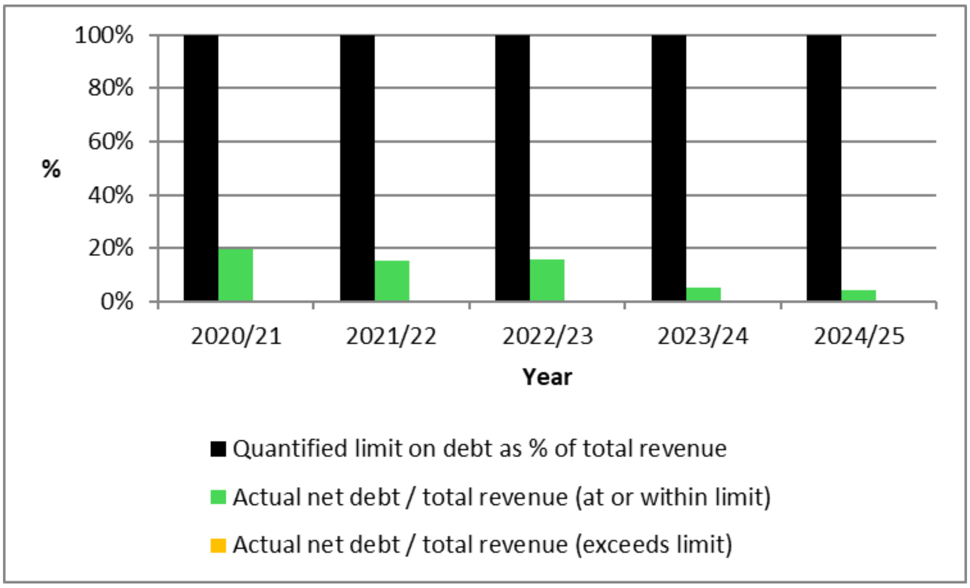
The following graphs compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long term plan. For the 2018-2028 long term plan the quantified limit is that increases in the annual rate revenue requirement will be limited to a 9 per cent increase in revenue from current ratepayers. For the 2021-2023 and the 2024-2034 long term plans the quantified limit is that increases in the annual rate revenue requirement will be limited to a 10 per cent increase in revenue from current ratepayers.



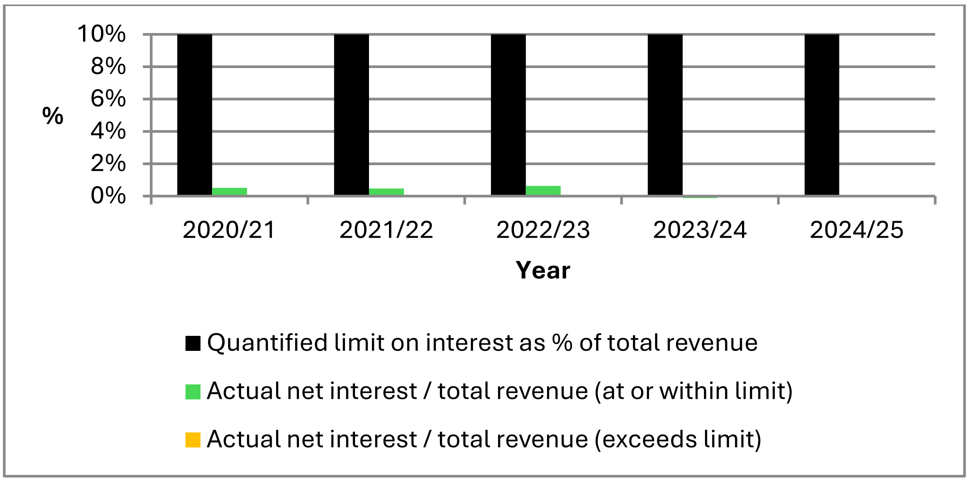
Debt affordability benchmark

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

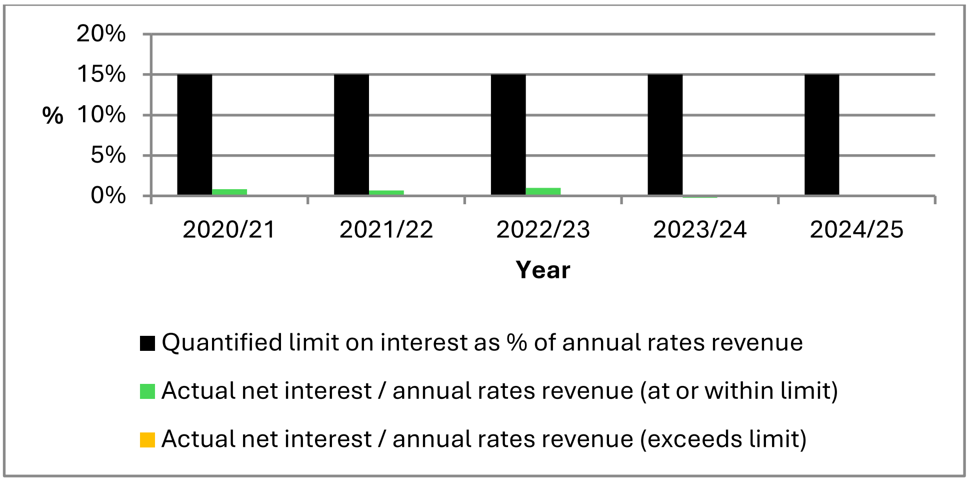
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is that net debt / total revenue is <100 per cent.



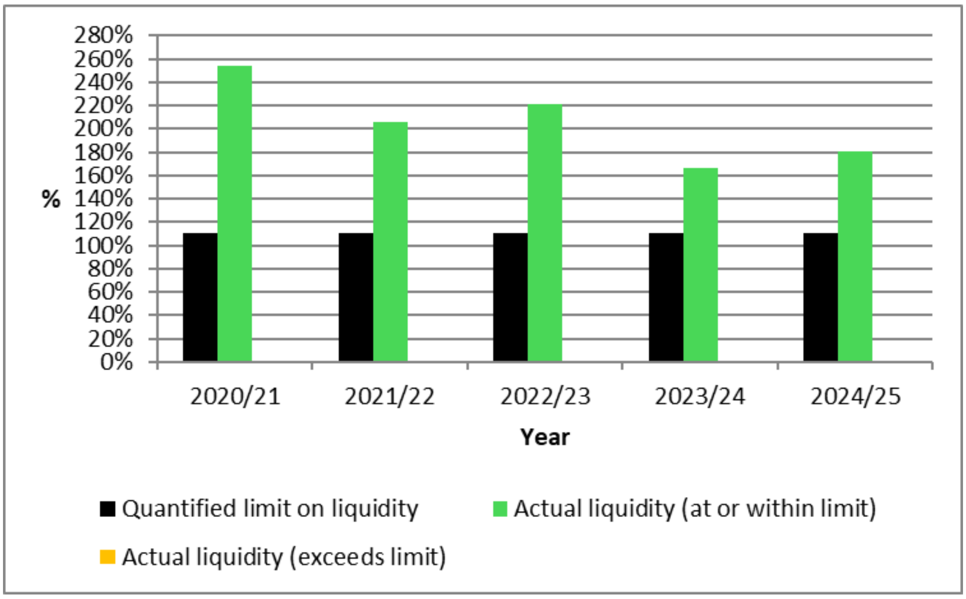
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long term plan. The quantified limit is that net interest / total revenue is <10 per cent.



The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long term plan. The quantified limit is that net interest on external debt / annual rates revenue is <15 per cent.



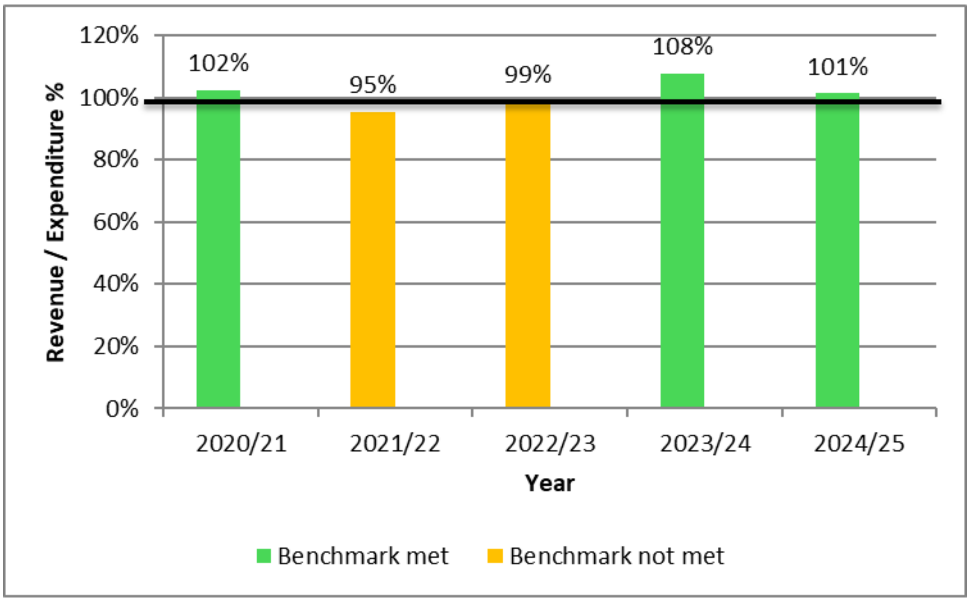
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. For the 2018-2028, the 2021-2031 and the 2024-2034 long term plan the quantified limit is that liquidity is >110%. Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.



Balanced budget benchmark

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

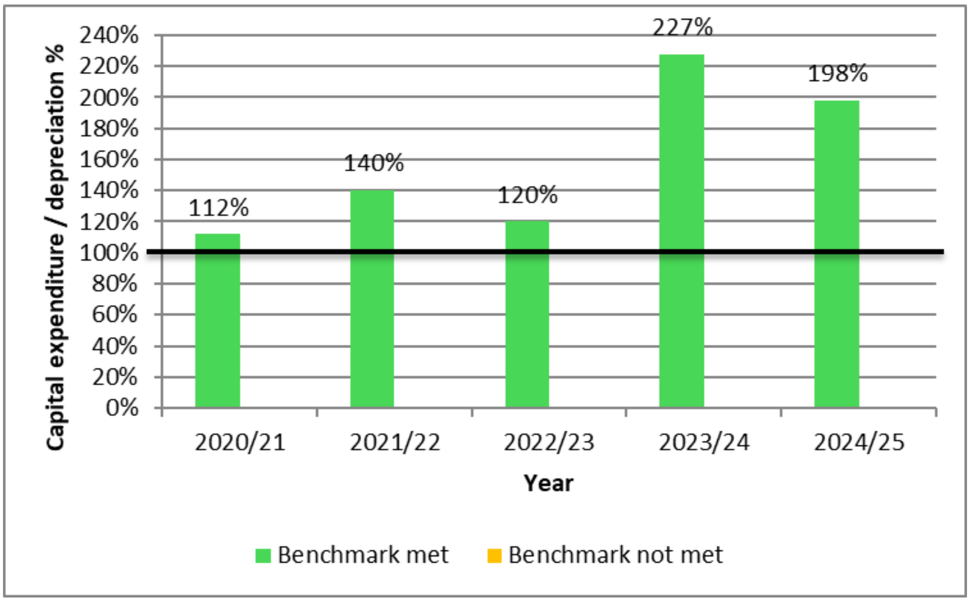
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

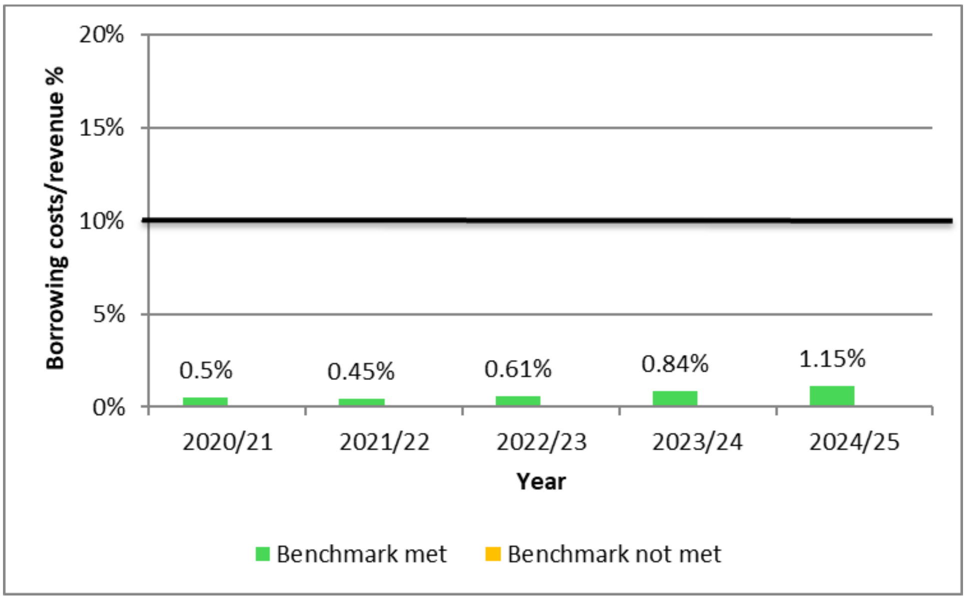
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

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

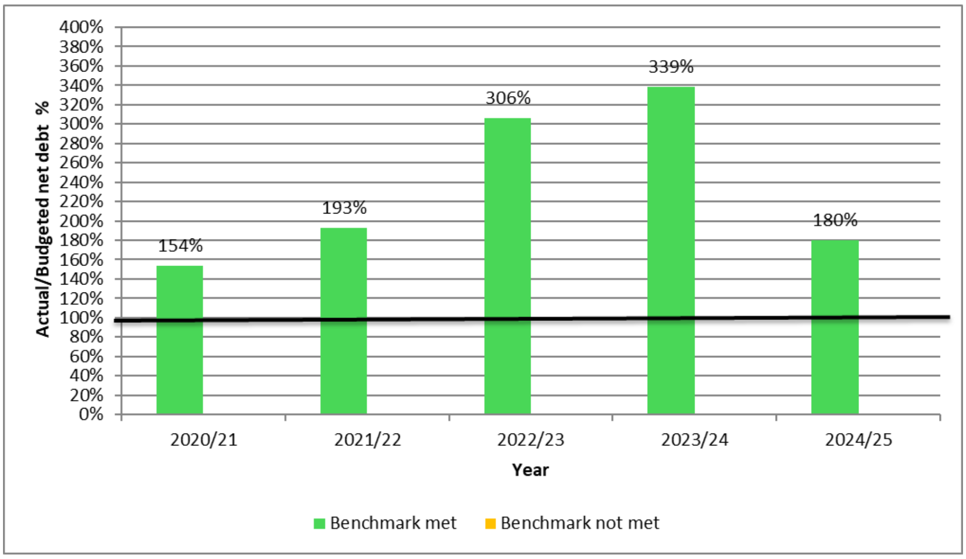
Because Statistics New Zealand projects the council's population will grow more slowly than the national population's growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10 per cent of its revenue.



Debt control benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

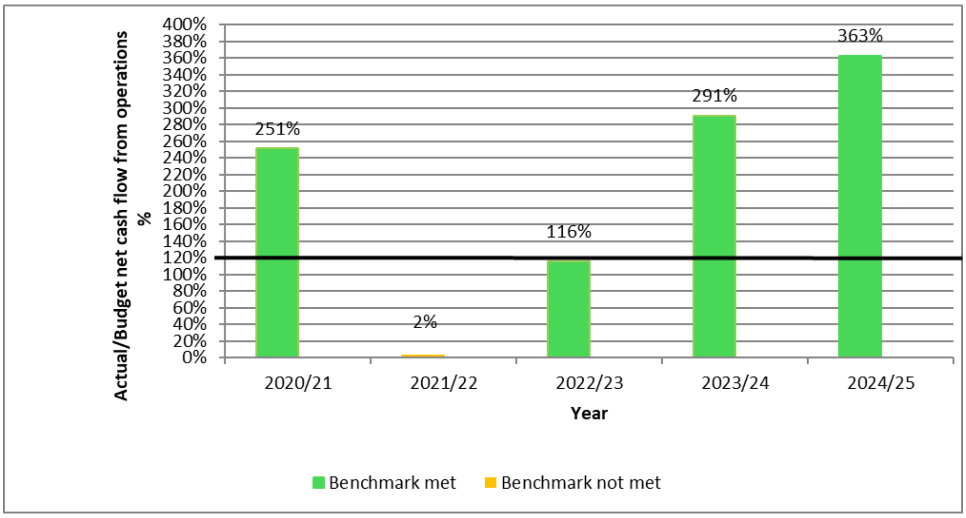


Note: In each financial year the council budgeted to have a net asset position overall, with its financial assets (excluding trade and other receivables) exceeding its financial liabilities. The graph shows "benchmark met" when the council is better off (either less indebted or with greater net assets) than planned. Conversely, it shows "benchmark not met" whenever the council is either more indebted or has less net assets than planned.

Operations control benchmark

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

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flows from operations.



Additional information and comment

Debt control benchmark

The benchmark displays the council's actual net debt as a proportion of planned net debt In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). For all of the financial years shown, councils financial assets exceed its financial liabilities for both actual and budget figures. This means that where actual net debt over budgeted net debt equals or exceeds 100%, our actual net debt position is more favourable than planned and council meets the debt control benchmark.

Operations control benchmark

The benchmark displays actual net cash flow from operating activities as a proportion of planned net cash flow from operating activities. In the 2024/25 financial year, interest revenue received was higher ($0.861 million) than planned. This was a result of increasing interest on statutory land charges as well as other interest income having a favorable impact on interest income received. Further, the 2024/25 financial year had higher receipts from customers as well as higher grants than anticipated.

Debt affordability - net debt/total revenue

In calculating the net debt to total revenue benchmark, financial assets relating to the investment fund has not been included.

Section 6

Ngā āpitihanga

Supplementary material

Ngā hinonga kaunihera
Council controlled organisations

Waikato Local Authority Shared Services

Waikato Local Authority Shared Services (Co-Lab) is a council-controlled organisation (CCO) owned by 12 local authorities – Waikato Regional, Hamilton City, Hauraki District, Matamata-Piako District, Ōtorohanga District, Rotorua District, South Waikato District, Thames-Coromandel District, Waikato District, Waipā District, Waitomo District and Western Bay of Plenty District.

It was established in 2005 as a vehicle through which councils could collaborate and identify opportunities to undertake activities on a shared basis. More recently, the purpose of the company has shifted towards being to a true service delivery agent for, and strategic partner of, the councils.

The company's vision is that council collaboration through Co-Lab maximises community outcomes. To achieve this, Co-Lab has three main functions:

1. Acts as an "ideas laboratory" – working with councils to investigate and develop opportunities to work together;
2. Delivers shared services to councils; and
3. Enters joint procurement arrangements.

By undertaking these activities, Co-Lab provides three key benefits to councils:

1. Reduces costs through efficiency gains in FTE or time; procurement savings; reducing unit cost of product / service
2. Creates value through improving levels and quality of service; increasing skills, expertise or compliance; improving decision making
3. Enables innovation and change through research and opportunity development; providing centres of expertise/skills; collaboration and regional insights and enabling councils to provide a consistent customer experience.

Member councils currently pay an annual levy, depending on their size, to support the operating costs of Co-Lab Services provided to councils are funded on a user pays basis. The Co-Lab board has six directors – five council-representative directors (including one appointed by Waikato Regional Council) and an independent Chair.

More detailed information about Co-Lab can be found at Home – Co-Lab (colabsolutions.govt.nz)

Performance measure results for 2024/25 as per 2024/25 Annual Report

Goal 1: Shareholding Councils understand we provide them value

Performance Measure	Annual KPI	2024/25 Result	2023/24 Result
We know the value we provide shareholders has improved by 15%, by 30 June 2027* (baseline year ended 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.	$11.4m in value we provide to councils as measured by our benefit analysis.	$12.5m 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).	88% of council survey respondents believe those Co-Lab services they received met or exceeded their expectations (evidenced by an annual survey) in FY25. The survey response rate was 41% (350 were invited to participate with 142 responses received).	84% of council survey respondents believed those Co-Lab services they received met or exceeded their expectations (evidenced by an annual survey) in FY24. The survey response rate was 41% (310 were invited to participate with 128 responses received).

Goal 2: Deliver value by growing the scale of our shared service function

Performance Measure	Annual KPI	2024/25 Result	2023/24 Result
24 new instances of Co-Lab shared services being utilised, by June 2027. (baseline year ended 30 June 24)	Year-on-year increase in the utilisation of services we provide to councils.	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.	There were no new councils onboarded to shared services in FY23-24.
	Year-on-year increase in the number of services available to councils.	• Introduced RATA Spaces & Places • Launched Co-Lab Building Services.	There were no new shared services introduced in FY23-24.
All shareholders take up at least one additional shared service.	Year-on-year increase in the utilisation of services we provide to councils.	Measured as above.	There were no new councils onboarded to shared services in FY23-24.

Goal 3: Diverse, talented and motivated people work for us

Performance Measure	Annual KPI	2024/25 Result	2023/24 Result
Maintain staff engagement above 85%.	Maintain staff engagement above 85%	The engagement score was 86% The survey response rate was 45% (49 were invited to participate with 22 responses received.	The engagement score was 87% The survey response rate was 65% (48 were invited to participate with 31 responses received).
Staff turnover is less than 15%.	Staff turnover is less than 15%.	10.5%	18.2%
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.	The 1 position advertised was vacant for 2 months.	The positions advertised vacant for the following periods: • Communications Manager –15 months • Contracts Administrator – 1 month • Procurement Advisor – 1 month • Business Support Specialist – 1 month • WRTM Programme Manager – 3 months • Quality Systems Lead (WBCG) – 4 months.

Regional Software Holdings Limited (RSHL)

Introduction

Regional Software Holdings Limited (RSHL) was formed in October 2012 by Northland, Taranaki, Horizons, West Coast and Waikato regional councils, and Environment Southland. The six councils worked closely together over a number of years to develop and maintain a software application suite for use by the councils in the delivery of their activities.

The RSHL was restructured by Te Uru Kahika during the 2023 financial year, transitioning to be the regional sector shared services organisation. Existing Te Uru Kahika collaboration and resource sharing has been consolidated within RSHL.

RSHL provides a framework for collaboration across Te Uru Kahika. It supports the procurement or development of shared solutions in a manner that provides greater consistency in how we operate RSHL provides a more cost-effective alternative than individual councils can achieve on their own.

The company operates by facilitating collaborative initiatives between councils and through managed contractual arrangements.

Company principles and objectives

The Principles of the Company that should be considered when making any decisions relating to the Company are as follows:

- Work for the good of Te Uru Kahika
- Act in accordance with the principles of Te Tiriti o Waitangi
- Be transparent and accountable
- Create value
- Work smarter, not harder
- Gain consistency
- Reduce duplication
- Be customer centric
- Recognise and manage shareholder risk
- Support our people.

In addition to operating the Company with regard to the principles, the primary objectives of the Company are to:

- The local government sector is better prepared to respond to future challenges
- Achieve a better return on investment with a focus on quality of outcome and realising the value proposition for the sector
- Increase credibility of the sector as a trusted deliverer with a unified and consistent sector profile
- Improve key staff attraction and retention
- Achieve consistent good practise process across the sector and within councils.

The secondary objectives of RSHL are to:

- achieve the objectives of its Shareholders, both commercial and non-commercial as specified in RSHL's Statement of Intent;
- be a good employer;
- exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when able to do so.

Performance targets by which the success of the company may be judged in relation to its objectives are:

RSHL Performance Measures

The following performance measures were incorporated into the Statement of Intent for the 2024-25 financial year.

Performance targets by which success may be judged in relation to our objectives are:

Theme: Programme Delivery
Performance Statement: We will manage our programs to a high standard.

Target	Timing
All projects and programmes will follow an appropriate approval pathway for their size, scope and complexity.	Self-assessment in June each year.

In the period 1 July 2024 – 30 June 2025 the following projects were initiated at RSHL.

Data Emissions Platform Project

The Local Emissions Data Platform is a standardised, accessible online tool designed to enable councils to consistently report and analyse greenhouse gas emissions, supporting evidence-based decision-making and alignment with national and international reporting frameworks.

The Local Data Emissions Platform Project was assessed via a feasibility study.

The project was assessed as low risk due to the following factors:

- The funding commitment was for one year.
- The total project annual cost was less than $0.5M allocated across 19 participating councils.
- The project has no capital expenditure component.

As the project was low risk, a business case was not required, and the project was approved by the participating councils and the board of RSHL via a project scope document.

Public Transport Ticketing Programme

The Public Transport Ticketing Programme enables a consortium of ten councils to operate the Bee Card transport ticketing system, and to work with other regional authorities and Waka Kotahi/NZTA on the National Ticketing Solution (NTS). The programme had previously been hosted at ORC.

Incorporating the programme within RSHL included the transition of 3-5 staff, and management of the vendor contract.

- The board approved the transition of the programme to RSHL via a lite business case.
- The participating councils agreed to the transition via a paper to the programme governance group.

Planning Management System

The Planning Management System (PMS) Project was designed to streamline planning, strategy, and policy processes for local governments, particularly in relation to the Resource Management Act (RMA), by managing and tracking submissions, responses, and resolutions effectively.

- A Feasibility Assessment was completed for this project.
- Based on the Feasibility Assessment the councils elected not to proceed with the project with uncertainty around Resource Management Reform was the deciding factor.

Target	Timing
All programmes will have an effective governance structure appropriate to the size and complexity of the programme.	Self-assessment in June each year.

In the period 1 July 2024– 30 June 2025 all projects/programmes operated governance structures as agreed with participating councils, and in accordance with the RSHL Governance Framework.

Programme	Governance Structure
IRIS NextGen	• RSHL Board governance oversight • Council appointed Steering Group with representatives from each council.
IRIS	• RSHL Board governance oversight • Council appointed Advisory Group with representatives from each council.
Te Uru Kahika Hosting	• Oversight by the Te Uru Kahika RCEOs Group • RSHL oversight of financial activity according to RSHL control environment.
Local Data Emissions Platform	• RSHL Board governance oversight • Steering Group appointed by participating councils • Council appointed Advisory Group with representatives from each council.
WellsNZ	• RSHL Board governance oversight

	• Council appointed Steering Group • Council appointed Advisory Group with representatives from each council.
EDMS (Discontinued)	• RSHL Board governance oversight • Steering Group appointed by Te Uru Kahika.
Public Ticketing Transport	• Council appointed Steering Group • RSHL oversight of financial activity according to RSHL policy.

Between February and June this year RSHL reviewed the governance arrangements for programmes. The purpose of the review was to put in place governance structures that enabled RSHL to deliver maximum value to councils for programmes that it operates, while providing councils transparency and control of significant programme decisions.

The review resulted in changes to our standard partnership agreement to include a definition of "significant" decisions, and a new process for these decisions to be approved by the board and councils.

Target	Timing
All programmes will have an effective planning process draft plans and budgets will be set before 1 March, final plans and budgets will be set by 30 June.	Self-assessment in June each year.

Programme	Planning and Budgeting
IRIS NextGen	The IRIS NextGen Programme Budget was updated and endorsed by the Steering Group in February, for inclusion in the Draft Statement of Intent. The final unchanged budget was endorsed by the Steering Group in June for inclusion in the Statement of Intent.
IRIS	The IRIS Programme Budget was updated and endorsed by the Advisory Group in February, for inclusion in the Draft Statement of Intent. Participating councils had the budget approved by a staff member with appropriate delegation. The final unchanged budget was endorsed by the Advisory Group in June for inclusion in the Statement of Intent.
Te Uru Kahika Hosting	Te Uru Kahika developed a new business plan in the first part of 2025. Because of this the budget included in the draft statement of intent was indicative only. Te Uru Kahika RCEOs Group approved the new business plan in May and a final budget in June and this was included in the Statement of Intent. Te Uru Kahika's Business Plan and Budget development was overseen by the Te Uru Kahika Executive Director.
Local Data Emissions Platform	The Local Data Emissions Platform was rolled out to councils in FY25. The implementation programme used an ad-hoc funding model. As part of the implementation and validation process for the platform a new funding model was developed, which will be used going forward. Validation of the platform was completed between March and June 2025, allowing the FY26 budget, and plan to be reflected in the Statement of Intent. The LDEP implementation programme will end in 2025 and LDEP will operate as a service going forward.
WellsNZ	RSHL operates WellsNZ as a service Budgets and plans were included in the draft SOI published in February, and updated to reflect two additional councils taking up the service in FY26.
EDMS	N/A This project has now closed.
Public Ticketing Transport Programme	The Public Ticketing Transport Programme has been disrupted by delays to the National Ticketing System rollout. As such plans and budgets have been updated regularly to reflect the changing situation. The budget included in the Statement of Intent is the latest approved by the programme steering group.

Target	Timing
All programmes will meet agreed delivery targets set by the programme governance group each year. Annual performance surveys will be completed with participating councils. Survey feedback will be considered and actioned where appropriate – including sharing feedback with the Board.	Self-assessment in November each year.

IRIS NextGen

The performance measures for IRIS NextGen are documented in the IRIS NextGen Partnership Agreement. The agreement is between RSHL and the participating councils.

Non-Financial: Annual Survey

"Undertake an annual survey of IRIS NextGen users in Participating Councils in relation to product performance, Datacom support and RSHL support.

Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year."

The last survey for IRIS NextGen was completed in May 2024. With the programme undergoing significant disruption, we elected not to complete another survey in November 2024. The next survey will be in November 2025.

Non-Financial: Roadmap

Stay abreast of sector developments that may result in new requirements.

Maintain a roadmap of priorities for enhancement of the Datascape Regional Sector Solution.

- To keep track of upcoming planned or potential changes to the regulatory environment RSHL maintains a Legislative Change Register which is reviewed regularly with the programme steering group and the supplier.
- Non regulatory changes are managed by the IRIS Product Manager.
- Changes to resource management and planning feature prominently. We proactively work with council staff to assess the impact of changes and plan with Datacom to address any process and system changes.

Non-Financial: Good Practice

Participating Councils use the Good Practice Operating Model to benchmark themselves and measure the degree to which good practice is being achieved. Measured by the number of Participating Councils that report they have used the model artefacts for benchmarking.

This target cannot be measured properly until councils have implemented IRIS NextGen, however councils did complete a baseline self-assessment in July 2023 which was used as the basis of future planning.

Non-Financial: Productivity Gains

Measure productivity gains in Participating Councils through predetermined metrics, for example:

- *reduced time to incident resolution*
- *reduction in consent processing timeframes*
- *consistent data capture allowing ease of cross-council reporting (e.g. MFE reporting).*

This target cannot be measured until councils have implemented IRIS NextGen, however councils have already agreed a set of metrics that will be used to measure productivity improvements.

These metrics cover all functional areas of the programme:

- Consents
- Compliance, Incidents and Enforcement (including Maritime)
- Customer, Requests and LGOIMA • Farm, Land and Catchment Management

- Biodiversity
- Biosecurity
- Selected Land Use Sites
- Environmental Monitoring

The metrics focus on specific measures that are meaningful to users and drive productivity gains for councils:

- Increased consistency has a positive impact
- Resource optimisation has a positive impact
- Quicker to produce reports
- Operational efficiencies are realised
- Training improvements occur

The solution has been built to enable the collection and reporting of these measures. Reporting will start after a bedding-in period following implementation.

Financial

- *The IRIS NextGen programme will operate within approved budget, with any material variations approved by the Programme Steering Group.*
- *Annual charges for Participating Councils will be at the level approved by Programme Steering Group and the RSHL Board.*

IRIS NextGen continues to operate within approved budget and charges to participating councils have been as planned. In fact, expenditure is less than planned and the programme has a surplus of $1,415,046 due to ongoing delays.

Growth

- *Engage with councils in the regional sector to increase the scope of the usage of IRIS NextGen.*
- *The objective is to increase the number of councils using the solution, and the breadth of the solution in use.*

In FY2025 West Coast Regional Council formally joined the IRIS NextGen Programme, bringing the total number of councils participating to ten. Nine of the eleven Regional Councils in New Zealand are participating in the programme.

We are in regular contact with the remaining councils. We expect an uptick of interest once the solution is live at the pilot council.

IRIS

The IRIS Programme is in sunset phase, as such performance targets are not required. Councils expect that we will minimise costs, ensure compliance with regulations, minimise security risks and enable the efficient migration of data to IRIS NextGen.

In FY2025 we were able to meet each of these targets for the councils.

Local Emissions Data Platform

The Local Data Emissions Platform has completed the establishment phase and transitioned to operation as a service.

The agreement with the councils specifies a number of KPIs which will be measured for the first time in November:

The KPIs cover the following measures:

- Financial Viability
- Operational Stability
- Emission Reduction Path Completions
- Tool Output Quality
- Decision Support Effectiveness
- Council Collaboration
- User Survey results (potential Go No/Go):
- End User Confidence
- Usability Satisfaction
- Outcome Satisfaction

- Training Satisfaction

We will report performance against KPIs in the next Annual Report.

WellsNZ

The performance measures for WellsNZ are documented in the WellsNZ Partnership Agreement. The agreement is between RSHL and the participating councils.

Non-Financial: Annual Survey

Undertake a survey of Wells Aotearoa | NZ users in Participating Councils in relation to product performance, MadeCurious support and RSHL support.

Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.

We have not completed a survey for WellsNZ this year. The next survey will be in November 2025.

Non-Financial: Roadmap

Stay abreast of sector developments that may result in new requirements. Maintain a roadmap of priorities for enhancement of the NZ Bores & Wells Solution.

The WellsNZ solution is overseen by the WellNZ Advisory Group. The group works with the solution provider to maintain a work programme (backlog) of system improvements, bug fixes and changes for regulatory purposes. Budget for continuous improvement of the solution is built into the service fees councils pay.

Financial

The Wells Aotearoa | NZ programme will operate within approved budget, with any material variations approved by the Programme Steering Group.

Annual charges for Participating Councils will be at the level approved by Programme Steering Group and the RSHL Board.

Operating costs for the WellsNZ solution and the council service fees are set according to the partnership agreement, and the downstream service agreement with the service provider. Costs and charges to councils have been according to budget.

Growth

Engage with councils in the regional sector to increase the usage of Wells Aotearoa | NZ. The objective is to increase the number of councils using the solution.

RSHL has worked with the WellsNZ advisory group to promote the solution to other regional councils. In FY25 we were successful in attracting two new councils to the programme. Greater Wellington Regional Council has joined the programme and commenced preparation to on-board in early FY2026. Bay of Plenty Regional Council has joined the programme and intends to implement the solution in early FY27.

This will bring the total number of councils participating to six. As more councils join, the solution becomes even more cost effective. We will continue to promote the solution in partnership with the Advisory Group.

Theme: Support Te Uru Kahika

Performance Statement: We will deliver high-quality services to Te Uru Kahika.

In this context, Te Uru Kahika refers to the organisation led by the Te Uru Kahika Executive Director and overseen by the RCEOs Group. Te Uru Kahika is also sometimes used to refer to the collective of the 16 regional government organisations.

Target	Timing
We will review and agree performance targets with Te Uru Kahika annually as part of the planning and budgeting process.	Self-assessment in June each year.
We will meet or exceed agreed performance targets Results will be agreed with Te Uru Kahika Executive Advisor and shared with RCEOs Group and Board.	Assessed at year-end.

NB – RSHL support for Te Uru Kahika is underpinned by a Memorandum of Agreement which outlines the services to be provided.

Te Uru Kahika appointed a new Executive Director in February 2025. RSHL has been working with the new Executive Director to develop a new model for RSHL support of Te Uru Kahika Service improvements are being rolled out over the course of this financial year.

Area	Performance and Improvements
Financial/Operations Management	Procurement and contract management were delivered to an acceptable level in FY25, however in line with the growth of the Te Uru Kahika, several improvements have been implemented: • Update Delegations Policy to incorporate Te Uru Kahika roles and responsibilities. • Implement Financial workflow toolset to manage processing of PO, Payables and Receivables. • Implement PO matching to more closely monitor spend against contract. • Distribute financial approval processes to accountability owners, in line with delegations policy.
Compliance	RSHL ensures compliance with Local Government Act, Companies Act, LGOIMA etc. Including: • Production of draft and final Statement of Intent • Interim Report • Audited Annual Report. RSHL Received a clean audit for FY24. Improvements in this area relate to Information Management. In line with the growth of the organization, we are conducting a review of information management practices, with the intent of updating them and ensuring that they are fit for practice.
Fund Management and Accountabilities	In FY24 RSHL managed $5.1M of funding for Te Uru Kahika, including $0.36M in funding from Central Government. All income and expenditure is ringfenced in RSHL financial systems. In FY26 we will implement the following improvements in this area: • Implement bespoke activity reporting for Te Uru Kahika Strategic Priorities • Implement 6-Monthly reconciliation with budget owner for each fund.
Vendor Management	Most services contracts for Te Uru Kahika are time and materials engagements RSHL effectively managed the following vendors that support Te Uru Kahika Activities. • Resolution8 provide support for the Te Uru Kahika Hub, hosted at BOPLASS. • IT Effect operate the LAWA Website and provide development resources for enhancements IT Effect are managed by the EMAR Programme Manager. • MadeCurious host the N-Cap solution and the temporary INFDP “Bridge” solution. No improvements are planned in this area, other than the upgraded financial controls outlined above.
Operation of shared services/solutions	RSHL operated the following services for Te Uru Kahika. • **Te Uru Kahika Hub** – Collaborative Microsoft Teams site hosted by BOPLASS • **N-Cap** solution for the recording of nitrogen application by farmers A requirement of current freshwater regulations • **Retrolens** website, which provides historic aerial imagery. Each service has an appropriate governance and operating model. Costs are managed within agreed limits and appropriate budget advice was provided to Te Uru Kahika. In FY26 we will implement the following improvements in this area: Quarterly service reviews with business owners to assess performance and value received.

Employment of Staff	RSHL provides employment services for 10 Te Uru Kahika staff. Recruitments have been managed by Te Uru Kahika staff and governors, supported by specialist HR advice provided via RSHL. In FY26 we have implemented or will implement the following improvements: • Provided a comprehensive Employee wellbeing service. • Engaged a new IT service provider with national coverage to provide staff with better service. • We will also engage staff on improvements to the RSHL employee experience and streamline onboarding/offboarding.
Programme Management	In FY2025 RSHL managed the following programmes for Te Uru Kahika • INFDP – INFDP Programme was closed this year due to a change in government policy. • EDMS – EDMS project was closed as it was no longer aligned with council or sector needs. In FY26 RSHL is supporting the development of feasibility studies for multiple Te Uru Kahika projects, with the first two being: • National Flood Modelling • Flood Asset Management Data Portal (Te Uru Kahika River Managers). RSHL is continually seeking to improve our delivery for programmes. In FY26 we will roll out the Delivery Framework to provide a standard management framework for all RSHL Programmes (including those that originate from Te Uru Kahika). RSHL will also establish Portfolio Reporting to provide all stakeholders with greater visibility of programmes in flight.

Theme: Operational Excellence

Performance Statement: We will set a high standard for the governance and management of the company.

Target	Timing
We will operate within approved budget, with any material variations approved by the board.	Assessed at year-end.

Partially Achieved – RSHL operated within approved budgets for all programmes but with some variations approved by the board.

The board receives monthly financial reports with revenue and expenditure for each activity:

- RSHL Overheads – RSHL Board
- IRIS NextGen Programme – IRIS NextGen Steering Group
- IRIS Programme – IRIS Advisory Group
- Sector Financial Management System – RCEOs Group
- Public Transport Ticketing Programme – Transport Ticketing Solution Governance Group.

The board received and accepted the financial reports at each meeting, with variances discussed and agreed.

- Overheads – Overhead costs are allocated to each programme based on revenue. The SOI budget showed total overheads to be recovered from programmes as $407K. Actual overheads recovered were $641K.
- IRIS NextGen Programme – The SOI budget for IRIS NextGen indicated that costs would match revenue exactly. In fact the programme had a surplus of 1,415,046 due to ongoing delays which have deferred expenditure.
- IRIS – The IRIS Programme Budget included reflected a deficit of $480K for the year because the programme intended to expend funds carried over from previous years. In fact, the programme had an operating deficit of $837,107. This was because the programme was able to complete the work programme for the year using surplus funds from previous years.
- Sector Financial Management System – Te Uru Kahika confirmed its budget for FY2025 in July after RSHL had published its SOI budget. As such, a comparison between the SOI budget and the FY24 actual expenditure for the SFMS is not

meaningful. The RCEOs Group received quarterly updates on income and expenditure against their budget. The Te Uru Kahika Executive Director also receives regular updates.

- Further variability was created because Te Uru Kahika successfully negotiated a new funding agreement with MFE in June 2025. This has had a favourable impact on the year-end result.

The Public Transport Ticketing Programme is new to RSHL and so did not have a budget included in the SOI. The programme completed the year with a surplus of $184K against the budget agreed when the programme started at RSHL.

Target	Timing
We will meet all statutory governance and reporting deadlines.	Assessed in July for the previous year.

The following statutory deadlines applied to RSHL during FY25.

FY24 Annual Report	Requirement: Annual Report (audited) must be published and provided to shareholders by 30 September. Result: FY24 was adopted on 26 September 2024.
FY25 Interim Report	Requirement: The Interim Report must be published and provided to shareholders by 28 February. Result: FY25 Interim Report was adopted on 28 February 2024.
FY26 Draft Statement of Intent	Requirement: The draft statement of intent must be delivered to councils on or before 1 March 2025. Result: The draft statement of intent was provided to councils on 28 February 2025.
FY26 Final Statement of Intent	Requirement: The final statement of intent must be delivered to councils before 1 July 2025. Result: The final statement of intent was provided to shareholders on 30 June 2025.

Target	Timing
The board will operate according to the Institute of Directors' Code of Practice.	Self-assessment to be completed in June for the previous financial year.

Rather than complete a self-assessment, the board elected to complete an independent review of governance arrangements for RSHL.

The independent review was completed in November 2024. The report made several recommendations to improve the governance of RSHL, and programmes of work delivered by the company.

The review provided a series of recommendations, including the following:

Purpose and strategy
Recommendation: Update corporate purpose and develop strategic roadmap (multi-year strategy); align resources and programmes to suit.

In response to this recommendation the board has refreshed the Organisational Strategy and developed a 3-year strategic plan.

Governance practices and documentation
Recommendation: Establish a fit-for-purpose governance framework (board charter and code of conduct, board work programme and meeting schedule, and committee structure).

In response to this recommendation the board has:

- Adopted a new charter and code of conduct
- Increased meeting frequency to monthly, with quarterly in-person meetings
- Reviewed the RSHL board pack, to ensure management reports are consistent with board requirements, strategic roadmap and associated priorities.

Decision authorities and accountability

Recommendation: Establish a needs-meeting delegation authority and accountability framework covering both routine operations and service development programmes.
Recommendation: Update programme steering committee terms of reference.

In response to these recommendations the board has updated the Delegated Authority (and related policies) and updated the standard agreements that underpin RSHL activities.

Director capability and engagement
Recommendation: Consider appointing an independent chair.

In response to this recommendation, as signalled with the Statement of Intent, RSHL has appointed an independent chair.

Martha Trust

Introduction

The Martha Trust (the Trust) was established in 2001 by a joint venture known as the Waihi Gold Company, settling the sum of $10 to create the trust fund. The main purpose of the Trust is to monitor and maintain in perpetuity the tailings storage areas and mine pit lake in a safe and stable manner, so the areas can be used for recreational or leisure purposes by the general public following completion of mining and closure of the site. The Company provided further funds to the Trust in 2019 to enable the Trust to undertake amendments to the Trust Deed. This task was completed mid-2021 and the Trust is now largely in abeyance with minimal ongoing activities.

Exemption of Martha Trust as a CCO

The Local Government Act 2002 (LGA) section 7(3) provides for the exemption of a small organisation that is not a council controlled trading organisation from being a CCO and from the accountability requirements of the Local Government Act. The Martha Trust was originally exempted from being a CCO by resolution of the council in May 2007 and more recently this was further confirmed by council in May 2024. It is not practical for accountability requirements and performance monitoring of the Martha Trust to take place until such a time as it becomes operative. Therefore, by granting an exemption, the council has provided a dispensation from any form of accountability and monitoring processes. In accordance with section 7(3) of the LGA, the exemption of the Martha Trust as a CCO will again be reviewed on a three year basis, or earlier, if either the mine closes or the settlor settles the capitalisation sum on the Trust.

Trustees

In April 2019 a capital sum of $50,000 was settled on the Trust by the Settlor. This had the effect of activating the Trust. Trustees to the Trust (representing Waikato Regional Council and Hauraki District Council) have been appointed. Although the supporting mechanisms of the Martha Trust exist, such as the governance structure and bond, the Trust will not become a fully operative entity until such time as the closure and rehabilitation conditions are achieved. The Martha Trust is currently funded by the Company to enable an annual meeting to occur as required by the Trust Deed.

Te tāhura mō te Ture Rapu me te tūteinga
Search and Surveillance Act reporting

Pursuant to Section 171 of the Search and Surveillance Act 2012, it is confirmed, for the purpose of annual reporting on behalf of Waikato Regional Council that, in the period 1 July 2024 to 30 June 2025:

1. the number of occasions on which entry or search powers were exercised without a warrant in the period covered by the report: NIL

2. the number of occasions on which warrantless surveillance powers were exercised in the period covered by the report that involved the use of a surveillance device: NIL

3. in respect of each kind of surveillance device used without a warrant in the period covered by the report, the numbers of that kind of device used—
   a. 1 for a period of no more than 24 hours: NIL
   b. for a period of more than 24 hours but no more than 48 hours: NIL

4. the number of persons charged in criminal proceedings where the collection of evidential material relevant to those proceedings was significantly assisted by the exercise of a warrantless search or surveillance power in the period covered by the report: NIL

5. the number of persons charged in criminal proceedings where the collection of evidential material relevant to those proceedings was significantly assisted by the exercise of a warrantless search or surveillance power in the period covered by the report: NIL

Section 7

Arotake

Audit opinion

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Waikato Regional Council's annual report for the year ended 30 June 2025

The Auditor-General is the auditor of Waikato Regional Council (the Council). The Auditor-General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf.

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

We are also required to report on:

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

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

Opinion on the audited information

In our opinion:

- the financial statements of the Council on pages 63 to 120:
    - present fairly, in all material respects:
        - its financial position as at 30 June 2025;
        - the results of its operations and cash flows for the year ended on that date; and
    - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the Council's statement of service provision (consisting of Section 3 Groups of activities and Section 4 Our activities in depth) for the year ended 30 June 2025 on pages 16 to 60:
    - provides an appropriate and meaningful basis to enable readers to assess the Council's actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand;

- fairly presents, in all material respects, the Council's actual levels of service for each group of activities, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;

- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities of the Council for the year ended 30 June 2025 on pages 121 to 130, has been prepared, in all material respects, in accordance with clause 24 of Schedule 10 to the Act;
- the funding impact statement for each group of activities of the Council for the year ended 30 June 2025 on pages 121 to 130 has been prepared, in all material respects, in accordance with clause 26 of Schedule 10 to the Act;
- the funding impact statement of the Council for the year ended 30 June 2025 on page 131, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10 to the Act.

Report on the disclosure requirements

We report that:

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

Date

We completed our work on 20 November 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

Emphasis of matter - Inherent uncertainties in the measurement of Greenhouse gas emissions

The Council has chosen to include a measure of its greenhouse gas (GHG) emissions in its other information. Without modifying our opinion and considering the public interest in climate change related information, we draw attention to Section 2 on page 11 of the annual report, which outlines the uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

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

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The

Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor for the audited information and the disclosure requirements section of our report.

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

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

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

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

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

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

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

Responsibilities for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

- We evaluate whether the statement of service provision includes all groups of activities that we consider are likely to be material to the readers of the annual report.

- We evaluate whether the measures selected and included in the statement of service provision for groups of activities present an appropriate and meaningful basis that will enable readers to assess the Council's actual performance. We make our evaluation by reference to generally accepted accounting practice in New Zealand.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Responsibilities for the disclosure requirements

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

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and

- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the Council's audited information and, where applicable, the Council's long-term plan and annual plans.

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

Other information

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

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

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

Independence

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

In addition to the audit, we have carried out an audit of the Councils summary annual report and a limited assurance engagement on the Debenture Trust Deed, which are compatible with the independence requirements. Other than the audit, our report on the disclosure requirements, and these engagements, we have no relationship with or interests in the Council.

Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Hamilton, New Zealand

He taiao mauriora **Healthy environment**

He hapori hihiri **Vibrant communities**

He ōhanga pakari **Strong economy**

Policy Series PS25-26
ISSN 2230-4339 (Print)
ISSN 2230-4347 (Online)
Printed November 2025 #7605

Private Bag 3038, Waikato Mail Centre,
Hamilton 3240, New Zealand
waikatoregion.govt.nz
0800 800 401