

TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

2025/26 ANNUAL PLAN

ŌTOROHANGA DISTRICT COUNCIL

JUNE 2025





NGĀ RĀRANGI UPOKO

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TE KAUNIHERA Ā-ROHE O
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DISTRICT COUNCIL

INTRODUCTION

- WHAT'S AN ANNUAL PLAN?
- THIS YEAR'S ANNUAL PLAN PROCESS
- MESSAGE FROM THE MAYOR AND COUNCILLORS
- OUR FOCUS FOR 2025/26



WHAT'S AN ANNUAL PLAN

Every three years we consult with you when we develop our long-term plan (LTP). The LTP covers a period of ten years and sets out the community outcomes (see Figure 1 below) for the district, and the direction, budgets and work plans we intend carrying out to help achieve these outcomes.

Our current LTP was finalised in June 2024. Even though it has only been 12 months, things can change requiring us to tweak or substantially alter our work programmes. The Annual Plan is our chance to update our plans for the coming financial year by setting out in detail the work we will be undertaking between 1 July 2025 to 30 June 2026. Through this process we consider what was outlined in the LTP and assess what changes are needed to reflect current circumstances and community needs.

Our LTP is to be reviewed and adopted two years from now (June 2027). Providing no significant changes are required to our work programmes in the meantime, we will be seeking your input and feedback on the 2027/37 LTP in the latter half of 2026 with formal consultation taking place in early 2027.

COMMUNITY OUTCOMES

The community outcomes are the threads woven through the priorities and activities we fund in our long term plan and annual plans and deliver through our work programmes.



Figure 1: Community Outcomes - Ōtorohanga District



TE HANGA O TĒNEI MAHERE Ā TAU

THIS YEAR'S ANNUAL PLAN PROCESS

This year there were no significant changes being proposed compared to what was outlined in the LTP. For this reason, we have decided not to undertake formal consultation on this Annual Plan.

Under the Local Government Act 2002 – the legislation determines how we must carry out our work – if there are no big changes or new proposals that have not already been signalled in the past then we don't have to undertake the special consultative procedure. You will next have an opportunity to share your views and give us feedback when we consult on the 2027/37 LTP. However, if something important comes up in the meantime before then we will certainly be talking to you to get your input.





NGĀ KUPU WHAKATAKI

FROM THE MAYOR AND COUNCILLORS

Year two of our 2024/34 Long Term Plan (LTP) and it's still 'kia mau tātou ki te ara... steady as she goes' but we have had to navigate some choppy waters and we still expect some headwinds.

Nationally, the previous year was characterised by the laying out of the coalition government's blueprint for reform, much of which directly impacted local government. In land transport, for example, we have seen a substantive move away from walking and cycling initiatives to a focus on road maintenance and roads of national significance. In water, the previous reforms were halted and a new regime – Local Water Done Well – was, and continues to be, rolled out. The new regime allows a degree of choice for communities about who delivers their water services but with fiscal and regulatory inducements for working collegially across local government boundaries. Our electoral system for local government has also come under scrutiny and this year local authorities around the country are having to revisit previous decisions made with respect to Māori Wards.

The new central government policy directions have certainly kept us on our toes. We've had to both respond to these new demands while continuing to deliver the work programmes we promised in the LTP. And it is not over yet as we expect more change in this financial year. Not only will we be continuing to work through the transitional arrangements for water and a referendum in relation to Māori wards, we also expect substantive shifts in policy directions for resource management, building and other regulatory areas.

Change often comes with additional expenses, however, we are very pleased that in this Annual Plan we have been able to rein in the cost of change and absorb other increases brought about by inflation (such as insurance which has risen by 5%) to align with the LTP budget for 2025/26. Slightly higher than forecast, overall rates are set to increase by 10.16%. This is 0.25% more than what we anticipated in the LTP for this year but less than what it might have been had we not applied various methods to bring the costs down. One of the ways we have been able to keep on track is by not rating for a portion of the district's land transport programme unmatched by NZTA Waka Kotahi (NZTA) subsidies. We'll still be doing the basics to ensure we keep the network in good condition but we won't be doing everything that we had hoped in the plan we had put to NZTA. Increasing fees and charges for some services to more fairly reflect the costs of delivery to those who use these services has also assisted in keeping overall rates in check.

As a Council, we will continue to be future focussed and look for ways to live within our means while delivering on the things that are important to you. We look forward to the year ahead and working on your behalf to steer the organisation through the challenges and toward the opportunities that this year will bring.

"People, place and partnerships -it's still our mantra! We are committed to serving the people of this district and nurturing as best we can this place we call home. We also strongly believe that 'together better' is the way forward. Our future lies with partnering with those that share our values and understand the heartbeat of provincial New Zealand."

MAYOR MAX BAXTER



NGĀ TAKE MATUA

OUR FOCUS FOR 2025/26

A SNAPSHOT

Here's a snapshot of what we will be focussing on in 2025/26.

- Continuing to progress the work we started last year to meet the new requirements under the governments legislative framework for Local Water Done Well. This includes working on the 'behind the scenes' details for a seamless transition to a different water services delivery model for the District.
- Local body elections in October 2025 and on-boarding the new council and community boards will be a big focus for elected members and staff alike.
- Our strategy of improving and making better use of community places and spaces will continue to be in the spotlight. This includes ongoing implementation of the Ōtorohanga Town, Kāwhia, Aotea, Ōpārau and Rural concept plans. We will also be progressing the Huipūtea Reserve Development Plan and upgrading the Jervois Street (Kāwhia) toilets.
- Our road network continues to be our largest spend area. We have had to adjust our programmes a consequence of lower than anticipated funding allocations from NZTA particularly for activities like footpaths and road safety. However, the basics are well covered and network resilience remains a priority.
- The government has embarked on a range of legislative reforms and changes affecting both resource management and building control that Council will need to respond to and implement.

WHAT'S DIFFERENT?

The main differences in this Annual Plan to what was planned in year two of the 2024/34 LTP are summarised below¹:

- Like other councils around the country, we are required to hold a poll alongside the 2025 Election on whether the Ōtorohanga District should have a Māori ward. This requirement stems from the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Act 2024 which reinstates the ability for binding polls to be held on proposals to establish or continue a Māori ward(s).
- Provision has been made for an operational grant of \$58,010 for the Ōtorohanga Historical Society for wage support for 2025/26. This includes repurposing \$35,000 originally allocated in the LTP for Creative Waikato.
- Post the adoption of our 2024/34 LTP, NZTA advised that funding allocations for 2024/25 to 2026/27 would be below what was needed to deliver on our planned programme of works and we have adjusted our land transport programmes accordingly. However, we will still collect rates for the local share not matched by NZTA funding - albeit slightly less than forecast in the LTP – and apply it to priority projects ensuring that momentum is maintained.
- Planned work on the District Plan Review has been paused while we await the outcome of the expected Resource Management Act reforms and any replacement legislation.
- It is expected that the building control sector reforms signalled by government will move at pace from 2025/26 and this may have a flow on effect for levels of service as Council works to respond to these changes.
- Adjustments have been made to fees and charges for 2025/26 to better reflect changes in the costs of delivering specific services².

¹ Refer to the section on Our Services for more detail.

² Refer to www.otodc.govt.nz/about-council/fees-and-charges



KEY FINANCIALS

As part of the annual plan process, Council has revised its financial forecasts, including updates to the capital programme (mainly timing adjustments) and updates to funding arrangements for some programmes of work.

Our Annual Plan for 2025/26 isn't significantly different to year two of the LTP. Generally, we remain within the rating parameters of the LTP with an overall average rates increase of 10.16%.

Revised key financials are shown in the following table:

	2024/25	2025/26	2025/26 Variance to LTP Y2	2025/26
	(\$000)	(\$000)	(\$000)	(\$000)
DEBT SUMMARY				
Capital Programme	11,358	10,979	8,110	2,869
Net Debt	6,223	9,223	9,448	-225
Debt to Revenue Ratio	22.50%	30.80%	33.60%	
OPERATIONAL SUMMARY				
Total Rates	15,260	16,731	16,782	-51
Other Operating Revenue	8,140	8,784	8,297	487
Subsidies and Grants Received for Capital	4,248	4,333	3,067	1,266
Total Operating Revenue Including Grants	27,648	29,848	28,146	1,702
Operating Expenditure	29,074	29,965	29,980	-15
Operating Surplus/(Deficit)	-1,425	-117	-1,833	1,716
Total Rates Increase Average	10.37%	9.76%	10.16%	



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OUR SERVICES

INTRODUCTION

PROSPECTIVE COMBINED COST OF SERVICE
STATEMENT

GROUPS OF ACTIVITIES

- TRUSTED LEADERSHIP AND RELATIONSHIPS
- STRONG COMMUNITIES
- VIBRANT PLACES AND SPACES
- SUSTAINABLE DEVELOPMENT AND PUBLIC SAFETY
- RESILIENT INFRASTRUCTURE
- RESPONSIBLE WASTE MANAGEMENT





INTRODUCTION

Councils provide a wide range of services - from roads and footpaths to take you to your destination to libraries giving you access to lifelong learning and leisure. This section presents an overview of our activities which are organised into six groups, as listed below.

TRUSTED LEADERSHIP AND RELATIONSHIPS	STRONG COMMUNITIES	VIBRANT PLACES AND SPACES
<ul style="list-style-type: none"> Governance Iwi liaison Corporate Planning/Projects Support Services³ 	<ul style="list-style-type: none"> Community Development and Empowerment Community Services Providers and Contestable Grants Economic Development and Wellbeing Libraries, Learning and Development Civil Defence and Emergency Management 	<ul style="list-style-type: none"> Parks and Reserves and Council Owned Properties⁴ Cemeteries Swimming Pools Older Person's Housing
SUSTAINABLE DEVELOPMENT AND PUBLIC SAFETY	RESILIENT INFRASTRUCTURE ⁵	RESPONSIBLE WASTE MANAGEMENT
<ul style="list-style-type: none"> Resource Management Building Control Animal Control Environmental Health, Public Amenity and Safety 	<ul style="list-style-type: none"> Land Transport Wastewater Water Supply Stormwater Flood Protection 	<ul style="list-style-type: none"> Waste Management and Minimisation

GROUPS OF ACTIVITIES

KEY INFORMATION

In this Annual Plan we provide the following information for each group of activities. For more detail, please refer to our 2024/34 LTP.

What We Do and Why	Explains overall what we do in the group(s) of activities and the general rationale for delivery of our services. The community outcomes the group(s) of activities helps achieve are also identified.
Activities	For each specific activity we tell you: <ul style="list-style-type: none"> What gets done and any key projects for the year are listed ⁶ Whether there have been any changes from the 2024/34 LTP What you can expect from us in terms of quantity and/or the quality of the services we aim to provide, and how we measure how well we have done.
What It Costs	Operating and capital expenditure for the year are provided for each group of activities alongside any variance from the LTP forecast for the 2025/26 year (Cost of Service Statement).

³ Support Services include: customer experience, communications and engagement, financial management, people and capability, information services, business enablement and other services which assist with the delivery of activities across Council. The costs of these services are included as indirect costs in each activity.

⁴ Includes public toilets, halls, dog pound and other property Council maintains not specifically listed in this activity.

⁵ Individually, each of these activities is its own group of activities and defined as mandatory under Schedule 10 of the Local Government Act 2002.

⁶ Key projects are not included for all activities, only ones that will be a particular focus for the year and may require some form of community engagement.



PROSPECTIVE COMBINED COST OF SERVICE STATEMENT

ALL OF COUNCIL COST OF SERVICE STATEMENT - 2025/26	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)	Variance (\$000)
OPERATING REVENUE				
Activity Revenue	10,140	10,334	8,720	1,614
Targeted Rates	8,928	9,744	9,488	257
Development Contributions	10	265	265	-
General Rates	8,571	9,504	9,673	- 169
Other General Sources	12,903	14,062	13,840	223
<i>Total Operating Revenue</i>	40,551	43,910	41,986	1,924
OPERATING EXPENDITURE				
Trusted Leadership and Relationships	15,608	16,637	16,315	322
Strong Communities	2,174	2,254	2,278	- 24
Vibrant Places and Spaces	3,523	3,769	3,985	- 216
Sustainable Development and Public Safety	2,388	2,610	2,648	- 38
Resilient Infrastructure: Land Transport	11,971	12,297	11,983	315
Resilient Infrastructure: Water Supply	3,144	3,297	3,225	72
Resilient Infrastructure: Wastewater	1,424	1,261	1,440	- 180
Resilient Infrastructure: Stormwater	342	367	425	- 57
Resilient Infrastructure: Flood Protection	321	437	447	- 9
Responsible Waste Management	814	740	746	- 6
<i>Total Operating Expenditure</i>	41,710	43,669	43,491	178
Includes:				
Salaries and Wages	7,193	7,379	7,576	- 197
Depreciation and Amortisation	7,069	7,460	7,801	- 341
Interest	221	327	281	45
Operating Surplus (Deficit)	- 1,158	241	- 1,505	1,746
Operating Surplus Transferred to Reserves; or	-	241	-	241
Operating Deficit Funded from Reserves	- 1,158	-	1,505	1,505
CAPITAL AND RESERVES FUNDING REQUIREMENTS				
Capital Renewals	10,653	10,340	7,475	2,865
Capital Growth	425	409	400	9
Capital Level of Service	280	230	235	- 5
Loans Repaid	1,113	1,211	1,121	90
Operating Deficit	1,158		1,505	1,505
<i>Total Funding Required</i>	13,629	12,190	10,736	4,464
FUNDED BY:				
Funding from Non-Cash Expenses	5,700	5,926	4,282	1,644
Loans Raised	5,146	2,548	2,660	- 112
Transfer from General and Special Reserves	2,722	3,321	3,682	- 360
Capital Income	60	153	112	41
Operating Surplus (via reserve)	-	241	-	241
<i>Total Funding Applied</i>	13,629	12,190	10,736	1,453



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TRUSTED LEADERSHIP AND RELATIONSHIPS

- GOVERNANCE
- IWI LIAISON
- CORPORATE PLANNING/PROJECTS
- SUPPORT SERVICES



TRUSTED LEADERSHIP AND RELATIONSHIPS

WHAT WE DO AND WHY

This group of activities focuses on Council's governance leadership and decision-making roles. It also encompasses the work that is done to honour and give effect to Te Tiriti-based partnerships and enhance meaningful and enduring partner relationships with iwi/Māori and stakeholders across Ōtorohanga district. Council's corporate planning activities and support services are also included in this group.

Together these activities are the face and voice of Council and essential for the smooth running of the Council and the district. We aim to be visible and accessible to the communities we serve and to be timely, democratic and transparent in our decision making. We see our role as providing and supporting aspirational, united, responsible leadership. Specific activities are discussed under the following headings:

- Governance
- Iwi Liaison
- Corporate Planning/Projects
- Support Services

COMMUNITY OUTCOMES

While underpinning all the community outcomes, this group of activities is a major contributor to outcomes related to people and partnerships.



PEOPLE

- Connected, empowered, engaged communities



PLACE

- Sustainable, resilient district



PARTNERSHIPS

- Aspirational, united, responsible leadership
- Progressive, enduring, supportive partnerships for district wellbeing.

GOVERNANCE

This activity covers the work of elected members (Council and two Community Boards) to make decisions and set Council's direction, work programmes and monitor and review organisational performance. As the district's advocate Council builds relationships with a range of other governing bodies to ensure the needs of our communities are considered when policies and plans are being developed. We also partner with others such as central government, other councils, iwi/Māori and other agencies where there are clear benefits for our district.

Managing the democratic process is also covered by this activity. This involves:

- Running representation reviews and local government elections in accordance with legislative requirements
- Facilitating Council, Community Board and committee meetings including the preparation of minutes and agendas
- Overseeing the implementation of Council decisions
- Processing information requests.

KEY PROJECTS 2025/26

Governance Programme	When
Local elections	2025
Triennial agreement development	Three yearly following each election



CHANGES FROM THE 2024/34 LTP

Council is required to hold a poll alongside the 2025 Election on whether the Ōtorohanga District should have a Māori ward. The need for the poll has arisen from the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Act 2024 which reinstates the ability for binding polls to be held on proposals to establish or continue a Māori ward(s). The transitional provisions in the legislation require all local authorities that have established a Māori ward(s) without a binding poll since 2020, and have affirmed that decision, to hold a binding poll at the 2025 elections. The binding poll is expected to cost an additional \$16k.

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Visible, transparent trusted Council	Overall trust in Council ⁷	≥ 70% Average or better

IWI LIAISON

Our iwi liaison function provides support for Council to develop and enhance meaningful and enduring partnership relations with iwi/Māori across the district. The role also focuses on building the cultural competency of both elected members and staff, and advising culturally appropriate approaches to conducting Council business.

TE TIRITI O WAITANGI

Ōtorohanga District Council recognises the importance of Te Tiriti o Waitangi as the founding document of Aotearoa/New Zealand, which establishes a relationship between the Treaty partners, these being iwi/Māori and the Crown. We also recognise that not only is there an obligation on Council to engage with iwi/Māori, but that it makes good sense to do so. By working in partnership with iwi/Māori we want to ensure that everything we do is aimed at supporting the wellbeing of everyone in our community.

PARTICIPATION IN DECISION MAKING

Council has specific obligations and is committed to providing Māori with opportunities to participate in the decision-making process. Our approach to fulfilling these obligations is to:

- Focus on building relationships with iwi/Māori to develop trust and understanding to pave the way for progressive, enduring, supportive partnerships for district wellbeing
- Look internally and review how we can create a more inclusive environment for kaimahi (staff) and manuwhiri.

We are guided in this work by our recently completed Māori Engagement Framework.

CHANGES FROM THE 2024/34 LTP

No change

⁷

As measured by an annual resident's survey.



WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Work with Māori leaders ⁸ to build/maintain strong, productive relationships.	Māori leaders rate their relationship with Council as good or better ⁹ .	≥ 70% Average or better

CORPORATE PLANNING/PROJECTS

Corporate planning covers development of our long term plan and annual plans including the analysis and strategy work involved to prepare these documents. This activity also includes any special, corporate-wide projects that Council may undertake.

This function is important for determining not only what we will do to achieve the community outcomes but also what we expect to spend and how we will pay for what we do.

CHANGES FROM THE 2024/34 LTP

No change

SUPPORT SERVICES

This activity covers the support skills essential for the delivery of quality services and includes:

- Customer experience
- Communications and engagement
- People and capability
- Information services
- Financial management

CHANGES FROM THE 2024/34 LTP

No change

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
The Community have access to timely and accurate information.	Residents satisfied with Council communication ¹⁰ .	≥ 80% Average or better

⁸ Māori leaders includes, but is not limited to, iwi, hapū, marae and hapori Māori.

⁹ As measured by an annual iwi relationships survey.

¹⁰ As measured by an annual residents' survey.



COST OF SERVICE STATEMENT

TRUSTED LEADERSHIP AND RELATIONSHIPS - 2025/26	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)	Variance (\$000)
OPERATING REVENUE				
Activity Revenue	70	71	141	- 69
Targeted Rates	-	-	-	-
Development Contributions	-	-	-	-
General Rates	2,616	2,907	2,843	63
Other General Sources	12,953	14,062	13,840	223
<i>Total Operating Revenue</i>	15,639	17,040	16,824	217
OPERATING EXPENDITURE				
Governance	2,109	2,234	2,280	- 46
Iwi Liaison	151	227	179	48
Corporate Planning/Projects	615	656	602	54
Support Services	12,733	13,520	13,254	266
<i>Total Operating Expenditure</i>	15,608	16,637	16,315	322
Includes:				
Salaries and Wages	6,261	6,428	6,619	- 191
Depreciation and Amortisation	568	663	428	235
Interest	277	383	350	33
Operating Surplus (Deficit)	30	403	509	- 105
Operating Surplus Transferred to Reserves; or	30	403	509	- 105
Operating Deficit Funded from Reserves	-	-	-	-
CAPITAL AND RESERVES FUNDING REQUIREMENTS				
Capital Renewals	961	616	553	63
Capital Growth	-	-	-	-
Capital Level of Service	35	10	10	-
Loans Repaid	93	106	108	- 2
Operating Deficit	-	-	-	-
<i>Total Funding Required</i>	1,089	732	670	61
FUNDED BY:				
Funding from Non-Cash Expenses	654	589	579	10
Loans Raised	375	31	30	1
Transfer from General and Special Reserves	- 30	- 444	- 560	116
Capital Income	60	153	112	41
Operating Surplus (via reserve)	30	403	509	- 105
<i>Total Funding Applied</i>	1,088	732	670	61



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STRONG COMMUNITIES

- COMMUNITY DEVELOPMENT AND EMPOWERMENT
- COMMUNITY SERVICE PROVIDERS AND CONTESTABLE GRANTS
- ECONOMIC DEVELOPMENT AND WELLBEING
- LIBRARIES, LEARNING AND DEVELOPMENT
- CIVIL DEFENCE AND EMERGENCY MANAGEMENT (CDEM)



STRONG COMMUNITIES

WHAT WE DO AND WHY

We work with people, businesses and other organisations to find creative, future-focused solutions to fulfil local needs.

Strong communities covers the following five areas of activity:

- Community Development and Empowerment
- Community Service Providers and Contestable Grants
- Economic Development and Wellbeing
- Libraries, Learning and Development
- Civil Defence and Emergency Management

Creating opportunities and supporting people and groups to come together is an important way Council can help resolve local issues and celebrate who we are to create a stronger, united, resilient and more connected community.

COMMUNITY OUTCOMES

Strong Communities contributes to the following community outcomes:



PEOPLE

- Connected, empowered, engaged communities
- Welcoming, proud, thriving district



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district



PARTNERSHIPS

- Progressive, enduring, supportive partnerships for district wellbeing.

COMMUNITY DEVELOPMENT AND EMPOWERMENT

Community development is about finding local solutions to local needs. We work alongside groups and communities to understand what is needed and develop agreed action plans and projects. These are not our plans or projects – they belong to the community. Our role is facilitating opportunities for sharing, growing and creating together thereby empowering communities to take collective action.

CHANGES FROM THE 2024/34 LTP

No change

COMMUNITY SERVICE PROVIDERS AND CONTESTABLE GRANTS

This activity has three components. These are:

- Funding specific community service providers to deliver social, cultural, and other wellbeing services¹¹.
- Managing and distributing contestable funding from Council (\$100k) and government sources totalling approximately \$126k for the following purposes:
 - social (community focussed initiatives)¹²
 - cultural (creative projects)¹³

¹¹ Organisations funded by Council include Ōtorohanga Support House Whare Āwhina, Thrive Youth Trust Ōtorohanga and Sport Waikato.

¹² Funded by Council via rates.

¹³ Funded by Creative New Zealand.



- recreational (travel for youth sport)¹⁴
- Providing advice and information to link people and groups to the resources needed to implement their projects.

The projects we fund and the grants distributed give colour to our community – it is what makes us vibrant, connected and united.

CHANGES FROM THE 2024/34 LTP

Following an unsuccessful Lotteries Board funding application by the Ōtorohanga Historical Society, provision has been made for an operational grant of \$58,010 for the Ōtorohanga Museum for wage support for 2025/26. This includes repurposing \$35,000 originally allocated in the LTP for Creative Waikato.

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Improved community wellbeing through the provision of financial support for social, cultural and recreational purposes.	Community groups/organisation and individuals funded by Council fulfil their funding obligations ¹⁵ .	Obligations fulfilled

ECONOMIC WELLBEING AND DEVELOPMENT

Much of what Council does is about economic wellbeing to support a sustainable future. As well as providing and maintaining infrastructure and community facilities that underpin the local economy, we work to attract and grow businesses, and to promote our district as a welcoming, thriving place to live or visit. We also play our part in ensuring that there are opportunities available for our residents to realise their aspirations and their potential.

This activity focuses on the development component of economic wellbeing. One of the main ways Council does this is through partnerships and collaboration with local, regional and national organisations. This includes:

- Working with other organisations to support the implementation of a community-led Housing Plan and delivering on key actions assigned to Council
- Supporting businesses to progress development and help keep our community growing
- Delivering the Mayor's Task Force for Jobs employment programme
- Growing and strengthening relationships with other anchor institutions¹⁶ in our district.

Other ways that Council gets involved in economic wellbeing and development includes:

- Co-design (with our community) and implementation of concept plans that identify economic priorities
- Working with or supporting other organisations to address issues which affect the district's ability to thrive such as community safety and health
- Strategic property purchases.

¹⁴ Funded by Sport Waikato.

¹⁵ As measured by group's/organisation's reports to Council.

¹⁶ 'Anchor institutions' is used to refer to organisations which: "Have an important presence in a place, usually through a combination of: being largescale employers, the largest purchasers of goods and services in the locality, controlling large areas of land and/or having relatively fixed assets". Source: Centre for Local Economic Strategies



CHANGES FROM THE 2024/34 LTP

As part of the 2024 Economic Wellbeing Strategy, Council's funding of external economic development organisations was reassessed. While reaffirming our commitment to supporting tourism-related activities, funding for Hamilton Waikato Tourism (HWT) was reduced in the LTP from \$70,000 to \$35,000 to better reflect the contribution the industry makes to the district's GDP.

Following consideration of a service level proposal from HWT in early 2024/25 we decided to decline the proposal and retain the funding for local delivery of tourism-related activities/services.

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Implementation of an economic wellbeing strategy.	Economic wellbeing service providers funded by Council fulfil their funding obligations ¹⁷ .	Funding obligations fulfilled

LIBRARIES, LEARNING AND DEVELOPMENT

The district has two libraries – one in Ōtorohanga and the other in Kāwhia – providing access to a wide range of knowledge and information as well as opportunities for learning and a space to connect and engage.

Services include:

- Physical and digital collections and resources
- Programmes supporting literacy in all its forms, with an emphasis on children's¹⁸ programmes
- 24/7 wifi access, as well as access to devices, printing and scanning during opening hours.

Public libraries play a key role in wellbeing through improving individual and community outcomes in literacy (language, numeracy, digital). Literate communities are more empowered, resilient, tolerant, and better able to develop and participate in enterprise and growth opportunities and thrive.

CHANGES FROM THE 2024/34 LTP

No change

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Library services and activities meet community needs.	Users satisfied with library services ¹⁹ .	≥ 90% satisfaction
	Increasing participation in Library programmes and activities, and service users.	≥ 40,000 participants

¹⁷ As measured by their reporting to Council.

¹⁸ Programmes cater for children from newborns through to the end of primary school age.

¹⁹ As measured by annual customer survey.





CIVIL DEFENCE AND EMERGENCY MANAGEMENT (CDEM)

This activity focuses on preparedness for emergencies, both internally by having sufficiently trained staff and externally by educating the wider community on the need for being prepared. It is also about responding during the emergency event, and getting our organisation back up and running, through the transition and recovery phases after the emergency.

Council is part of the Waikato CDEM Group, which is a collective approach to managing emergencies in the Waikato Region. The CDEM Group works closely with research institutions, utility operators and central government to reduce risks and improve community resilience. Council is also part of the Western Waikato Emergency Operations Area which provides CDEM services at the local level. This is a shared service arrangement, where we partner with Waipā and Waitomo district councils. Waipā is the lead agency in this arrangement and if an emergency happens in our district, we know that our neighbouring councils are well prepared to help us and vice versa.

Central Government is also looking to change the CDEM legislation during 2025/26. There are signals that this could increase the role of Council's around response capability and training. Any adjustments to our CDEM work programme will be picked up after the legislation is enacted.

CHANGES FROM THE 2024/34 LTP

No change

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Council and the community well prepared for a civil defence emergency.	Percentage scored in an emergency response annual evaluation exercise ²⁰ .	> 60% (advancing)
	Community response plans in place for Kāwhia and Ōtorohanga reviewed every 3 years.	Plans in place

²⁰ Council will be assessed on the capability shown during the exercise and scored a percentage based on the CDEM Capability Scoring Guide & Capability level: Unsatisfactory = 0-20%, Early Developing = 21-40%, Late Developing = 41-60%, Advancing = 61-80%, Mature = 81-100%



COST OF SERVICE STATEMENT

STRONG COMMUNITIES - 2025/26		2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)	Variance (\$000)
OPERATING REVENUE					
Activity Revenue		313	323	323	-
Targeted Rates		95	76	76	-
Development Contributions		-	-	-	-
General Rates		1,784	1,875	1,898	- 24
Other General Sources		-	-	-	-
<i>Total Operating Revenue</i>		2,191	2,274	2,298	- 24
OPERATING EXPENDITURE					
Community Development and Empowerment		568	564	521	43
Community Service Providers and Contestable Grants		225	232	225	7
Economic Development and Wellbeing		693	729	782	- 52
Libraries, Learning and Development		522	555	577	- 23
Civil Defence and Emergency Management		165	174	173	1
<i>Total Operating Expenditure</i>		2,174	2,254	2,278	- 24
Includes:					
Salaries and Wages		256	261	264	- 3
Depreciation and Amortisation		18	22	43	- 21
Interest		-	-	-	-
Operating Surplus (Deficit)		17	20	20	-
Operating Surplus Transferred to Reserves; or		17	20	20	-
Operating Deficit Funded from Reserves		-	-	-	-
CAPITAL AND RESERVES FUNDING REQUIREMENTS					
Capital Renewals		64	65	64	1
Capital Growth		-	-	-	-
Capital Level of Service		-	-	-	-
Loans Repaid		-	-	-	-
Operating Deficit		-	-	-	-
<i>Total Funding Required</i>		64	65	64	1
FUNDED BY:					
Funding from Non-Cash Expenses		44	45	44	1
Loans Raised		-	-	-	-
Transfer from General and Special Reserves		3	-	-	-
Operating Surplus (via reserve)		17	20	20	-
<i>Total Funding Applied</i>		64	65	64	1



TE KAUNIHERA Ā-ROHE O
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DISTRICT COUNCIL

VIBRANT PLACES AND SPACES

- PARKS AND RESERVES AND COUNCIL OWNED PROPERTY
- CEMETERIES
- SWIMMING POOLS
- OLDER PERSON'S HOUSING



VIBRANT PLACES AND SPACES

WHAT WE DO AND WHY

We operate and maintain a range of community facilities for residents and visitors to the district. Collectively valued at an estimated \$30 million, these assets help lay the foundation for creating vibrant, diverse, liveable communities.

The particular facilities we manage are divided into following activities:

- Parks and Reserves and Council Owned Property²¹
- Cemeteries
- Swimming Pools
- Older Person's Housing

COMMUNITY OUTCOMES

This group of activities mainly supports outcomes related to people and place.

PEOPLE



- Connected, empowered, engaged communities
- Welcoming, proud, thriving communities

PLACE



- Vibrant, diverse, liveable communities
- Sustainable, resilient district

PARKS AND RESERVES AND COUNCIL OWNED PROPERTY

We manage 26 parks and reserves in the district totalling 45 hectares²² spread between Ōtorohanga and Kāwhia/Aotea. Together these areas provide for the district's active and passive recreation needs while making a significant contribution to the vibrancy and liveability of our communities. Included in the mix are five playgrounds catering for people of all ages and abilities. We also have agreements in place with sporting groups regarding the care and maintenance of playing fields.

Other facilities included in this activity are:

- Public toilets (we have nine)
- The Girl Guide Hall (Ōtorohanga) and the Kāwhia Community Centre
- Library buildings
- Dog pound and other Council owned property not covered under other activities.

KEY PROJECTS 2025/26

Parks and Reserves	When
Huipūtea Reserve Development Plan implementation (\$30k per annum)	2024/25 – 2026/27
Jervois Street (Kāwhia) toilet upgrade (\$15k)	2025/26

²¹ This activity also includes public toilets, maintenance of the Girl Guide Hall (Ōtorohanga) and Kāwhia Community Centre, maintenance of library buildings, dog pound and other Council owned property.

²² These are reserves specifically maintained for active and passive recreation purposes. In total Council owns 178.839 hectares of reserves including flood protection and road reserves.



CHANGES FROM THE 2024/34 LTP

No change

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Parks and reserves meet resident's needs.	Residents satisfied with parks/reserves ²³ : <ul style="list-style-type: none"> Variety Quality 	≥ 90% Satisfaction combined average
Provision of clean, well maintained public toilets.	Number of complaints per annum in relation to cleanliness and maintenance ²⁴ .	<12 Complaints

CEMETERIES

We manage public cemeteries at Ōtorohanga and Kāwhia, with a combined area of 7.8 ha. This involves:

- Provision of well-managed places for interment
- Online cemetery records

Our commitment is to maintain these cemeteries as respectful, attractive places for people to be able to connect with their loved ones.

CHANGES FROM THE 2024/34 LTP

No change

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Well maintained cemeteries.	Number of complaints per annum in relation to grounds maintenance ²⁵ .	<5 Complaints

SWIMMING POOLS

The Ōtorohanga pool facility includes a 20 metre heated indoor pool, which operates year-round, a 33.5 metre outdoor pool and separate toddler's pool. This facility is managed by a contractor on Council's behalf and, although not required by the contract, a gym facility is provided at the contractor's discretion.

The provision of a community swimming pool is seen as an important recreational option for the community, and a key public safety initiative through learn to swim. Although aging, recent upgrades have improved the facility so that it complies with New Zealand Building Act and regulations, and Water Safety NZ – Swimming Pool Guidelines. A rigorous maintenance programme is also in place.

²³ As measured by annual residents' survey.

²⁴ As recorded in service request system.

²⁵ As recorded in service request system.



CHANGES FROM THE 2024/34 LTP

No change

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Provision of community swimming pool facilities, safe for users and staff.	Swimming pools maintain PoolSafe Accreditation and compliance with pool water quality standard ²⁶ .	≥ 95% Compliance

OLDER PERSON'S HOUSING

We have 28 residential units for older persons - 22 in Ōtorohanga and six in Kāwhia. A mix of studio and one-bedroom, the units are provided on a user pays basis. Rentals are set at 90% of the market for similar properties, on the basis of covering our costs rather than making a profit. There is strong demand for these properties, with waiting lists.

CHANGES FROM THE 2024/34 LTP

No change

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Housing units that are well maintained, safe and fully utilised.	Tenants satisfied with of their unit ²⁷ : <ul style="list-style-type: none">• Comfort• Safety	≥ 95% Satisfaction combined average
	Percentage occupancy rate for elder person's housing ²⁸ : <ul style="list-style-type: none">• Ōtorohanga• Kāwhia	≥ 95% Combined average

²⁶ NZ Standard 5862 (Swimming Pools). As reported in Pool Manager's monthly reports.

²⁷ As measured by the annual tenant satisfaction survey.

²⁸ Expressed as an annualised monthly average.



COST OF SERVICE STATEMENT

VIBRANT PLACES AND SPACES - 2025/26	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)	Variance (\$000)
OPERATING REVENUE				
Activity Revenue	479	470	483	- 13
Targeted Rates	26	26	26	-
Development Contributions	10	10	10	-
General Rates	2,279	2,542	2,679	- 137
Other General Sources	- 50	-	-	-
<i>Total Operating Revenue</i>	2,744	3,048	3,198	- 150
OPERATING EXPENDITURE				
Parks and Reserves and Council Owned Property	2,498	2,706	2,898	- 192
Swimming Pools	554	570	598	- 28
Cemeteries	155	161	162	- 1
Older Person's Housing	316	331	326	5
<i>Total Operating Expenditure</i>	3,523	3,769	3,985	- 216
Includes:				
Salaries and Wages	-	-	-	-
Depreciation and Amortisation	591	641	810	- 169
Interest	41	44	65	- 21
Operating Surplus (Deficit)	- 779	- 721	- 787	67
Operating Surplus Transferred to Reserves; or	-	-	-	-
Operating Deficit Funded from Reserves	779	721	787	- 67
CAPITAL AND RESERVES FUNDING REQUIREMENTS				
Capital Renewals	382	297	292	6
Capital Growth	-	-	-	-
Capital Level of Service	115	51	50	1
Loans Repaid	92	112	120	- 9
Operating Deficit	779	721	787	- 67
<i>Total Funding Required</i>	1,367	1,180	1,249	- 69
FUNDED BY:				
Funding from Non-Cash Expenses	360	267	318	- 51
Loans Raised	725	668	655	13
Transfer from General and Special Reserves	282	245	276	- 31
Operating Surplus (via reserve)	-	-	-	-
<i>Total Funding Applied</i>	1,367	1,180	1,249	- 69

PLACEMAKING

An important contributor to the work we do in the Vibrant Places and Spaces group of activities, and indeed all our activities, is placemaking and the development and implementation of spatial plans for the district. Essentially, these plans are blueprints for the future - creating quality places for people to live, work, learn and play.

We currently have three plans²⁹ that we are actioning utilising the \$550k of capital expenditure set aside for each of the first three years of the 2024/34 LTP. Not all the annual allocation for plan implementation was spent in 2024/25 and this money has been carried forward into 2025/26 to continue supporting the identified actions and projects in the various plans.

²⁹

Ōtorohanga Town, Kāwhia, Aotea, Ōpārau and Rural Concept Plans



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SUSTAINABLE DEVELOPMENT AND PUBLIC SAFETY

- RESOURCE MANAGEMENT
- BUILDING CONTROL
- ANIMAL CONTROL
- ENVIRONMENTAL HEALTH, PUBLIC AMENITY AND SAFETY



SUSTAINABLE DEVELOPMENT AND PUBLIC SAFETY

WHAT WE DO AND WHY

We provide planning and regulatory services to sustainably manage the district's natural and physical resources, and to promote and protect the health, safety and resilience of our communities.

Activities covered include:

- Resource Management
- Building Control
- Animal Control
- Environmental Health, Public Amenity and Safety

The activities in this group are governed by national legislation and directives as well as regional and local policies and bylaws. Together these laws, rules and policies are intended to be both enabling while safeguarding and protecting people and the environment.

COMMUNITY OUTCOMES

This group of activities supports outcomes related to people, place and partnerships.



PEOPLE

- Welcoming, proud, thriving communities



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district



PARTNERSHIPS

- Aspirational, united, responsible leadership
- Progressive, enduring, supportive partnerships for district wellbeing

RESOURCE MANAGEMENT

This activity covers the planning functions we carry out under the Resource Management Act 1991 (RMA) and includes:

- Preparing and reviewing the District Plan
- Processing planning applications and issuing resource consents
- Processing of private plan changes and designation applications
- Providing development advice
- Compliance and enforcement around District Plan requirements and consent conditions.

Issuing LIMs³⁰ in relation to property transactions and development proposals and administering our Development and Financial Contributions Policy are also a part of this activity.

CHANGES FROM THE 2024/34 LTP

The government has embarked on a range of legislative reforms and changes affecting the RMA. Work on the District Plan Review has been paused while we await the outcome of the reforms and any replacement legislation. Council will also need to implement a range of RMA 'National Directions' which are anticipated in 2025/26 (National Environmental Standards and National Policy Statements).

³⁰ Land Information Memorandum (LIMs) issued in accordance with the Local Government Official Information and Meetings Act 1987 (LGOIMA).



WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Maintained and updated District Plan	Ōtorohanga District Plan is maintained, reviewed, and updated in accordance with legislation.	100% Compliance
Processing of all applications within agreed timeframes.	Resource consent applications processed and decisions issued within statutory timeframes.	100% Compliance

BUILDING CONTROL

Building control covers:

- Processing and monitoring of building consents
- Issuing of Code of Compliance Certificates, Compliance Schedules and Building Warrants of Fitness under the Building Act 2004
- Monitoring and enforcing earthquake-prone building requirements
- Building inspections
- Inspecting private swimming pools for compliance with safety regulations
- Issuing and monitoring of building warrants of fitness
- Investigating alleged breaches of building regulation.

Another important part of our work is advising builders and the community about what building work requires a consent and other requirements such as using licensed building practitioners.

As a Building Consent Authority (BCA) we are audited every two years by International Accreditation New Zealand (IANZ). To retain our BCA accreditation, it is important that staff knowledge and our systems and processes are up-to-date and accurate.

CHANGES FROM THE 2024/34 LTP

In 2024, the government signalled various changes it intended phasing in for building control starting with easy wins followed by more systemic changes which would result in a major system reset for the sector. Key changes anticipated include streamlining the building consent process, allowing for remote inspections, and strengthening registration and licensing for builders. While specific timing is uncertain, it is expected that the reforms will move at pace from 2025/26.

Reform of building control has both budgetary and workforce capacity implications for Council in responding to and implementing these changes. Level of services may be affected while change processes are worked through but until more details are known it is difficult to determine the extent of the impact in the 2025/26 FY.

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
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Buildings safe and fit for purpose.	Building consent applications processed within 20 working days ³¹ .	100% Compliance
Required safety inspections of swimming pools and associated barriers completed.	All registered private swimming pools inspected at least every three years.	> 33% Pools inspected ⁴
Required standards for processing and issuing building consents met.	Retention of biennial BCA accreditation ³² .	Achieved

ANIMAL CONTROL

Animal control is important for ensuring public safety. Our role involves dog registration, impounding wandering stock and roaming dogs, and implementing and enforcing our Dog Control Policy and Bylaw. Dog owner education and promoting animal welfare are also covered by this activity. We operate a successful shared service animal control agreement with Waitomo District Council, with Animal Control Officers effectively working across both districts.

CHANGES FROM THE 2024/34 LTP

No change

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Timely provision of animal control services supporting animal welfare and community safety.	Known dogs in the district are registered ³³ .	≥ 98% Registered
	Complaints about dog attacks and wandering stock on public roads responded ³⁴ to within two hours ³⁵ .	100% Compliance

ENVIRONMENTAL HEALTH, PUBLIC AMENITY AND SAFETY

This activity involves:

- Licensing and monitoring of food premises, alcohol sellers, hairdressers and camping grounds
- Control of health nuisances related to noise, littering and compliance with our bylaws and the freedom camping legislation.

By ensuring that the regulations and standards for these services are met we help protect public health and safeguard the liveability of our communities

Service delivery for Environmental Health is via a shared service arrangement with our partner Waipā District Council. Responding to noise is provided through the day-time by staff and after hours by a contracted service. Other nuisance complaints and bylaw breaches are investigated on a case-by-case basis.

Liquor licensing is governed by a joint district licensing committee covering Ōtorohanga, Waipā and Waitomo District Councils. While our staff issue and administer licences for the district, we also collaborate with our partner councils on aspects of local administration. Government has also signalled some

³¹ As measured by the Building Consent Tracking Database.

³² Council's next audit is scheduled for 2025.

³³ As recorded in Council's dog registration database.

³⁴ 'Responded to' means acknowledged and investigated.

³⁵ As reported in contractor's monthly report.



legislative changes in this activity (e.g. hairdresser and litter legislation) intended to simplify and streamline regulatory requirements.

CHANGES FROM THE 2024/34 LTP

No change

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Public sale and supply of alcohol is undertaken safely and responsibly and a high level of food safety is maintained by food premises.	All venues selling or supplying alcohol and all food premises monitored for compliance with statutory requirements ³⁶ .	100% Compliance
Timely response to excessive noise complaints.	All excessive noise complaints investigated within two hours of the complaint being received ³⁷ .	95% Compliance
Respond to public nuisance complaints.	Investigate ³⁸ complaints within five working days of receiving a complaint ³⁹ .	90% Compliance

³⁶ As measured by inspection records.

³⁷ As recorded in the service request system and outcome reported in contractor's monthly report.

³⁸ "Investigate" means acknowledging the complaint, triaging and assessing if a response and any enforcement is required.

³⁹ Covers complaints made under the following by laws/legislation:

- Dangerous and Insanitary Building Policy 2022
- Keeping of Stock, Poultry and Bees Bylaw 2009
- Liquor Control Bylaw 2007
- Stock Movement Bylaw 2014
- Structures and Works in Public Places Bylaw 2015
- Trade Waste Bylaw 2000
- Freedom camping legislation



COST OF SERVICE STATEMENT

SUSTAINABLE DEVELOPMENT AND PUBLIC SAFETY - 2025/26	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)	Variance (\$000)
OPERATING REVENUE				
Activity Revenue	879	896	898 -	2
Targeted Rates	-	-	-	-
Development Contributions	-	-	-	-
General Rates	1,452	1,455	1,492 -	37
Other General Sources	-	-	-	-
<i>Total Operating Revenue</i>	2,331	2,351	2,389 -	39
OPERATING EXPENDITURE				
Resource Management	464	621	643 -	22
Building Control	1,096	1,132	1,129	3
Environmental Health, Public Amenity and Safety	399	426	436 -	11
Animal Control	430	432	440 -	8
<i>Total Operating Expenditure</i>	2,388	2,610	2,648 -	38
Includes:				
Salaries and Wages	463	473	464	9
Depreciation and Amortisation	-	-	-	-
Interest	-	4	-	4
Operating Surplus (Deficit)	- 57	- 260	- 259	1
Operating Surplus Transferred to Reserves; or	-	-	-	-
Operating Deficit Funded from Reserves	57	260	259	1
CAPITAL AND RESERVES FUNDING REQUIREMENTS				
Capital Renewals	-	-	-	-
Capital Growth	-	-	-	-
Capital Level of Service	-	-	-	-
Loans Repaid	-	-	-	-
Operating Deficit	57	260	259	1
<i>Total Funding Required</i>	57	260	259	1
FUNDED BY:				
Funding from Non-Cash Expenses	-	-	-	-
Loans Raised	-	204	200	4
Transfer from General and Special Reserves	57	55	59 -	4
Operating Surplus (via reserve)	-	-	-	-
<i>Total Funding Applied</i>	57	260	259	1



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RESILIENT INFRASTRUCTURE

FIVE SEPARATE GROUPS OF ACTIVITIES ARE INCLUDED
UNDER THE BROAD HEADING OF RESILIENT
INFRASTRUCTURE:

- LAND TRANSPORT
- WASTEWATER
- WATER SUPPLY
- STORMWATER
- FLOOD PROTECTION



LAND TRANSPORT

WHAT WE DO AND WHY

Integral to everyday district life, land transport is our biggest area of spending. We look after 805 kilometres of roads⁴⁰ that link to the national state highway network connecting residents and visitors to their destination, businesses to customers and suppliers and local production to markets. As a rural district with a dispersed population, we are acutely aware of the importance of having a well maintained, resilient roading network – the backbone connecting people and enabling economic activity.

Our land transport work is not only about roads - we also maintain:

- 26.9 kilometres of footpaths
- 134 bridges;
- 83 stock underpasses
- 5,918 culverts
- 3,290 signs.

Promoting road safety, kerb and channel management, roadmarking, safety barriers/works and roadside vegetation and litter management are also part of land transport.

COMMUNITY OUTCOMES

Land transport underpins outcomes related to people, place and partnerships.



PEOPLE

- Connected, empowered, engaged communities
- Welcoming, proud, thriving communities



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district



PARTNERSHIPS

- Progressive, enduring, supportive partnerships for district wellbeing

LAND TRANSPORT

Our priorities for a cost effective, sustainable, resilient land transport programme are:

- Maintaining existing levels of services, with our road network continuing to be our largest spend area
- Understanding the likely impacts of climate change on district assets and reflecting this in our ongoing work programmes.

Maintenance of our roading network is undertaken under contract on our behalf and funding for the land transport programme is a mixture of district rates (local share) and subsidies from our roading partner NZTA.

KEY PROJECTS 2025/26

Land Transport	\$000
Sealed road pavement rehabilitation	\$956
Sealed road resealing	\$2,070
Unsealed road metalling	\$575
Ōtorohanga Town Concept Plan:	\$125

⁴⁰ Comprised of 529 sealed (66%) and 276 unsealed (34%).



<ul style="list-style-type: none"> Intersection upgrades Signage Walking/cycling improvements 	
District wide speed management design and implementation	\$30 ⁴¹
District wide identification and design of resilience improvements (sites subject to identification)	\$300
District wide resilience works implementation	\$275
<ul style="list-style-type: none"> Subsidised Non-subsidised 	\$300
Footpath renewals	\$124

CHANGES FROM THE 2024/34 LTP

Post the adoption of our 2024/34 LTP, NZTA advised that funding allocations for 2024/25 to 2026/27 would be below what was needed to deliver on our planned programme of works. Equating to an average annual shortfall of \$3.565M, some activities were allocated manageable reductions (e.g. pothole prevention) while others were reduced by two thirds (e.g. walking and cycling) or completely removed (ie. low cost/low risks new works).

As in the previous financial year, we have adjusted our land transport programmes to accommodate the funding shortfall and we will still collect rates for the local share⁴² not matched by NZTA funding - albeit slightly less than forecast in the LTP due to the level funding we have in reserves⁴³. This unmatched local share will be applied to priority projects ensuring that some momentum is maintained in areas that have been substantially cut (e.g. road safety, culvert renewals).

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Provision of a safe local transport network for users and the community.	Change from the previous financial year in the number of fatalities and serious injury crashes on the local road network (M) ⁴⁴ .	Fatalities/ serious injuries ≤ previous year
Road and footpath networks which support usability and user comfort.	Percentage of footpaths whose condition meets the standard of 3 or better (minor cracking only) (M) ⁴⁵ .	85%
	Average quality of ride on a sealed local road network, measured by smooth travel exposure value of 150 or better (M).	97%

⁴¹ School signage for speed management.

⁴² Unmatched capital \$600,000 and operating \$70,000.

⁴³ Should additional NZTA funding become available, existing reserve funding may be utilised (\$375,000 operational and \$275,000 capital) to provide the local share of any funding proposal.

⁴⁴ (M) Expressed as a number.

⁴⁵ (M) Full wording: The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan). For Council this is based on a five-point scale (excellent, good, average, poor and very poor) the percentage will be the length of footpath recorded as average, good or excellent condition grade.



	Percentage of the sealed local road network that is resurfaced annually (M).	8%
Customer service requests dealt with promptly and appropriately.	Percentage of customer service requests for roads and footpaths recorded in the request for service system and responded ⁴⁶ to within 5 working days or less (M) ⁴⁷ .	90%

M = Mandatory measure

COST OF SERVICE STATEMENT

LAND TRANSPORT - 2025/26	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)	Variance (\$000)
OPERATING REVENUE				
Activity Revenue	7,999	8,148	6,374	1,774
Targeted Rates	4,794	4,971	4,780	191
Development Contributions	-	255	255	-
General Rates	-	-	-	-
Other General Sources	-	-	-	-
<i>Total Operating Revenue</i>	12,793	13,375	11,409	1,965
OPERATING EXPENDITURE				
Land Transport	11,971	12,297	11,983	315
<i>Total Operating Expenditure</i>	11,971	12,297	11,983	315
Includes:				
Salaries and Wages	-	-	-	-
Depreciation and Amortisation	4,546	4,695	4,929	- 234
Interest	45	35	35	-
Operating Surplus (Deficit)	822	1,077	- 573	1,651
Operating Surplus Transferred to Reserves; or	822	1,077	-	1,077
Operating Deficit Funded from Reserves	-	-	573	- 573
CAPITAL AND RESERVES FUNDING REQUIREMENTS				
Capital Renewals	6,882	7,540	4,639	2,901
Capital Growth	250	255	250	5
Capital Level of Service	-	-	10	- 10
Loans Repaid	363	301	301	-
Operating Deficit	-	-	573	- 573
<i>Total Funding Required</i>	7,495	8,096	5,774	2,322
FUNDED BY:				
Funding from Non-Cash Expenses	3,247	3,763	2,154	1,609
Loans Raised	208	212	212	-
Transfer from General and Special Reserves	3,219	3,044	3,407	- 364
Operating Surplus (via reserve)	822	1,077	-	1,077
<i>Total Funding Applied</i>	7,495	8,096	5,774	2,322

⁴⁶ Responded to means acknowledgment by the Roding Team.

⁴⁷ (M) Full wording: The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan.



WHAT'S HAPPENING WITH WATER⁴⁸

Over the next year we will be continuing to plan for changes in the way water services are delivered in the district. In September 2024, the coalition government passed the first of two pieces of legislation for improving how water is managed across the country under its policy approach known as Local Water Done Well (LWDW). LWDW replaces the previous government's Three Waters Reform package.

The LWDW legislation requires all councils to create a Water Services Delivery Plan (WSDP) by September 2025, outlining how they will manage water infrastructure, investments, and finances while meeting regulatory requirements. A key part of developing a WSDP is community consultation on the service delivery model we think will work best for our district.

Of the available models, viable, realistic options for our district were largely limited to either continuing to deliver water services on our own or joining with our neighbours and setting up a regional council controlled organisation (CCO) to deliver services on our behalf.

In April 2025, we consulted with you on our preferred model which was establishing a CCO with six other councils under the banner of Waikato Water Done Well (WWDW) for the delivery of drinking water and wastewater services. Stormwater management and stock water- only schemes would continue to be managed in-house by Council staff in accordance with new legislation.

We are now in the process of confirming our preferred model and refining our WSDP ready for submission to the Minister of Local Government before the due date in early September 2025. Once we have the Minister's approval our focus will shift to how we will transition to the new regime.

WHAT DOES THIS MEAN FOR WATER SERVICES IN 2025/26?

There will be no changes to the way we deliver water services to communities over the coming year. Our focus for 2025/26 will be on continuing with the behind-the-scenes work we have been undertaking to finalising our WSDP and making sure that, when we do make changes, we have the right building blocks in place for a seamless transition to the new model.

In addition to the above, changes to the Arohena Rural Water Supply Scheme were signalled in the 2024/34 LTP. We will be continuing to work on these changes during 2025/26 (refer to Water Supply, page 42)

NEW LEVIES

Taumata Arowai is New Zealand's water services regulator established as part of the response to the Havelock North campylobacter outbreak in 2016. From 1 July 2025, the monitoring and regulatory work carried out by Taumata Arowai is expected to be funded by a fixed annual allocation from the government with the bulk of the funding being sourced from levies (approximately 84%) on councils or the water organisations delivering services on their behalf. We have made provision for the expected levies for all our water services in the budgets for 2025/26.



WASTEWATER

WHAT WE DO AND WHY

Wastewater treatment and disposal includes the network of pipes for the collection of sewage and trade waste and its safe treatment and disposal. We collect and treat wastewater from residential, business and other properties in the Ōtorohanga urban area to maintain public health and sustain and protect land and waterways from contamination.

An asset management plan (covering stormwater and wastewater) is in place for this activity. The plan was substantially reviewed in 2020/21 and updated as part of the process for developing the 2024/34 LTP.

COMMUNITY OUTCOMES

This group of activities supports outcomes related to people, place and partnerships.



PEOPLE

- Welcoming, proud, thriving communities



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district



PARTNERSHIPS

- Aspirational, united, responsible leadership
- Progressive, enduring, supportive partnerships for district wellbeing

WASTEWATER TREATMENT AND DISPOSAL

Around 1600 properties connect to the Ōtorohanga Wastewater System. Fifty-three kilometres of pipeline and 15 pump stations (plus four private) transport wastewater to the treatment plant (aerated oxidation pond) at the northern end of the town, with the treated water being discharged into the Mangaorongo Stream via tertiary treatment including a wetland.

Commercial and industrial operations that generate larger and/or concentrated quantities of wastewater are subject to trade waste permits, with specific conditions on their wastewater discharges. As at May 2025 there were 48 trade waste permits issued. Provision is available at the treatment plant for taking and treating septic tank waste.

KEY PROJECTS 2025/26

Wastewater Treatment and Disposal	\$000
Grit separation and clarifier for phosphorus removal construction	\$400

CHANGES FROM THE 2024/34 LTP

No change



WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Safe, reliable wastewater treatment and disposal system which minimises public health risks and environmental impact.	Number of dry weather sewerage overflows from the Ōtorohanga sewerage system, per 1000 connections (M) ⁴⁹	0 Overflows
	Compliance with consents for discharge from the Ōtorohanga sewerage system (M) ⁵⁰ : <ul style="list-style-type: none"> • Abatement Notices • Infringement Notices • Enforcement Orders • Convictions 	0 Non-compliance actions
	Median response time for sewerage overflow callouts due to a blockage or other fault in the Ōtorohanga sewerage system (M) ⁵¹ . Time from notification until: <ul style="list-style-type: none"> • Service personnel arrive on site • Confirmation of resolution of the blockage or fault. 	< 50 Mins < 24 Hrs
	Number of complaints ⁵² , per 1000 sewage connections, about (M) ⁵³ : <ul style="list-style-type: none"> • Odour • System faults • Blockages. 	<10 Complaints

M = Mandatory measure

⁴⁹ (M) Full wording: The number of dry weather sewerage overflows from the territorial authority's sewerage system expressed per 1000 sewerage connections to that sewerage system.

⁵⁰ (M) Full wording: Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (a) abatement notices, (b) infringement notices, (c) enforcement orders, (d) convictions received by the territorial authority in relation to those resource consents.

⁵¹ (M) Full wording: Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: (a) Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, (b) Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.

⁵² As recorded in the request for service system.

⁵³ (M) Full wording: The total number of complaints received by the territorial authority about any of the following (expressed per 1000 connections to the territorial authority's sewerage system): Sewerage odour, sewerage system faults, sewerage system blockages, territorial authority's response to issues with its sewerage system.





COST OF SERVICE STATEMENT

WASTEWATER - 2025/26	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)	Variance (\$000)
OPERATING REVENUE				
Activity Revenue	65	67	104 -	37
Targeted Rates	903	1,069	1,191 -	121
Development Contributions	-	-	-	-
General Rates	17	47	49 -	2
Other General Sources	-	-	-	-
<i>Total Operating Revenue</i>	985	1,183	1,344 -	161
OPERATING EXPENDITURE				
Wastewater	1,424	1,261	1,440 -	180
<i>Total Operating Expenditure</i>	1,424	1,261	1,440 -	180
Includes:				
Salaries and Wages	-	-	-	-
Depreciation and Amortisation	335	373	400 -	28
Interest	138	140	255 -	115
Operating Surplus (Deficit)	- 440 -	78 -	97	19
Operating Surplus Transferred to Reserves; or	-	-	-	-
Operating Deficit Funded from Reserves	440	78	97 -	19
CAPITAL AND RESERVES FUNDING REQUIREMENTS				
Capital Renewals	749	829	809	20
Capital Growth	50	51	50	1
Capital Level of Service	-	-	-	-
Loans Repaid	218	261	232	29
Operating Deficit	440	78	97 -	19
<i>Total Funding Required</i>	1,456	1,219	1,188	31
FUNDED BY:				
Funding from Non-Cash Expenses	418	354	342	11
Loans Raised	1,334	767	749	19
Transfer from General and Special Reserves	- 295	98	97	1
Operating Surplus (via reserve)	-	-	-	-
<i>Total Funding Applied</i>	1,456	1,219	1,188	31



WATER SUPPLY

WHAT WE DO AND WHY

The supply of safe drinking water is fundamental for the health and wellbeing of residents. An available, reliable water supply is also vital for the health of stock and to support thriving businesses and the rural economy.

We own two urban water supply schemes – Ōtorohanga and Kāwhia – that provide treated water to households and businesses on demand. Four restricted Rural Water Supply (RWS) schemes also deliver treated water to scheme ratepayers, mainly for agricultural purposes. The RWS schemes cover the rural areas of Arohena, Ranginui⁵⁴, Tihiroa and Waipā.

An asset management plan guides the management of all our schemes. This plan was substantially reviewed in 2020/21 and updated as part of the process of developing the 2024/34 LTP.

COMMUNITY OUTCOMES

This group of activities supports outcomes related to people, place and partnerships.



PEOPLE

- Welcoming, proud, thriving communities



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district



PARTNERSHIPS

- Progressive, enduring, supportive partnerships for district wellbeing

WATER SUPPLY

There are around 1614 connections to the Ōtorohanga urban water supply and 443 in Kāwhia – a total of 75.8 km of pipeline and 9 reservoirs (capacity 4,250m³). The Ōtorohanga water supply is drawn from the Waipā River while Kāwhia draws from local springs. Both supplies are treated.

The four rural water schemes – Arohena (3 components), Ranginui, Tihiroa and Waipā - collectively supply 302 properties and are comprised of 129 km of pipeline and 13 reservoirs with a total capacity of 3150m³. Water is supplied on a controlled ('trickle-feed') basis, with on-farm storage required by the property owner. The Waipā Scheme is supplied via the Ōtorohanga town supply, with the other schemes drawing water from local rivers/streams. The schemes are managed by Council on behalf of the owners of properties connected to the schemes, and oversight of each scheme is provided by a local committee.

KEY PROJECTS 2025/26

Water Supply	\$000
Resource consent renewal for Ōtorohanga Water Treatment Plant (discharge water)	\$50

CHANGES FROM THE 2024/34 LTP

We signalled in the 2024/34 LTP that changes needed to be made to the Arohena RWS (Kahorekau, Huirimu and Taupaki) but details were still being worked through. Following discussions with users and further advice from the regulator - Taumata Arowai – we now have a way forward.

Currently operating as a mixed water supply, Arohena RWS is primarily used for stock watering and agricultural purposes (90 percent) but is also available for drinking water (10 percent) albeit with a

⁵⁴

Note: Ranginui RWS is a non-potable supply.



permanent boil water notice. Under the Drinking Water Quality Assurance Rules (DWQAR) which came into effect in November 2022, Council must either put in place a protozoa barrier to reduce the possibility of contamination from bacteria or viruses or cease the drinking water component of the RWS.

Instead of expensive upgrades (estimated at \$6M), we have decided to use the provisions of the Local Government Act 2002 to close the drinking water component of the RWS, as was done with Ranginui Rural Water Supply in 2016. There are various legislative processes that we must go through before that change can be affected with the last step being holding a referendum. The referendum to close the Arohena Drinking Water Scheme and enable the three supplies to continue as non-drinking water supplies is scheduled for August 2025.

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Provision of potable ⁵⁵ water within specified areas via a safe and reliable treatment and supply system.	The extent to which the Council's drinking water supply complies with ⁵⁶ (M): <ul style="list-style-type: none"> Bacterial Compliance Criteria Protozoal Compliance Criteria 	Complies Complies
	Number of complaints received, per 1000 connections, about (M) ⁵⁷ : <ul style="list-style-type: none"> Water clarity Water taste Water odour Water pressure or flow Continuity of supply 	≤ 5 Complaints
	Median response times for call-outs in response to a fault or unplanned interruption the network (M) ⁵⁸ : <p>Urgent Call-outs:</p> <ul style="list-style-type: none"> Attendance⁵⁹ Resolution⁶⁰ <p>Non-Urgent Call-outs:</p> <ul style="list-style-type: none"> Attendance⁶¹ Resolution⁶² 	< 1.5 Hours < 18 Hours < 1.5 Hours < 18 Hours

⁵⁵ Note: Ranginui RWS is a non-potable supply.

⁵⁶ (M) Full wording: The extent to which the local authority's drinking water supply complies with: (a) part 4 of the drinking water standards (bacteria compliance criteria); and (b) part 5 of the drinking water standards (protozoal compliance criteria).

⁵⁷ As recorded in the request for service system.

⁵⁸ (M) Full wording: Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response time measured.

⁵⁹ (M) Full wording: Attendance for urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

⁶⁰ (M) Full wording: Resolution of urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.

⁶¹ (M) Full wording: Attendance for non-urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

⁶² (M) Full wording: Resolution of non-urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.



Water supply and demand managed to ensure prudent use of water.	The percentage of real water loss from the Council's networked reticulation system (M) • Ōtorohanga • Kāwhia	<25% <25%
	Average consumption of drinking water per day per resident within the Ōtorohanga District (M).	< 300 Litres/ person/day

M = Mandatory measure

COST OF SERVICE STATEMENT

WATER SUPPLY - 2025/26	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)	Variance (\$000)
OPERATING REVENUE				
Activity Revenue	2	2	2	-
Targeted Rates	2,636	3,036	2,844	191
Development Contributions	-	-	-	-
General Rates	30	150	161	- 11
Other General Sources	-	-	-	-
<i>Total Operating Revenue</i>	2,669	3,188	3,008	180
OPERATING EXPENDITURE				
On Demand Supply	1,941	1,999	2,073	- 75
Restricted Supply	1,203	1,298	1,152	146
<i>Total Operating Expenditure</i>	3,144	3,297	3,225	72
Includes:				
Salaries and Wages	-	-	-	-
Depreciation and Amortisation	749	777	834	- 57
Interest	196	215	204	11
Operating Surplus (Deficit)	- 476	- 109	- 217	108
Operating Surplus Transferred to Reserves; or Operating Deficit Funded from Reserves	476	109	217	- 108
CAPITAL AND RESERVES FUNDING REQUIREMENTS				
Capital Renewals	1,401	768	850	- 81
Capital Growth	50	51	50	1
Capital Level of Service	90	56	55	1
Loans Repaid	241	324	259	65
Operating Deficit	476	109	217	- 108
<i>Total Funding Required</i>	2,258	1,309	1,431	- 121
FUNDED BY:				
Funding from Non-Cash Expenses	742	686	617	69
Loans Raised	2,320	425	505	- 80
Transfer from General and Special Reserves	- 804	198	309	- 110
Operating Surplus (via reserve)	-	-	-	-
<i>Total Funding Applied</i>	2,258	1,309	1,431	- 121



STORMWATER

WHAT WE DO AND WHY

Hard surfaces, such as roofs, parking and paved areas, driveways, and roads, all contribute to generating stormwater runoff. In the Ōtorohanga and Kāwhia urban areas we collect and dispose of this runoff to prevent/minimise flooding from heavy or prolonged rainfall events. Effective management of stormwater supports community resilience and when damage from rainfall events is minimised communities can continue to thrive.

Stormwater management for the district is guided by an asset management plan (covering stormwater and wastewater). The plan was substantially reviewed in 2020/21 and updated as part of the process for developing the 2024/34 LTP.

COMMUNITY OUTCOMES

This group of activities supports outcomes related to people, place and partnerships.



PEOPLE

- Welcoming, proud, thriving communities



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district



PARTNERSHIPS

- Progressive, enduring, supportive partnerships for district wellbeing

STORMWATER MANAGEMENT

The Ōtorohanga stormwater network is made up 22.7kms of pipes and 4.5kms of open drains which works in tandem with the Ōtorohanga Flood Protection Scheme's stopbanks and pump stations to protect property and prevent erosion. Recent subdivisions have contributed to an increase in the size of the network. While overall condition and performance of the system is generally good, capacity is limited and, for this reason, new developments are also required to provide for on-site stormwater management, such as retention and ground soakage.

The Kāwhia stormwater system consists of 3.8km of pipes, 0.5km of open drains and one small pump station located in a low-lying area. Network assets are relatively new and in good condition as a major upgrade was undertaken in 1999/00.

Aotea's stormwater assets consist mainly of soakage devices and overland flow soaking through the sand base. Roof water is captured by residents for drinking water.

Across the district, directing stormwater from/under roads is managed as a part our land transport group of activities.

KEY PROJECTS 2025/26

Stormwater Management	\$000
Kakamutu Road and Domain Drive stormwater capacity/renewal	\$100

CHANGES FROM THE 2024/34 LTP

No change





WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Provision of a safe and reliable stormwater system which minimises flooding and environmental impact.	Number of flooding events in the district and, for each flooding event, the number of habitable floors affected per 1000 properties connected (M) ⁶³ .	0 Habitable floors affected by flood events
	Compliance with consents for discharge from the stormwater system (M) ⁶⁴ : <ul style="list-style-type: none"> • Abatement Notices • Infringement Notices • Enforcement Orders • Convictions 	0 Non-compliance actions
	Median response time ⁶⁵ to attend to a flooding event (M) ⁶⁶ .	< 4 hours 30 minutes
	Number of complaints received, per 1000 properties connected, about the performance of the stormwater system (M) ⁶⁷ .	≤ 2 Complaints

M = Mandatory measure

⁶³ (M) Full wording: (a) The number of flooding events that occur in a territorial authority district. (b) For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)

⁶⁴ (M) Full wording: Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices, (b) infringement notices, (c) enforcement orders, (d) convictions received by the territorial authority in relation to those resource consents.

⁶⁵ Measured from the time of notification until service personnel arrive on site.

⁶⁶ (M) Full wording: The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.

⁶⁷ As recorded in the request for service system





COST OF SERVICE STATEMENT

STORMWATER - 2025/26	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)	Variance (\$000)
OPERATING REVENUE				
Activity Revenue	-	-	-	-
Targeted Rates	-	-	-	-
Development Contributions	-	-	-	-
General Rates	250	319	363 -	44
Other General Sources	-	-	-	-
<i>Total Operating Revenue</i>	250	319	363 -	44
OPERATING EXPENDITURE				
Stormwater	342	367	425 -	57
<i>Total Operating Expenditure</i>	342	367	425 -	57
Includes:				
Salaries and Wages	-	-	-	-
Depreciation and Amortisation	185	201	249 -	49
Interest	16	14	14	-
Operating Surplus (Deficit)	- 91 -	48 -	62	13
Operating Surplus Transferred to Reserves; or	-	-	-	-
Operating Deficit Funded from Reserves	91	48	62 -	13
CAPITAL AND RESERVES FUNDING REQUIREMENTS				
Capital Renewals	61	63	61	2
Capital Growth	75	51	50	1
Capital Level of Service	40	113	110	3
Loans Repaid	60	55	48	7
Operating Deficit	91	48	62 -	13
<i>Total Funding Required</i>	327	330	331 -	1
FUNDED BY:				
Funding from Non-Cash Expenses	181	122	114	8
Loans Raised	55	159	155	4
Transfer from General and Special Reserves	91	48	62 -	13
Operating Surplus (via reserve)	-	-	-	-
<i>Total Funding Applied</i>	327	330	331 -	1



FLOOD PROTECTION

WHAT WE DO AND WHY

The increased frequency and intensity of storm events and rising sea levels expected to affect the district over the medium to long term due to climate change reinforces the importance of this group of activities for community resilience.

Infrastructure managed under this group of activities include:

- Flood Protection Works
- Coastal Structures

The structures we manage not only sustain and protect homes, businesses and properties, doubling as recreation spaces, they add to the vibrancy and liveability of our communities.

COMMUNITY OUTCOMES

This group of activities supports outcomes related to people, place and partnerships.



PEOPLE

- Welcoming, proud, thriving communities



PLACE

- Vibrant, diverse, liveable communities
- Sustainable, resilient district



PARTNERSHIPS

- Progressive, enduring, supportive partnerships for district wellbeing

FLOOD PROTECTION WORKS

Commissioned in 1966, the Ōtorohanga Flood Protection Scheme (ŌFPS) is part of Project Watershed – a flood protection, soil conservation and river management scheme for the greater Waikato catchment.

ŌFPS assets include 4.6 kilometres of stopbanks⁶⁸ to keep the Waipā River from flooding Ōtorohanga township and three large flood pumps stations to pump surface water back to the river in a flood event. The scheme design is for a 1 in 100-year event.

We own the stopbanks and all the assets that make up the ŌFPS. Maintenance and operation of the scheme is carried out by our staff under a service level agreement with our partner, Waikato Regional Council. This arrangement means we can coordinate this activity with our local stormwater drainage activities. All ŌFPS work is paid for with funding from Project Watershed⁶⁹.

CHANGES FROM THE 2024/34 LTP

No change

⁶⁸ www.waikatoregion.govt.nz/assets/WRC/Council/Policy-and-Plans/HR/S32/Part-A/WRC-Policy-Series-2011-07.pdf, pages 67 and 142.

⁶⁹ Project Watershed rates are collected by Waikato Regional Council.



WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
The ŌFPS well managed, maintained and operated.	Maintenance, repairs and renewal undertaken to approved standards ⁷⁰ (M) ⁷¹ .	0 Habitable floors affected by flood events

M = Mandatory measure

COASTAL STRUCTURES

This activity focuses on the structures we manage and maintain in coastal areas. These structures are a mix of coastal defences (e.g. seawalls) protecting public and private property from coastal erosion and facilities that provide water access (e.g. boat ramps). In some instances, these assets are multi-functional, providing for protection and as well as for recreation needs.

Key assets are:

- Kāwhia Seawalls
- Kāwhia Wharf
- Kāwhia boat ramps (x3)

On behalf of the residents and ratepayers in Aotea, we also hold the resource consent and take overall responsibility for maintaining the Aotea Seawall.

KEY PROJECTS 2025/26

Coastal Structures	When
Aotea Seawall Maintenance	2025/26 – 2027/28
Kāwhia Seawall Condition Assessment and associated works	2024/25 – 2028/29

CHANGES FROM THE 2024/34 LTP

No change

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
Coastal structures well managed, maintained and renewed.	Maintenance, repairs and renewals undertaken to approved standards ⁷² (M) ⁷³ .	Achieved

M = Mandatory measure

⁷⁰ As reported in annual scheme report to Waikato Regional Council.

⁷¹ (M) Full wording: The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the local authority's relevant planning documents (such as its activity management plan, asset management plan, annual works program or long term plan).

⁷² As reported to Waikato Regional Council.

⁷³ (M) Full wording: The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the local authority's relevant planning documents (such as its activity management plan, asset management plan, annual works programme, long term plan or resource consent).





COST OF SERVICE STATEMENT

FLOOD PROTECTION - 2025/26	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)	Variance (\$000)
OPERATING REVENUE				
Activity Revenue	188	209	217 -	8
Targeted Rates	45	122	127 -	6
Development Contributions	-	-	-	-
General Rates	60	73	81 -	9
Other General Sources	-	-	-	-
<i>Total Operating Revenue</i>	293	403	425 -	22
OPERATING EXPENDITURE				
Flood Protection	182	196	194	2
Coastal Structures	139	242	252 -	11
<i>Total Operating Expenditure</i>	321	437	447 -	9
Includes:				
Salaries and Wages	-	-	-	-
Depreciation and Amortisation	68	79	91 -	12
Interest	8	14	10	3
Operating Surplus (Deficit)	- 27 -	34 -	21 -	13
Operating Surplus Transferred to Reserves; or	-	-	-	-
Operating Deficit Funded from Reserves	27	34	21	13
CAPITAL AND RESERVES FUNDING REQUIREMENTS				
Capital Renewals	118	162	208 -	46
Capital Growth	-	-	-	-
Capital Level of Service	-	-	-	-
Loans Repaid	29	33	35 -	2
Operating Deficit	27	34	21	13
<i>Total Funding Required</i>	174	229	264 -	35
FUNDED BY:				
Funding from Non-Cash Expenses	32	97	95	3
Loans Raised	100	82	155 -	73
Transfer from General and Special Reserves	43	49	14	35
Operating Surplus (via reserve)	-	-	-	-
<i>Total Funding Applied</i>	174	229	264 -	35



TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

RESPONSIBLE WASTE MANAGEMENT

- WASTE MANAGEMENT AND MINIMISATION



RESPONSIBLE WASTE MANAGEMENT

WHAT WE DO AND WHY

In 2023/24 our contractors collected 1585 tonnes of refuse and 2910 tonnes of recycling. As it is for the rest of New Zealand, minimising waste volumes is essential for the long term sustainability of the district and liveable communities. The annual tonnage of waste to landfill in the Waikato Region is continuing to climb and this is despite household recycling reportedly increasing⁷⁴.

Our waste management responsibilities are to effectively manage waste, reduce waste volumes and minimise the environmental impact of old landfills. We also support waste minimisation education and initiatives such as EnviroSchools⁷⁵ and Para Kore⁷⁶.

COMMUNITY OUTCOMES

Responsible waste management supports outcomes related to people and place.



PEOPLE

- Welcoming, proud, thriving communities



PLACE

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WASTE MANAGEMENT AND MINIMISATION

The services we deliver under this activity are:

- Kerbside rubbish and recycling services in Aotea, Kāwhia and Ōtorohanga
- Operation of transfer stations in Kāwhia and Ōtorohanga, and the provision of four rural recycling depots
- Management of closed council landfills
- Waste minimisation education.

Our urban rubbish and recycling collection services, the operation of our transfer stations and the servicing of rural recycling depots are carried out under contract by Envirowaste. Contractors⁷⁷ also monitor the closed landfills on our behalf so that we can report on compliance with resource consents issued by Waikato Regional Council.

The waste minimisation activities we undertake are outlined in our Waste Management and Minimisation Plan (WMMP) and funded from revenue raised by the national landfill waste levy, administered by the Ministry for the Environment (MfE). These activities are important for reducing waste to landfill and are delivered in a range of ways depending on the project.

KEY PROJECTS 2025/26

Waste Management and Minimisation	When
Review and Retendering of kerbside rubbish and recycling contract	2025

⁷⁴ www.waikatoregion.govt.nz/assets/WRC/WPI/WPIIndicatorScorecard.pdf

⁷⁵ An environmental action based programme empowering young people to design and lead sustainability projects in their schools, neighbourhoods and country.

⁷⁶ A te ao Māori based, zero-waste education programme which aims to design out waste and strengthen the connection to Papatūānuku (earth) and Ranginui (sky).

⁷⁷ Co-Lab undertakes monitoring/sampling and AECOM compliance reporting.



CHANGES FROM THE 2024/34 LTP

No change

WHAT YOU CAN EXPECT FROM US

Level of service	How we measure success	Target 2025/26
A reliable weekly household kerbside rubbish and recycling collection service in Aotea, Kāwhia and Ōtorohanga.	Kerbside collection services comply with National Waste Strategy ⁷⁸ .	Achieved
Waste minimisation to be actively promoted.	Increase in recycling volumes over previous year ⁷⁹ .	10% Increase

⁷⁸ As measured through contractor's monthly report.
⁷⁹ Ibid.





COST OF SERVICE STATEMENT

RESPONSIBLE WASTE MANAGEMENT - 2025/26	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)	Variance (\$000)
OPERATING REVENUE				
Activity Revenue	145	148	178 -	31
Targeted Rates	430	444	443	1
Development Contributions	-	-	-	-
General Rates	82	138	107	32
Other General Sources	-	-	-	-
<i>Total Operating Revenue</i>	656	730	728	2
OPERATING EXPENDITURE				
Rubbish & Recycling Services	814	740	746 -	6
<i>Total Operating Expenditure</i>	814	740	746 -	6
Includes:				
Salaries and Wages	-	-	-	-
Depreciation and Amortisation	10	11	17 -	6
Interest	5	5	5	-
Operating Surplus (Deficit)	- 158 -	10 -	18	8
Operating Surplus Transferred to Reserves; or	-	-	-	-
Operating Deficit Funded from Reserves	158	10	18 -	8
CAPITAL AND RESERVES FUNDING REQUIREMENTS				
Capital Renewals	36	1	1	-
Capital Growth	-	-	-	-
Capital Level of Service	-	-	-	-
Loans Repaid	18	19	18	1
Operating Deficit	158	10	18 -	8
<i>Total Funding Required</i>	211	30	37 -	7
FUNDED BY:				
Funding from Non-Cash Expenses	24	3	19 -	16
Loans Raised	30	-	-	-
Transfer from General and Special Reserves	158	27	18	9
Operating Surplus (via reserve)	-	-	-	-
<i>Total Funding Applied</i>	211	30	37 -	7



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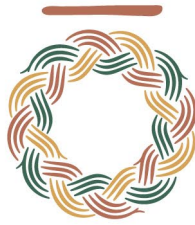
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PROSPECTIVE FINANCIAL STATEMENTS

POLICIES AND STATEMENTS

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PROSPECTIVE FINANCIAL STATEMENTS

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PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES - 2025/26	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)
INCOME			
Rates Income	15,260	16,731	16,782
Contributions	10	265	265
Water by Volume Rates	2,238	2,517	2,379
Subsidies and Grants	8,347	8,510	6,784
Other Income	1,793	1,824	1,936
Other Gains/(Losses)	-	-	-
Total Income	27,648	29,848	28,146
EXPENDITURE			
Employee Benefit Expenses	7,193	7,379	7,576
Depreciation and Amortisation	7,069	7,460	7,801
Other Expenses	14,591	14,799	14,321
Finance Costs	221	327	281
Total Expenditure	29,074	29,965	29,980
Profit Before Income Tax Expenses	- 1,425	- 117	- 1,833
Tax Expense	-	-	-
Profit For The Year	- 1,425	- 117	- 1,833
OTHER COMPREHENSIVE INCOME			
Gain/(Loss) on Property Revaluation	10,308	-	28,281
Gain/(Loss) on Available for Sale Financial Assets	7,216	163	39
Total Other Comprehensive Income	17,524	163	28,319
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	16,099	46	26,486



PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES AND
PROSPECTIVE COMBINED COST OF SERVICE STATEMENT

RECONCILIATION

RECONCILIATION OF PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES AND PROSPECTIVE COMBINED COST OF SERVICE STATEMENT	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)
TOTAL OPERATING REVENUE (INCOME STATEMENT)			
Total Income	27,648	29,848	28,146
TOTAL OPERATING REVENUE (COST OF SERVICE STATEMENTS)			
Activity Revenue	10,140	10,334	8,720
Development Contributions	10	265	265
General Rates	8,571	9,504	9,673
Other General Sources	12,903	14,062	13,840
Targeted Rates	8,928	9,744	9,488
	40,551	43,910	41,986
Variance	- 12,903	- 14,062	- 13,840
<i>Reconciling Items:</i>			
Internal Recoveries	12,903	14,062	13,840
	12,903	14,062	13,840
TOTAL OPERATING EXPENDITURE (INCOME STATEMENT)			
Total Expenditure	29,074	29,965	29,980
TOTAL OPERATING EXPENDITURE (COST OF SERVICE STATEMENTS)			
Trusted Leadership and Relationships	15,608	16,637	16,315
Strong Communities	2,174	2,254	2,278
Vibrant Places and Spaces	3,523	3,769	3,985
Sustainable Development and Public Safety	2,388	2,610	2,648
Resilient Infrastructure: Land Transport	11,971	12,297	11,983
Resilient Infrastructure: Wastewater	1,424	1,261	1,440
Resilient Infrastructure: Water Supply	3,144	3,297	3,225
Resilient Infrastructure: Stormwater	342	367	425
Resilient Infrastructure: Flood Protection	321	437	447
Responsible Waste Management	814	740	746
	41,710	43,669	43,491
Variance	- 12,636	- 13,704	- 13,512
<i>Reconciling Items:</i>			
Internal Recoveries	12,903	14,062	13,840
Internal Interest on Balance	- 267	- 358	- 328
	12,636	13,704	13,512



PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)
BALANCE AT 1 JULY	393,600	409,699	416,747
Gain/(Loss) On Movement Of Reserves			
Surplus/(Deficit) For The Year	16,099	46	26,486
Total Recognised Income/(Expense) For The Year Ended 30 June	16,099	46	26,486
BALANCE AT 30 JUNE	409,699	409,745	443,233
COMPRISED OF:			
Reserve Funds	164,002	163,835	169,239
Retained Earnings	3,023	3,074	3,001
Revaluation Reserves	242,673	242,837	270,993
	409,699	409,745	443,233



PROSPECTIVE

BALANCE SHEET

PROSPECTIVE BALANCE SHEET FOR YEAR COMMENCING 1 JULY 2025	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)
ASSETS			
Current Assets			
Cash and Cash Equivalents	3,170	2,241	1,157
Inventory	31	32	32
Property Inventory	-	-	-
Trade and Other Receivables	2,295	2,409	2,121
Loan Receivable	250	250	250
Total Current Assets	5,746	4,933	3,560
Non-current assets			
Intangible Assets	157	195	68
Investments	7,847	8,011	7,884
Property, Plant and Equipment	405,132	409,209	444,203
Loan Receivable	1,500	1,250	1,500
Total Non-Current Assets	414,636	418,665	453,655
Total Assets	420,382	423,598	457,214
LIABILITIES			
Current Liabilities			
Employee Benefit Liabilities	401	421	410
Income In Advance	741	778	757
Provisions	1	1	1
Trade and Other Payables	2,715	2,825	2,762
Borrowings	-	-	9,448
Development and Financial Contributions In Advance	541	541	541
Total Current Liabilities	4,399	4,565	13,919
Non-current liabilities			
Borrowings	6,223	9,223	-
Employee Benefit Liabilities	46	49	47
Provisions	16	16	16
Total non-current liabilities	6,285	9,287	63
Total liabilities	10,684	13,852	13,982
Net Assets	409,699	409,745	443,233
EQUITY			
Reserve Funds	164,002	163,835	169,239
Retained Earnings	3,023	3,074	3,001
Revaluation Reserves	242,673	242,837	270,993
Total Equity Attributable to ŌDC	409,699	409,745	443,233



PROSPECTIVE STATEMENT OF CASH FLOW

PROSPECTIVE STATEMENT OF CASH FLOW FOR YEAR COMMENCING 1 JULY 2025	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2025/26 Annual Plan (\$000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Rates Revenue	17,481	19,219	19,148
Receipts from Other Revenue	10,098	10,527	9,094
Interest Received	15	15	87
Dividends Received	10	10	8
Payments to Suppliers and Employee	- 21,710	- 22,048	- 21,841
Interest Paid	- 221	- 327	- 281
Net Cash Provided by Operating Activities	5,674	7,396	6,214
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment	60	153	112
Purchase of Property, Plant and Equipment	250	250	-
Purchase of Investments	- 13,155	- 11,509	- 11,496
Purchase of Intangible Assets	37	- 219	71
Net Cash (Used in) Investing Activities	- 12,808	- 11,325	- 11,455
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowing	5,775	3,000	3,225
Repayment of Borrowing	-	-	-
Net Cash Provided by / (Used in) Financing Activities	5,775	3,000	3,225
Net (Decrease)/Increase in Cash, Cash Equivalents and Bank Overdrafts	- 1,359	- 929	- 2,016
Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the Year	4,529	3,170	3,170
Cash and Cash Equivalents at the End of the Year	3,170	2,241	1,154



STATEMENT OF RESERVES

STATEMENT OF RESERVE FUNDS	OPENING BALANCE (\$000)	TRANSFERS TO RESERVES (\$000)	TRANSFERS FROM RESERVES (\$000)	CLOSING BALANCE (\$000)
REVALUATION RESERVES				
Asset Revaluation Reserve	- 235,456	- 28,281	- -	- 263,737
Investment Revaluation Reserve	- 7,217	- 39	- -	- 7,256
	- 242,673	- 28,319	- -	- 270,993
RESERVE FUNDS				
Ōtorohanga General Reserve	- 925	- 26	- -	- 951
Subdivision Reserve Fund	- 322	- 9	- -	- 331
OCB Reserve Fund	- 151	- 4	- -	- 155
OCB Property Development Reserve Fund	- 1,354	- -	10 -	- 1,344
Upper Waipā Management Fund	- 27	- -	- -	- 27
KCB Reserve Fund	- 194	- -	1 -	- 194
	- 2,973	- 39	11 -	- 3,001
COUNCIL CONTROLLED RESERVES				
Trusted Leadership and Partnerships	- 449	- 12,417	12,599 -	- 267
Strong Communities	38	108	109	39
Vibrant Places and Spaces	93	414	458	136
Sustainable Development and Public Safety	- 114	- 367	305 -	- 177
Resilient Infrastructure: Land Transport	345	17,183	16,836 -	- 2
Resilient Infrastructure: Water Supply	- 1,400	- 4,439	4,343 -	- 1,497
Resilient Infrastructure: Wastewater	- 238	- 2,531	2,525 -	- 245
Resilient Infrastructure: Flood Protection	- 6	- 689	689 -	- 6
Responsible Waste Management	70	765	749	54
	- 1,662	- 38,913	38,612 -	- 1,963



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POLICIES AND STATEMENTS

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STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The prospective financial statements of the Ōtorohanga District Council are for the year ended 30 June 2026.

The Ōtorohanga District Council (Council) is a territorial local authority governed by the provisions of the Local Government Act 2002 (the Act) and is domiciled in New Zealand.

The primary objective of Council is to provide services or goods for the community for social benefit rather than making a financial return. Accordingly, having regard to the criteria set out in the Public Benefit Entity Internal Public Sector Accounting Standards (PBE IPSAS), as a defined public entity under the Public Audit Act 2001, the Council is audited by the Auditor-General and is classed as a Public Sector Benefit Entity (PBE) for financial reporting purposes. Council has designated itself as a Tier 2 entity.

The financial information contained within this document has been prepared in accordance with PBE-FRS 42: Prospective Financial Statements. It has been prepared to enable the public to participate in the decision-making processes regarding the services to be provided by Council over the financial years 2024-2034 and to provide a broad accountability mechanism of Council to the community.

The operations of Council have been divided into the following Groups of Activities:

- Trusted Leadership and Relationships.
- Strong Communities.
- Vibrant Places and Spaces.
- Sustainable Development and Public Safety.
- Resilient Infrastructure: Land Transport.
- Resilient Infrastructure: Water Supply.
- Resilient Infrastructure: Wastewater.
- Resilient Infrastructure: Stormwater.
- Resilient Infrastructure: Flood Protection.
- Responsible Waste Management.

Council advise caution that the information in these statements may not be appropriate for purposes other than those described.

The prospective financial statements were authorised for issue by Council on 24 June 2025. The Mayor and Chief Executive that authorise the issue of the prospective financial statements by Council are responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual results have been incorporated in these prospective financial statements. It is not intended to update the prospective financial statements subsequent to presentation.

MEASUREMENT BASE

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.





ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of results and financial position have been applied consistently to all years presented from 1 July 2024 unless otherwise stated.

1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 93 and Part 1 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ PBE IPSAS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. Council is a tier 2 reporting entity using the public sector Public Benefit Entity Accounting Standards, as it has expenses less than \$33m, and is not publicly accountable.

Although Council is not publicly accountable, Council has included a separate Cost of Services Statement for each significant activity.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Council is New Zealand dollars.

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

The 2023/24 Annual Plan adopted by the Council in June 2023 has been provided as a comparator for these prospective financial statements. The closing balance in this comparative differs from the opening position used to prepare these prospective financial statements, which is based on the most up-to-date forecast information.

2 BUDGET FIGURES

The budget figures have been prepared in accordance with NZ GAAP and comply with NZ PBE IPSAS, and other applicable Financial Reporting Standards, using accounting policies that are consistent with those adopted in preparing these financial statements. As a tier 2 reporting entity, Council uses the public sector Public Benefit Entity Accounting Standards.

3 REVENUE

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

RATES REVENUE

The following policies for rates have been applied:

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

WAKA KŌTAHI NZ TRANSPORT AGENCY ROADING SUBSIDIES

Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The





subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

OTHER GRANTS RECEIVED

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

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

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

VESTED OR DONATED PHYSICAL ASSETS

Where a physical asset is acquired for nil or nominal consideration, the asset is recognised at its fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

DIRECT CHARGES – SUBSIDISED

(i) RENDERING OF SERVICES - SUBSIDISED

Rendering of services at a price that is not approximately equal to the value of the service provided by Council is considered a non-exchange transaction. This includes rendering of services where the price does not allow Council to fully recover the cost of providing the service (such as building consents, water connections, dog licencing, etc.) and where the shortfall is subsidised by income from other activities, such as rates. Generally, there are no conditions attached to such revenue.

Revenue from such subsidised services is recognised when Council issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that Council has an obligation to refund the cash received for the service (or the extent that the customer has the right to withhold the payment from Council for the service) if the service is not completed.

(ii) SALE OF GOODS – SUBSIDISED

A sale of goods at a price that is not approximately equal to the value of the goods provided by Council is considered a non-exchange transaction.

This includes sales of goods where the price does not allow Council to fully recover the cost of producing the goods and where the shortfall is subsidised by income from other activities such as rates.

Revenue from the sale of such subsidised goods is recognised when Council issues the invoice or bill for the goods. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the goods.

REVENUE FROM EXCHANGE TRANSACTIONS

DIRECT CHARGES – FULL COST RECOVERY

(i) RENDERING OF SERVICES - FULL COST RECOVERY

Revenue from the rendering of services (such as resource consents, etc.) is recognised by reference to the stage of completion of the service. Stage of completion is measured by reference to the labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the



contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

(ii) SALE OF GOODS – FULL COST RECOVERY

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to Council.

INTEREST AND DIVIDENDS

Interest income is recognised using the effective interest method.

Dividends are recognised as income when the rights to receive payment have been established.

4 BORROWING COSTS

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

5 GRANT EXPENDITURE

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

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

6 LEASES

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.

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held with banks and other short-term investments with maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as a current liability in the statement of financial position.

8 DEBTORS AND OTHER RECEIVABLES

Debtors and other receivables are initially recorded at the amount due, less any provision for expected credit losses (ECL).

Council has reviewed individual debtor balances to determine the ECL to recognise for short-term receivables.

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.





9 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

- **OPERATIONAL ASSETS** – These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.
- **RESTRICTED ASSETS** – Restricted assets are mainly parks and reserves and related buildings owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- **INFRASTRUCTURE ASSETS** – Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

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

REVALUATION

Land and buildings (operational and restricted), and infrastructural assets 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 expenses.

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 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 recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

DISPOSALS

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported 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 comprehensive revenue and expenses.

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





DEPRECIATION

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

ASSET CLASSES	USEFUL LIFE (YEARS)	DEPRECIATION RATE
Buildings		
• Internal Fitout	5-31	3.2-20%
• Structure	5-58	1.7-20%
• Roof	5-55	1.8-20%
• Plant	5-10	10-20%
• Services	5-35	2.8-20%
• Other Site Improvements	80	1.5%
Improvements	20	5%
Vehicles	6.6	15%
Computers	3-4	25-33.33%
Office Equipment	4-10	10-25% DV
Furniture/ Fixture	10	10% DV
Library Books	6.6	15% DV
Plant and Machinery	2.5-3	33.33-40%
WATER TREATMENT		
Piping	20-100	1-5%
Equipment	5-100	1-20%
Other	2-100	1-50%
WASTEWATER		
Piping	50-90	1.11-2%
Equipment	10-81	1.23-10%
Other	20-80	1.25-5%
STORMWATER		
Piping	40-100	1-2.5%
Equipment	15-80	1.25-6.66%
Other	20-100	1-5%
ROADING		
<i>Pavement (Basecourse)</i>		
• Sealed	7-79	1.26-14.3%
• Unsealed	9-80	1.25-11.1%
<i>Pavement (Sub-Base)</i>		
• Sealed	7-74	1.35-14.3%
• Unsealed	2-73	1.37-50%
Seal	1-16	6.25-100%
Culverts	1-90	1.11-100%
Bridges	37-76	1.31-2.7%
Kerb & Channel/ Catchpits	2-55	1.81-50%
Footpaths	2-74	1.35-50%
Streetlights	1-57	1.75-100%
Signposting	1-14	7.14-100%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end. Items that are fully depreciated are recorded as having a useful life of 1 year.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment subsequently measured at cost that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment.



Property, plant and equipment 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 cost to sell and value in use.

10 INTANGIBLE ASSETS

SOFTWARE ACQUISITION

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

AMORTISATION

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

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

- Computer software (finite life) 3 years 33.3%

IMPAIRMENT OF INTANGIBLE ASSETS

Intangible assets subsequently measured at cost that have an indefinite useful life, 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 cost to sell and value in use.

11 GOODS AND SERVICES TAX (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables which are stated as GST inclusive. When GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Commitments and contingencies are disclosed exclusive of GST.

12 COST OF SERVICE STATEMENTS

The Cost of Service Statements report the net cost of services for significant activities of Council, and are represented by the costs of providing the service less all revenue that can be allocated to these activities.

COST ALLOCATION

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

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

13 OTHER FINANCIAL ASSETS

Financial assets are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:





- Amortised cost
- Fair value through other comprehensive revenue and expenses (FVTOCRE)
- Fair value through surplus and deficit (FVTSD).

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

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

A financial asset is classified and subsequently measured as 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.

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 and community loans.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT FVTOCRE

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

EXPECTED CREDIT LOSS ALLOWANCE (ECL)

Council recognise 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 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 and including forward-looking information.





The Council consider 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 obligation in full.

14 LOANS RECEIVABLE

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted for the current market rate of return for a similar financial instrument.

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less and expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include loans to community groups.

15 PAYABLES

PAYABLES UNDER EXCHANGE TRANSACTIONS

Payables under exchange transactions are recognised when ŌDC becomes obliged to make future payments resulting from the purchase of goods and services. Subsequent to initial recognition, payables under exchange transactions are recorded at amortised cost.

DEPOSITS AND BONDS

Deposits and bonds are recognised at their face value at the time they are received. The refund of deposits and bonds is recognised at the time that all conditions related to that bond are met.

BORROWINGS

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method net of transaction costs.

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.

EMPLOYEE ENTITLEMENTS

SHORT-TERM EMPLOYEE ENTITLEMENTS

Employee benefits that are 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, and sick leave.

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

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, have been calculated on an actuarial basis. The calculations are based on:

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

PRESENTATION OF EMPLOYEE ENTITLEMENTS

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave 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.





16 PROVISIONS

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

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

LANDFILL POST-CLOSURE COSTS

Council, as operator of the Ōtorohanga and Kāwhia closed landfills, has a legal obligation under the resource consents to provide ongoing maintenance and monitoring services at the landfill. An allowance for post-closure costs is recognised as a provision within the balance sheet.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

FINANCIAL GUARANTEE CONTRACT LIABILITIES

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

Financial guarantee contract liabilities are measured initially at their fair value. If a financial guarantee was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is practicable there will be an outflow under the guarantee.

Financial guarantees are subsequently measured at the higher of:

- The present value of the estimated amount to settle the guarantee obligation if it is probable there will be an outflow to settle the guarantee; and
- The amount initially recognised less, when appropriate, cumulative amortisation as revenue.

17 EQUITY

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 a number of reserves.

The components of equity are:

- Accumulated comprehensive revenue and expenses
- Restricted reserves
- Asset revaluation reserves
- Fair value through other comprehensive revenue and expense reserve.

RESTRICTED RESERVES





Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves include those subject to specific conditions accepted as binding by Council and which may not be revised by 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 references to any third party or the Courts. Transfers to and from these reserves are at Council's discretion.

ASSET REVALUATION RESERVE

The asset revaluation reserve arises on the revaluation of land, buildings and infrastructural assets to fair value.

FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE

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

18 ESTIMATES AND ASSUMPTIONS

In preparing these financial statements Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are discussed in the Long Term Plan 2024 - 2034 – Volume Two, pages 104 to 119.

19 ROUNDING ERRORS

Some rounding errors may occur in the financial statements due to stating dollar amounts to the nearest \$1,000.

20 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

CLASSIFICATION OF PROPERTY

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the ŌDC's social housing policy. These properties are accounted for as property, plant and equipment.

CLASSIFICATION OF NON-FINANCIAL ASSETS AS CASH GENERATING ASSETS OR NON-CASH-GENERATING ASSETS

For the purpose of assessing impairment indicators and impairment testing, ŌDC classifies non-financial assets as either cash-generating or non-cash-generating assets. The Council classifies non-financial assets as cash-generating assets if the primary objective of the asset is to generate commercial return. All other assets are classified as non-cash-generating assets.



All property, plant and equipment and intangible assets held by ŌDC are classified as non-cash-generating assets. This includes assets that generate fee revenue or other cash flows for the Council, as the cash flows generated are generally not sufficient to represent commercial return on the assets.





RATING INFORMATION

INTRODUCTION

The Local Government (Rating) Act 2002 sets out the methods by which local authorities can rate and the detailed criteria around their uses. Processes and policies that local authorities must apply in the establishment of their rating systems are set by the Local Government Act 2002 and include provisions for informing communities. We have prepared our funding impact statement in accordance with these Acts.

This funding impact statement sets out:

- The revenue and financing mechanisms used
- An indicative level or amount of funding for each mechanism
- Explanatory information supporting the use of general and targeted rates
- A summary of the total rates requirement.

The application of funding methods to Council's activities is summarised in a table at the end of this section.

This statement should be read in conjunction with our Revenue and Financing policy which sets out Council's policies in respect of each source of funding of operating and capital expenses.

RATING POLICY

The Rating Policy outlines how Council will set the rate funding required to fund activities. This includes our high-level rating philosophy, and summarises the rationale for the rating decisions taken. In making these decisions, we have considered:

- The distribution and timing of benefits;
- Rating efficiency and transparency;
- Community preferences; and
- The overall impact on the economic, cultural, social and environmental well-being of the district.

The policy provides the link between the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive. The overview of the resulting mix of general and targeted rates, user charges and other funding sources is set out in the Funding Impact Statement (see page 80).

PROPERTY VALUATIONS AND RATES DISTRIBUTION

We set the total amount of rates required to fund our expenditure based on the budgeted costs included in the long term plan. For the majority of our rates, we use property valuations as the basis to distribute the total rates requirement proportionately across all properties in the district.

Property revaluations are conducted every three years and Council uses these valuations for the purposes of calculating the rates each property has to pay. We contract Quotable Value (QV) as our valuation service provider (VSP). The latest revaluation of the district was carried out on 1 October 2022 and these values have been used for rating purposes for the Annual Plan. The rating valuations are intended to provide relative values only and are based on the market value of a property at a particular point in time. It cannot be taken as market valuation.

EFFECT OF NEW VALUATIONS ON RATES

It is important to note that an increase/ decrease in values does not automatically mean that there will be an increase/ decrease in rates. It depends on whether the valuation of a property changes more than the average of the group of property values. Council does not collect extra rates as a result of valuation changes. We calculate the total rate requirement for the year and then use capital value as the basis to distribute this total. Therefore, a change in the capital value (value of land and improvements) of a property will only impact the rates bill of the property to the extent that the change is higher or lower than the average change.





Council rate assessments contain different charges that make up the annual levy:

- General Rates (calculated on capital value with no differentials);
- Uniform Annual General Charge (set charge); and
- Targeted Rates (uniform charge or value-based charge).

SEPARATELY USED OR INHABITED PART OF A RATING UNIT

A separately used or inhabited part of a rating unit includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease or other agreement. As a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or separate use. For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one separately used or inhabited part.

HOW WE RATE

There are two types of rates – general rates and targeted rates. These may be charged in two ways:

- On a uniform basis – to all rateable land for which the rate is set; or
- Differentially – on a different basis for different categories of land.

The rates may be charged on a fixed amount, including as a fixed amount per rating unit, per separately used or inhabited part of a rating unit, or number of services used such as number of water closets, or using a factor such as land or capital value.

GENERAL RATE

Council sets a general rate with no differentials, based on the capital value of each rating unit.

UNIFORM ANNUAL GENERAL CHARGE

Uniform annual general charge (UAGC) is a specific levy of an equal amount on every rating unit within the district and does not vary with the value of the rating unit. It is used as a mechanism to ensure each rating unit contributes a minimum amount of the general rate. Individuals benefit as each has an equal opportunity to access and use the assets and services, and to an extent, many within the community make similar use of assets and services.

We consider that a range from 25% to 26% of the rates requirement should be recovered by way of a Uniform Rate charged to every rating unit in the district, which reflects the equal opportunity to access and use the assets and services.

TARGETED RATES

Council sets targeted rates for different functions of council where the benefit of having access to particular function(s) or service(s) exist to particular groups of ratepayers.

LAND TRANSPORT RATE

This is funded by a District Wide rate in the dollar plus a uniform targeted rate. Roothing needs to be managed as a network and on a district-wide basis, progressively throughout the funding year. This is consistent with the policy approach to funding taken by NZ Transport Agency (Council's primary Roothing funding source) to fund roading as a network.

District-Wide rating spreads the cost of roading amongst all ratepayers. An advantage of this is that it makes larger expenditure commitments more affordable than annually uneven cost recoveries targeted to specific ratepayer categories. It therefore provides regularity to funding to appropriately manage the district asset.

KĀWHIA COMMUNITY RATE

A targeted rate levied across the Kāwhia/ Aotea Community to fund services that directly benefit these communities.





HALL TARGETED RATES

Some halls have specific areas defined by the hall committees and Council collects a targeted rate from ratepayers within these areas. Funds received are available to Hall Committees to go towards the operation, maintenance, renovation and/or extension of those facilities.

WATER SUPPLIED BY VOLUME RATES – RURAL WATER SCHEMES (AROHENA, TIHIROA, RANGINUI AND WAIPĀ)

Separate rating units in the Rural Water Supply areas with water meters are levied a targeted rate for water usage. This rate is set on a per cubic metre usage basis. These separate rating units areas also attract a charge for each meter connected to the Rural Water Scheme.

REFUSE TARGETED RATE

All properties situated in the Ōtorohanga and Kāwhia Community with a building are levied a uniform targeted rate for each separately occupied portion of that building.

ŌTOROHANGA SECURITY TARGETED RATE

A targeted rate in the dollar and a uniform targeted rate is applied to all properties within the “Security Patrol Area” to fund a Security Patrol Service in a defined area of the Ōtorohanga Community.

ŌTOROHANGA WASTEWATER

All properties that are connected to the Ōtorohanga Sewerage Treatment and Reticulation Scheme are levied a rate per separately used or inhabited part of the rating unit. All properties with four or less water closets or urinals pay a flat fee. For all water closets or urinals over 4, a charge for each additional water closet or urinal applies.

WATER SUPPLIED BY VOLUME RATES - ŌTOROHANGA

Separate rating units in the Ōtorohanga Water Supply areas with water meters are levied a targeted rate for water usage. This rate is set on a per cubic metre usage basis.

All separate rating units, either rateable or non-rateable, receiving a supply from the Ōtorohanga Community Water Supply will have a charge for each water meter.

REFUSE TARGETED RATE

All properties situated within the Kāwhia/Aotea and Ōtorohanga communities with a building are levied a uniform targeted rate for each separately occupied portion of that building.

KĀWHIA WATER SUPPLY

All properties that are connected to the Kāwhia Water Supply Scheme are levied a uniform targeted rate for each separately occupied portion of any building.

KĀWHIA TARGETED WATER LOAN RATE

Properties in the Kāwhia community water supply area are levied a targeted loan rate to finance loan repayment costs in respect of loans raised for capital expenditure on the Kāwhia water scheme.

WATER SUPPLIED BY VOLUME RATES - KĀWHIA

Separate rating units in the Kāwhia community water supply area with water meters are levied a targeted rate for water usage over the free allowance. This rate is set on a per cubic metre usage basis. Outside the Kāwhia community water supply area, separate rating units with water meters that are using water from the Kāwhia scheme are levied a targeted rate for water usage, on a per cubic metre basis, with a minimum charge per annum.

All separate rating units, either rateable or non-rateable, receiving a supply from the Kāwhia Water Supply Scheme will have a charge for each water meter.

KĀWHIA/AOTEA SEAWALL PROTECTION

Properties within the Kāwhia/Aotea community pay a uniform targeted rate for each rating unit to fund the maintenance and repairs of the Kāwhia and Aotea seawalls.





DIFFERENTIAL TARGETED RATES

Properties within the Ōtorohanga community may be charged targeted rates under one of two differentials which are applied based on how the land is used. The two land use categories are:

- Ōtorohanga Commercial
- Ōtorohanga Residential

The following targeted rates are set using differentials.

ŌTOROHANGA COMMUNITY RATE

The area of the Ōtorohanga Community is defined on a map approved by Council. Valuation numbers begin with either 05540 or 05541.

ŌTOROHANGA TARGETED SEWERAGE LOAN RATE

Areas of benefit are defined on maps and approved by Council.

ŌTOROHANGA TARGETED WATER LOAN RATE

Areas of benefit are defined on maps and approved by Council.

UTILITY CHARGES FOR NON-RATEABLE PROPERTIES

Non-rateable properties are liable for targeted rates and charges for the provision of utility services, such as water, wastewater and refuse collection.

SETTING OF RATES

Rates are set by Council by way of resolution for each financial year, referred to as the Rating Year. These rates will remain in effect for the rating year and will not be affected by a change in the rateable value or factors of a rating unit during the financial year in which the rates are set.

INSTALMENTS

Rates and charges for the year ending on 30 June 2026 will be assessed in two instalments, which will become due and payable on the following dates:

- 29 August 2025
- 27 February 2026

Charges for Water Metered Rates for Ōtorohanga Community Supply for the year ending on 30 June 2026 will be assessed in four instalments, which will become due and payable on the following dates:

- 28 November 2025
- 27 February 2026
- 29 May 2026
- 28 August 2026

Charges for Water Metered Rates for the Kāwhia Community Water Supply and all Rural Water Supplies for the year ending on 30 June 2026 will be assessed in two instalments, which will become due and payable on the following dates:

- 27 February 2026
- 28 August 2026

PENALTIES

Penalties are applied in accordance with Section 57 and 58 of the Local Government (Rating) Act 2002.

A penalty of 10% is added to each instalment or part thereof 'current rates' which are unpaid after the due date for payment on the following dates:

- 29 August 2025
- 27 February 2026





For Water Metered Rates for the Ōtorohanga Community, a penalty of 10% is added to all amounts of rates remaining unpaid a day after the due date, as listed below:

- 28 November 2025
- 27 February 2026
- 29 May 2026
- 28 August 2026

For Water Metered Rates for the Kāwhia Community Water Supply and all Rural Water supplies, a penalty of 10% is added to all amounts of rates remaining unpaid a day after the due date, as listed below:

- 27 February 2026
- 28 August 2026

A penalty of 10% is added to previous year's rates 'rates in arrears' that remain unpaid on 1 July 2025, and again on 1 January 2026.

FUNDING IMPACT STATEMENT

The Council level Financial Impact Statement (see table below):

- Links our Revenue and Financing Policy, the annual setting of rates, fees, development contribution and the annual borrowing requirement
- Sets out the revenue and financing mechanisms that will be used in each year along with an indicative level or amount of funds to come from each mechanism; and
- Shows the planned application of funds in each year.

ALL OF COUNCIL FUNDING IMPACT STATEMENT

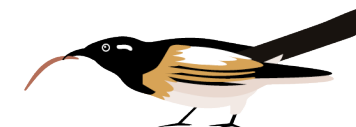


ALL OF COUNCIL FUNDING IMPACT STATEMENT - 2025/26	2023/24 Annual Plan (\$000)	2024/25 LTP (\$000)	2025/26 Annual Plan (\$000)
SOURCES OF OPERATING FUNDING			
General Rates, Uniform Annual General Charges, Rates Penalties	8,571	9,504	9,673
Targeted Rates	8,928	9,744	9,488
Subsidies and Grants for Operating Purposes	4,099	4,177	3,717
Fees and Charges	1,067	1,095	1,116
Interest and Dividends from Investments	25	26	95
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	701	704	725
TOTAL SOURCES OF OPERATING FUNDING	23,390	25,250	24,814
APPLICATION OF OPERATING FUNDING			
Payments to Staff and Suppliers	20,698	21,071	20,727
Finance Costs	221	327	281
Other Operating Funding Applications	1,091	1,112	1,175
TOTAL APPLICATION OF OPERATING FUNDING	22,010	22,510	22,183
SURPLUS (DEFICIT) IN OPERATING FUNDING	1,381	2,740	2,631
SOURCES OF CAPITAL FUNDING			
Subsidies and Grants for Capital Expenditure	4,248	4,333	3,067
Development and Financial Contributions	10	10	10
Increase (Decrease) in Debt	4,033	1,338	1,539
Gross Proceeds from Sale of Assets	60	153	112
TOTAL SOURCES OF CAPITAL FUNDING	8,351	5,834	4,729
APPLICATION OF CAPITAL FUNDING			
Capital Growth	425	409	400
Capital Level of Service	300	230	235
Capital Renewals	10,633	10,340	7,475
Increase (Decrease) in Reserves	- 1,626	- 2,405	- 750
TOTAL APPLICATION OF CAPITAL FUNDING	9,732	8,574	7,360
SURPLUS (DEFICIT) IN OPERATING FUNDING	- 1,381	- 2,740	- 2,631
FUNDING BALANCE	-	-	-



2025/26 RATES INFORMATION

TOTAL REVENUE REQUIRED	RATES 2024/25 (GST EXCLUSIVE)	CATEGORIES ON WHICH RATE IS SET	FACTOR OR FACTORS	DIFFERENTIAL CATEGORIES	DIFFERENTIAL CALCULATION	INDICATIVE	
						UNITS OF MEASURE	RATE OR CHARGE
6,108,778	General Rate (partially funds activities as detailed below)	Every rating unit in the district	Rate in the \$ on capital value			6,563,735,400	\$0.0009307
2,618,048	Uniform Annual General Charge (partially funds activities as detailed below)	Every rating unit in the district	Fixed amount for each rating unit			4,310	\$607.44
4,779,682	Land Transport Rate (partially funds the Land transport programme in compliance with the Revenue and Financing Policy).	Every rating unit in the district	Rate in the \$ on capital value			6,563,735,400	\$0.0005097
			Fixed amount for each rating unit			4,310	\$332.69
509,213	Ōtorohanga Community Targeted Rate (partially funds activities as detailed on page	Every rating unit in the defined Ōtorohanga Community area	Rate in the \$ on capital value	Commercial Properties	Ratio 2.5	176,070,100	\$0.0007898
			Fixed amount for each rating unit	Residential Properties	Ratio 1.0	688,116,800	\$0.0003159
						1,401	\$109.04
250,750	Kāwhia Community Targeted Rate (partially funds activities as detailed on page	Every rating unit in the defined Kāwhia/Aotea Community area	Rate in the \$ on capital value			381,368,350	\$0.0004603
			Fixed amount for each rating unit			600	\$125.38
242,204	Refuse Collection Targeted Rate Ōtorohanga	Every rating unit in the defined Ōtorohanga Community area	Fixed amount for each separately used or inhabited part of a rating unit			1,420	\$170.57
201,164	Refuse Collection Targeted Rate Kāwhia	Every rating unit in the defined Kāwhia/Aotea Community area	Fixed amount for each separately used or inhabited part of a rating unit			523	\$384.63
324,011	Water Supply Targeted Rate Kāwhia	Every rating unit in the defined Kāwhia Water Supply area	Fixed amount for each separately used or inhabited part of a rating unit			410	\$790.27
58,270	Water Supply Targeted Loan Rate – Ōtorohanga	Every rating unit in the defined Ōtorohanga Water Supply area	Rate in the \$ on capital value	Commercial Properties	Ratio 2.0	147,407,000	\$0.0001186
				Residential Properties	Ratio 1.0	688,116,800	\$0.0000593



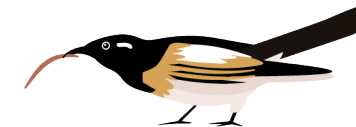
2025/26 RATES INFORMATION

TOTAL REVENUE REQUIRED	RATES 2024/25 (GST EXCLUSIVE)	CATEGORIES ON WHICH RATE IS SET	FACTOR OR FACTORS	DIFFERENTIAL CATEGORIES	DIFFERENTIAL CALCULATION	INDICATIVE	
						UNITS OF MEASURE	RATE OR CHARGE
77,015	Water Supply Targeted Loan Rate – Kāwhia	Every rating unit in the defined Kāwhia Water Supply area	Rate in the \$ on capital value			266,715,800	\$0.0002888
6,102	Water Supply Targeted Loan Rate – Arohena Rural Scheme	Every rating unit in the defined Arohena Rural Water Scheme area	Rate in the \$ on capital value	Arohena Rural Water Scheme		159,565,500	\$0.0000382
930,596	Sewerage Treatment Targeted Rate	Every rating unit in the defined Ōtorohanga Sewerage Treatment area	Fixed amount for each separately used or inhabited part of a rating unit	1 unit 2 to 4 5 or more	per urinal	1,390 35	\$668.37 No charge \$44.44
260,317	Sewerage Treatment Targeted Loan Rate	Every rating unit in the defined Ōtorohanga Sewerage Treatment area	Rate in the \$ on capital value	Commercial Properties Residential Properties	Ratio 2.5 Ratio 1.0	144,727,000 662,906,900	\$0.0006351 \$0.0002540
28,989	Rural Halls Targeted Rate	Every rating unit within the defined Rural Hall areas	Rate in the \$ on capital value Fixed amount for each separately used or inhabited part of a rating unit	Arohena Kio Kio Puketotara/Ngutunui Honikiwi Arohena Kio Kio Tokanui Crossroads Puketotara/ Ngutunui Ōtewā		263,884,500 474,975,500 504,637,600 206,700,600 58 207 187 289 130	\$0.000010 \$0.000006 \$0.000009 \$0.000013 \$45.00 \$20.00 \$20.00 \$12.00 \$25.00
119,642	Kāwhia/Aotea Seawall Protection Targeted Rate	Every rating unit within the Kāwhia/Aotea Community area	Fixed amount for each rating unit			581	\$205.92
7,555	Aotea Erosion Targeted Loan Rate	Every rating unit within the defined Aotea Community area	Fixed amount for each property that did not make a capital contribution			24	\$314.79
76,000	Security Patrol Rate	Every commercial property within the defined Ōtorohanga Commercial area	Rate in the \$ on capital value Fixed amount for each rating unit			834,505,000 96	\$0.0004497 \$395.83
1,312,395	Water Supplied by Volume – Rural Water Supplies	Every property connected to the defined Rural Water Schemes.	Fixed amount for each cubic metre of water consumed	Arohena Tihiroa Ranginui Waipā		451,052 202,011 90,506 230,021	\$0.80 \$1.95 \$0.60 \$1.35



2025/26 RATES INFORMATION							
TOTAL REVENUE REQUIRED	RATES 2024/25 (GST EXCLUSIVE)	CATEGORIES ON WHICH RATE IS SET	FACTOR OR FACTORS	DIFFERENTIAL CATEGORIES	DIFFERENTIAL CALCULATION	INDICATIVE	
						UNITS OF MEASURE	RATE OR CHARGE
			Fixed amount per meter	Arohena Tihiroa Ranginui – First meter Additional meter Waipā		74 60 5 11 149	\$750.00 \$750.00 \$1,800.00 No charge \$550.00
1,054,184	Water Supplied by Volume – Ōtorohanga Water Supply	Every property connected to the defined Ōtorohanga Water Supply Scheme	Fixed amount for each cubic metre of water consumed Fixed amount per meter	All connected properties All connected properties		362,862 1493	\$2.00 \$220.00
12,000	Water Supplied by Volume – Kāwhia Water Supply	Every property connected to the defined Kāwhia Water Supply Scheme	Fixed amount for each cubic metre of water consumed (220 cubic metre free allowance) Fixed amount per meter	All connected properties All connected properties Minimum charge (where applicable)		6,328 15	\$1.60 \$125.00 \$790.27
18,976,915	TOTAL						





INDICATIVE CONTRIBUTIONS TO COUNCIL SERVICES 2025/26
EXAMPLES

PROPERTY VALUE	585,000	637,500	750,000	937,500	621,000	737,500	1,500,000	2,300,000	5,000,000
	ŌTOROHANGA RESIDENTIAL		ŌTOROHANGA COMMERCIAL		KĀWHIA		RURAL		
ACTIVITY	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance	385.84	403.45	548.23	637.88	467.98	519.27	517.13	709.32	1,357.94
Community Development and Empowerment	37.10	38.67	42.04	47.66	38.18	41.67	64.52	88.50	169.43
Community Service Providers and Contestable Grants	28.08	29.27	31.83	36.08	28.90	31.54	48.85	67.00	128.26
Economic Development and Wellbeing	104.52	109.03	968.94	1,083.83	103.98	113.26	171.46	235.18	450.24
Resource Management	41.33	43.08	46.84	53.10	42.53	46.42	71.88	98.59	188.74
Corporate Planning/Projects	87.43	91.14	99.09	112.33	89.97	98.20	152.07	208.58	399.32
Environmental Health, Public Amenity and Safety	55.93	58.30	63.38	71.86	57.55	62.82	97.27	133.42	255.43
Animal Control	31.58	32.92	35.79	40.58	32.50	35.47	54.93	75.34	144.24
Iwi Liaison	26.06	27.17	29.53	33.48	26.82	29.27	45.33	62.17	119.02
Parks & Reserves and Council Owned Property	320.72	335.18	439.21	509.10	391.35	434.17	452.75	621.01	1,188.87
Swimming Pools	86.88	90.57	98.46	111.62	89.41	97.59	151.11	207.27	396.80
Rubbish & Recycling Services	211.64	212.30	213.71	216.05	458.27	459.73	26.94	36.95	70.74
On Demand Supply	23.44	24.43	26.56	30.11	932.93	935.14	40.76	55.91	107.04
Wastewater	775.75	776.05	776.70	777.77	7.32	7.99	12.38	16.98	32.50
Libraries, Learning & Development	85.56	89.19	96.96	109.92	88.05	96.10	148.81	204.11	390.75
Civil Defence and Emergency Management	25.20	26.27	28.56	32.38	25.94	28.31	43.84	60.13	115.11
Coastal Structures	9.35	9.75	10.60	12.01	267.61	272.46	16.26	22.31	42.71
Building Control	87.90	91.62	99.61	112.93	90.45	98.73	152.88	209.69	401.44
Cemeteries	17.38	18.11	19.69	22.32	17.88	19.52	30.22	41.45	79.36
Stormwater	185.70	196.15	439.94	532.60	166.41	182.71	4.58	6.29	12.04
Land Transport	725.52	756.30	822.24	932.16	746.62	814.92	1,261.89	1,730.85	3,313.58
Wastewater Loan	170.90	186.24	547.77	684.71	-	-	-	-	-
Water Loan	39.88	43.46	102.26	127.83	206.21	244.90	-	-	-
	\$3,563.69	\$3,688.64	\$5,587.97	\$6,328.33	\$4,376.86	\$4,670.19	\$3,565.88	\$4,891.07	\$9,363.58



EXAMPLE RATE INCREASES

The following rate increases are indicative only, and are only for reference purposes. The actual increases in later years may be impacted by revaluations of the rating roll and any changes in the number of properties in an area. The following examples exclude specific rates such as Kāwhia/Aotea Erosion rates and Rural Hall rates.

PROPERTY VALUE	2025/26	
	% CHANGE	\$ CHANGE
ŌTOROHANGA RESIDENTIAL		
585,000	12.85%	\$ 405.73
637,500	12.93%	\$ 422.29
ŌTOROHANGA COMMERCIAL		
750,000	10.38%	\$ 525.30
937,500	11.04%	\$ 629.21
KĀWHIA		
621,000	20.34%	\$ 739.74
737,500	19.72%	\$ 769.19
RURAL		
1,500,000	5.05%	\$ 171.28
2,300,000	5.03%	\$ 234.02
5,000,000	5.00%	\$ 445.77





ANNUAL PLAN DISCLOSURE STATEMENT

FOR THE YEAR COMMENCING 1 JULY 2025

PURPOSE

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

The council is required to include this statement in its annual plan 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.

Benchmark	Planned	Met
Rates affordability benchmark <ul style="list-style-type: none">Increases	10.2%	Yes
Debt affordability benchmark	175% of total revenue	Yes
Balanced budget benchmark	100%	No (93%)
Essential services benchmark	100%	Yes
Debt servicing benchmark	10%	Yes

NOTES

RATES AFFORDABILITY BENCHMARK

- For this benchmark:
 - The council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the council's long-term plan; and
 - The council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the council's long-term plan.
- The council meets the rates affordability benchmark if:
 - Its planned rates income for the year equals or is less than each quantified limit on rates; and
 - Its planned rates increases for the year equal or are less than each quantified limit on rates increases.

DEBT AFFORDABILITY BENCHMARK

- For this benchmark, the council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the council's long-term plan.
- The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

BALANCED BUDGET BENCHMARK

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

Council has not met this benchmark due to the decision to not fully fund depreciation in the 2025/26 year on three waters and parks and reserves assets.





ESSENTIAL SERVICES BENCHMARK

1. For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
2. The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.





DEBT SERVICING BENCHMARK

1. For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
2. Because Statistics New Zealand projects that the council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.





TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

OTHER INFORMATION

- MAYOR AND COUNCILLORS





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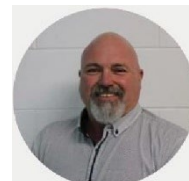
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