



**Te Kaunihera
o Te Hiku o te Ika**
Far North District Council

RIPOTA Ā TAU

ANNUAL REPORT

2024/25

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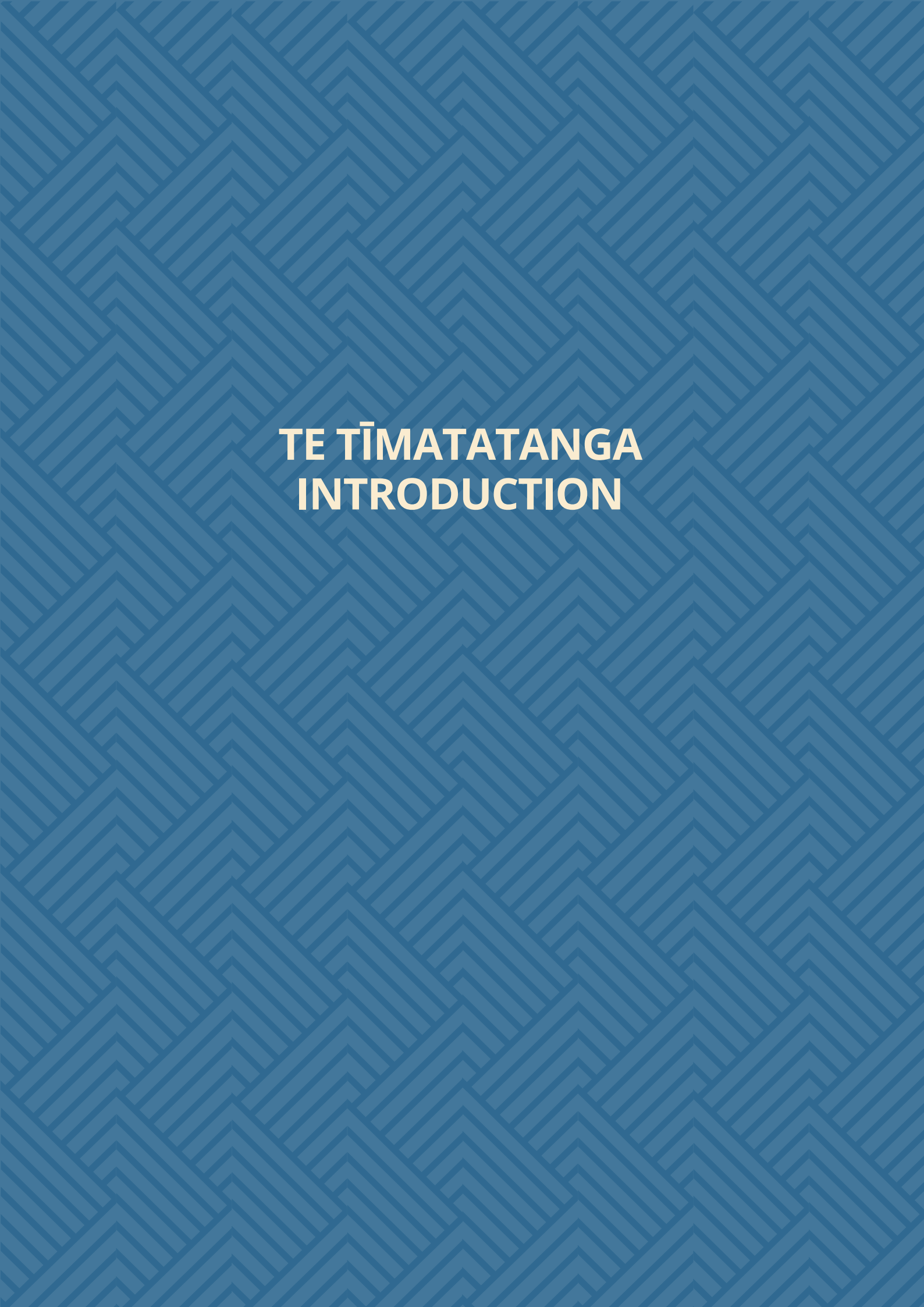
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TE TĪMATATANGA INTRODUCTION

HE AHA KEI ROTO I TĒNEI TUHINGA WHAT IS IN THIS DOCUMENT?

The purpose of the Annual Report is to look at the council's accomplishments in the financial year from 1 July 2024 to 30 June 2025. The Annual Report advises the Far North communities of the council's financial and non-financial performance during the financial year, including what we achieved, how well we delivered our services, the costs and how they were paid for.

This report shows the council's performance in year one of the Three Year Long Term Plan (LTP) 2024-27. It outlines the targets set and performance results and our key achievements for the year.

The Annual Report is laid out as follows:

Introduction

This is a high level review of our political and organisation structures with a financial and service performance overview.

The council's activities

This section outlines the key achievements of each activity group and details the performance for the year based on targets set through the LTP 2024-27. Included in this section is the performance outcomes for Far North Holdings Limited and Northland Inc., our Council Controlled Organisations (CCOs).

Financial performance

In this section are the council's detailed financial statements, and the audit report.

TIKANGA KŌRERO WHAITAKE

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

for the year ended 30 June 2025

The council and management of the Far North District Council accept responsibility for preparing this Annual Report, including the financial statements and Statement of Service Performance, and confirm that all statutory requirements under the Local Government Act 2002 have been met.

We accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In our opinion, the annual financial statements and Statement of Service Performance for the year ended 30 June 2025 fairly reflect the financial position, performance outcomes, and operations of the Far North District Council and Group.



Moko Tepania
Kahika - Mayor
31 October 2025



Guy Holroyd
Chief Executive Officer
31 October 2025

NGĀ KARERE O TE KAHIKA

Kia ora e te whānau o Te Hiku o te Ika,

Kua hurihia e mātou ā mātou tikanga whakahaere mā te whakamana i ō mātou komiti ki te tuku whakatau mō ā mātou kaiwhakarato ā-waho, ngā take pūtea me ngā tūraru, me te āhua o tā mātou mahi tahi ki te Māori. Kua whakaurua e mātou ngā tini kaupapa o Te Ao Māori, pēnei i Te Pae o Uta, tā mātou kaupapa hei tuitui i te tirohanga o te ao Māori puta noa i te tari. Nō te pōtitanga o tēnei kaunihera, kua pokakē ā mātou whakahaere mahi.

I te marama o Hepetema 2024, ka whakatau te kaunihera ki te pupuri tonu i tō mātou Wāri Māori o Ngā Tai o Tokerau. E rua rau ngā kainoho i tae atu ki te hui hei whakaatu i tō rātou tautoko. Nā konei i kitea ai e ahau te tautoko nui o te aranga e whāia nei e te kaunihera mō ō mātou hapori me ō rātou hiahia.

I te marama o Noema 2024, ka kōkiri mātou i tētahi kokenga nui. I whakahaerehia te hui tuatahi o *State of the Far North Address*. He kaupapa hou te whakaaturanga ki te Turner Centre i tūhonohono ai i ō tātou rangatira o te rāngai pakihi, o te ao Māori, o te hapori whānui, ka mutu, i ngā kainoho me ngā māngai kāwanatanga. I te wā o te whakaaturanga, ka arotakengia e mātou ngā wero kei mua i te aroaro mō tō tātou rohe - ko te nui o te whenua, ko te iti o te hunga utu rēti, ko te whānuitanga o tō tātou whatunga rori, me ngā taumahatanga pūtea e pīkauhia ana e kaunihera me ngā kai kairēti. Ko te whāinga kia mārāma kehoheho ngā pakeketanga kei mua i a tātou, me ngā mahi e kawea ana e mātou hei whakatika i aua take. Ko tētahi wāhanga matua o te whakaaturanga, ko tō tātou whatunga rori. He take nui tēnei, hei tā hapori ki ahau. Ko te whakatikatika me te tiaki i ō tātou rori, e 2507km te roa, koia tētahi aranga o tā mātou Mahere Pae Tawhiti.

Ko tētahi wāhanga matua o tā mātou rautaki, o 'getting stuff done', ko te renarena i ngā hononga taikaha. Kua tutuki i tēnei kaunihera te mahi tahi me ngā hapori ki ngā kaupapa whakarauora pēnei i ngā pokapū hākinakina o Te Hiku me Kaikohe, ā, inā tata nei, ko Te Puāwaitanga - *Te pokapū hākinakina o Te Peowhairangi*. Toro atu ki tētahi o ēnei pokapū i tētahi wīkene, ki reira kitea ai te aroha me te nui o te whakamahinga o aua wāhi e te hapori. Hei tāku, he tohu nui tēnei e mea nei, ki te whanake tētahi rohe ora, tētahi rohe e hiahia ana e te tangata hei wāhi noho, me ū te kaunihera ki te whakapau pūtea ki ngā momo hanganga me ngā momo kaupapa.

He mea nui ki a mātou ki te whakapau pūtea ki ngā hanganga matua pēnei i ngā rori me ngā puna wai, ā, i tēnei wā tonu, ka whakatairanga tonu i ngā whare me ngā kaupapa hei whakapai i te oranga o ngā kainoho me ngā manuhiri. Mā ngā hanganga hapori ka whakakotahi i te iwi, ā, he mea nui mā tātou katoa. I ngā wā ohotata, pēnei i a Cyclone Grabielle, i kitea rā e mātou te hapori, kua kaha ake te tūhoho mā ngā kaupapa ā-takiwā me ngā tū kaupapa, e pakari ake ana i roto i ngā pānga tūkinō.

Ko ngā kaupapa katoa e tautokohia ana e mātou, me tika te whakahaeretanga o ngā pūtea. Inā tata nei whakaputaina ai e te kāwanatanga tētahi waeine ā-motu hei ine i ngā whakahaere o te kaunihera puta noa i Aotearoa, ka whakawhiwhia a FNDC ki te nama AA. Hei tā te pūrongo hua, kua taurite te tahua a FNDC, ā, he tohu tēnei nō te tika me te atamai o ngā whakahaere pūtea.

Kia titiro ake tātou ki ngā angitutanga o te tau ā-pūtea kua hōri.

Hei hoa matua mātou i tētahi kawenata i hainatia rā i mua o te Kirihimete, hei whakapūmau i te anamata o Te Taunga Rererangi o Kaitiāia, he hononga kawenga matua nō Te Hiku. Ka whakakapi te kawenata i ngā whiriwhiringa, e waru tau te roa, ki waenganui i Te Karauna, i Te Rūnanga o Ngāi Takoto, i ngā hapū o Ngāti Kahu, i Te Pātū, i a Patukoraha, i a Ngāi Tohianga me te kaunihera.

Kua whakaaetia ngā hoahoa o te Whare Pukapuka me te Pokapū Rarauropi o Kaikohe i te Maehe – he whare whainga-roa kua roa e tamō ana – ka tīmata ngā mahi hanga hei te marama o Akuhata.

I whakamanahia e mātou a Te Pātukurea, arā, tā mātou Mahere ā-Rohe mō Kerikeri-Waipapa, e whakatakoto ana i te āhua o tā tō mātou tāone nui whakawhanake tonu i roto i ngā tau 30 e heke mai nei. Nā konei ka tau te māramatanga ki ngā kainoho, ki ngā kaitātari mahere, ki ngā kaiwhakawhanake whenua hoki. Ka whakawhānuihia e mātou ki te toenga o te rohe.

I riro mai i a mātou te mana o te Turner Centre – te pūtake o ngā mahi toi me te ahurea o tō tātou rohe, otirā ki tua. He tino tauranga tēnei wāhi mō ngā pakihi o te rohe nā te tini o te manuhiri ka whakararatahia e ngā konohete, e ngā taiopenga me ngā kaupapa nui.

Kua āwhina mātou i ngā kaipupuri whenua Māori kia mārāma ake ai rātou ki ngā huarahi e puta ai

te hua nui i ō rātou whenua, mā tētahi raupapa hui ka tū ki ngā marae huri noa i te rohe. Ko te whāinga, he whakarite i tētahi wāhi haumarua mō ngā whānau e whai wāhi atu ai rātou ki ngā kōrero whaihua me te tautoko i te āhua o tā rātou tiaki whenua Māori – he taonga tuku iho, he mea tuku iho ki ngā whakatupuranga.

Nā tō mātou manawaū ki te auaha, me te whakaatu i āhua o ngā mahi, e hua ake nei ēnei pikinga nui o te iwi me te kaunihera. Hei tā tā mātou Rangahau Whakaaro ā-Tau o ngā Kainoho, i whakahaerehia rā e ngā kairangahau ā-waho, kua piki ake ngā tohu ingoa – te Whakapono, te Tautoko o te kaunihera, te Whāinga me te Rangatiratanga, ka mutu, te Whakahaere Pūtea, me te Kōunga o Ngā Ratonga – Kua piki ake i ngā pāheketanga i tautuhia rā i tau 2024.

Ka kitea ngā mōhiotanga mā te pānui i tēnei pūrongo, ā, mā ā mātou Mahere ā-Tau me te Mahere Pae Tawhiti i tā mātou paetukutuku.



Moko Tepania
Kahika

MESSAGE FROM THE MAYOR

Kia ora e te whānau o Te Hiku o te Ika,

Since this council was elected, we've been doing things differently. We've changed how we do business by empowering our committees to make decisions: about our external providers, about finance and risk, and how we work better with Māori. We've introduced a range of te ao Māori initiatives including Te Pae o Uta, our way of weaving a te ao Māori perspective throughout our organisation. In September 2024, we voted unanimously to retain our Ngā Tai o Tokerau Māori Ward. Two-hundred residents came to the meeting to show their support. That demonstrated to me the strong support we have for the direction we have taken as a council on behalf of our communities and their needs. In November 2024, we took another bold step. We held the first State of the Far North Address. The evening presentation at the Turner Centre was a new way to connect with our leaders in business, te ao Māori, and the community, as well as with residents and government representatives. During the presentation, we outlined the challenges our district faces – our geographic size, our relatively small rating base, our vast roading network, and the financial demands these factors place on the council and ratepayers. The aim was to be transparent about the challenges we face and the work we are undertaking to address those challenges. A key part of the presentation was our roading network. It's also an issue our community raises with me every day. Repairing and maintaining our 2507kms of roads was also a key focus of our Long Term Plan.

A key part of our strategy for 'getting stuff done' was creating strong and lasting partnerships. This council has successfully partnered with communities on revitalisation projects, on Te Hiku and Kaikohe sports hubs and, more recently, Te Puāwaitanga – the Bay of Islands sports hub. Visit any of these facilities during a weekend and you'll see just how loved and appreciated they are by our communities. For me, this underlines that creating a district that is vibrant and a place people want to live in requires the council to invest in a range of infrastructure and activities.

It is important for us to invest in key infrastructure like roads and water, while also promoting facilities and events that improve the lives of residents and visitors. Community infrastructure helps to build community cohesion, which is something we should all want. During emergency events, such as Cyclone

Gabrielle, we saw that communities that have built strong connections through neighbourhood projects and events tend to be more resilient when tested through adversity.

All projects we invest in require careful financial management. Recently released government metrics benchmarking the performance of councils across Aotearoa New Zealand gave FNDC an AA credit rating. The benchmarking report shows FNDC has achieved balanced budgets and demonstrates prudent financial management.

Let's review some of the successes of the past financial year.

We were an important partner in an agreement signed before Christmas securing the future of Kaitiāia Airport, a key Te Hiku transport link. The deal capped off eight years of negotiations between the Crown, Te Rūnanga o Ngāi Takoto, the Ngāti Kahu hapū of Te Pātū, Patukoraha, Ngāi Tohianga and the council.

Designs for the new Kaikohe Library and Civic Hub – a longed-for facility that has been stalled for years – were approved in March and construction set to begin in August.

We adopted Te Pātukurea, our Kerikeri-Waipapa Spatial Plan, which sets out where and how our largest and fastest growing town will expand over the next 30 years. This gives residents, planners and developers much needed certainty and is an approach we aim to roll out to the rest of the district.

We took over the ownership of the Turner Centre – the heart of arts and culture for our district and beyond. It's a major drawcard for local businesses due to the visitors it attracts to concerts, festivals and events.

We've been helping owners of whenua Māori gain more certainty on how they can get the best from their land through a series of hui at marae held around the district. The aim was to provide a space for whānau to access practical advice and support around the long-term stewardship of whenua Māori – a taonga tuku iho, a treasure to be passed on through generations.

Our commitment to innovate, and to demonstrate transparency has translated into significantly improved levels of public satisfaction with the

council. Our Annual Resident Opinion Survey undertaken by independent researchers has shown that reputation metrics – Faith and Trust in the council, Vision and Leadership, Financial Management, and Service Quality – after years of decline have bounced back from lows recorded in 2024.

You can find out more by looking through this report and comparing to our Annual Plans and Long Term Plans on our website.

A handwritten signature in black ink, appearing to read 'Moko Tepania', with a stylized, flowing script.

Moko Tepania
Mayor

NGĀ KARERE O TE KAIWHAKAHAERE MATUA

Kia ora koutou katoa

Nau mau ki taku pūrongo ā-tau tuarua hei Tumu Whakarae.

Ko tāku i whai ai i te tīmatanga o tēnei tūranga, kia whai pūmautanga, kia whakaū i te rautaki, ā, kia rere pai ngā ratonga o te kaunihera. Mōku ake, ko te tino whāinga matua mā ngā kaimahi o te kaunihera, ko te kounga o ngā ratonga me te whaihua o te pūtea mō ngā kainoho me ngā kaiwhiwhi reiti.

Kua whakakapi mātou i tā mātou tauākī whāinga ki ngā uara matua o te Ngaio, o te Manaakitanga me te Ngākau Pono. Ko ā mātou aronga matua (kāore i te raupapahia) ko ēnei e whai ake nei:

- Whakahaere Ratonga
- Te Ao Māori
- Te Wāriu o te Pūtea
- Ngā Tāngata me Te Ahurea
- Te Tuku Whakatau Whai-tautoko
- Te Haumarua me te Hauora

Māku e titiro, kāore te kaunihera e aronuihia ana e ngā kainoho o Te Hiku o Te Ika mō te wā roa me te hiahia kia panonihia. E ai ki te Kohinga Whakaaro ā-tau o Ngā Kainoho, nā ētahi kairangahau motuhake i whakahaere, kua kitea te hekenga haeretanga o te mana, arā ko te whakapono me te tautiaki o te kainihera, ko te aronga whānui me te ārahitanga, waihoki, ko te whakahaere pūtea me te kounga o ngā ratonga. Heoi anō, e hari ana ahau ki te whakamōhio atu kua tohu mai te rangahau o tēnei tau i tētahi pikinga nuinga o te whai whakaaro mai a te marea, e hoki mai ana i te hekenga i kitea rā i te tau 2024.

Ka whakaarohia nuitia e au ēnei raraunga hei tohu i te pai o tā tātou haere, heoi anō, he nui tonu ngā mahi kei mua i a tātou, ā, he maha hoki ngā kaupapa nui kei mua tonu i te aroaro, me ētahi kaupapa kei te pae tata ka kōkirihi.

Kua pāngia tō tātou takiwā me tō tātou kaunihera ki ngā tini kaupapa nui i roto i ngā tau tata nei. Arā ko te aukatinga a te mate urutā COVID-19, te pikinga nuitanga o te utu, me te honohono o ngā āwhā kikino i waenganui i ngā tau 2022 ki te 2023. Waihoki, Nā te panonitanga haeretanga o ngā kaiārahi i aua wā rā i pakeke ake ai aua wero ki Te Kaunihera. Nā tēnei, me te āwhā Gabrielle, i tino raruraru ai te tuku ratonga a te kaunihera, otirā i te hononga rori o te takiwā.

Nā tēnā, i tukuna mai te kōwhiringa kia mahia e mātou tētahi Mahere Pae Tawhiti (LTP) poto ake, e toru tau te roa, i te tau 2024, hei whakakapi i te mahere tekau tau e mahia ana i te nuinga o te wā. Nā tēnei LTP ‘whakahohoro’ i āhei ai mātou ki te arotahi ki te whakatikatika i ngā pānga kino a ngā āwhā ki tō tātou whatunga rori, ki ētahi whare me ngā hanganga anō hoki. Ka hoki anō mātou ki te mahere tekau tau ā te Hūrae 2027, ā, kua huri kē tā mātou arotahi ki te whakatutuki i te mahere hou.

Nā runga aku wheako i te ao o te rāngai tūmataiti, kua arotahi ahau ki te whakapai ake i te ratonga kiritaki, i te hua o ngā mahi, me te whaihua o ngā tukangā. E hari ana ahau ki te kī atu, kua tutuki i a mātou ētahi whakapainga nui i ēnei wāhanga katoa.

Ko ngā kaimahi e mahi ana i ā mātou whare ratonga, whare pukapuka me ngā iSITES te kūrae o ā mātou mahi ki te whakawhanake i ngā ratonga. Ko te hūnukutanga o te Pokapū Ratonga o Kerikeri ki te Whare Pukapuka o Procter tētahi tauira pai o te whaihua me te mau tonu ki te pai o ngā ratonga. Nā taua nekehanga e penapena nei ngā kaireiti i te \$250,000 i roto i ngā tau e rima. I taua wā tonu, kua pai ake te whakarata ki ngā take o ngā kiritaki. Hei tauira, e 60 ōrau te pikinga o tā te tēpu ratonga whakautu i ngā take o ngā kiritaki i te tau 2023-24 ki te 90 ōrau i te tau 2024 - 25. I taua wā tonu, ka heke iho te wā tatari o te hunga waea mai ki tā mātou nama 0800 ki raro iho i te takiwā o te 30 hēkona. I heke mai i te meneti kotahi me te 30 hēkona i mua.

Ko te tino whāinga matua o tō tātou kainoho, ko te whakaora mai i ngā pānga a Āwhā Gabrielle me te whakatikatika i tō tātou whatunga rori e pākārukaru ana – Kātahi te wero nui ko tēnei. E 175 ngā horo whenua, ā, e \$41 miriona te nui o te kino a te āwhā. I te tīmatanga, nā te Northland Transportation Alliance (NTA) i whakahaere ngā mahi whakatikatika rori, he tūhononga tēnei o ngā tīma rori o ngā kaunihera ā-rohe e toru, o Te Tai Tokerau, me te mahi ngātahi anō ki a NZTA. Ahakoa te oati o taua rōpū kia whakapiki ake i te whaihua o ngā mahi, i kitea e mātou te nui tonu tō rātou arotahi ki ngā wāhi tāone, ā, kāhore i tino aro ki tō tātou whatunga rori whānui, ā, ki tuawhenua.

I te wāenganui o te tau 2024, i whakaae ngā mema o taua rōpū kia whakamutua te aronga o huarahi ā-rohe nei, ā, kia hoki anō te mana ki ia kaunihera ki te whakahaere i ā rātou ake kaupapa tiaki rori me ngā kaupapa hanganga rori.

Ka nui te tini o ngā toatanga i puta i tēnei panonitanga. Ko te North Hokianga Roding Working Group tētahi tauira pai o te 'aronga ā-rohe', otirā, mō te mahi tahi a te iwi me ngā hapū. Nā konei ka tīmata ngā mahi whakatikatika āwhā ki Motutī me Panguru i Hokianga.

I whakaaturia e aua kaupapa ngā hua ka whakatutuki, engari nā te pikinga tonutanga o ngā tono ki tō mātou tīma matawhāiti mō ngā āwhā hou, ka tāpirihia ki tētahi kawenga mahi kua taumahahia kētia. I te tau 2025, nāku tonu tētahi whakatau pakeke kia tukuna atu ngā mahi huarahi ki ngā ratonga motuhake, e mātanga ana, e mau ana ki ngā rauemi kāhore i a mātou. E whakapono ana au, mā tēnei e whakapiki ake ngā mahi me ngā ara auaha, ā, ka whaipānga ki ngā hiahia o Te Hiku o Te Ika.

Kāhore aua panonitanga i whakararu i ngā mahi tiaki huarahi o ia rā. E mahia tonutia ana aua mahi e ngā kaiwhakarato o nāiane, e Ventia me Fulton Hogan. Ka tukuna e rāua tahi te pūrongo ā-wiki, ā-marama hoki mō ngā mahi whakapai huarahi, ngā mahi kōmaru, te whakapai kōawaawa, te horoi kōawa, te hanga ara hiko, te whakatikatika piriti me ērā atu momo mahi. Ka kitea aua pūrongo ki tā mātou paetukutuku. Mei kore ake tā NZTA Waka Kotahi tautoko tonu me ngā pūtea, e 71 ōrau o te utu hei tiaki i tō tātou hononga waka.

Nā ngā panonitanga ā-ture e nui ake ai te aro ki ā tātou ratonga wai. Ka piki ake aua ratonga, mā te whakahoutanga o ngā hanganga ki ngā wāhi e tupu ana, pēnei i a Kaikohe me Kawakawa. He toanga nui i te tau 2025, i te urunga o te wai whenua ki te puna wai o Kaitiāia. Mā tēnei kaupapa, kua roa e tamō ana, ka whakapikihia te manawaroa o ngā puna wai mō tō tātou tāone nui tuarua.

I te mutunga o te tau ā-pūtea, i kaha te mahi ngātahi ki ngā kaunihera o Te Tai Tokerau hei aromātai i te pai o tā ngā ratonga wai me ngā para wai whakahaere kotahi. He mea whakautu tēnei mahi nā te ture *Local Water Done Well* a te Kāwanantanga.



Guy Holroyd
Kaiwhakahaere Matua

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Kia ora koutou katoa,

Welcome to my second Annual Report as Chief Executive.

My aim when I started in this role was to bring stability, reasoned strategy and consistency to council operations. For me, the absolute and unconditional priority for staff in council should be quality of service and value for money for all residents and ratepayers.

We have encapsulated our mission statement with core values of Professionalism, Manaakitanga and Integrity. Our key focus areas being (in no particular order):

- Service Delivery
- Te Ao Māori
- Value for Money
- People and Culture
- Better-informed Decision Making
- Health Safety and Wellbeing

My sense is that the council has not been held in high regard by Far North residents for quite some time and that change is needed. Our Annual Resident Opinion Survey undertaken by independent researchers has shown a multi-year decline in reputational metrics – Faith and Trust in the council, Vision and Leadership, Financial Management, and Service Quality. I am pleased to inform you that this year's survey indicates a significant turnaround in public perception, bouncing back from lows recorded in 2024.

I take this data positively as an indication that we are on the right track, however we still have much to do and many significant projects either under way or on the near horizon.

Our district – and our council – have been buffeted by many significant events in the past several years. We had the COVID-19 lockdowns, significant inflation, and a string of serious weather events between 2022 and 2023. For the council, those already challenging circumstances were exacerbated by a period of change in leadership. This, together with Cyclone Gabrielle, seriously disrupted our service delivery, especially on our roading network.

As a result, we were offered the option to elect to do a shorter, three-year Long Term Plan (LTP) in 2024, rather than the usual 10-year plan. This

'catch up' LTP allowed us to focus on repairing storm damage to our roading network and other facilities and infrastructure. We will be reverting to a 10-year LTP from July 2027 and our focus has already turned to delivering this.

Benefiting from my background in the competitive private sector, I have focused on making improvements to customer service, productivity and efficiency and I'm happy to report we've achieved some major gains.

Staff serving in our service centres, libraries and sites represent the front-line of our focus on service improvement. Moving the Kerikeri Service Centre into the Procter Library was one example of improving efficiency without reducing services. That move will save our ratepayers around \$250,000 over five years. At the same time, we've improved our responses to customers. For example, the number of customers whose queries get resolved straightaway at the counter lifted from around 60 per cent in 2023-24 to around 95 per cent in 2024/25. At the same time, wait times for customers calling our 0800 number fell to under 30 seconds on average – down from 1 minute 30 previously.

Our residents' number one priority – recovering from Cyclone Gabrielle and repairing our seriously battered road network – has been a challenge of a different order. We had 175 slips and \$41 million worth of storm damage. Initially, our road repairs were managed by the Northland Transportation Alliance (NTA), a collaboration of roading teams from the three Northland district councils in partnership with NZTA. While this grouping promised greater efficiencies, we found it was overly focused on urban areas and not on our vast and mostly rural road network.

In mid-2024, members of that alliance agreed it was time to end this regional approach and for each council to reassert full control over its own roading maintenance and construction projects.

We notched up some notable wins following this change. The North Hokianga Roding Working Group was one example of 'local focus' done well, particularly through the involvement of iwi and hapū. This saw complicated slip repairs get underway at Motutī and Panguru in the Hokianga.

Those projects demonstrated what could be achieved but demands on our in-house team

kept growing as new weather events added to an already heavy workload. In 2025, I made the hard decision to outsource roading functions to specialised providers with expertise and resources we just didn't have access to in-house. I believe this will achieve enhanced efficiencies and innovative solutions that better meet the needs of the Far North.

Those changes have not impacted day-to-day roading maintenance. That work continues to be undertaken by existing contractors Ventia and Fulton Hogan. Both are reporting weekly and monthly on the road rehabilitation, grading, culvert and drain clearing, footpath construction, bridge and other repairs. Those reports can be found on our website. None of this would be possible without the ongoing support of NZTA Waka Kotahi which continues to contribute a 71 per cent share to the cost of maintaining our transport network.

Legislative changes have required greater focus on our water services. We're improving these through infrastructure upgrades for growth areas like Kaikohe and Kawakawa. We also had a substantial win early in 2025 when bore water was finally added to our Kaitiāia supply. This long-awaited project will significantly boost the resilience of water supplies to our second largest town.

By the close of the financial year, we were working closely with other Northland councils to assess how we might better deliver our water and wastewater services together. This ongoing work is in response to the Government's Local Water Done Well legislation.

Our mayor has spoken about the importance of partnerships, and I wholeheartedly agree. I've been meeting with iwi and hapū and am proud of the agreements signed during the financial year with Te Rarawa and Ngāti Rēhia. These are critical for the future of our district, and I aim to keep this momentum going over the coming year.



Guy Holroyd
Chief Executive Officer

NGĀ MANU MĀTĀRAE

CIVIC LEADERSHIP



Kahika - Mayor
Moko Tepania



Councillor
Ann Court
Bay of Islands-
Whangaroa Ward



Councillor
Felicity Foy
Te Hiku Ward



Councillor
Hilda Halkyard-
Harawira
Ngā Tai o Tokerau
Ward



Councillor
Babe Kapa
Ngā Tai o Tokerau
Ward



Councillor
Penetaui
Kleskovic
Ngā Tai o Tokerau
Ward



Councillor
Steve McNally
Bay of Islands-
Whangaroa Ward



Councillor
Mate Radich
Te Hiku Ward



Councillor
Tāmāti Rākena
Ngā Tai o Tokerau
Ward



Kōwhai
-Deputy Mayor
Kelly Stratford
Councillor
Bay of Islands-
Whangaroa Ward



Councillor
John Vujcich
Kaikohe-Hokianga
Ward

NGĀ RĀNGAI HAPORI COMMUNITY BOARDS

Bay of Islands -Whangaroa



Lane Ayr
(Deputy Chair)
Kerikeri



Tyler Bamber
Waipapa



Jane Hindle
Russell-Ōpua



Bruce Mills
Whangaroa



Roddy Pihema
Kawakawa-
Moerewa



Amy Slack
Kerikeri



Belinda Ward
(Chair)
Paihia



Mike Edmonds
Kaikohe



**Trinity
Edwards**
Kaikohe



Tanya Filia
(Deputy Chair)
South Hokianga



**Harmonie
Gundry**
North Hokianga



Jessie McVeagh
South Hokianga



Chicky Rudkin
(Chair)
Kaikohe



Darren Axe
North Cape



**Sheryl
Bainbridge**
Doubtless Bay



Rachel Baucke
Kaitāia



Adele Gardner
(Chair)
Kaitāia



John Stewart
(Deputy Chair)
Kaitāia



Bill Subritzky
Whatuwhiwhi

Te Hiku

HONONGA RAUTAKI STRATEGIC LINKAGES

NGĀ WĀHANGA E WHĀ O TE HAUORA • THE FOUR ASPECTS OF WELLBEING



Ā iwi
Social



Ōhanga
Economic



Taiao
Environmental



Ahurea
Cultural

TIROHANGA • OUR VISION

HE WHENUA RANGATIRA
A DISTRICT OF SUSTAINABLE PROSPERITY & WELL-BEING

ARONGA • OUR MISSION

HE ARA TĀMATA
CREATING GREAT PLACES
Supporting our people

HE RAUTAKI WHAKAAROTAU • OUR STRATEGIC PRIORITIES



Repair our transport network



Address
affordability



Better asset
management



Enable
sustainable
economic
development



Adapt to
climate
change



Protect our
water
supply



Deepen our
sense of
place and
connection

NGĀ HUA KI TE HAPORI • OUR COMMUNITY OUTCOMES



Proud,
vibrant
communities



Communities
that are
healthy, safe,
connected and
sustainable



Resilient
communities that
are prepared
for the
unexpected



Prosperous
communities
supported by
a sustainable
economy



A wisely managed
environment that
recognises the
role of tangata
whenua as kaitiaki



We celebrate
our unique
culture and
history

TE MAHI TAHI ME TE MĀORI

WORKING WITH MĀORI

He Whenua Rangatira - A District of Sustainable Prosperity and Well-Being

He Ara Tāmata - Creating Great Places, Supporting Our People

Far North District Council's vision and mission illustrates the connection between people and place. This is especially so for tangata whenua who have a long and rich association with the Far North. The council recognises this long settlement and therefore the special position of tāngata whenua within this District and the significant and long-term role Māori have to play in the council's decision-making.

As important are our values by which we operate.

- Manawatōpū: Unity of purpose and working together
- Kaitiakitanga: Environmental stewardship and sustainability
- Mana tangata: Respect and fairness
- Te Tiriti o Waitangi: Partnership
- Tū tangata: Strong cultural identities
- Whanaungatanga: Family, community, connecting and sharing.

The council recognises it needs to establish meaningful and enduring relationships with Māori in order to enable effective participation in decision making while at the same time achieving mutually beneficial outcomes. Our values provide a vehicle for this to occur.

Translating our vision, mission and values into tangible outcomes for and with Māori, three key areas of work have been identified to help guide and underpin our work:

- Tū Kotahi - Increased participation in the council structures and decision-making processes
- Whanake Tahi - Create enablers across staff to respond more effectively to Māori
- Kōkiri Tahi - Empowered communities, working collaboratively

Understanding these goals and embedding them across all functions is crucial if the council is to be successful in building relationships with Māori founded on trust and mutual respect.



Tū Kotahi - Increased participation in council structures and decision-making processes

The Far North has a rich and diverse history. We have one of the largest Māori populations in New Zealand with over half of the district identifying as Māori. The Far North is also home to the Te Tiriti o Waitangi / the Treaty of Waitangi, the founding document of Aotearoa New Zealand.

The council acknowledges and respects the Crown's responsibility as Treaty partner and the requirement of local government to take into account the principles of Te Tiriti o Waitangi, specifically the obligations placed on the council to provide opportunities for Māori to participate in decision-making and other council processes which is meaningful to both parties.

The council also recognises the requirement on local government to contribute to the Crown's broader relationship responsibilities by ensuring engagement with Māori is meaningful.

The council also recognises the Treaty of Waitangi settlement process and outcomes and is committed to supporting the spirit and implementation of our District's Treaty settlements and assisting negotiations between the Crown and Māori when invited.

The council has:

- Strengthened relationships with Iwi, Hapū and Marae via Memorandum of Understanding refresh alongside Te Rūnanga o Ngāti Rēhia, Te Rūnanga ā Iwi o Ngāpuhi and Te Rarawa
- Enabled Māori participation in council decision-making processes via Te Kuaka
- Shared decision-making opportunities alongside Māori on matters of interest to them for example Nga Hapū o Kaikohe Working Group and Ngāti Kawa and Ngāti Rahiri Waitangi Day Commemorations.



Whanake Tahī - Create enablers across staff to respond more effectively to Māori

The council acknowledges the unique perspective of Māori and recognises that tangata whenua are more than an interest group or stakeholder.

Therefore, we need to ensure we are including the right people, at the right time - across all levels of the council - to enable Māori to make informed decisions about our processes and work. To support this, we must maintain ongoing open discussions and interactions with Māori in order to provide relevant information to assist them to participate in our decision-making processes.

The council will:

- Build organisational capability, capacity, and cultural competency
- Give effective consideration and understanding of Māori needs and issues in policy thinking and development
- Improve processes and systems to maintain and enhance capability to give effect to roles in relation to Māori and to promote a responsive culture and working environment.

We have done this by:

- Supporting Te Pae o Waho – Te Ao Māori Cultural Competency Programme
- Supporting Te Pae Waiata as a mechanism of engagement alongside communities
- Supporting staff on to He Whakaputanga and Te Tiriti training courses increasing their understanding of our legislative obligations
- Supporting staff to increase their awareness of Matauranga Māori training by working alongside Iwi and Hapū on projects of significance for example, working alongside Te Kahu o Taonui, Iwi and Hapū to develop consent processes that reflect matauranga Māori



Kōkiri Tahī – Empowered communities, working collaboratively

The council recognises that having the capability and capacity to engage are issues for both the council and Māori. The council will continue to provide opportunities for Māori to gain knowledge of the council processes and will actively assist Māori with developing their capacity to input into decision-making via hui and targeted training and kanoahi ki te kanoahi learning alongside Whanau, Hapū and Iwi (wānanga).

The council will:

- Enable effective communication and engagement with Māori
- Enable council's role in contributing to Māori wellbeing
- Build Māori capability and capacity within the community in order to work in collaboration with council on mutual obligations and programmes.

We have done this by ensuring:

- Partnerships are developed alongside Iwi, Hapū and Marae on the council projects for example, Whenua Māori Rating Relief Roadshows
- Expert advice is provided on matters that affect Māori communities enabling a response through work programmes that are reflective of the needs of communities for example, North Hokianga Roding Committee work programme
- The council have enabled key targets that help enable the Māori Economy
- Civic education and engagement alongside Kura, Marae and Hapū.

Looking forward

The council has built a strong foundation from within and are moving towards long-term mutual relationships and partnering with Māori. We have started our journey by showing our intent for greater surety for Māori in our decision making and by implementing Te Pae o Uta and the Te Reo and Tikanga Policy. We aim to grow from these decisions and are committed to do so.



Ā MĀTOU PITŌPITO MAHI

OUR PERFORMANCE IN BRIEF

The 2024/25 year was a year of consolidation, and the first year of our Three Year Long Term Plan (LTP 2024-27). The economy of the Far North continued to labour under the heavy weight of difficult economic conditions in New Zealand. Lack of GDP growth across the country, while dealing with the after-effects of record inflation, was also evidenced in our region, with pressure on our rate payers' wallets, and on the council's programme of works.

The council is conscious in this environment of engaging in careful prudent management. In line with the council's strategy, the council has invested in water supplies development and wastewater development where possible. The council has been active in promoting environmental adaption and working within our communities. The environment is a key consideration for our district, and the council is still dealing with the long-term after-effects of prior severe weather events, particularly in our roading programme.

We were pleased to adopt the 4.5% rates increase for the 2024/25 year. Overall, we are working to the Three Year Long Term Plan (LTP 2024-27) rates increase of 22.5%. In detail this translates to an increase of 4.5% for 2024/25 year, 11.3% for 2025/26 year, and moving to a 6.7% increase for the 2026/27 year.

The council completed some key achievements during the year on behalf of our rate payers. Some notable examples were:

- The council adopted three important strategies for our district, a Regional Economic Development Strategy, a Regional Accessibility Strategy, and Toi Mana - Arts Culture and Heritage Strategy. All three strategies are examples of how community engagement and community-based steering groups can shape achievable strategies that meet the needs of our district.
- The council has been active in drafting and consulting for a development contributions policy. A development contributions policy will ensure rate payers don't absorb the entire infrastructure cost for new developments, allowing for rates costs to be fair for all parties.
- The long awaited Kaikohe Library and Civic Hub project progressed through to tendering for physical works. Construction has commenced in the 2025 year.

- A new Asset Management system project progressed during the year, with the Project Delivery Team, Asset specialists and the GIS working together with the vendor to get the data into the system for Stage 1 by December 2025. Stages 2 and 3 planned for 2026 to finalise data preparation and ingestion. This will give a significant benefit to help the council manage and track our ratepayers' asset infrastructure.
- Our relationship with Te Mauri ō Te Wai continues to strengthen. Last year saw the purchase of land to support our ongoing goal of removing wastewater from the Hokianga Harbour and discharging it to land.
- The long standing abatement notice at the Russell Wastewater Treatment Plant was removed after achieving compliance for a period of 12 months. The Ahipara Wastewater Treatment had a Super Critical Ultra Violet (SCUV) unit installed. The unit was significantly cheaper than initial options and has seen compliance achieved to date.
- The Donald Rd wastewater upgrade provided capacity for an additional 147 dwellings including the ability to request developer agreements to ensure growth is paying for growth for future connections within this catchment.
- Infrastructure Asset Fund Kaikohe for the year included upgrades to the Taraire Hills water treatment plant, wastewater, and water reticulation to support Kaikohe's growth. Three contracts were tendered, with awards made on 5 June 2025.
- The Kaikohe and Ōpononi/Ōmāpere wastewater ponds have been desludged.
- The council undertook a first of its kind public engagement event, 'State of the Far North', where the Mayor directly addressed key stakeholders to showcase work our council is undertaking to recover from recent challenges, and plans to improve our district for all our communities.
- We achieved further engagement with Iwi stakeholders, including the launching of Te Pae o Waho in September 2024 with over 100 staff enrolled over the year, the launching of Te Pae Waiata, and the adoption of the Te Ao Marama Reorua district-wide Strategy.

- Kerikeri Service Centre was relocated from leased premises at John Butler Centre back to the ratepayer-owned Procter Library building in April 2025, to reduce costs while maintaining service levels.

We are looking forward to completing more key projects for our rate payers in 2025/26.

Financial overview

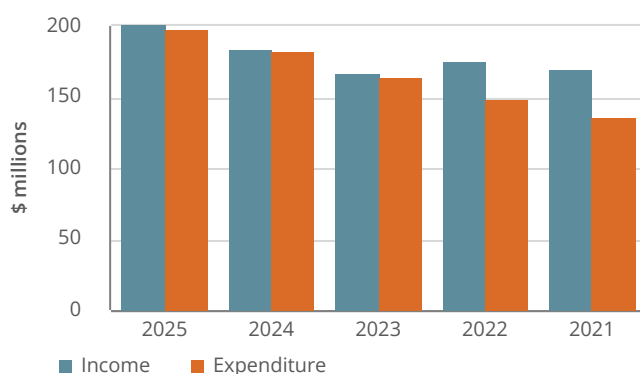
Our operational result for the 2024/25 financial year shows a net surplus of \$14.8 million compared to a budgeted net surplus of \$17.1 million.

Financial trends

	Budget	2025	2024	2023	2022	2021
Income	206	214	186	168	176	171
Expenditure	189	199	183	165	149	136
Surplus	17	15	3	3	27	35

Operational performance

Year ending 30 June - Actual



- The council ended the year with a cash position of \$12.8 million (2024 \$9.3 million).
- Debt at year end was \$170.2 million, \$54 million lower than budget, due to large scale IAF Water and Wastewater capital projects timing differences, and delayed roading operational delivery.

LONG TERM PLAN 2024/25	ACTUAL 2024/25
REVENUE <i>includes rates, subsidies, fees and charges</i>	
\$206.3 MILLION	\$213.6 MILLION
DEBT	
\$224.2 MILLION	\$170.2 MILLION
OPERATING EXPENDITURE	
\$189.2 MILLION	\$198.8 MILLION
CAPITAL EXPENDITURE	
\$146.9 MILLION	\$77.7 MILLION

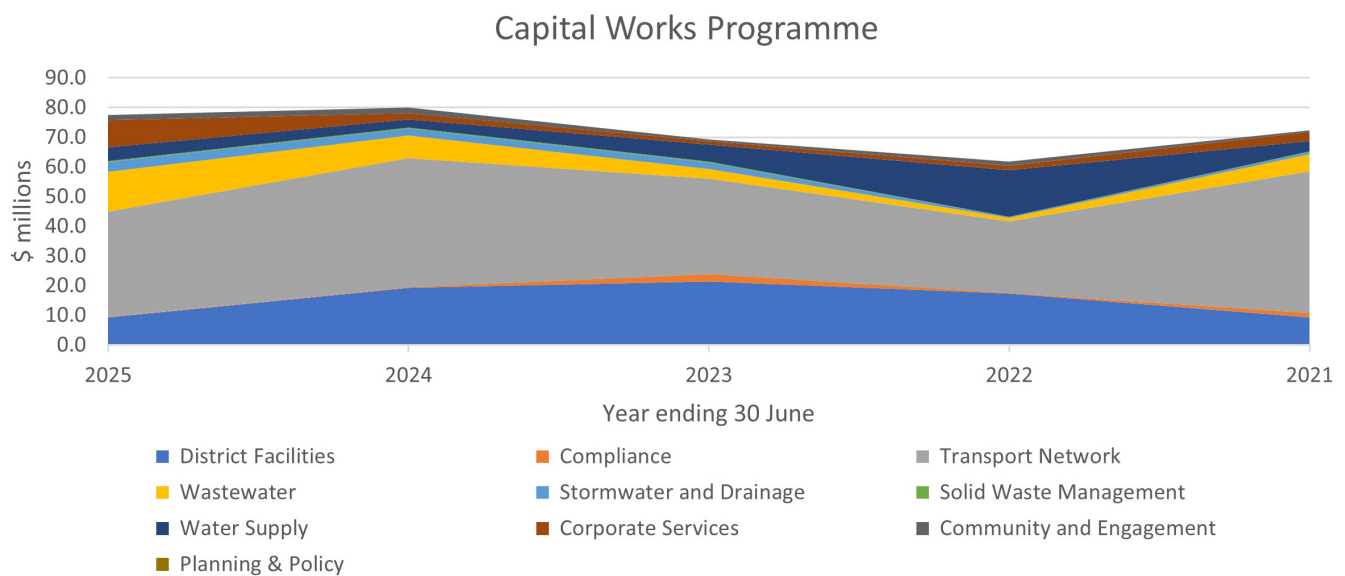
Capital Expenditure

Capital expenditure of \$77.7 million for the year was lower than expected reflecting a delay in starting large scale IAF Kaikohe and IAF Kawakawa Water Supply and Wastewater projects. Another key area of under delivery was roading for the Transport Network.

We also experienced delays in consents being issued, flow-on impacts to timing and scheduling of multi-year projects, project concept refinement and clarification; and delays with community engagement.

	Budget 2025	2025	2024	2023	2022	2021
District Facilities	11.6	9.3	19.3	21.3	17.4	9.3
Compliance	0.2	0.1	0.1	2.5	0.1	1.6
Transport Network	48.4	35.6	43.6	32.2	24.1	47.7
Wastewater	32.1	13.4	7.5	3.2	1.2	5.6
Stormwater and Drainage	11.4	3.2	2.4	2.1	0.3	0.9
Solid Waste Management	1.2	0.3	0.4	0.5	0.2	0.1
Water Supply	25.5	4.8	2.7	5.7	15.7	3.5
Corporate Services	9.4	9.2	2.0	1.3	1.6	3.0
Community and Engagement	7.3	1.8	2.1	0.5	1.3	0.6
Planning & Policy	0.0	0.0	0.0	0.0	0.1	0.0
	146.9	77.7	80.1	69.3	61.8	72.3

Capital works programme



Non-financial overview

The council records a variety of key performance indicators (KPIs) to report our non-financial outcomes for Levels of Service. Individual KPIs for levels of service are reported by activity group within the Statement of Service Performance.

	Achieved	Not achieved	Not assessed / Not Applicable	Total
District Facilities	2	2	0	4
Compliance	2	4	0	6
Transport Network	7	1	0	8
Wastewater	4	1	0	5
Stormwater and Drainage	3	0	2	5
Solid Waste Management	0	2	0	2
Water Supply	4	5	1	10
Community and Engagement	2	0	4	6
Total	24	15	7	46

Outlook

After a difficult 2 years for our region's economy, the council is looking forward to a stabilisation of GDP in the country, and the lower interest rate climate this coming year. This will help to facilitate some economic recovery for the Far North. As mentioned in our performance in brief, your council is very conscious in this economic environment of engaging in careful prudent management on behalf of our rate payers.

Key areas of focus for the council for this coming 2026/27 year include:

- Upscaling our roading programme and delivering a solid summer roading maintenance season for our rate payers. Under the hybrid model we have approved, we will have the mix of internal management and contractor expertise and accountability to drive roading forward for the district.
- Local Waters Done Well combined CCO model. With the decision on 3 October 2025 by the Department of Internal Affairs to DIA to accept the combined districts of the Far North, Whangarei, & Kaipara, water delivery plan, we will be working hard to transition council water functions across to the new CCO. The new combined CCO will have the economies of scale, the funding ability, and the operational expertise, to develop and deliver improved Water Supply and improved Wastewater for the Far North District.
- We have another coming year of ambitious engagement opportunities with our Iwi & our community groups across our region. Our communities' voices help the council to prioritise and ensure our resources & our environment are key considerations in everything we do, both now and for future generations.
- Overall we will be working towards the Annual Plan 2026/27, year 3 of the Three Year Long Term Plan. While delivering our programme of works, cost savings and efficiency is of paramount importance for the council. We are looking forward to ensuring council makes good on these commitments, while delivering value for money for the Far North community.



NGĀ RŌPŪ ME NGĀ MAHI OUR GROUPS AND ACTIVITIES

MAHINGA WHAKARATO

STATEMENT OF SERVICE PROVISION

Te tīmatatanga Introduction

The Statement of Service Provision shows how the council is accountable to our communities. It reports on our performance against the service levels and targets in our planning documents, shows what services actually cost compared to budget, and explains what we've achieved and where we need to improve.

Our activities

The council's work is organised into eleven activity groups:

1. Community and Engagement - supporting community wellbeing through libraries, community facilities, and engagement initiatives
2. Compliance - managing resource consents, building consents, environmental monitoring, and regulatory enforcement
3. Corporate Services - providing internal support services including finance, HR, IT, and legal
4. District Facilities - operating and maintaining public amenities including halls, public toilets, cemeteries, and civic buildings
5. Planning and Policy - strategic planning, district plan management, policy development, and growth management
6. Solid Waste Management - providing waste collection, recycling, and disposal services
7. Stormwater and Drainage - managing stormwater infrastructure to protect property and the environment
8. Strategic Relationships - building and maintaining partnerships with iwi/hapū and key stakeholders
9. Transport Network - maintaining and developing roads, footpaths, bridges, and transport infrastructure
10. Wastewater - managing wastewater collection, treatment, and disposal systems
11. Water Supply - providing safe, reliable drinking water.

How to read this section

For each activity group, we report on what we do and why it matters, how we performed against our targets, and what it cost including operating and capital expenditure.

We use mandatory performance measures required by the Department of Internal Affairs for transport, stormwater, water supply and wastewater.

We also track operational performance, customer satisfaction, and value for money. Where we haven't met targets, we explain why.

Context for 2024/25

The 2024/25 year was challenging. Inflation and cost pressures affected project delivery and operational budgets, workforce and contractor availability was constrained, and regulatory requirements increased. Community expectations for better services remained high despite financial constraints.

Despite this, council maintained essential services, invested in critical infrastructure, and continued working towards a sustainable, resilient future for Te Hiku o Te Ika.

Disclosure note: Change in activities under restructuring

During 2022/23, the council restructured its activities framework, which altered some of the groups and activities from the LTP 2021-31 to the LTP 2024-27. This change was to allow for better alignment of our operational and reporting structure with current strategic priorities and improves transparency for ratepayers.

Nature of the Changes

The restructuring involved:

Consolidation and disaggregation: Some activities previously reported separately have been combined into broader groups, while others have been split out to provide better visibility over distinct services.

Reallocation of functions: A number of services and functions have been moved between activity groups to better reflect how we actually deliver services and manage resources this is also reflected in the removal of performance measures for some services.

Funding changes: Corresponding adjustments have been made to how activities are funded, including changes to user charges, targeted rates, and general rate allocations.

Impact on Financial Reporting

Prior year figures have not been restated across the activity set. This approach has been adopted to maintain transparency and ensure comparability for the reader.

Reconciliation

Changes to activity structure between LTP 2021-31 and LTP 2024-27:

- Customer Services transferred to Community and Engagement Group
- Environmental Management renamed to Compliance
- Governance and Strategic Administration transferred to Strategic Relationships and Corporate Services
- Roading and Footpaths renamed to Transport Network
- Strategic Planning and Policy renamed to Planning and Policy.

The total revenue, expenditure, and net result for the council as a whole are unchanged by the restructuring. Only the allocation across activity groups has changed.

Rationale

The restructuring provided:

- Clearer alignment between strategic priorities and service delivery
- Improved efficiency and reduced duplication
- Better transparency about what the council does and how it's funded
- Consistency with contemporary local government practice

All future reporting will continue to use the LTP 2024-27 activity structure.

Resident Opinion Survey

The next Resident Opinion Survey is scheduled for 2026. Following the 2022/23 survey and post-covid19 business adjustments, the council transitioned to a biannual survey cycle starting in 2024. This change allows for more meaningful trend analysis while reducing survey fatigue.

The council has measured resident satisfaction with its' services, facilities, and resources through an ongoing opinion survey conducted by Tauranga-based research company Key Research since 2017.

The survey provides robust satisfaction measures, identifies performance drivers and improvement opportunities, evaluates council reputation, and tracks progress against the current LTP.

Funding impact statement - Whole of Council

Movement in general rates, debt and reserves

General rates are allocated across all activities at the end of the year, with allocation significantly dependent on the operation position per activity before rates are allocated. This can vary from the budgeted allocation due to other movements in revenue and expenditure.

	Annual Plan 2023/24 \$000s	Actual 2023/24 \$000s	LTP 2024/25 \$000s	Actual 2024/25 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	66,995	63,316	64,897	62,057
Targeted rates	39,675	39,723	46,610	46,564
Subsidies and grants for operating purposes	15,007	19,597	19,893	16,611
Fees and charges	20,743	21,051	22,298	22,315
Interest and dividends from investments	1,538	3,785	5,707	6,500
Local authority fuel tax, fines, infringement fees and other receipts	1,765	3,964	2,406	2,527
Total operating funding	145,723	151,436	161,812	156,574
Applications of operating funding				
Payments to staff and suppliers	116,090	124,753	131,669	134,759
Finance costs	5,409	5,735	6,780	6,704
Internal charges and overheads applied				
Other operating funding applications	-	-	-	-
Total applications of operating funding	121,499	130,488	138,449	141,463
Surplus / (deficit) of operating funding	24,224	20,948	23,363	15,111
Sources of capital funding				
Subsidies and grants for capital expenditure	27,795	31,860	46,634	28,905
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	44,286	25,500	69,204	39,353
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	79
Total sources of capital funding	72,081	57,360	115,838	68,337
Applications of capital funding				
Capital expenditure to meet:				
- Additional demand	-	-	-	-
- Improved levels of service	68,249	46,260	103,929	46,490
- Replacement of existing assets	35,149	33,820	42,944	31,093
Increase (decrease) in reserves	(7,094)	(1,806)	(7,673)	3,651
Increase (decrease) in investments	-	34	-	2,214
Total applications of capital funding	96,304	78,308	139,201	83,448
Surplus / (deficit) of capital funding	(24,223)	(20,948)	(23,363)	(15,111)
Funding balance	-	-	-	-

1 Hapori Me Te Tūhono Community and Engagement

What we do

This group plays a multifaceted role in fostering knowledge, connectivity, informing and cultural preservation.

Our libraries serve as vibrant hubs of learning and exploration, offering an extensive array of resources to satisfy diverse interests and support academic pursuits.

Customer services are at the heart of our commitment to excellence, ensuring customers receive the assistance they need with efficiency and courtesy. Meanwhile, our museum and archive initiatives safeguard the rich tapestry of our history, preserving artefacts and documents for future generations.

Information centres act as dynamic focal points, providing up-to-date information and assistance to both locals and visitors, while our communication and engagement teams work tirelessly to connect with the community, fostering a sense of belonging and participation in the shared narrative of knowledge and culture.

Together, we work towards goals that empowers individuals, inform, assist and strengthens our communities.

What we provide

- 6 libraries
- Customer Services (6 service centres and 1 contact centre)
- Te Ahu Museum and Archives
- 3 isites / information centres
- Communications and Engagement teams

Our mahi this year

Our isites and information centres supported visitors across the district throughout the year. Paihia had 70 cruise ships visit the Bay of Islands during the 2024/25 summer season. Visitor numbers were down slightly due to access difficulties while the Brynderwyns were closed, and stagnation of domestic tourism numbers reported across the sector.

Creating a dedicated Contact Centre team led to significant improvements in customer service delivery. Call handle times, abandoned call rates, and front-facing query resolution rates all continued to maintain significant improvement, with all metrics operating above set targets for the year.

Our libraries continue to experience growth, with in-person programming attendance and online library use remaining high.



Aligns to these
aspects of well-being



A iwi | Social



Ōhanga | Economic



Ahurea | Cultural

How we performed

1.1 To provide quality library services for the benefit of all in the community.

1.1.1 Customer / visitor satisfaction.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
3.81%	17.58%	Maintain / Increase	4.12	

Narrative

Low response rates continue to impact the overall satisfaction rates due to closures relating to public holidays, weather related events and recent renovations to the Procter Library, Kerikeri. The result is based on the customer satisfaction score (CSAT) metric from a 1-5 score. Changing this method allows better transparency with the AskNicely customer satisfaction tool. This allows the customer interactions with staff and services to be better monitored and improved.

1.1.2 Maintain / increase in-person library use as a percentage of the population of the District.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
47.5%	49.5%	Maintain / Increase	69.3%	

Narrative

Use of libraries have increased since the introduction of the outreach service (mobile library) and increased availability of Wifi despite closures over the public holidays, weather related events and the recent renovations to the Procter Library, Kerikeri.

1.2 The council provides the right services, in the right places, to the agreed standard.

1.2.1 Service Centre users' satisfaction.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
3.81%	3.83%	Maintain / Increase	3.51	

Narrative

User satisfaction result has decreased compared to 2023/24 due to low response numbers via Ask Nicely. The result is based on the customer satisfaction score (CSAT) metric from a 1-5 score. Changing this method allows better transparency with the AskNicely customer satisfaction tool. This allows the customer interactions with staff and services to be better monitored and improved.

1.2.2 Percentage of customer enquiries resolved at first point of contact.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
48%	73%	68% increasing by 1% each year thereafter	91%	

Narrative

Performance across this metric has increased considerably due to a focused approach for recording accurate walk-in data.

1.3 To provide quality museum services for the benefit of all in the community.

1.3.1 Customer / visitor satisfaction.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
No result	No result	1% increase on previous year	4.63	

Narrative

A low response rate across this metric although the comments provided have been positive. The result is based on the customer satisfaction score (CSAT) metric from a 1-5 score. Changing this method allows better transparency with the AskNicely customer satisfaction tool. This allows the customer interactions with staff and services to be better monitored and improved.

1.4 To provide booking and information services through the District's isites / information centres, influencing visitors to stay longer and spend more.

1.4.3 Customer / visitor satisfaction.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
4.17%	3.33%	Maintain/increase	4.13	

Narrative

Although staff have been consistent with providing surveys to visitors, there has been a low return of responses as visitors are more focused on activities and accommodation bookings. The result is based on the customer satisfaction score (CSAT) metric from a 1-5 score. Changing this method allows better transparency with the AskNicely customer satisfaction tool. This allows the customer interactions with staff and services to be better monitored and improved.

Funding impact statement

Community and Engagement

	AP 2023/24 \$000s	LTP 2024/25 \$000s	Actual 2024/25 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	9,687	10,805	11,310
Targeted rates (other than targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges, and targeted rates for water	566	360	564
Internal charges and overheads recovered	3	1	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	(9)
Total operating funding	10,256	11,165	11,865
Applications of operating funding			
Payments to staff and suppliers	5,311	6,487	6,813
Finance costs	261	132	95
Internal charges and overheads applied	3,278	3,869	4,871
Other operating funding applications	-	-	-
Total applications of operating funding	8,849	10,487	11,779
Surplus / (deficit) of operating funding	1,407	678	86
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	416	6,308	674
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	416	6,308	674
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	1,075	6,487	260
- Replacement of existing assets	416	765	1,493
Increase (decrease) in reserves	333	(266)	(993)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	1,823	6,985	760
Surplus / (deficit) of capital funding	(1,407)	(678)	(86)
Funding balance	-	-	-

2 Tautukunga Compliance

What we do

The focus for the Delivery and Operations Group, is on the seamless functioning of the councils' infrastructure and operations.

Building Services form a cornerstone, ensuring that our communities physical spaces are safe, compliant and working towards future-proofing for climate change.

Our compliance team ensures that all aspects of operations and regulations adhere to regulatory standards, mitigate risks and assist in fostering a culture of responsibility through education and information. Property and Facilities Management oversee the efficient utilisation and maintenance of our facilities, optimising for functionality, efficiency and sustainability.

The Resource Consents team plays a critical role in navigating regulatory requirements for both non-commercial and commercial projects, to ensure facilitation of a streamlined cost-effective processes. Collectively, our teams' efforts contribute to smooth, compliant, and efficient operations, ultimately supporting the council's vision and objectives.

What we provide

- Building Services
- Compliance - Animal Control, Environmental Health, Monitoring and Enforcement and District Licensing Committee
- Property and Facilities Management
- Resource Consents

Our mahi this year

Animal Management has seen a consistent compliance level of dog registration as in the previous years with around 1,000 more known dogs being registered. Steady levels of requests for service remain across the district and proactive registration follow up spread the team far and wide.

The Environmental Health team consistently delivered on targets for Good Host Visits and Food Verifications and litigated against repeat non-compliance successfully.

The Monitoring team continues to respond to bylaw and RMA breaches seeking voluntary compliance before issuing abatement notices.



Aligns to these aspects of well-being



Ā iwi | Social



Ōhanga | Economic



Taiao | Environmental

How we performed

2.1 To comply with current legislative requirements with regard to processing consent applications.

2.1.1 Process building consents within statutory timeframes.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
100%	100%	≥95.0%	99.9%	✓

Narrative

Building consents have been completed within the statutory timeframes except for the last quarter due to an administration error.

2.2 To ensure animal related activities are managed in accordance with legislative requirements.

2.2.1 Respond to reported incidents by contacting the customer and arranging next steps within the following timeframes:

a. Urgent within 1.5 hours.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
95%	94%	≥93% within set timeframe	16.2%	✗

b. Non-urgent within 3 days.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
93%	96%	≥93% within set timeframe	69.1%	✗

Narrative

The Animal Management team have responded to incidences in a timely manner, however, there have been inconsistencies with the data recorded. This has been remedied and will record correctly in the next financial year.

2.3 To monitor food premises in accordance with the requirements of the Food Act, 2014.

2.3.1 Food Control Plan and National Programme audits completed as scheduled.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
86.8%	93.8%	≥95.0% of all food control plans and national programmes assessed	91.3%	✗

Narrative

Some verifications were cancelled due to the operator of the premises being unprepared. This trend remained consistent throughout the year, however, they were rescheduled and successfully completed.

2.4 To ensure compliance with the Resource Management Act with regard to noise pollution.

2.4.1 Respond to noise complaints within the following timeframes:

a. In urban areas: 1 hour.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
75.7%	85.6%	≥95.0% within set timeframe	83.7%	✗

b. In rural areas: 2 hours.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
80.2%	90.4%	≥95.0% within set timeframe	76.5%	✗

Narrative

The measure is challenging due to the District's size and remoteness as well as response times being dependent on contractor staffing.

2.5 To license and monitor the sale of liquor in accordance with the Sale and Supply of Alcohol Act, 2012.

2.5.1 All licensed premises are visited for Host Responsibility inspections at least once every four years.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
99%	100%	>75% of premises visited annually	100%	✓

2.6 To administer and enforce the Resource management Act 1991, Building Act 2004 and the council's District Plan and Bylaws.

2.6.1 Respond to compliance incidents within 3 working days.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
80.8%	83.5%	≥95.0%	80.4%	✗

Narrative

The Monitoring team endeavours to address most incidents within three working days. Certain cases that involve greater complexity required a longer timeframe to resolve.

2.6.2 Process applications made under the Resource Management Act 1991, within statutory timeframes.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
22.0%	52.0%	≥95.0%	90.2%	✗

Narrative

There has been a major drive to complete resource consent applications with a minimum amount of applications exceeding the statutory timeframes. This resulted in a significant change to the results.

Funding impact statement

Compliance

	AP 2023/24 \$000s	LTP 2024/25 \$000s	Actual 2024/25 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	9,635	11,709	12,264
Targeted rates (other than targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges, and targeted rates for water	7,572	7,888	6,656
Internal charges and overheads recovered	25	13	-
Local authority fuel tax, fines, infringement fees and other receipts	100	186	19
Total operating funding	17,332	19,795	18,939
Applications of operating funding			
Payments to staff and suppliers	12,685	12,979	12,311
Finance costs	168	177	135
Internal charges and overheads applied	4,035	6,144	6,495
Other operating funding applications	-	-	-
Total applications of operating funding	16,888	19,300	18,941
Surplus / (deficit) of operating funding	444	495	(2)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(215)	(54)	(71)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(215)	(54)	(71)
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	-	160	144
- Replacement of existing assets	-	-	-
Increase (decrease) in reserves	230	281	(217)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	230	441	(73)
Surplus / (deficit) of capital funding	(444)	(495)	2
Funding balance	-	-	-

3 Ngā Ratonga Rangatōpū Corporate Services

What we do

Corporate Services is a diverse group managing key council operations.

Business Compliance - the Project Management Office (PMO), supports project management, procurement, and contract management. Digital Information Services handles IT systems and data analytics, enhancing decision-making and service delivery. Digital Information Management ensures information is organised, accessible, secure, and compliant. Financial Services manages the council's finances and financial planning. Legal services provide legal support and ensure compliance with laws. Property Information maintains property data, manages street numbering, and provides reports. Risk and Assurance identifies and mitigates risks, promoting resilience and compliance.

These functions collaborate to uphold the council's integrity, efficiency, and strategic vision, continuously improving customer service.

What we provide

- Business Compliance (PMO)
- Digital Information Services
- Digital Information Management
- Data Analytics
- Financial Services
- Legal Services
- Property Information
- Risk and Assurance

Our mahi this year

Corporate Services supported the organisation's core operations across finance, legal, procurement, risk and assurance, and technology. Alongside this, we initiated a portfolio of improvements aimed at moderating short-term rates and embedding long-term efficiencies. Key areas of focus included budget discipline and cost reduction, with tighter operational controls and internal financial reporting and forecasting processes.

We also commenced an Enterprise Resource Planning-led review of core systems to improve operational efficiency and access to decision-grade information, with initial work targeting project and asset management capabilities. A centralised internal reporting framework is being implemented, featuring Power Business Intelligence dashboards and enhanced governance reporting to Te Miromiro (Audit, Risk and Finance Committee). This will provide clearer, more timely insights into financials, performance, and risk to support both governance and management decision-making.

In addition, we worked with FNHL to secure a special dividend, supplementing the ordinary dividend, to help ease near-term pressure on rates.

Collectively, these initiatives, both completed and in progress, are designed to support better decision-making, reduce the cost to serve, and deliver sustained value for money for the organisation and the communities of the Far North.



Aligns to these
aspects of well-being



Ā iwi | Social



Ōhanga | Economic

How we performed

There are no external performance measures for this activity.

Funding Impact Statement

	AP 2023/24 \$000s	LTP 2024/25 \$000s	Actual 2024/25 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	8,563	(3,164)	(6,009)
Targeted rates (other than targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	45	347	491
Fees and charges, and targeted rates for water	1,073	1,305	1,202
Internal charges and overheads recovered	65	47	6,310
Local authority fuel tax, fines, infringement fees and other receipts	1,300	5,500	232
Total operating funding	11,046	4,035	2,226
Applications of operating funding			
Payments to staff and suppliers	27,497	24,192	26,577
Finance costs	(1,584)	(1,701)	645
Internal charges and overheads applied	(17,424)	(20,092)	(25,885)
Other operating funding applications	-	-	-
Total applications of operating funding	8,489	2,399	1,337
Surplus / (deficit) of operating funding	2,557	1,635	889
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	70
Development and financial contributions	-	-	-
Increase (decrease) in debt	771	7,231	26,848
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	771	7,231	26,918
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	1,217	7,820	7,879
- Replacement of existing assets	1,586	1,569	1,329
Increase (decrease) in reserves	525	(523)	16,385
Increase (decrease) in investments	-	-	2,214
Total applications of capital funding	3,328	8,866	27,807
Surplus / (deficit) of capital funding	(2,557)	(1,635)	(889)
Funding balance	-	-	-

4 Whare Ā-Rohe District Facilities

What we do

Throughout the District, the council manages a diverse array of facilities that are made available for public use. These include playgrounds, where children can play and families can gather; parks and reserves, which offer open spaces for relaxation, picnics, and outdoor activities; and sportsfields that cater to various athletic events and community sports. Public toilets are strategically placed to ensure convenience for residents and visitors alike. The council also oversees a variety of visitor destinations that attract tourists and local visitors, enhancing the overall appeal of the District. Town centres are maintained as vibrant hubs of activity, providing spaces for shopping, dining, and community events.

The council maintains our town centres to keep them clean, safe, and appealing for locals and visitors. This includes managing carparks, lighting, public toilets, and providing motorhome/ caravan dump stations.

In addition to these recreational and communal facilities, the council also manages 11 cemeteries throughout the District. These cemeteries are important for providing respectful and serene environments for remembering and honouring loved ones.

Together, these facilities significantly contribute to the liveability of our communities. They offer essential places and spaces where residents can connect with one another, engage in recreational and leisure activities, and enjoy a higher quality of life. For visitors, these well-maintained amenities enhance their experience by providing attractive and accessible locations to explore. Overall, the council's management of these diverse facilities is integral to fostering a strong sense of community, promoting social interaction, and improving the overall wellbeing of the District's residents and visitors.

What we provide

- Cemeteries
- Civic and community buildings
- Housing for the Elderly
- Recreation
- Town maintenance, public toilets and carparks



Aligns to these aspects of well-being



Ā iwi | Social



Taiao | Environmental



Ahurea | Cultural

Our mahi this year

The council has adopted new plans to manage waste over the short and long term. A more detailed plan is being developed to help put these into action and to ensure the approach is well coordinated and effective. This is an important initiative that will benefit the community now and in the future.

Regional playground audits have identified the need for a district-wide upgrade program. Implementation is underway to ensure all playgrounds meet safety and compliance standards, including replenishment of softfall substrate.

The council continues to consider options for divestment, and a compliance program remains in place to support the effective management of housing for the elderly. This program focuses on maximising occupancy and maintaining clear, ongoing communication with current residents.

Closed landfills at Ahipara, Tōtara North, and Russell need ongoing care due to the environmental risks involved. One of the key issues is leachate, a toxic liquid that must be regularly monitored and safely disposed of. Expert advice and assessments are in progress to help plan maintenance of the sites long-term and keep the environment safe.

A full assessment of the Pou Herenga Tai cycle trail is in progress. This will help plan future repair work and support planning for the necessary budget.

Extension work is currently underway at Russell Cemetery to improve its design and other functional elements. The project is expected to be finished by February 2026.

The council will remove both stands of Redwood trees located on Wendywood Lane and Hawkings Crescent in Kerikeri, following a recent near-fatal incident. External project managers have been appointed, and the selected contractor will commence work with completion expected before Christmas 2025. The contractor will manage the removal, storage, and utilisation of the timber, with an obligation to engage with interested local parties. The community board will oversee and determine an appropriate replanting program.

The Turner Centre underwent comprehensive maintenance this year, including re-roofing.

Work progressed on the Te Hiku Revitalisation project and a review is in progress to assess the work completed so far. As part of this review, any outstanding issues are being identified. These findings will help guide the development of a long-term asset maintenance plan, ensuring the continued success and sustainability of the project for the community.

How we performed

4.1 To ensure cemeteries are operated in a way that meets the community's needs.

4.1.1 All grave digging services are carried out respectfully, safe and the site is kept in a clean and tidy state.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
3	2	No more than one complaint received regarding our grave digging services	2	

Narrative

Two complaints were received: (i) the depth of an ash internment, and (ii) plot not prepared before the timeframe required.

4.2 The council will provide well maintained and accessible public toilets in high use areas.

4.2.1 Increase the number of public toilets with disabled access per annum in line with facility renewal/upgrades

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
1	2	2	3	✓

Narrative

Public toilets at Horeke were upgraded, and new disabled facilities were installed at Rangitane Reserve and Lindvart Park, Kaikohe.

4.2.2 Ensure that public toilets are maintained to a cleanliness standard that enables users to have a pleasant experience.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
79.6%	79.6%	≥91.0%	43.20%	✗

Narrative

The target for toilets cleanliness has not been met and has been addressed with the contractor, however, ageing of assets, grime build up over time and graffiti/vandalism have contributed to this metric.

4.2.3 Provide accessibility upgrades within parks and reserves.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
3	2	2 per ward per annum	3	✓

Narrative

Accessibility upgrades were provided within parks and reserves to support the additional accessible public toilets provided at Horeke, Rangitane Reserve and Lindvart Park, Kaikohe.

Funding impact statement

District Facilities

	AP 2023/24 \$000s	LTP 2024/25 \$000s	Actual 2024/25 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	5,975	6,847	7,140
Targeted rates (other than targeted rate for water supply)	11,981	14,498	14,353
Subsidies and grants for operating purposes	38	3	86
Fees and charges, and targeted rates for water	1,366	1,413	1,403
Internal charges and overheads recovered	12	16	190
Local authority fuel tax, fines, infringement fees and other receipts	105	111	458
Total operating funding	19,477	22,886	23,630
Applications of operating funding			
Payments to staff and suppliers	11,727	13,277	12,396
Finance costs	1,473	2,853	1,841
Internal charges and overheads applied	2,782	2,305	3,223
Other operating funding applications	-	-	-
Total applications of operating funding	15,981	18,436	17,460
Surplus / (deficit) of operating funding	3,495	4,451	6,170
Sources of capital funding			
Subsidies and grants for capital expenditure	5,318	-	191
Development and financial contributions	-	-	-
Increase (decrease) in debt	23,685	4,668	2,050
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	29,003	4,668	2,241
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	5,209	8,085	7,024
- Replacement of existing assets	7,674	3,527	2,259
Increase (decrease) in reserves	(6,372)	(2,493)	(872)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	26,510	9,119	8,411
Surplus / (deficit) of capital funding	(3,495)	(4,451)	(6,170)
Funding balance	-	-	-

5 Ngā Whakamahere Me Ngā Kaupapa Here Planning and Policy

What we do

In the Planning and Policy Group, our primary focus is on shaping the future trajectory of our organisation and its interaction with the community and environment. The Policy team crafts and refines guidelines, ensuring that our actions align with established principles and legal frameworks. Bylaws serve as a foundation for governance, providing the regulatory structure necessary for the orderly functioning of our operations. Strategies guide our long-term vision, outlining the path to sustainable development and growth.

District and reserve management efforts prioritise the preservation and responsible use of natural resources and public spaces.

Integrated planning allows us to approach complex challenges with a comprehensive and interconnected perspective, ensuring that our initiatives align cohesively. Climate change considerations underscore our commitment to environmental stewardship and integrating sustainability practices into our policies and plans. Development of climate adaptation plans builds resilience in our communities and mitigation of the effects of climate change focuses the group on intergenerational equity. In essence, the Planning and Policy Group plays a pivotal role in shaping the present and future of our District, fostering sustainable development and community well-being.

What we provide

- Climate action and resilience using adaptation plans and mitigation strategies
- Integrated planning
- Strategies, policies, and bylaws

Our mahi this year

The Proposed District Plan (PDP) hearings are currently underway and will continue through to December 2025. As part of the ongoing refinement of the PDP, Variation 1 – Minor Errors & Corrections was notified in October 2024. The districts first spatial plan, Te Pātukurea – Kerikeri Waipapa was adopted in June 2025.

This achievement represents significant steps towards long term growth planning for 50% of the district.

Work also continues across the district with the development of Community Placemaking Plans and Reserve Management Plans within the three wards. Key outcomes have been community board endorsements of the Taipā Placemaking plan, the first for the district, and the Kororāreka Russell Placemaking Plan, which included The Strand Road Trail, which was undertaken to make The Strand and Cass Street more pedestrian friendly.

In addition to these projects, we are progressing through our strategy, policy, and bylaws programme. We have recently completed key projects including the Solid Waste Strategy, Development Contributions Policy, and Keeping of Animals Bylaw. We have maintained our bylaw and statutory review programme by



Aligns to these aspects of well-being



Ā iwi | Social



Ōhanga | Economic



Taiao | Environmental



Ahurea | Cultural

completing the Earthworks and Land Drainage Bylaw reviews, and reviews of the Dangerous and Insanitary Buildings and Class 4 Gambling policies.

Work continues on the Housing and Open Spaces Strategies, Alcohol Control Areas, Local Alcohol Policy, Smokefree/Vapefree Policy and several three waters-related bylaws. The Community Adaptation Programme, designed to assist communities in adapting to the impacts of climate change, has launched Stage One in the Hokianga-Whangapē-Herekino areas. The council has completed the 2022/23 and 2023/24 emissions inventory, marking an important step in measuring and addressing our environmental impact.

How we performed

There are no external performance measures for this activity.

Funding impact statement

Planning and Policy

	AP 2023/24 \$000s	LTP 2024/25 \$000s	Actual 2024/25 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	8,895	8,678	9,094
Targeted rates (other than targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges, and targeted rates for water	-	-	-
Internal charges and overheads recovered	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	75	10	-
Total operating funding	8,970	8,688	9,094
Applications of operating funding			
Payments to staff and suppliers	7,233	7,160	6,765
Finance costs	5	8	6
Internal charges and overheads applied	1,715	1,509	1,982
Other operating funding applications	-	-	-
Total applications of operating funding	8,953	8,677	8,753
Surplus / (deficit) of operating funding	17	11	341
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(20)	(24)	(24)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(20)	(24)	(24)
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	-	-	-
- Replacement of existing assets	-	-	-
Increase (decrease) in reserves	(3)	(14)	317
Increase (decrease) in investments	-	-	-
Total applications of capital funding	(3)	(14)	317
Surplus / (deficit) of capital funding	(17)	(11)	(341)
Funding balance	-	-	-

6 Kaiwhakahaere Para Totoka Solid Waste Management

What we do

Effective solid waste management is essential for upholding a pristine and sustainable environment. The council plays a pivotal role by strategically situating rubbish and recycling bins across the district and maintaining a consistent schedule for waste collection and disposal. These measures not only facilitate the proper disposal of waste but also contribute to minimising litter and maintaining cleanliness in public spaces.

Furthermore, the council actively promotes recycling programmes to mitigate environmental harm and foster sustainable habits among residents. By encouraging the separation and recycling of materials, these programmes help diminish the volume of waste destined for landfills while conserving valuable resources. This not only reduces pollution but also conserves energy and minimises greenhouse gas emissions associated with waste disposal.

Proper waste management not only benefits the immediate environment by keeping streets, parks, and other public areas clean but also alleviates the burden on local ecosystems. By preventing contamination of soil and water sources, responsible waste management safeguards the health of wildlife and preserves biodiversity. Additionally, it contributes to the overall well-being of communities by minimising the risk of disease transmission and enhancing the quality of life for residents.

In essence, effective solid waste management is a cornerstone of environmental stewardship, promoting a cleaner, healthier, and more sustainable future for both current and future generations.

What we provide

- 1 Resource Recovery Centre at Kaitāia and 1 private facility contracted at Waipapa
- 12 community recycling centres (1 is seasonal)
- 4 consented closed landfills

Our mahi this year

The council is set to adopt the newly developed 25-year Solid Waste Strategy and the Waste Management and Minimisation Plan (2025–31) at the end of September 2025. The long-term strategy will be implemented through four consecutive six-year Waste Management and Minimisation Plans (WMMPs), each shaped by a comprehensive Waste Assessment.

It will prioritise waste reduction, resource recovery, and community engagement all aimed at creating a district where waste is minimised, resources are valued, and the environment is protected.

With the new Solid Waste Services Contract operational we will ensure the continued operation of our community recycling centres and transfer stations.



Aligns to these
aspects of well-being



Ā iwi | Social



Ōhanga | Economic



Taiao |
Environmental

How we performed

6.1 To decrease the proportion of waste sent to landfill and increase the proportion of waste that is sent for recycling.

6.1.1 Percentage of waste from refuse transfer station that is recycled / reused.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
58.2%	59.1%	64.0%	52.1%	✗

Narrative

There is only one contractor servicing both the North and South areas. Both commercial and kerbside recycling is no longer being processed at FNDC facilities, therefore no longer contributes to this metric.

6.1.2 Responding to Request for Service (RFS) relating to illegal dumping, and removing the rubbish.

a) Offensive waste: pick up within 24 hours.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
100%	100%	95% within set timeframes	100%	✓

b) Standard waste: pick up within 4 days.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
85.5%	82.9%	95% within set timeframes	84.4%	✗

Narrative

The contractor has been attending to the urgent illegal dumping within the timeframe, however, anything over 3 cubic meters requires additional resourcing which takes longer.

Funding impact statement

Solid Waste Management

	AP 2023/24 \$000s	LTP 2024/25 \$000s	Actual 2024/25 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	4,263	3,239	3,382
Targeted rates (other than targeted rate for water supply)	-	-	
Subsidies and grants for operating purposes	-	-	
Fees and charges, and targeted rates for water	1,158	1,704	1,882
Internal charges and overheads recovered	-	-	
Local authority fuel tax, fines, infringement fees and other receipts	885	1,500	1,041
Total operating funding	6,306	6,442	6,305
Applications of operating funding			
Payments to staff and suppliers	5,489	5,834	6,618
Finance costs	103	85	182
Internal charges and overheads applied	678	524	800
Other operating funding applications	-	-	-
Total applications of operating funding	6,269	6,442	7,600
Surplus / (deficit) of operating funding	37	-	(1,295)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	150
Development and financial contributions	-	-	
Increase (decrease) in debt	215	784	(100)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	215	784	50
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	474	943	99
- Replacement of existing assets	78	213	170
Increase (decrease) in reserves	(300)	(372)	(1,515)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	252	784	(1,245)
Surplus / (deficit) of capital funding	(37)	-	1,295
Funding balance	-	-	-



Wai Ua me Hopuwai Stormwater and Drainage

What we do

Our stormwater system drains water away from public and private property to reduce potential harm to property, the environment and our communities. This is especially important in urban areas, particularly following heavy rain.

Council manages and maintains stormwater assets, such as pipeline reticulation, open channels, retention dams and floodgates. The council also assists the Northland Regional Council with some land drainage schemes.

What we provide

- 181,234 m of line assets (culverts, channels, pipes)
- 41 km of lined and unlined channels
- 3,118 manholes
- 25 basins and ponds
- 66 floodgates
- 1,909 inlets and outlets
- 1 pump station

Our mahi this year

The Moerewa Stormwater Project has been completed, resulting in reduced flooding risks for residential areas. In Whatuwhiwhi, improvements included the installation of a new pump station on Marriene Place and a retention tank at Tokerau Beach, further strengthening the area's ability to manage heavy rain events.

District-wide flood modelling is ongoing to inform future planning and infrastructure upgrades. Progress was also made on progressing resource consents for stormwater discharges in Kerikeri and Kaitāia.

How we performed

Mandatory performance measure

7.1 The council will manage the stormwater network to minimise flood risks within defined service areas.

7.1.1 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, and
- d. Convictions, received by the territorial authority in relation those resource consents.



Aligns to these
aspects of well-being



Ā iwi | Social



Ōhanga | Economic



Taiao |
Environmental

Measure	2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
a.	0	0	1 or less	0	✓
b.	0	0	0	0	✓
c.	0	0	0	0	✓
d.	0	0	0	0	✓

Narrative

There have been no compliance related issues this financial year.

7.1.2 Residents' satisfaction with stormwater drainage service (Recorded through the Residents Survey).

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
26%	23%	≥70%	No Result	✗

Narrative

There is no result for 2024/25 as the Residents Survey is undertaken bi-annually.

7.1.3 The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
11.19	4.97	≤ 16	4.27	✓

Narrative

Most complaints were related to blocked drains and private infrastructure problems due to weather events, open drain vegetation clearing and manhole repairs.

7.1.4 a. The number of flooding events that occur in a territorial authority district

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
0	0	1 or less	0	✓

b. For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the territorial authority's stormwater system)

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
No events	0	0	0	✓

Narrative

Despite bad weather conditions throughout the district, there have been no flooding events recorded.

7.1.5 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.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
No events	No events	≤ 48 hours	No events	➡

Narrative

There have been no compliance related issues or flooding events this financial year.

Funding impact statement

Stormwater and Drainage

	AP 2023/24 \$000s	LTP 2024/25 \$000s	Actual 2024/25 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	3,533	1,627	1,699
Targeted rates (other than targeted rate for water supply)	2,275	3,268	3,241
Subsidies and grants for operating purposes	-	-	-
Fees and charges, and targeted rates for water	-	-	1
Internal charges and overheads recovered	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	4
Total operating funding	5,808	4,896	4,945
Applications of operating funding			
Payments to staff and suppliers	2,540	1,189	1,141
Finance costs	252	325	206
Internal charges and overheads applied	1,858	1,043	1,723
Other operating funding applications	-	-	-
Total applications of operating funding	4,650	2,557	3,070
Surplus / (deficit) of operating funding	1,158	2,339	1,875
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	5,388	8,335	1,995
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	79
Total sources of capital funding	5,388	8,335	2,074
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	5,613	8,908	2,162
- Replacement of existing assets	2,137	2,486	1,047
Increase (decrease) in reserves	(1,205)	(720)	740
Increase (decrease) in investments	-	-	-
Total applications of capital funding	6,545	10,674	3,949
Surplus / (deficit) of capital funding	(1,158)	(2,339)	(1,875)
Funding balance	-	-	-



Ngā Hononga Rautaki Strategic Relationships

What we do

In the Rautaki Kia Hono – Strategic Relationships Group, we focus on building meaningful and collaborative connections that contribute to the overall success and inclusivity of our iwi, hapū, whānau, communities and the council. Working closely with all our iwi, hapū, whānau and communities is a fundamental aspect of our commitment to recognising and respecting everyone's perspectives. We work together in partnership that honour our rich cultural heritage and contribute to positive outcomes.

The Tūhonotanga – Democracy Services team, provides guidance and support on a daily basis to the elected representatives that form the governance function of our council, enabling them to understand their legislative responsibilities and assisting them to make informed decisions on behalf of communities.

The council acknowledges the principles and spirit of Te Tiriti and seeks to work with Māori communities for the enhancement and benefit of those communities and the whole district. Te Hono – Māori Engagement, Relationships and Development team, supports the aspirations of tangata whenua and is working to provide platforms for partnerships and opportunities for building capability and capacity within the council and the community.

The council is committed to developing sustainable, beneficial relationships with the community through improved funding opportunities and empowering local communities, to achieve this. Tātai Hono - Stakeholder Relationships team play a key role in supporting community boards to achieve targeted outcomes and connect people and communities to achieve strategic outcomes.

A positive safety culture is important to the council, as it supports the health, safety, and wellbeing of its workers, contractors, volunteers and others affected by its operations. This includes improving the safety of public spaces, infrastructure, and services that contribute to community wellbeing, as well as aligning with national health and safety regulations, standards and legislation, including the Health and Safety at Work Act 2015. The Hononga Kia Haumaru Tikanga – Health, Safety and Wellbeing teamwork across the organisation to ensure a safe, supportive, and healthy environment for everyone.

Making local government relevant to our communities is a key objective of the Hononga Tangata Mātauranga - Civic Engagement and Education team. It focuses on increasing public awareness of council activities and making the council more relatable, leading local government elections and encouraging active participation in democratic processes to ensure the community voice informs decision-making.

By nurturing partnerships and strategic relationships, facilitating democratic processes, and engaging with a broad spectrum of stakeholders, we aim to create an inclusive and collaborative environment that reflects the values and aspirations of our diverse district.



Aligns to these
aspects of well-being



Ā iwi | Social



Ōhanga | Economic



Taiao |
Environmental



Ahurea | Cultural

What we provide

Tūhonotanga - Democracy Services

- Support the governance function of the council
- Democratic and procedural advice in relation to governance functions and formal meetings
- Contribute to, and in some cases lead, organisational projects and civic events as they arise to provide input and support from a governance perspective.

Te Hono - Māori Relationships

- Support the organisation to achieve the goals of Te Pae o Uta – Te Ao Māori Framework
- Support the council cultural competency in Te Ao Māori
- Support iwi / hapū to thrive
- Strengthen our working relationship with Māori
- Support the economic and social development of multiple-owned Māori Freehold Land
- Support the development and relationship opportunities from Treaty settlements.

Tātai Hono - Stakeholder Relationships

- Support community board members to achieve the aspirations of the community by feeding information into the council
- Connect communities to funding opportunities, provide and administer community grants
- Work with communities, key stakeholders, other regional authorities, external agencies and organisations to develop key relationships within the council
- Support community-initiated plans.

Hononga kia Haumaruru Tikanga - Health and Safety and Wellbeing

- Provide health, safety, and wellbeing strategy and advice to the organisation
- Support risk management
- Build competency in the health, safety, and wellbeing space
- Engage the organisation through Health & Safety Representatives.

Hononga Tangata Mātauranga - Civic Engagement & Education

- Engagement opportunities related to council services and democratic processes
- Education for communities Local government elections
- Representation reviews.

Our mahi this year

We developed Health, Safety & Wellbeing role profiles to ensure all staff receive appropriate training, understand relevant policies and meet regulatory requirements. We also developed the council's Health, Safety & Wellbeing Strategy 2024-27.

We implemented Te Pae o Uta, our Te Ao Māori capability and competency framework. Every council team set at least three goals under the framework. The first cohorts completed Te Pae o Waho (te reo me ona tikanga classes) for levels 1 to 3.

We held a roadshow across the district to refresh our Memorandum of Understanding (MOU) with iwi and hapū, reaffirming our commitment to Te Tiriti o Waitangi and partnerships and exploring potential work programmes. Two new MOUs were signed with Te Rūnanga o Ngāti Rēhia and Te Rūnanga o te Rarawa.

Three Iwi Hapū Environmental Management Plans were updated with Hapū.

We created the council's Civic Engagement & Education function, which fosters democratic participation and builds public understanding of how local government works and how people can get involved.

We established a cross-organisation working group with external stakeholders to coordinate both Waitangi and Māngungu commemoration events for Waitangi week 2025.

How we performed

There are no external performance measures for this activity.

Funding impact statement

Strategic Relationships

	AP 2023/24 \$000s	LTP 2024/25 \$000s	Actual 2024/25 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	6,518	8,218	8,592
Targeted rates (other than targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	250	-
Fees and charges, and targeted rates for water	-	-	-
Internal charges and overheads recovered	50	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	71
Total operating funding	6,568	8,468	8,663
Applications of operating funding			
Payments to staff and suppliers	5,624	6,916	6,343
Finance costs	-	-	0
Internal charges and overheads applied	935	1,529	1,969
Other operating funding applications	-	-	-
Total applications of operating funding	6,560	8,445	8,312
Surplus / (deficit) of operating funding	8	23	351
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	-	-	-
- Replacement of existing assets	-	-	-
Increase (decrease) in reserves	8	23	351
Increase (decrease) in investments	-	-	-
Total applications of capital funding	8	23	351
Surplus / (deficit) of capital funding	(8)	(23)	(351)
Funding balance	-	-	-

9

Ngā Hononga Waka Transport Network

What we do

The council is responsible for managing and maintaining the local roading network, which is critical for connecting our communities and ensuring safe, reliable access to the places that make living and visiting the Far North enjoyable. This work excludes state highways, which are managed by Waka Kotahi NZ Transport Agency.

The council maintains street lighting, signage, footpaths, and walking and cycling amenities as part of the local transport network. A safe, well-planned, and connected system supports community wellbeing. While the council responds to requests and safety concerns as they arise, wider planning for new walking and cycling infrastructure is limited and often depends on funding availability.

What we provide

- 2,513.3km of roads (926.6km sealed and 1,586.7km unsealed)
- 722 bridges
- 1,242 retaining and seawalls
- 1,905 streetlights
- 1 'Kohu Ra Tuarua' vehicular ferry used on the Hokianga Harbour
- 234.7km of footpaths
- 87km of Pou Herenga Tai Twin Coast Cycle Trail

Our mahi this year

Restoration of slip sites since the significant weather events remains a top priority, with targeted recovery works undertaken. The supplier panel setup for emergency works is being refined to improve responsiveness and coordination.

Routine maintenance and renewals continue across the district, including sealed and unsealed road rehabilitations, resealing programs, drainage and pothole management.

As part of the transition to a Measure and Value (M&V) delivery model for road maintenance, a trial of 'find and fix' patrol trucks is underway. These patrols aim to proactively identify and resolve minor defects, helping to test and refine the new M&V approach before full implementation.



Aligns to these
aspects of well-being



Ā iwi | Social



Ōhanga | Economic



Taiao |
Environmental

How we performed

Mandatory performance measure

9.1 To maintain the District's roading network in a satisfactory condition and in accordance with national safety and engineering standards.

9.1.1 The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
38 total 5 fatal 33 serious injury crashes Actual increase in serious injuries and fatalities is 3	42 total 12 fatal 30 serious injury crashes Actual increase in serious injuries and fatalities is 3	No increase	24 total 1 fatal 23 serious injury crashes Actual decrease in serious injuries and fatalities by 18 from prior year	✓

Narrative

The overall result has decreased, this may be attributed to lower speed limits in more areas across the district and ongoing effort in road safety education.

9.1.2 The average quality of ride on a sealed local road network, measured by smooth travel exposure.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
92%	91%	>88%	95%	✓

Narrative

Smooth Travel Exposure (STE) measures the proportion of travel on sealed roads that meet a set standard for smoothness, as defined by Waka Kotahi NZTA. It shows the percentage of vehicle kilometres driven on roads with roughness below a set threshold, which varies by road type and traffic. A higher STE result means more of the network provides a smooth ride. The measure is based on traffic counts and roughness surveys, using standard industry methods. The STE data provided was based on the best information available at that time, but has subsequently been identified as calculated using some invalid data with a very minor impact on the overall result.

9.1.3 The percentage of the sealed local road network that is resurfaced.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
4.6%	5.9%	>8%	8.0%	✗

Narrative

Overall result achieves the minimum achievement threshold required for resurfacing.

9.1.4 The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the LTP.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
99.5%	99.5%	≥95%	97.7%	✓

Narrative

Standard is being met.

9.1.5 The maintenance of the roads meets the council level of service targets as specified in our roading maintenance contracts.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
65.3%	96.2%	>85%	91.2%	✓

Narrative

The overall network condition for both sealed and unsealed roads has progressed well throughout the year, although there was a weather warning with Cyclone Tam.

9.1.6 The percentage of the sealed local road network that is rehabilitated.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
0.175%	0.5%	0.5%	0.58%	✓

Narrative

The overall result exceeds the minimum achievement threshold, with a further 700m of sealed road rehabilitated.

9.1.7 The Hokianga Ferry Service will run in accordance with advertised timetable.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
95.6%	97.3%	>95%	97.4%	✓

Narrative

No mechanical or weather related interruptions occurred this year.

9.2 To maintain the District's footpath network and infrastructure to high standards.

9.2.1 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 LTP).

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
98.0%	99.0%	>90% in fair or better condition	98.0%	✓

Narrative

The condition of the council's footpath network continues to reflect prior years' investment in renewals and maintenance. This year's preparatory work has laid the foundation for future improvements, helping ensure that upcoming upgrades are well-targeted and informed by community needs.

Funding impact statement

Transport network

	AP 2023/24 \$000s	LTP 2024/25 \$000s	Actual 2024/25 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	14,232	16,964	14,589
Targeted rates	5,938	6,358	6,586
Subsidies and grants for operating purposes	14,923	19,294	15,658
Fees and charges	661	500	539
Internal charges and overheads recovered	133	25	-
Local authority fuel tax, fines, infringement fees and other receipts	600	600	655
Total operating funding	36,488	43,741	38,027
Applications of operating funding			
Payments to staff and suppliers	26,184	28,840	28,331
Finance costs	1,723	2,192	1,395
Internal charges and overheads applied	(695)	2,222	2,505
Other operating funding applications	-	-	-
Total applications of operating funding	27,212	33,254	32,231
Surplus / (deficit) of operating funding	9,276	10,488	5,796
Sources of capital funding			
Subsidies and grants for capital expenditure	22,477	28,718	25,395
Development and financial contributions	-	-	-
Increase (decrease) in debt	5,805	8,773	1,697
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	28,282	37,491	27,092
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	19,088	21,512	15,117
- Replacement of existing assets	17,285	26,847	20,433
Increase (decrease) in reserves	1,185	(380)	(2,662)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	37,558	47,978	32,888
Surplus / (deficit) of capital funding	(9,276)	(10,487)	(5,796)
Funding balance	-	-	-

10 Waipara Wastewater

What we do

The appropriate collection, treatment and disposal of wastewater are vital for the health and well-being of our communities and environment.

The council manages and maintains reticulated sewerage schemes and services for the treatment and disposal of waste from septic tanks in our district. We provide new schemes and sewer connections where and when required.

We also monitor the maintenance requirements of on-site sewage disposal systems and provide for facilities for the reception and treatment for on-site septage discharged by commercial operators. Wastewater assets consist of pipeline reticulation, pump stations, and treatment plants.

What we provide

- 17 communities serviced with wastewater schemes
- 212.3km of sewer pipe, culverts, channels and spillways
- 16 treatment plants
- 2 pump stations
- 29 ponds
- 69 floodgates
- 6,898 catchpits, manholes and soakholes

Our mahi this year

The Ahipara wastewater treatment plant upgrade, including the installation of ultraviolet treatment, has restored and maintained compliance consistency.

At the Rāwene treatment plant, construction continues on the electrocoagulation treatment process, alongside a proposal to purchase land for the purpose of discharging treated effluent to land, aimed at removing the discharge to the Hokianga Harbour.

The Taipa Wastewater Treatment Plant is progressing with an electrocoagulation treatment trial, scheduled for completion in late 2025, while work on updated wastewater discharge consents continues across several schemes.



Aligns to these aspects of well-being



Ā iwi | Social



Taiao | Environmental



Ahurea | Cultural

How we performed

Mandatory performance measure

10.1 In defined areas, the council will collect, treat and dispose of wastewater through a reliable wastewater network which is managed to ensure blockages, breaks or spillages are kept to a minimum.

10.1.1 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, and
- d. convictions, received by the territorial authority in relation those resource consents.

Measure	2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
a.	2	0	2 or less	10	✗
b.	4	1	1 or less	0	✓
c.	0	0	0	0	✓
d.	0	0	0	0	✓

Narrative

Abatement notices included three longstanding maintenance issues. Remedial action is ongoing. An additional seven notices were received in the first half of the financial year. Abatement notices often require one year of compliance before removal.

10.1.2 The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1,000 sewerage connections to that sewerage system.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
2.94	4.05	≤ 12 per 1,000 connections	3.72	✓

Narrative

The main causes are due to breaks and blockages with the exception of a pump station pipework failure across parts of the district.

10.1.3 The total number of complaints received by the territorial authority about any of the following:

- a. sewage odour
- b. sewerage system faults
- c. sewerage system blockages, and
- d. the territorial authority's response to issues with its sewerage system, expressed per 1,000 connections to the territorial authority's sewerage system.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
25.57	18.45	≤ 50 per 1,000 connections	18.85	✓

Narrative

Majority of complaints are relating to blockages across parts of the district with the exception of two odour complaints.

10.2 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 are measured:

10.2.1 Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
1.42	1.80	≤2 hours	1.26	

10.2.2 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.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
2.85	2.03	≤4 hours	2.36	

Funding impact statement

Wastewater

	AP 2023/24 \$000s	LTP 2024/25 \$000s	Actual 2024/25 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	294	20	21
Targeted rates (other than targeted rate for water supply)	15,286	18,834	18,709
Subsidies and grants for operating purposes	-	-	-
Fees and charges, and targeted rates for water	255	140	138
Internal charges and overheads recovered	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	31
Total operating funding	15,835	18,994	18,899
Applications of operating funding			
Payments to staff and suppliers	8,847	15,037	14,801
Finance costs	1,830	2,069	1,351
Internal charges and overheads applied	2,044	1,360	2,175
Other operating funding applications	-	-	-
Total applications of operating funding	12,721	18,465	18,327
Surplus / (deficit) of operating funding	3,113	528	572
Sources of capital funding			
Subsidies and grants for capital expenditure	-	1,800	1,495
Development and financial contributions	-	-	-
Increase (decrease) in debt	12,509	27,425	5,930
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	12,509	29,225	7,425
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	12,281	27,612	10,813
- Replacement of existing assets	4,455	4,445	2,606
Increase (decrease) in reserves	(1,113)	(2,304)	(5,422)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	15,623	29,753	7,997
Surplus / (deficit) of capital funding	(3,114)	(528)	(572)
Funding balance	-	-	-



Tapua Wai Water Supply

What we do

Safe drinking water is essential to the health and well-being of our communities. The council is responsible for the treatment and distribution of water through our reticulated water schemes.

We also install and read water meters to make sure you are billed for the correct usage.

A vital function is ensuring firefighting performance standards are met in urban water supply areas. We also provide new water connections within areas of benefit and supply commercial water operators who deliver to private water tanks.

In the past few years, we have struggled to supply enough water in some locations due to extremely dry weather. As a result, several initiatives have been included in our work programme, including bore upgrades and increased water conservation messaging and education.

What we provide

- 8 potable (drinkable) water schemes that incorporate: 3 non-potable supply areas and 9 water treatment plants
- Water is sourced from: 3 dams, 5 bore fields, 7 stream intakes and 26 reservoirs sites
- 391km of water mains
- 16 pump stations
- 11,185 properties are connected to the council water systems
- All schemes have universal water metering

Our mahi this year

Continuous source water monitoring and improvements to sampling sites have strengthened the quality of water entering the supply network. All treatment plants now operate with multiple barriers providing protection against both bacterial and protozoa contamination.

The council submits monthly compliance reports to Taumata Arowai, demonstrating stable and compliant treatment performance throughout the year. Additionally, consent processes for the Wairohia and Waitemarama Wairoro water takes were initiated.

During the summer period, the Water Shortage Committee effectively maintained continuity of supply across all reticulated schemes. A concerted focus has been on the development of water services delivery plans to align with the Local Waters Done Well legislation.



Aligns to these aspects of well-being



Ā iwi | Social



Taiao | Environmental

How we performed

Mandatory performance measure

11.1 To provide a safe, continuous, high-quality drinking water to all our customers.

11.1.1 The extent that all water treatment plants comply with the Taumata Arowai Drinking Water Quality Assurance Rules for bacterial treatment and monitoring.

Taumata Arowai specifies a large supplier (T3), supplies to multiple properties through a network of pipes and to a population of more than 500 people. In conjunction with Stats NZ showing all towns we supply as greater than 500 residents. Changes to the rules for supplies that serve 500 or fewer people came into effect on 1 January 2025.

Area	Result 1 July 2022 - 13 November 2022	Result 14 November 2022 - 30 June 2023	2023/24 Result	2024/25 Target	2024/25 Result
Kaitiāia	Non-compliant	Compliant 80 days Non-compliant 148 days	Compliant 249 days Non- compliant 117 days	Each scheme continuously meets the required standards for drinking water	Compliant
Kawakawa	Non-compliant	Compliant 18 days Non-compliant 210 days	Compliant 80 days Non- compliant 286 days		Compliant
Kerikeri	Compliant	Compliant all days	Compliant		Compliant
Monument Hill	Compliant	Compliant 224 days Non-compliant 4 days	Compliant		Compliant
Ōkaihau	Non-compliant	Compliant 227 days Non-compliant 1 day	Compliant 364 days Non- compliant 2 days		Compliant
Ōmanaia	Compliant	Compliant 210 days Non-compliant 10 days	Compliant		Compliant 336 days Non- compliant 29 days
Ōpononi / Ōmāpere	Non-compliant	Compliant 30 days Non-compliant 198 days	Compliant 152 days Non- compliant 214 days		Compliant 285 days Non- compliant 80 days
Paihia	Compliant	Compliant 218 days Non-compliant 10 days	Compliant		Compliant 364 days Non- compliant 1 day
Tairāire Hills	Compliant	Compliant 219 days Non-compliant 9 days	Compliant 151 days Non- compliant 215 days		Compliant 363 days Non- compliant 2 days

11.1.2 The extent that all water treatment plants comply with the Taumata Arowai Drinking Water Quality Assurance Rules for protozoal treatment and monitoring:

Area	Result 1 July 2022 - 13 November 2022	Result 14 November 2022 - 30 June 2023	2023/24 Result	2024/25 Target	2024/25 Result
Kaitāia	Non-compliant	Compliant all days	Compliant	Each scheme continuously meets the required standards for drinking water	Compliant
Kawakawa	Non-compliant	Compliant 221 days Non-compliant 7 days	Compliant 233 days No historian data 25 days Non-compliant 2 days		Compliant 356 days Non-compliant 9 days
Kerikeri	Compliant	Compliant all days	Compliant 364 days Non-compliant 2 days		Compliant
Monument Hill	Compliant	Compliant 224 days Non-compliant 4 days	Compliant 364 days Non-compliant 2 days		Compliant
Ōkaihau	Non-compliant	Compliant 226 days Non-compliant 2 day	Compliant 364 days Non-compliant 2 days		Compliant
Ōmanaia	Non-compliant	Compliant 215 days Non-compliant 13 days	Compliant 352 days Non-compliant 14 days		Compliant 360 days Non-compliant 5 days
Ōpononi / Ōmāpere	Non-compliant	Compliant 185 days	Compliant 307 days Non-compliant 59 days		Compliant 356 days Non-compliant 9 days
Paihia	Non-compliant	Compliant 206 day Non-compliant 22 day	Compliant 365 days Non-compliant 1 day		Compliant
Taraire Hills	Non-compliant	Compliant 227 days Non-compliant 11 days	Compliant 349 days Non-compliant 17 days		Compliant
Narrative					

Of the nine FNDC treatment plants, five plants met with bacterial compliance, and six plants met with Protozoal compliance. The point to note is that the frequency of samples taken is the measure of compliance that the other plants failed on. Results for tested water are compliant. So samples are meant to be taken 5 days a week, but are only taken on 2 or 3 days so the plants are not compliant.

11.1.3 The extent that all water treatment plants comply with the Taumata Arowai Drinking Water Quality Assurance Rules for distribution networks.

a. Distribution Compliance

Area	2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result
Kaitiāia	N/A	N/A	Each scheme continuously meets the required standards for drinking water	Compliant 11 months Non-compliant - Sep
Kawakawa	N/A	N/A		Compliant 11 months Non-compliant - Nov
Kerikeri	N/A	N/A		Compliant
Monument Hill	N/A	N/A		Compliant
Ōkaihau	N/A	N/A		Compliant
Ōmanaia	N/A	N/A		Compliant
Ōpononi / Ōmāpere	N/A	N/A		Compliant
Paihia	N/A	N/A		Compliant
Tarairae Hills	N/A	N/A		Compliant

Narrative

Kaikohe, Ngawha Springs, Kawakawa, Kerikeri, Waipapa, Ōkaihau, Ōmāpere, Paihia, Opuā, Haruru, Ōmanaia and Rawene distribution zones complied with all DWQAR requirements for the entire year. Kaitiāia and Moerewa distribution zones had one off intervals in sampling of more than four days of the week.

b. Microbiological Compliance.

Area	2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result
Kaitiāia	N/A	N/A	Each scheme continuously meets the required standards for drinking water	Compliant
Kawakawa	N/A	N/A		Compliant
Kerikeri	N/A	N/A		Compliant - 11 months Non-compliant - Apr
Monument Hill	N/A	N/A		Compliant
Ōkaihau	N/A	N/A		Compliant
Ōmanaia	N/A	N/A		Compliant
Ōpononi / Ōmāpere	N/A	N/A		Compliant
Paihia	N/A	N/A		Compliant
Tarairae Hills	N/A	N/A		Compliant

Narrative

Note that although sampling did not occur on five different days of the week for every distribution zone, five different days of the week was covered over the course of the year for Kaikohe, Ngawha Springs, Ōkaihau, Ōpononi, Ōmanaia, and Rawene.

11.1.4 The total number of complaints received by the local authority about any of the following:

- Drinking water clarity
- Drinking water taste
- Drinking water odour
- Drinking water pressure or flow
- Continuity of supply
- The local authority's response to any of these issues expressed per 1,000 connections to the local authority's networked reticulation system.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
28.22	21.65	< 100 complaints per 1,000	23.28	✓

Narrative

There was a total of 243 complaints received. The majority of which were due to water continuity during shut off periods from repairs and maintenance, and water quality.

11.2 In times of emergency there is adequate water supply available.

11.2.1 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 times measured:

- attendance for urgent call-outs: from the time the local authority received notification to the time that service personnel reach the site.
- resolution of urgent call-outs: from the time the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.
- attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.
- resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.

Measure	2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
a.	1.00	0.70	< 2 hours	0.82	✓
b.	6.30	6.12	< 4 hours	6.75	✗
c.	0.70	0.80	< 2 working days	1.19	✓
d.	0.80	0.88	< 3 working days	1.98	✓

Narrative

The results of call-out responses were impacted by several factors: traffic management, resourcing, pipeline failures and breaks, and ageing infrastructure needing further repairs.

11.2.2 Total number of water leaks (expressed as number per 100km of mains, including service connections).

2022/23 Result	2023/24	2024/25 Target	2024/25 Result	Status
N/A	N/A	≤ prior year	458	➔

Narrative

This is a new measure based on a 5 year average of leaks over a network of 330km of water mains.

11.2.3 Water restriction days (NEPM D-R19)

2022/23 Result	2023/24	2024/25 Target	2024/25 Result	Status
N/A	N/A	New measure, baseline to be determined	143 days achieved No level 4 water restrictions were implemented	

Narrative

This is a new measure based on the total number of water restriction days and levels implemented during the year. Water restrictions were applied to: Ōpononi-Ōmāpere, Ōmanaia-Rāwene, Kawakawa / Moerewa, Paihia, and Kerikeri, mainly during the Summer period to conserve water.

11.3 To manage the water supply system in a sustainable way that also caters for growth.

11.3.1 The amount of real water loss from the networked reticulation system (calculated as Current Annual Real Losses for whole district in litres/connection/day).

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
28.6%	31.0%	<26%	31.8%	

Narrative

There has been a focus on leak detections across the district with the exception of two water main breaks in Kawakawa resulting in significant water loss in the last quarter.

11.3.2 Network Leakage Index score (Infrastructure Leakage Index for the whole district) (NEPM D-RE3)

2021/22 Result	2022/23 Result	2024/25 Target	2024/25 Result	Status
N/A	N/A	ILI ≤ 4.0	1.83	

Narrative

This is a new measure and uses the NEPM ILI calculation method.

11.3.3 The average consumption of drinking water per day per resident within the territorial authority district.

2022/23 Result	2023/24 Result	2024/25 Target	2024/25 Result	Status
268.43L	279.94L	≤ 600L / resident / day	261.25L	

Narrative

This is an informational indicator only.

Funding impact statement

Water Supply

	AP 2023/24 \$000s	LTP 2024/25 \$000s	Actual 2024/25 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	225	(47)	(26)
Targeted rates	4,196	3,653	3,675
Subsidies and grants for operating purposes	-	-	376
Fees and charges	8,093	8,989	9,928
Internal charges and overheads recovered	-	106	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	25
Total operating funding	12,514	12,701	13,978
Applications of operating funding			
Payments to staff and suppliers	7,259	9,758	12,663
Finance costs	1,178	641	848
Internal charges and overheads applied	1,364	(413)	142
Other operating funding applications	-	-	-
Total applications of operating funding	9,801	9,986	13,653
Surplus / (deficit) of operating funding	2,713	2,715	325
Sources of capital funding			
Subsidies and grants for capital expenditure	-	16,116	1,605
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,719	5,758	354
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,719	21,874	1,959
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	3,291	22,402	2,992
- Replacement of existing assets	1,517	3,092	1,756
Increase (decrease) in reserves	(377)	(905)	(2,464)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	4,431	24,589	2,284
Surplus / (deficit) of capital funding	(2,713)	(2,715)	(325)
Funding balance	-	-	-

KA RŌPŪ WHAKAHAERE A TE KAUNIHERA COUNCIL CONTROLLED ORGANISATIONS

Far North Holdings Limited

Far North Holdings Limited (FNHL) is a Council Controlled Trading Organisation (CCTO) that manages assets and commercial trading on behalf of the council. The council receives an annual dividend as a return on its investment as FNHL's sole shareholder.

Overview

Far North Holdings Limited (FNHL) is the Council Controlled Trading Organisation that develop and manage assets and commercial trading on behalf of the council. FNHL manage a diverse range of district assets to provide employment, economic, cultural and social outcomes to support the growth in the Far North District.

Key activities

1. Manage, operate and develop commercial, maritime, aviation, housing and infrastructure assets within its ownership in a commercial manner, or under the terms of any management agreement entered into.
2. Plan, facilitate and secure commercial outcomes and investment in its area of influence that support economic growth of the Far North District for the betterment of the District, in a socially, culturally and environmentally responsible way.
3. Create profits for its Shareholder and improve the Shareholder's asset value.

Objectives

As the council's commercial vehicle, FNHL will grow the value of Shareholder funds, the return to the council over time and actively manage, develop and maintain regional infrastructure and assets. Additionally, we will contribute to the four aspects of well-being in the communities in which we operate (economic, social, environmental and cultural).

Strategic direction

We consider FNHL to be an enabler of the council's Vision for the Far North "He Whenua Rangatira - A District of sustainable prosperity and wellbeing", Our strategic direction reflects this and the Mission of "He Ara Tāmata - creating great places, supporting our people". FNHL seeks to align with the council's LTP, related Annual Plans and the Far North 2100 strategy; and in the spirit of "no surprises", FNHL will communicate openly and transparently with FNDC on any changes to the strategic direction in the Statement of Intent (SOI).

Policies relating to ownership and control

The council is the sole shareholder of FNHL and return on investment is by way of annual dividends to the council. Through the annual SOI, the council establishes broad parameters for the company's operations without inhibiting proper commercial management.

For more information on FNHL's SOI, please visit their website: www.fnhl.co.nz/statements-reports

How we performed

Financial: Achieve sustainable commercial returns

Create value for ratepayers by increasing shareholder funds.

Measure	2024/25 Target	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22
Grow shareholder's funds	Increase	Achieved \$5.9 million	Not Achieved (\$1.4) million	Achieved \$8.9 million	Achieved \$17.3 million

Narrative

This performance objective is measured by reference to total equity reported in the Statement of Financial Position. This shows an increase of \$5.9 million.

Ratio of consolidated shareholder funds to total assets.

Measure	2024/25 Target	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22
Total equity / total assets	>50%	Not Achieved 48.2%	Achieved 50.3%	Achieved 53.2%	Achieved 53.8%

Narrative

The Group had anticipated sale of a commercial development prior to 30 June 2025, which will now take place during the next financial year. The ratio would have been achieved if the sale had settled prior to year end or the special dividend had not been paid.

Effective financial management to deliver profitability.

Measure	2024/25 Target	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22
Operating profit	>\$2.0 million	Achieved \$3.3 million	Achieved \$2.4 million	Achieved \$0.5 million	Not Achieved \$0.2 million

Narrative

Operating profit is calculated as profit prior to movements in investment properties, share of associates and other non-operating movements, excluding cost of honey sold and includes distributions received from associates.

Return profit to FNDC by way of dividend, in line with dividend policy.

Measure	2024/25 Target	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22
Dividend to FNDC	Dividend payable >\$1.0 million Special dividend \$5.0m dividend	Achieved \$1.6 million Operating Dividend	Achieved \$1.2 million	Achieved \$1.75 million	Not Achieved \$0.12 million

Narrative

The dividend payable under the policy is 50% of the operating profit and is payable in February following the financial year end and the Group will declare and pay a dividend in accordance with the policy. Cash dividends paid during the year ended 30 June 2025 totalled \$5.5 million made up of the operating dividend for the year ended 30 June 2024 and a special dividend.

People: Be a good employer

To make safety our priority to ensure health, safety and wellbeing of all employees and contractors in the Group.

Measure	2024/25 Target	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22
Put in place Health Safety & Wellbeing Objectives	To achieve	Achieved	Achieved	Establish key metrics and implement 6 month reporting to FNDC Achieved	N/A new measure

Narrative

Health, safety, and wellbeing (HSW) policies and procedures in place, subject to scheduled reviews, performance being monitored and measured. The Group reports quarterly to FNDC about HSW.

Comply with our living wage policy for all permanent employees.

Measure	2024/25 Target	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22
Comply with living wage policy for all permanent employees	To achieve	Achieved	Achieved	Achieved	N/A new measure

Narrative

All permanent employees were paid the living wage during 2024/25.

Sustainability - Undertake sustainable investment and management for the benefit of future generations.

Commit to tangible action to measure climate impact and target reductions based on best practice.

Measure	2024/25 Target	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22
Scope requirements for measuring carbon footprint across Far North Holdings and its subsidiaries.	To achieve	Achieved	Not achieved	Prepare a sustainability roadmap identifying ways to minimise climate impact Achieved	N/A new measure

Narrative

The Board has approved a plan and carbon footprint will be measured during the year ended 30 June 2026.

Achieve and maintain Clean Marina certification

Measure	2024/25 Target	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22
Achieve and maintain Clean Marina certification	Achieve	Achieved	Achieved	Achieved	Achieved

Narrative

Clean marina certification held throughout the period.

Community: Create economic and housing opportunities, with improving engagement and communication.

Encourage positive relationships with the community by having transparent engagement policies and monitoring key stakeholder perceptions.

Measure	2024/25 Target	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22
Stakeholder perceptions survey	To achieve	Achieved	Not achieved	N/A new measure	N/A new measure

Narrative

The Group holds and has implemented a Significance and Engagement Policy. Curia Group was engaged in the year to carry out a stakeholder survey.

Ngawha Innovation & Enterprise Park developed to grow economic and employment opportunities in the Far North.

Measure	2024/25 Target	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22
5 businesses based at the Ngawha Innovation and Enterprise Park (the Park)	To achieve	Achieved	Not achieved	Open stage 1 Achieved	N/A new measure

Narrative

Businesses based at the Park include Kaikohe Berries Ltd, Te Pūkenga, Regent Training, Corrections, and the Innovation Centre. There are also a number of smaller businesses working out of the shared workspace and utilising the laboratory facilities.

Identify opportunities to deliver social housing to meet local needs in partnership with Community Housing Providers (CHP's).

Measure	2024/25 Target	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22
Develop at least 50 housing units	To achieve	Achieved	Not achieved	Analysis of 2 social housing opportunities Achieved	N/A new measure

Narrative

13 homes were completed in Kaikohe (in partnership with Te Hau Ora o Ngāpuhi) and 46 homes in Dargaville (in partnership with the Ministry of Housing and Urban Development and Kāhui Tū Kaha). We continue to investigate further opportunities in the North.

Civil Aviation Authority Certification maintained for the BOI Airport to support regional tourism and business visitors.

Measure	2024/25 Target	Actual 2024/25	Actual 2023/24	Actual 2022/23	Actual 2021/22
CAA Certification maintained	To achieve	Achieved	Achieved	Achieved	Achieved

Narrative

Bay of Islands Airport continued to hold a current CAA Part 139 Aerodrome Operating Certificate through 2024/25, thereby conforming with CAA regulatory requirements.

Northland Inc.

Northland Inc works with public and private organisations in Te Tai Tokerau Northland with a common purpose to identify and focus on activities and relationships that strengthen, diversify, and grow Te Tai Tokerau Northland's economy.

Objectives, nature and scope of activities

The objectives, nature and scope of activities and the key performance indicators for the enablers and strategic pou that make up the organisational strategy.

Enablers are core, supporting or contracted activities, while Pou are areas that Northland Inc. will be prioritising effort in.

There are four Pou (priority areas) – Investment and Infrastructure; the Primary Sector, Tourism and Destination Management, Innovation and Enterprise.

There are six enablers - Advocacy and Brand, Māori Economic Development, Environmental Sustainability, Partnerships, Organisational Culture and Capability and Workforce and Education These enablers are part of Northland Inc.'s 'business as usual' (BAU) and supports our activities over a range of sectors and initiatives.

For more information about Northland Inc., please see their website: www.northlandnz.com

How we performed

Investment and Infrastructure

Measure	2024/25 Target	2024/25 Result	Status
Number of inward delegations hosted	3 per annum	6	✓
Number of high impact projects that are being actively supported (reporting by regional strategic sectors)	4 per annum	6	✓

The Primary Sector (Tuputupu Grow Northland)

Measure	2024/25 Target	2024/25 Result	Status
Projects assisted through stages of growth	6 per annum	6	✓
Number of meaningful engagements and relationships with landowners, businesses, stakeholders that lead to and support positive outcomes	88 per annum	88	✓
Number of businesses and landowners that as a result of engagement are exploring, developing, leading and delivering on change activity	24 per annum	11	✗

Narrative

KPI developed as part of a group of KPI's showing delivery of work within Tuputupu Grow Northland. Intention is for a series of engagements (output KPI) to identify priorities for Market Opportunity Studies, to enable study completion and work with businesses and landowners to explore land use change (outcome KPI) . Due to the contractual (and therefore funding) delays, Market Opportunity Studies have not yet been completed, hindering ability to make significant progress with businesses and landowners wishing to explore change. The Market Opportunity Studies will be released in September 2025.

Tourism and Destination Management

Measure	2024/25 Target	2024/25 Result	Status
Number of Destination Marketing campaign initiatives to generate national exposure to the region (reporting will include number of businesses that are engaged in the campaign)	1	3	✓
Number of Destination Management Plan initiatives completed in partnership with stakeholders	6	6	✓

Innovation and Enterprise

Measure	2024/25 Target	2024/25 Result	Status
Number of business engagements assisted (includes both one to one and one to some assistance and reporting by TA and industry)	250	354	✓
Proportion of those business engagements that are Māori (by TA and industry)	35%	33%	✗
Client satisfaction with businesses assistance provided by Northland Inc as measured by Net Promoter Score	>50	83	✓

Advocacy and Brand

Measure	2024/25 Target	2024/25 Result	Status
Number of regional economic development updates or reports released	6	8	✓
Number of media features that profile the region	24	39	✓
Number of media activity that references Northland Inc	52	53	✓

Māori Economic Development

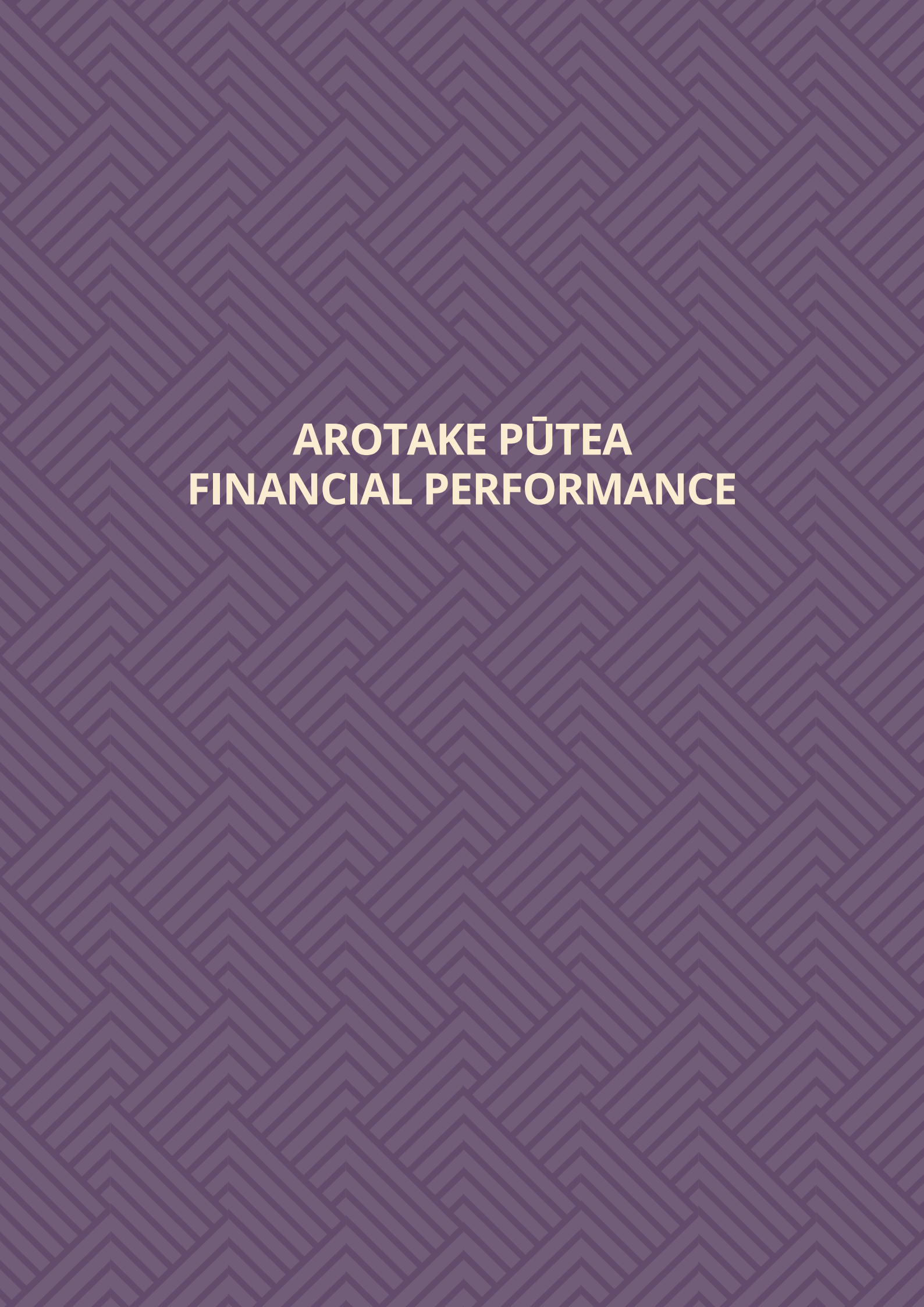
Measure	2024/25 Target	2024/25 Result	Status
Number of iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc. actively supported	18	25	✓
Proportion of Māori organisations that are satisfied with Northland Inc support	>80%	87%	✓

Environmental Sustainability

Measure	2024/25 Target	2024/25 Result	Status
Number of businesses and organisations supported to improve their environmental sustainability	20	44	✓
Number of Northland businesses taking action to reduce their emissions	20	44	✓
Number of Northland businesses supported to meet climate adaptation targets set by Central Government	20	N/A	1

Narrative

Climate Adaptation targets have not been set by Central Government and therefore this KPI is not achievable – however there is a level of policy direction available from Central Government and Northland Inc has been supporting a number of initiatives that align with this – two key examples include the Diversified Pastures Project and the Tourism Carbon Footprint Programme.



AROTAKE PŪTEA FINANCIAL PERFORMANCE

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2025

		Council			Group	
	Note	Actual 2025 \$000s	Budget 2025 \$000s	Actual 2024 \$000s	Actual 2025 \$000s	Actual 2024 \$000s
Operations						
Revenue						
Rates revenue (excluding water by meter rates)	2	108,621	109,353	103,039	108,229	102,660
Fees, charges and water by meter rates	3.a	22,315	22,483	21,050	22,199	20,903
Subsidies and grants	3.b	45,516	65,928	51,456	45,968	51,579
Other income (excluding dividends)	3	31,622	3,527	8,430	60,688	30,897
Dividends	3	5,500	5,000	1,500	-	61
Rental revenue from investment properties	18	-	-	-	7,795	6,896
Total revenue		213,574	206,291	185,475	244,878	212,996
Expenses						
Personnel costs	4	39,021	38,810	34,109	45,024	39,591
Depreciation and amortisation expense	14	51,241	53,611	47,694	53,096	49,329
Finance costs	6	6,704	6,780	5,735	9,730	8,920
Other expenses	5	101,838	90,012	95,089	111,431	134,788
Total expenses		198,804	189,213	182,626	219,281	232,627
Surplus / (deficit) before tax		14,770	17,077	2,849	25,597	(19,631)
Tax expense / (benefit)	7	-	-	-	3,750	1,842
Surplus / (deficit) after tax		14,770	17,077	2,849	21,847	(21,473)
Surplus / (deficit) attributable to:						
Far North District Council		14,770	17,077	2,849	21,847	(21,473)
Items that could be reclassified to surplus						
Financial assets at fair value through equity	24	2	-	3	2	3
Cash flow hedges	24	-	-	-	-	-
Items that will not be reclassified to surplus						
Transfer on disposal		-	-	-	-	-
Gain / (loss) on asset revaluations	16/24	48,190	75,104	110,223	48,910	104,782
Movement to retained earnings		-	-	-	-	1,500
Share of associates other comprehensive income		-	-	-	-	(22)
Tax on revaluation		-	-	-	(275)	(213)
Total other comprehensive revenue and expense		48,192	75,104	110,226	48,637	106,050
Total comprehensive revenue and expense		62,962	92,181	113,075	70,484	84,577

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

	Note	Council			Group	
		Actual 2025 \$000s	Budget 2025 \$000s	Actual 2024 \$000s	Actual 2025 \$000s	Actual 2024 \$000s
Opening balance 1 July		2,602,410	2,554,940	2,489,335	2,697,247	2,612,670
Total comprehensive revenue and expense for the year		62,962	92,181	113,075	70,484	84,577
Dividends Paid					-	
Closing balance 30 June		2,665,372	2,647,121	2,602,410	2,767,731	2,697,247

STATEMENT OF FINANCIAL POSITION

as at 30 June 2025

		Council			Group	
	Note	Actual 2025 \$000s	Budget 2025 \$000s	Actual 2024 \$000s	Actual 2025 \$000s	Actual 2024 \$000s
Public equity						
Other reserves	24	1,123,518	1,145,191	1,082,822	1,127,434	1,085,546
Restricted reserves	24	2,641	12,908	5,830	4,144	7,333
Retained earnings	24	1,539,213	1,489,023	1,513,758	1,636,150	1,604,368
Public equity		2,665,372	2,647,122	2,602,410	2,767,728	2,697,247
represented by:						
Current assets						
Cash and cash equivalents	8	12,786	9,264	9,316	16,498	10,629
Receivables	9	43,422	35,788	43,974	44,779	45,285
Other financial assets	11	-	-	600	402	839
Properties available for sale	34	-	-	-	2,334	6,663
Inventories	10	143	183	134	8,530	7,341
Current assets		56,350	45,235	54,024	72,542	70,757
Less:						
Current liabilities						
Payables and deferred revenue	20	33,547	34,483	35,024	41,698	46,252
Borrowings and other financial liabilities	23	60,200	45,500	61,000	108,950	108,035
Provisions	21	238	9	67	238	67
Financial guarantee liabilities		-	-	-	-	-
Employee benefits	22	3,256	2,825	2,987	3,890	3,656
Current liabilities		97,241	82,817	99,078	154,776	158,010
Working capital		(40,891)	(37,582)	(45,054)	(82,234)	(87,253)
Non-current assets						
Other financial assets	11	4,841	2,126	2,149	7,115	3,155
Biological assets	17.a	-	-	-	-	219
Forestry assets	17.b	358	467	350	358	350
Intangible assets	13	23,504	23,689	15,499	17,205	8,929
Investment properties	18	-	-	-	147,905	128,853
Investments in equity accounted associates	19.b	-	-	-	13,758	13,835
Investments in subsidiaries	19.a	18,000	18,000	18,000	-	-
Property, plant and equipment	12	2,771,325	2,819,268	2,682,972	2,829,157	2,737,753
Non-current assets		2,818,028	2,863,550	2,718,970	3,015,498	2,893,094
Non-current liabilities						
Borrowings and other financial liabilities	23	110,000	178,726	70,000	136,316	82,443
Payables and deferred revenue	20	526	-	111	18,191	18,148
Deferred tax liability	7	-	-	-	9,791	6,609
Provisions	21	1,238	121	1,393	1,238	1,393
Non-current liabilities		111,764	178,847	71,504	165,536	108,593
Net assets		2,665,373	2,647,121	2,602,410	2,767,728	2,697,247

STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

		Council			Group	
		Actual 2025 \$000s	Budget 2025 \$000s	Actual 2024 \$000s	Actual 2025 \$000s	Actual 2024 \$000s
Note						
Operating activities						
Cash was provided from						
Rates		107,730	120,284	98,978	107,338	98,570
Subsidies and grants received		45,516	65,928	51,456	45,823	51,574
Fees and charges received		22,315	17,614	21,050	22,253	20,903
Interest and dividends		6,501	5,111	2,785	1,157	1,178
Other revenue		2,971	-	(2,085)	25,978	19,887
		185,033	208,937	172,184	202,549	192,111
Cash was applied to						
Payment for goods and services		97,047	88,004	85,655	109,785	102,107
Payments made to employees		38,726	37,718	33,315	44,109	38,696
Interest paid		6,704	6,780	5,735	9,556	8,955
GST (net)		(1,546)	-	2,232	(126)	3,468
Income and fringe benefit tax paid		158	195	151	1,001	151
		141,089	132,697	127,087	164,324	153,376
Net cash inflows from operating activities		43,944	76,240	45,097	38,225	38,735
Financing activities						
Cash was provided from						
Borrowing	32.c	37,110	94,804	25,500	112,176	25,271
		37,110	94,804	25,500	112,176	25,271
Cash was applied to						
Borrowing		-	13,089	-	59,477	150
Dividends paid		-	-	-	-	-
		-	13,089	-	59,477	150
Net cash inflows / (outflows) from financing activities		37,110	81,715	25,500	52,699	25,121
Cash flow from investing activities						
Cash was provided from:						
Sale of property, plant and equipment, investment properties and properties intended for sale		-	-	-	4,974	21,508
Cash provided from maturing investments		-	-	-	(698)	1,141
		-	-	-	4,276	22,649
Cash was applied to						
Purchase and development of intangibles		8,865	12,310	4,926	8,865	4,924
Purchase and development of property, plant and equipment, investment property and biological assets		68,718	134,563	75,154	80,466	90,714
		77,583	146,873	80,080	89,331	95,638
Net cash inflows / (outflows) from investing activities		(77,583)	(146,873)	(80,080)	(85,055)	(72,989)
Net cash		3,471	11,082	(9,482)	5,869	(9,133)

	Note	Council			Group	
		Actual 2025 \$000s	Budget 2025 \$000s	Actual 2024 \$000s	Actual 2025 \$000s	Actual 2024 \$000s
Opening balances 1 July						
Cash and cash equivalents		9,316	(1,819)	18,798	10,629	19,762
		9,316	(1,819)	18,798	10,629	19,762
Less balances 30 June						
Cash and cash equivalents	8	12,786	9,264	9,316	16,498	10,629
		12,786	9,264	9,316	16,498	10,629
Cash movements for the year		3,470	11,082	(9,482)	5,869	(9,133)

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Reconciliation of surplus / (deficit) after tax to net cash flow from operating activities				
Reported surplus / (deficit) after tax	14,770	2,849	21,847	(21,473)
Add non-cash items / (less) non-cash items				
Depreciation and amortization	51,241	47,694	53,096	49,329
Vested assets revenue	(28,007)	(2,433)	(28,007)	(2,433)
Change in deferred taxation	-	-	844	-
Loss / (gains) on disposal of property, plant and equipment	5,671	4,330	4,688	1,336
Other valuation (gains) / losses	(8)	-	(12,115)	5,105
Non cash dividend	-	(252)	-	(252)
Ineffective derivative expense	-	-	-	-
Add / (less) movements in other working capital items				
(Increase) / decrease in receivables	552	(10,273)	507	(10,755)
(Increase) / decrease in other financial assets	-	-	437	925
(Increase) / decrease in inventories	(9)	43	(1,189)	(5,651)
Increase / (decrease) in provisions	171	(493)	171	(493)
Increase / (decrease) in financial guarantee liabilities	-	-	-	-
Increase / (decrease) in employee benefits	269	328	234	430
Increase / (decrease) in payables	(1,477)	2,552	(4,555)	6,629
Items classed as investing activities	771	752	2,267	16,037
Net cash inflows from operating activities	43,944	45,097	38,225	38,735

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Statement of accounting policies

Reporting entity

The Far North District Council (the council) is a territorial local authority that is domiciled and operates in New Zealand. The relevant legislation governing the council's operations includes the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002. The consolidated financial statements reflect the operations of Far North District Council and the group.

The group consists of a 100% owned council controlled trading organisation Far North Holdings Limited (FNHL), its wholly owned subsidiaries Bay of Islands Marina Ltd and Far North Housing Ltd, its 50% equity shareholding of its joint venture Far North Skincare Limited and additionally its associate Kaikohe Berryfruit, council controlled organisation Pou Herenga Tai Twin Coast Cycle Trail Charitable Trust (Pou Herenga), and council organisation Te Ahu Charitable Trust (TACT). The council's equity share of its associate Northland Inc. Limited (NI) of 25% is equity accounted into the parent entity financial statements.

The council's primary objective is to provide local infrastructure, goods and services for community or social benefit and any equity has been provided with a view to supporting that primary objective rather than for a financial return.

The council has designated itself and the group as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice.

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

Basis of preparation

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

To ensure consistency with presentation, certain comparative numbers have been reclassified.

Statement of compliance

These financial statements of the council and group have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6 Section 98 and Schedule 10 Part 3 and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the

requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The council and group is a Tier 1 entity and these financial statements have been prepared in accordance with and comply with the PBE International Public Sector Accounting Standards (PBE IPSAS).

Presentation currency

The financial statements are presented in New Zealand dollars (NZD) rounded to the nearest thousand dollars (\$000s).

Changes in accounting policies

The following changes in accounting policies have been applied:

- **Disclosure of Fees for Audit Firms' Services – PBE IPSAS 1**

An amendment to PBE IPSAS 1 was issued in May 2023 and is effective for reporting periods beginning on or after 1 January 2024. This standard addresses concerns regarding the quality and consistency of disclosures provided by an entity about fees paid to its audit or review firm for different types of services. The amendment to this standard has been applied and adoption did not result in any significant impact on the group financial statements.

Summary of material accounting policies

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

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

Basis of consolidation

The consolidated statements incorporate the financial statements of the council and those entities controlled by the council as determined by the application of PBE IPSAS 35 - 37.

FNHL, Pou Herenga and TACT results have been included in the group result.

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flows of entities in the group on a line-by-line basis. All intra-group balances, transactions, revenue and expenses are eliminated on consolidation.

The group financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The

consolidation of an entity begins from the date the council obtains controls of the entity and ceases when the council loses control of the entity.

Revenue

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

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

Rental revenue from investment properties

The group recognises rental income from investment property in profit or loss on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total revenue income, over the term of the lease.

Development contributions

The revenue recognition point for development contributions is when the council provides or is ready to provide the service for which the contribution is levied or the event that will give rise to a requirement for a development contribution under the legislation.

Development agreement contributions

The revenue recognition point for development agreement contributions is when Council provides or is ready to provide the specific infrastructure project for which the agreement contribution has been negotiated with the owner.

Building and resource consent revenue

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

Third party / agency revenue

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

Subsidies and grants revenue

The council receives central government grants from New Zealand Transport Agency, which subsidises part of the council's costs in maintaining the local roading infrastructure.

It also receives subsidies from other government agencies to fund some capital projects. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specific 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.

Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the Statement of Financial Position.

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

Commitments and contingencies are disclosed exclusive of GST.

Development costs

Expenditure on development projects is carried forward to be expended against future revenue to be derived from the project. Expenditure carried forward is expensed at such time the council determines that the project has ceased, or no identified future benefits will be derived.

Financial assets

PBE Standards classify financial assets into three categories:

- i. Measured at amortised cost if:
 - the asset is held by the Group to collect the contractual cash flows; and
 - the contractual cash flows represent solely payments of principal and interest.

Financial assets in this category are initially recognised at fair value and subsequently are required to be measured at amortised cost.

- ii. Measured at fair value through other comprehensive revenue and expense if:

- the objective of the Group's management model for holding the assets is to both collect contractual cash flows and to sell the financial assets; and -
- the asset's contractual cash flows represent solely payments of principal and interest.

Financial assets in this category are required to be measured at fair value with all changes taken through other comprehensive revenue and expenses.

- iii. Measured at fair value through surplus or deficit if:
 - the assets that do not meet the criteria for classification as at amortised cost or at fair value through other comprehensive revenue and expense.

Financial assets in this category are required to be measured at fair value with all changes in fair value recognised in surplus or deficit.

The classification depends on the council's management model for the financial asset and the contractual cash flow characteristics of the financial asset. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

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

Impairment of financial assets

Financial assets carried at amortised cost are assessed each reporting date for impairment. If there is objective evidence of impairment, the difference between the asset's carrying amount and the present value of estimated future cash flows, where appropriate, is recognised in the surplus/(deficit).

Statement of cash flows

Cash or cash equivalents means cash balances on hand, held in bank accounts, demand deposits of three months or less and other highly liquid investments in which the council or its subsidiaries invest as part of its day to day cash management.

Operating activities include cash received from all revenue sources of the council and record the cash payments made for the supply of goods and services. Agency transactions (for example, the collection of regional council rates) are recognised as receipts and payments in the Statement of Cash

Flows given that they flow through the council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of the council.

Non-current assets held for sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position.

Critical accounting estimates and assumptions

In preparing these financial statements, the council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value of Infrastructural assets – see Note 12
- Estimating the remaining useful lives of property, plant and equipment - see Note 12
- Estimating the fair value of investment properties - see Note 18
- Estimating the landfill aftercare provision - see Note 21.

Critical judgements in applying the group's accounting policies

Management has exercised the following critical judgments in applying the group accounting policies for the year ended 30 June 2025:

Classification of property – see Notes 12 and 18

- Determining the fair value of infrastructure assets
- Impairment considerations
- Funding depreciation
- Reclassification to investment property – when the use of a property changes from owner-occupier to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognised in profit and loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

The council funds its depreciation on assets as stated below:

- a. All depreciation on assets will be funded from rates except for:
 - Roading/footpath assets - the subsidy element relating to the depreciation for these assets will not be funded by the relevant roading subsidy rate applicable in the relevant year
 - Water/wastewater/public toilet assets - the depreciation for these assets will be reduced equal to any subsidy element to ensure that the benefit expected to be received by the current ratepayer is applied
 - Swimming pools - the depreciation for these assets will be reduced equal to any community contribution to ensure that the community benefits from the contributions made.

b. Asset groups where depreciation will not be fully funded from depreciation:

- All strategic assets, as per our Significance and Engagement Policy, will have depreciation funded at 76% until 30 June 2027, followed by a phased return to 100% over 10 years. This does not apply to the items identified in (a)
- Depreciation will be funded at a rate of 50% for community buildings/centres, halls and museums
- Depreciation will not be funded from rates for Civil Defence (alarms), carparks, maritime assets, motor camps, Housing for the Elderly, parks and reserves minor structures (e.g. boardwalks/park benches etc.) and solid waste assets.

Any asset group not covered above will have depreciation fully funded from rates (corporate assets etc.).

Equity method of accounting in group financial statements

Investments in associates are accounted for in the group and parent financial statements using the equity method of accounting.

1. Summary revenue and expenditure for groups of activities

Accounting policy

Cost allocation

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

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

Criteria for direct and indirect costs

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity / usage information. The costs of internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

There have been no changes to the cost allocation methodology during the year.

Breakdown of revenue and expenditure by group of activities

	Council		
	Actual 2025 \$000s	Budget 2025 \$000s	Actual 2024 \$000s
Revenue			
Community & Engagement (Customer Services)	11,865	11,165	10,680
Compliance (Environmental Management)	18,940	19,795	16,972
Corporate Services (Governance and Strategic Administration)	2,296	1,880	10,578
District Facilities	50,281	22,864	24,278
Planning and Policy (Strategic Planning and Policy)	9,094	8,688	11,143
Solid Waste Management	6,455	6,442	7,369
Stormwater and Drainage (Stormwater)	5,325	4,896	7,837
Strategic Relationships (Governance and Strategic Administration)	8,663	8,468	-
Transport Network (Roothing and Footpaths)	64,095	72,459	64,950
Wastewater	20,741	20,794	15,982
Water Supply	15,818	28,839	15,686
Total activity revenue	213,574	206,290	185,475
Total revenue	213,574	206,290	185,475
Expenditure			
Community & Engagement (Customer Services)	8,036	7,433	6,189
Compliance (Environmental Management)	12,884	13,651	13,055
Corporate Services (Governance and Strategic Administration)	29,148	22,074	32,277
District Facilities	23,141	24,822	19,638
Planning and Policy (Strategic Planning and Policy)	6,778	7,179	6,556
Solid Waste Management	7,164	6,262	7,354
Stormwater and Drainage (Stormwater)	3,688	3,859	4,630
Strategic Relationships	6,363	6,939	-
Transport Network (Roothing and Footpaths)	60,135	59,586	56,412
Wastewater	23,848	22,996	20,559
Water Supply	17,618	14,412	15,956
Total activity expenditure	198,804	189,213	182,626
Total expenditure	198,804	189,213	182,626

2. Rates revenue

Accounting policy

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
- Revenue arising from late payment penalties is recognised as revenue when rates become overdue.
- Rates postponement applies where ratepayers meet the postponement policy criteria. Rates are shown as income in the year of postponement and recognised as an asset when it is probable that future economic benefits or service potential associated with the asset will flow to the council.
- Rates remissions are recognised as a reduction in rate revenue when the council has received an application that satisfies its rate remission policy.
- Rates collected on behalf of the Northland Regional Council (NRC) are not recognised in the financial statements, as the council is acting as an agent for the NRC.

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000
Rates - general	63,327	64,740	62,935	64,361
Targeted rates attributable to activities				
District Facilities	15,530	13,019	15,530	13,019
Roading	5,409	4,826	5,409	4,826
Stormwater	3,241	2,356	3,241	2,356
Wastewater	18,709	15,274	18,709	15,274
Water, excluding water by meter rates	3,675	4,247	3,675	4,247
Rates - penalties	1,404	1,309	1,404	1,309
Less remissions	(2,675)	(2,732)	(2,675)	(2,732)
Total rates, excluding targeted water supply rates	108,621	103,039	108,229	102,660

The council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the council from other Local Authorities for services provided by that Council for which those other Local Authorities rate. The annual rates income of council for the year ended 30 June 2025 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council	
	2025 \$000s	2024 \$000s
Rates, excluding water by meter rates	111,296	105,771
Water by meter rates	9,563	8,424
Less remissions	(2,675)	(2,732)
Total annual rates revenue	118,184	111,463

The council's remission policies are designed to recognise the unique nature of the Far North with its significant areas of unoccupied Māori freehold land. Overall the policies address issues of financial hardship and the protection of areas of land with particular conservation or community values. Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates in respect of sewerage, refuse and water. Non-rateable land does not constitute a remission under the council's rates remission policy.

The number of rating units at 30 June 2025 was 40,045 per the QV valuation report which includes non-rateable units of approximately 5,935 at year end.

The land value of these units was \$18,688,512,885 and the capital value was \$33,490,771,335.

3. Other revenue

Accounting policy

Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised on an accrual basis net of imputation credits when the right to receive the dividend is established.

Vested or donated physical assets

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

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

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

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000
Interest	1,001	2,033	1,155	2,117
Vested and previously unrecognised assets	28,007	2,433	28,007	2,433
Gain on revaluation	8	-	12,310	-
Other income	2,606	3,964	19,216	26,347
Total other revenue (excluding dividends)	31,622	8,430	60,688	30,897

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000
Dividends	5,500	1,500	(0)	61
Total dividends	5,500	1,500	(0)	61

3.a Fees and charges analysis (including water by meter rates)

Accounting policy

Landfill Services

Fees for disposing of waste at the council's landfill are recognised as waste is disposed of by users.

Sale of goods

Revenue from fees and charges is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Water by meter rates

Revenue from water by meter rates is recognised on an accrual basis, based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000
Community services	1,345	1,334	1,345	1,334
Customer services	623	622	623	622
Other fees and charges	1,203	1,103	1,203	956
Refuse / landfill services	1,882	1,501	1,882	1,501
Regulatory services	6,656	6,997	6,656	6,997
Roading	539	521	539	521
Wastewater services	138	169	138	169
Water services	9,928	8,804	9,812	8,804
Total fees, charges and targeted water supply rates	22,315	21,050	22,199	20,903

3.b Subsidies and Grants analysis

Accounting policy

Waka Kotahi New Zealand Transport Agency roading subsidies

The council receives funding assistance from Waka Kotahi 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.

FNHL has elected to apply NZ IAS 20 in deducting grants received for capital expenditure in arriving at the carrying amount of the assets purchased. Grants for revenue expenditure are netted against the cost incurred by the Company. This treatment has been adjusted on consolidation to align the group result with the requirements PBE IPSAS 23.

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000
CERF - Climate Emergency Response Fund	-	397	-	397
DIA - 3 Waters Reform Subsidy	2,633	4,703	2,633	4,703
IAF - Kāinga Ora Homes and Communities	990	-	990	-
MBIE - Civil Defence Emergency	160	134	423	134
MBIE - District Wide Storm Response & Mitigation	1	-	1	-
MBIE - Freedom Camping Transition Fund	86	-	86	-
MBIE - Provincial Growth Fund (PGF)	0	1,101	190	1,101
MBIE - Tourism Infrastructure Fund (TIF)	240	1,120	240	1,177
Ministry of Social Development	12	36	12	36
NZTA Rooding subsidies	40,892	43,658	40,892	43,659
Sundry grants & donations	500	307	500	372
Total subsidies and grants	45,516	51,456	45,967	51,579

There are no unfulfilled conditions or other contingencies attached to the subsidy revenue recognised.

4. Personnel costs

Accounting policy

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

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000
Salaries and wages	37,960	33,207	43,836	38,440
Plus / (less) capitalised salaries	230	87	230	87
Total salaries and wages expense	38,191	33,294	44,065	38,527
Kiwi saver contributions	1,010	902	1,173	1,057
Increase / (decrease) in employee benefit liabilities	50	-	14	93
Total personnel costs	39,250	34,196	45,252	39,676

The above table includes capitalised salary costs of \$229,551 (2024: \$87,004).

5. Other expenses

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000
Fees paid to the principal auditor				
Audit of financial statements	306	268	461	391
Other assurance engagements	-	-	-	-
Debenture Trust Deed assurance engagement	10	8	10	8
Donations	-	-	11	3
Inventory expenses in year	9	(43)	2,219	2,333
Loss on disposal of property, plant and equipment	5,671	4,330	5,814	4,330
Impairment of intangible assets	-	-	-	-
Impairment of property, plant and equipment	-	-	-	1,162
Impairment of rates receivables (note 9)	3,454	2,177	3,454	2,177
Impairment of other receivables (note 9)	(75)	282	(62)	313
Direct expenses from investment property	-	-	2,566	2,849
Minimum lease payments - operating leases	936	870	1,080	1,046
Other expenses	91,527	87,196	95,878	120,176
Total other expenses	101,838	95,089	111,431	134,788

6. Finance costs

Accounting policy

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

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000
Interest expense on borrowings	6,587	5,596	9,613	8,781
Interest unwind - landfill aftercare	117	139	117	139
Total finance costs	6,704	5,735	9,730	8,920

7. Tax

Accounting policy

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

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

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

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit. Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to items recognised in other comprehensive revenue and expense or directly in equity.

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000
Components of tax expense				
Current tax expense - continuing operations	-	-	843	-
Deferred tax expense - continuing operations	-	-	2,907	1,842
Income tax expense	-	-	3,750	1,842
Relationship between tax expenses and accounting profit				
Continuing operations	14,770	2,849	25,597	(19,631)
Discontinued operations	-	-	-	-
Profit before taxation and share of profit of associate	14,770	2,849	25,597	(19,631)
Taxation at 28% (2024 - 28%)	4,136	798	7,167	(5,497)
Plus (less) tax effect of				
Non taxable income & other permanent differences	(4,136)	(798)	(3,848)	4,693
Group loss offset	-	-	-	-
Other movement	-	-	431	2,646
Taxation expense / (benefit)	-	-	3,750	1,842

Taxation legislation changes enacted during the year ended 30 June 2024 have removed tax depreciation on commercial buildings with an expected life of 50 years from 1 July 2024. This change has increased the deferred tax expense and deferred tax liability for the year ended 30 June 2025.

Group

Deferred tax	Property plant and equipment \$000s	Investment properties \$000s	Biological assets \$000s	Employee entitlements \$000s	Tax losses \$000s	Other item \$000s	Total \$000s
Balance at 30 June 2023	946	3,962	(195)	(161)	-	-	4,554
Charged to statement of comprehensive revenue and expense	1,138	516	195	(7)	-	-	1,842
Charged to equity	213	-	-	-	-	-	213
Balance at 30 June 2024	2,297	4,478	-	(168)	-		6,609
Charged to statement of comprehensive revenue and expense	384	2,712	-	20	(199)	(10)	2,907
Charged to equity	275	-	-	-	-	0	275
Balance at 30 June 2025	2,956	7,190	-	(148)	(199)	(10)	9,791

From 1 July 2007 the council and FNHL have formed a consolidated group for tax purposes. Tax profits in FNHL are automatically offset against tax losses in council. The council has not recognised a deferred tax asset in relation to tax losses of \$nil (2024 nil). However, these losses have been recognised in the group accounts.

8. Cash and cash equivalents

Accounting policy

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

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Cash at bank and on hand				
Various (subsidiaries, community facilities, etc)	4	4	3,716	4
General fund (unsecured)	6,942	1,481	6,942	2,794
Term deposits with maturities less than 3 months at acquisition	5,840	7,831	5,840	7,831
Total cash and cash equivalents	12,786	9,316	16,498	10,629

The carrying value of short term deposits with maturity dates of three (3) months or less approximates their fair value. Cash and cash equivalents includes the following for the purpose of the statement of cash flows.

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Cash at bank and on hand	6,946	1,485	10,658	2,798
Term deposits with maturities less than 3 months at acquisition	5,840	7,831	5,840	7,831
Total	12,786	9,316	16,498	10,629

The council has an overdraft facility of \$3 million (2024 \$3 million).

9. Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for Expected Credit Losses (ECL). The council applied the simplified ECL model of recognising lifetime ECL for short-term receivables. In measuring ECLs, receivables have been grouped into land rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are 'written-off':

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

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

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Rates and penalties	37,213	32,974	37,213	32,974
Sundry debtors (including postponed rates debtors)	24,998	25,349	25,990	26,122
Prepayments	1,692	1,207	2,033	1,634
Related party receivables	-	-	87	-
Other receivables (e.g GST)	2,074	3,620	2,074	3,620
Gross debtors and other receivables	65,977	63,150	67,397	64,350
Less provision for impairment - rates	21,788	18,334	21,788	18,334
Less provision for impairment - sundry debtors	767	842	831	731
Current debtors and other receivables	43,422	43,974	44,779	45,285

The carrying value of trade and other receivables approximates their fair value. There is no concentration of credit risk with respect to receivables as the group has a large number of customers.

All overdue receivables have been assessed for impairment and the appropriate provisions applied. All receivables, excluding rates, are past due if not paid by the 20th of the month following the month of issue. The council and the group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. The ageing profile of debtors and other receivables at year end is detailed below:

The Chief Executive approved the write-off of rates totalling \$321,957 (2024 - \$102,250) during the year under Section 90A of the LG(R)A 2002.

	2025			2024		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Council						
Not past due	19,633	-	19,633	20,836	-	20,836
Past due 1 – 60 days	13,039	6,031	7,008	11,982	4,591	7,391
Past due 61 – 90 days	123	-	123	196	-	196
Past due over 90 days	33,182	16,524	16,658	30,137	14,585	15,552
Total	65,977	22,555	43,422	63,150	19,176	43,974
Group						
Not past due	20,780	-	20,780	21,921	-	21,921
Past due 1 – 60 days	13,097	6,095	7,002	12,024	4,480	7,544
Past due 61 – 90 days	141	-	141	230	-	230
Past due over 90 days	33,378	16,524	16,856	30,175	14,585	15,590
Total	67,397	22,619	44,779	64,350	19,065	45,285

Movements in the provision for impairment of receivables are as follows:

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Impairment of rates				
At 1 July	18,334	16,156	18,334	16,156
Additional provisions made during the year	4,676	3,519	4,676	3,519
Receivables written off during period	(1,223)	(1,341)	(1,223)	(1,341)
At 30 June	21,787	18,334	21,787	18,334
Impairment of sundry debts				
At 1 July	842	560	732	552
Additional provisions made during the year	(61)	298	111	125
Receivables written off during period	(14)	(16)	(12)	55
At 30 June	767	842	831	732

The provision for impairment of receivables is determined based on an expected credit loss (ECL) model. In assessing credit losses for receivables, the council applied the simplified approach and record lifetime ECL on receivables. Lifetime ECL result from all possible default events over the expected life of a receivable. In assessing ECL on receivables the council considered both quantitative and qualitative inputs such as past collection rates, ageing of receivables and trading outlook. To measure the ECL, all receivables have been grouped based on shared credit risk characteristics and other receivables have been grouped by the days overdue. Expected loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debt.

10. Inventories

Accounting policy

Inventories are valued at the lower of cost (determined on a first in first out basis) and net realisable value. This valuation includes allowances for slow moving and obsolete inventories.

Inventories held for distribution at no charge, or for a nominal amount, are stated at the lower of cost and current replacement cost.

The write down from cost to current replacement cost or net realisable value is recognised in the surplus / (deficit).

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Development Property	-	-	8,342	6,920
Consumable stocks and materials	143	134	171	399
Chandlery and boatyard	-	-	17	22
Total inventories	143	134	8,530	7,341

There are no inventory items held for distribution.

11. Other financial assets

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Current portion				
Loans and receivables	-	600	402	839
Short-term deposits maturity 4 - 12 months	-	-	-	-
Fair value through other comprehensive revenue and expense				
LGFA borrower notes	-	-	-	-
Listed Fonterra shares	-	-	-	-
Total current portion	-	600	402	839
Non-current portion				
Loans and receivables	600	-	1,558	1,006
Fair value through other comprehensive revenue and expense				
LGNZ shares	81	79	81	79
LGFA borrower notes	4,160	2,070	5,476	2,070
Total non-current portion	4,841	2,149	7,115	3,155

There are no impairment provisions for other financial assets, they are measured at amortised cost.

Council holds 85,440 shares in Local Government Insurance Corp Ltd. As they are not material, council has estimated the fair value of these should be based on the LGNZ net asset backing as at 30 June. These shares are not traded.

12. Property, plant and equipment - council and group

Accounting policy

Property, plant and equipment

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, The council and group recognises such parts as individual assets/components with specific useful lives and depreciates them accordingly.

Property, plant and equipment consists of:

- i. Operational assets
These include land, buildings, improvements, plant and equipment, and motor vehicles.
- ii. Restricted assets
Restricted assets are parks and reserves owned by the council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- iii. Infrastructural assets
Infrastructure assets are the fixed utility systems owned by the council. Each asset type includes all items that are required for the network to function; for example, sewer reticulation includes reticulation piping and sewer pump stations.

Revaluations

The council and group accounts for revaluations of property, plant and equipment on a class of asset basis. Valuations are performed with sufficient regularity to ensure that the carrying amount is not materially different to their fair value. Carrying values of revalued assets are assessed annually to ensure they do not differ materially to fair value. If there is a material difference then a revaluation is performed.

All assets are valued at historical cost, except the following assets which are shown at fair value, based on periodic valuations by independent valuers, less subsequent depreciation:

- Roading infrastructural assets
- Carparks
- Stormwater infrastructural assets
- Refuse transfer stations
- Water and wastewater infrastructural assets
- Heritage assets
- Library Books
- Parks & reserves
- Maritime assets
- Land (except land under roads)
- Footpaths and footbridges
- Community facilities buildings.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the surplus / (deficit) will be recognised first in the surplus / (deficit) up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

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

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

Additions between valuations are recorded at cost, except for vested assets. Certain infrastructure assets and land have been vested in council as part of the sub divisional consent process. The vested reserve land has been valued at 50% of the surrounding residential land as per an appropriately certified government valuation. Vested infrastructure assets have been valued based on the actual quantities of infrastructure components vested and the current unit rates for that component provided by the most recent valuation.

Subsequent costs

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

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

Assets under construction

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

Disposals

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

Depreciation

Depreciation is provided for on a straight line basis on all property, plant and equipment, other than land and roading formation, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Assessed economic life is calculated using the methodology in the New Zealand Institute of Asset Management (NZIAM) manual. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Operational assets

Runways	25 years	4%
Buildings	15 – 120 years	0.83 – 6.67%
Motor vehicles	3 – 5 years	20 – 33%
Plant and machinery	1 – 40 years	2.5 – 100%
Wharves (concrete)	10 - 85 years	1.17 - 10%
Wharves (timber), moorings and ramps	10 – 50 years	2 – 10%
Office furniture and equipment	5 – 15 years	6.67 – 20%
Computers	3 - 7 years	14.28 – 33%
Library books	5 – 40 years	2.5 – 20%
Heritage assets	10 – 155 years	0.65 – 10%
Leasehold improvements	3 - 25 years	4 - 33%

Infrastructural assets

<i>Roads</i>		
Top surface (seal)	12 - 50 years	2 – 8.33%
Top surface (unsealed)	5 - 12 years	8.33 - 20%
Pavement (base course) sealed	35 years	2.85%
Pavement (sub base) sealed	35 - 50 years	2 - 2.85%
Retaining and Seawalls	50 - 80 years	1.25 - 2%

Operational assets

Culverts, cesspits	25 - 100 years	1 – 4%
Surface water channels	0 - 50 years	0 - 20%
Footpaths	30 – 60 years	1.6 – 3.3%
Kerbs	50 – 80 years	1.25 – 2%
Street lights	8– 60 years	1.67 – 12.5%
Signs	20 years	5%
Bridges	50 – 100 years	1 – 2%
Railings	40 – 50 years	2 – 2.5%
<i>Water Reticulation</i>		
Pipes	50 – 100 years	1 – 2%
Valves, hydrants	50 - 70 years	1.43 – 2%
Pump stations	10 – 50 years	2 – 10%
Treatment Plants	5 - 80 years	1.25 - 20%
Tanks / dams	5 - 80 years	1.25 - 20%
<i>Sewerage Reticulation</i>		
Pipes	40 - 100 years	1 – 2.5%
Manholes	80 years	1.25%
Pump stations	10 - 60 years	1.67 - 10%
Treatment plant	10 - 60 years	1.67 - 10%
<i>Stormwater Systems</i>		
Pipes	50 – 100 years	1 – 2%
Manholes	100 years	1%
Refuse	5 - 100 years	1 - 20%

Improvements to leased assets are depreciated over the shorter of the unexpired period of the leases and the estimated useful lives of the improvements. The residual value and useful life of an asset is reviewed, and has been adjusted if applicable, at each financial year end.

Land is not depreciated.

Impairment

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carry amount may not be recoverable.

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

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

The carrying amounts of the council and group assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the surplus / (deficit). Impairment losses on revalued assets offset any balance in the asset revaluation reserve, with any remaining impairment loss being posted to the surplus / (deficit).

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus / (deficit), a reversal of the impairment loss is also recognised in the surplus / (deficit).

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

Value in use for non-cash generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Critical accounting estimates and assumptions

Infrastructural assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset. The council may be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets that are not visible, such as stormwater, wastewater and water supply pipes that are underground. This risk is minimised by the council performing physical inspections and assessments;
- Estimating unit cost of construction;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. If useful lives do not reflect the actual consumption of the benefits of the asset, then the council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense.

To minimise this risk, the council's infrastructural and other asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based upon past experience.

Experienced independent valuers perform the council's infrastructural asset revaluations.

Estimating the fair value of land, buildings and infrastructure

Land (Operational, restricted and infrastructural)

The most recent valuation of land was performed by an independent registered valuer at QV Asset & Advisory. This valuation was effective as at 30 June 2024.

Land is valued at fair value using market-based evidence and the highest and best use scenario. Due consideration has been made for restrictions due to easements, covenants and any restrictions such as the Reserves Act.

An assumption has been made that all land valued is held by the council in freehold ownership.

Buildings (operational and restricted)

Buildings have been valued on a depreciated replacement cost basis in most cases. Buildings were valued by QV Asset & Advisory with an effective date of 30 June 2025.

Depreciated replacement cost is determined using a number of assumptions including:

- Replacement cost rates derived from construction contracts of like assets and recent costings obtained from construction details
- Inspection of all buildings with a value of over \$50,000
- It was considered that most current buildings in the property portfolio are fully utilised and optimisation is not necessary. Straight-line depreciation has been applied in determining the depreciated replacement cost value of the assets. Economic lives have been adopted taking into consideration the council's replacement / maintenance plans.

The council's residential buildings (Housing for the Elderly) has been valued on a depreciated replacement cost method. This is due to the fact that there was a paucity of relevant recent sales evidence to derive an appropriate market value.

Any buildings valued using market based evidence as are follows:

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Operational Buildings				
Roading Strategic Buildings	3,247	3,277	3,247	3,277
Restricted Buildings				
Restricted Buildings	-	-	-	-
Total	3,247	3,277	3,247	3,277

Infrastructural asset classes: sewerage, water, refuse, stormwater and roading

Sewerage, water, stormwater and roading are valued at depreciated replacement cost by SPM Assets Ltd and Fraser Campbell of Campbell Consulting Ltd. The sewerage and water valuations (excluding land) have an effective date as at 30 June 2024.

The stormwater valuations have an effective date of 30 June 2025. The roading asset classes such as pavement, drainage and bridges have an effective date as at 30 June 2025. Refuse is valued at depreciated replacement cost by SPM Assets Ltd. Refuse valuations have an effective date as at 30 June 2025.

Depreciated replacement cost is determined using a number of assumptions including:

- Assets are assumed to be replaced with the least cost alternative modern equivalent asset providing the same service potential
- Residual values were assessed as zero for all assets
- Depreciation was applied to depreciable assets on a straight-line basis over the assessed total economic life of the asset
- Issues of functional and design obsolescence and surplus capacity have been considered but no optimisation adjustments were considered necessary.

Library collections

Library collections are valued at depreciated replacement cost and valuations are performed by the in-house systems librarian and the fixed asset accountant. These valuations have been peer reviewed by SPM Assets Ltd. The last valuation was effective as at 31 March 2025.

Maritime assets

Maritime assets were valued at depreciated replacement cost by CBRE Valuation and Advisory Services. The last valuation was effective as at 30 June 2025. The following assumptions were used in determining the depreciated replacement cost:

- Replacement costs are derived from recent contract information, indexed cost increases, historical cost data and in-house advice from engineers
- Remaining lives have been applied as per advice from Far North Holdings engineers as a result of a full data collection exercise carried out in June 2023 and an updated condition reports in the 2020/21 financial year. In addition work has been carried out by asset managers within FNDC and this advice has also been incorporated into the valuation.

Heritage assets

Heritage assets were valued at depreciated replacement cost in accordance with the 2002 Treasury valuation guidance for cultural and heritage assets and IPSAS 17 Property, plant and equipment. Heritage valuations are performed by WSP New Zealand Ltd with the last valuation having an effective date of 30 June 2024.

Operational assets

Ferry assets were valued at depreciated replacement cost by Emtech, engineering and marine consultants, effective as at 30 June 2023. Plant Assets such as the sewerage treatment assets at the Houhora camping ground were valued by AECOM as these were considered to be specialised in nature.

Critical judgments in applying the council's accounting policies

Classification of property

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

12.a Property, plant and equipment - Council

2025	Cost / revaluation 30 June 2024	Accumulated depreciation and impairment charges 30 June 2024	Carrying amount 30 June 2024	Current year additions and transfers	Current year vested assets
Land	1,522	-	1,522	-	-
Vehicles and plant	5,964	(1,951)	4,013	477	-
Leasehold improvements	1,002	(838)	164	16	7,272
Wharves, ramps, moorings	15,946	-	15,946	5,176	-
Furniture, fitting and office equipment	2,515	(1,637)	878	152	-
Information systems	6,096	(4,680)	1,416	1,456	-
Work in progress	1,741	-	1,741	1,707	-
Total operational assets	34,786	(9,106)	25,680	8,984	7,272
Roading land	374,917	-	374,917	-	-
Roading and footpaths	1,576,171	(4,280)	1,571,892	35,515	673
Water – treatment plants and facilities	30,305	-	30,305	3,556	-
Water - reticulation	95,249	-	95,249	588	235
Wastewater – treatment plants and facilities	67,478	-	67,478	3,804	-
Wastewater - reticulation	103,374	-	103,374	450	346
Stormwater	106,354	(2,313)	104,041	493	299
Refuse	6,140	(301)	5,839	159	-
Community facilities	118,296	(9,912)	108,384	20,948	19,179
Infrastructural Land	68,890	-	68,890	2,490	-
*Work in progress	76,321	-	76,321	75,876	-
Total infrastructural assets	2,623,496	(16,806)	2,606,690	143,879	20,732
Council restricted assets					
Land	43,787	-	43,787	-	-
Buildings	-	-	-	-	-
Heritage	6,815	-	6,815	52	-
Total restricted assets	50,602	-	50,602	52	-
Total property, plant and equipment	2,708,884	(25,912)	2,682,972	152,916	28,007

Some asset classes reflect a zero opening balance for accumulated depreciation. The council has adopted the deemed cost model of revaluations which requires that the accumulated depreciation balance is written back at the time of revaluation.

The balance for revalued asset classes will reflect a zero balance in years that the asset class is revalued.

Current year disposals and transfers (at book value)	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation surplus / (deficit)	Cost / revaluation 30 June 2025	Accumulated depreciation and impairment charges 30 June 2025	Carrying amount 30 June 2025
-	-	-		-	1,522	-	1,522
(82)	-	(803)		-	6,097	(2,492)	3,605
(6)	-	(49)		5	8,090	(689)	7,401
(69)	-	(797)		442	20,698	-	20,698
-	-	(157)		4	2,620	(1,741)	879
(4)	-	(499)		-	7,378	(5,009)	2,369
(2,413)	-	-		-	1,035	-	1,035
(2,574)	-	(2,305)	-	451	47,440	(9,931)	37,509
-	-	-		(120)	374,797	-	374,797
(3,167)	-	(26,415)		27,740	1,610,645	(4,408)	1,606,237
(165)	-	(1,725)		-	33,675	(1,702)	31,973
(105)	-	(2,107)		-	95,950	(2,090)	93,860
(878)	-	(3,933)		-	70,353	(3,883)	66,470
(77)	-	(2,571)		-	104,091	(2,568)	101,523
-	-	(2,329)		8,489	110,994	-	110,994
(26)	-	(332)		659	6,300	-	6,300
(1,173)	-	(8,361)		10,558	152,321	(2,785)	149,536
-	-	-		-	71,380	-	71,380
(81,801)	-	-		-	70,397	-	70,397
(87,392)	-	(47,773)	-	47,328	2,700,903	(17,436)	2,683,466
-	-	-		-	43,787	-	43,787
-	-	-		-	-	-	-
-	-	(305)		-	6,867	(305)	6,562
-	-	(305)	-	-	50,654	(305)	50,349
(89,966)	-	(50,381)	-	47,779	2,798,997	(27,671)	2,771,326

2024	Cost / revaluation 30 June 2023	Accumulated depreciation and impairment charges 30 June 2023	Carrying amount 30 June 2023	Current year additions and transfers	Current year vested assets
Land	1371	-	1371	-	-
Vehicles and plant	5,744	(1,298)	4,446	466	8
Leasehold improvements	990	(748)	242	19	-
Wharves, ramps, moorings	15,632	-	15,632	107	-
Furniture, fitting and office equipment	2,511	(1,479)	1032	40	-
Information systems	5,730	(4,183)	1,547	628	-
Work in progress	922	-	922	1,996	-
Total operational assets	32,900	(7,708)	25,192	3,256	8
Roading land	373,475	-	373,475	627	-
Roading and footpaths	1,508,122	(3,760)	1,504,362	43,682	441
Water – treatment plants and facilities	29,817	(1,188)	28,630	1,601	-
Water - reticulation	72,128	(1,814)	70,314	1,169	88
Wastewater – treatment plants and facilities	68,440	(3,334)	65,107	2,161	-
Wastewater - reticulation	88,620	(2,286)	86,334	169	236
Stormwater	104,787	-	104,787	1,185	381
Refuse	5,387	-	5,387	753	-
Community facilities	101,863	(2,478)	99,385	16,752	22
Infrastructural Land	65,338	-	65,338	718	15
*Work in progress	71,868	-	71,868	78,083	-
Total infrastructural assets	2,489,845	(14,858)	2,474,987	146,900	1,183
Council restricted assets					
Land	43,116	-	43,116	-	-
Buildings	-	-	-	-	-
Heritage	3,378	(153)	3,225	7	1,039
Total restricted assets	46,494	(153)	46,341	7	1,039
Total property, plant and equipment	2,569,239	(22,719)	2,546,520	150,163	2,230

Some asset classes reflect a zero opening balance for accumulated depreciation. The council has adopted the deemed cost model of revaluations which requires that the accumulated depreciation balance is written back at the time of revaluation.

The balance for revalued asset classes will reflect a zero balance in years that the asset class is revalued.

Current year disposals and transfers (at book value)	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation surplus / (deficit)	Cost / revaluation 30 June 2024	Accumulated depreciation and impairment charges 30 June 2024	Carrying amount 30 June 2024
-	-	-	-	151	1522	-	1,522
(114)	-	(792)	-	-	5,964	(1,951)	4,013
(4)	-	(93)	-	-	1,002	(838)	164
(4)	-	(711)	-	921	15,946	-	15,946
-	-	(160)	-	(31)	2,515	(1,637)	878
(16)	-	(743)	-	-	6,096	(4,680)	1,416
(1,177)	-	-	-	-	1,741	-	1,741
(1,315)	-	(2,499)	-	1,041	34,786	(9,106)	25,680
-	-	-	-	815	374,917	-	374,917
(3,620)	-	(25,282)	-	52,306	1,576,171	(4,280)	1,571,892
(175)	-	(1,508)	-	1,757	30,305	-	30,305
(131)	-	(1,901)	-	25,710	95,249	-	95,249
(13)	-	(3,282)	-	3,507	67,478	-	67,478
(92)	-	(2,175)	-	18,900	103,374	-	103,374
-	-	(2,313)	-	-	106,354	(2,313)	104,041
-	-	(301)	-	-	6,140	(301)	5,839
(302)	-	(7,474)	-	1	118,296	(9,912)	108,384
-	-	-	-	2,820	68,890	-	68,890
(73,629)	-	-	-	-	76,321	-	76,321
(77,962)	-	(44,236)	\$ -	105,816	2,623,495	(16,806)	2,606,690
-	-	-	-	-	-	-	-
-	-	-	-	670	43,787	-	43,787
-	-	-	-	-	-	-	-
0	-	(153)	-	2,696	6,815	-	6,815
0	-	(153)	-	3,366	50,602	-	50,602
(79,277)	-	(46,888)	-	110,223	2,708,883	(25,912)	2,682,972

12.b Property, plant and equipment - Group

2025	Cost / revaluation 30 June 2024	Accumulated depreciation and impairment charges 30 June 2024	Carrying amount 30 June 2024	Current year additions and transfers	Current year vested assets
Land	12,029	-	12,029	-	-
Buildings	38,583	(3,736)	34,847	504	-
Vehicles, boat transporters and plant	8,340	(3,203)	5,137	1,975	-
Leasehold improvements	1,166	(888)	278	16	7,272
Wharves, ramps, moorings	17,249	(33)	17,216	5,201	-
Furniture, fittings and office equipment	9,382	(5,836)	3,545	686	-
Information systems	6,108	(4,693)	1,415	1,456	-
Runways	3,152	-	3,152	-	-
Site works	531	(517)	14	-	-
Heritage	859	-	859	-	-
Work in progress	1,969	-	1,969	1,693	-
Total operational assets	99,369	(18,906)	80,461	11,531	7,272
Roading land	374,917	-	374,917	-	-
Roading and footpaths	1,576,171	(4,280)	1,571,892	35,515	673
Water - treatment plants and facilities	30,305	-	30,305	3,556	-
Water - other	95,249	-	95,249	588	235
Wastewater - treatment plants and facilities	67,478	-	67,478	3,804	-
Wastewater - other	103,374	-	103,374	450	346
Stormwater	106,354	(2,313)	104,041	493	299
Refuse	6,140	(301)	5,839	159	-
Community facilities	118,296	(9,912)	108,384	20,948	19,179
Infrastructural Land	68,890	-	68,890	2,490	-
Work in progress	76,321	-	76,321	75,876	-
Total infrastructural assets	2,623,495	(16,806)	2,606,691	143,879	20,732
Council restricted assets					
Land	43,787	-	43,787	-	-
Heritage	6,815	-	6,815	52	-
Total restricted assets	50,602	-	50,601	52	-
Total property, plant and equipment	2,773,466	(35,712)	2,737,753	155,464	28,007

Some asset classes reflect a zero opening balance for accumulated depreciation. The council has adopted the deemed cost model of revaluations which requires that the accumulated depreciation balance is written back at the time of revaluation.

The balance for revalued asset classes will reflect a zero balance in years that the asset class is revalued.

Current year disposals and transfers (at book value)	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation surplus / (deficit)	Cost / revaluation 30 June 2025	Accumulated depreciation and impairment charges 30 June 2025	Carrying amount 30 June 2025
-	-	-	-	-	12,029	-	12,029
(4)	-	(627)	3,103	(1,734)	40,063	(3,974)	36,089
(141)	-	(971)	-	-	9,910	(3,911)	5,999
(6)	-	(55)	-	5	8,254	(745)	7,509
(69)	-	(880)	262	361	22,127	(37)	22,090
(12)	-	(427)	55	4	10,064	(6,212)	3,853
(4)	-	(499)	-	-	7,390	(5,021)	2,369
-	-	(131)	-	261	3,282	-	3,282
-	-	(2)	-	-	530	(519)	11
-	-	-	-	-	859	-	859
(2,413)	-	-	-	-	1,249	-	1,249
(2,649)	-	(3,592)	3,420	(1,103)	115,759	(20,419)	95,339
-	-	-	-	(120)	374,797	-	374,797
(3,167)	-	(26,415)	-	27,740	1,610,645	(4,408)	1,606,237
(165)	-	(1,725)	-	-	33,675	(1,702)	31,973
(105)	-	(2,107)	-	-	95,950	(2,090)	93,860
(878)	-	(3,933)	-	-	70,353	(3,883)	66,470
(77)	-	(2,571)	-	-	104,091	(2,568)	101,523
-	-	(2,329)	-	8,489	110,994	-	110,994
(26)	-	(332)	-	659	6,300	-	6,300
(1,173)	-	(8,361)	-	10,558	152,321	(2,785)	149,536
-	-	-	-	-	71,380	-	71,380
(81,801)	-	-	-	-	70,397	-	70,397
(87,392)	-	(47,773)	-	47,326	2,700,903	(17,437)	2,683,468
-	-	-	-	-	-	-	-
-	-	-	-	-	43,787	-	43,787
-	-	(305)	-	-	6,867	(305)	6,562
-	-	(305)	-	-	50,654	(305)	50,349
(90,041)	-	(51,670)	3,420	46,223	2,867,316	(38,159)	2,829,156

2024	Cost / revaluation 30 June 2023	Accumulated depreciation and impairment charges 30 June 2023	Carrying amount 30 June 2023	Current year additions and transfers	Current year vested assets
Land	12,706	-	12,706	-	-
Buildings	43,766	(3,499)	40,267	121	-
Vehicles, boat transporters and plant	7,868	(2,371)	5,497	718	8
Leasehold improvements	1,154	(792)	362	19	-
Wharves, ramps, moorings	16,626	(30)	16,596	137	-
Furniture, fittings and office equipment	9,011	(5,317)	3,694	331	-
Information systems	5,742	(4,193)	1,549	628	-
Runways	3,301	-	3,301	-	-
Site works	530	(516)	14	-	-
Heritage	859	-	859	-	-
Work in progress	1,024	-	1,024	2,224	-
Total operational assets	102,587	(16,718)	85,869	4,178	8
Roading land	373,475	-	373,475	627	-
Roading and footpaths	1,508,122	(3,760)	1,504,362	43,682	441
Water - treatment plants and facilities	29,817	(1,188)	28,630	1,601	-
Water - other	72,128	(1,814)	70,314	1,169	88
Wastewater - treatment plants and facilities	68,440	(3,334)	65,107	2,161	-
Wastewater - other	88,620	(2,286)	86,334	169	236
Stormwater	104,787	-	104,787	1,186	381
Refuse	5,387	-	5,387	753	-
Community facilities	101,863	(2,478)	99,385	16,752	22
Infrastructural Land	65,338	-	65,338	718	15
Work in progress	71,868	-	71,868	78,082	-
Total infrastructural assets	2,489,845	(14,860)	2,474,987	146,900	1,183
Council restricted assets					
Land	43,116	-	43,116	-	-
Heritage	3,378	(153)	3,225	7	1,039
Total restricted assets	46,494	(153)	46,341	7	1,039
Total property, plant and equipment	2,638,926	(31,731)	2,607,193	151,085	2,230

Some asset classes reflect a zero opening balance for accumulated depreciation. The council has adopted the deemed cost model of revaluations which requires that the accumulated depreciation balance is written back at the time of revaluation.

The balance for revalued asset classes will reflect a zero balance in years that the asset class is revalued.

Current year disposals and transfers (at book value)	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation surplus / (deficit)	Cost / revaluation 30 June 2024	Accumulated depreciation and impairment charges 30 June 2024	Carrying amount 30 June 2024
-	-	-	-	(676)	12,029	-	12,029
-	-	(613)	30	(4,958)	38,583	(3,736)	34,847
(114)	-	(970)	-	-	8,340	(3,203)	5,137
(4)	-	(99)	-	-	1,166	(888)	278
(4)	-	(787)	58	1,216	17,249	(33)	17,216
-	-	(550)	101	(31)	9,382	(5,836)	3,545
(16)	-	(746)	-	-	6,108	(4,693)	1,415
-	-	(132)	-	(17)	3,152	-	3,152
-	-	(2)	2	-	531	(517)	14
-	-	-	-	-	859	-	859
(1,279)	-	-	-	-	1,969	-	1,969
(1,417)	-	(3,899)	191	(4,466)	99,369	(18,906)	80,461
-	-	-	-	815	374,917	-	374,917
(3,620)	-	(25,282)	-	52,306	1,576,171	(4,280)	1,571,892
(175)	-	(1,508)	-	1,757	30,305	-	30,305
(131)	-	(1,901)	-	25,710	95,249	-	95,249
(13)	-	(3,282)	-	3,507	67,478	-	67,478
(92)	-	(2,175)	-	18,900	103,374	-	103,374
-	-	(2,313)	-	-	106,354	(2,313)	104,041
-	-	(301)	-	-	6,140	(301)	5,839
(302)	-	(7,474)	-	1	118,296	(9,912)	108,384
-	-	-	-	2,820	68,890	-	68,890
(73,629)	-	-	-	-	76,321	-	76,321
(77,962)	-	(44,236)	-	105,816	2,623,495	(16,806)	2,606,691
-	-	-	-	-	-	-	-
-	-	-	-	670	43,787	-	43,787
-	-	(153)	-	2,696	6,815	-	6,815
-	-	(153)	-	3,366	50,602	-	50,601
(79,379)	-	(48,288)	191	104,716	2,773,466	(35,712)	2,737,753

Disposals

All disposals that were carried out during the year were part of the council's on-going renewal programmes.

The net loss on disposal of property, plant and equipment (\$5.671 million) has been recognised in the statement of comprehensive revenue and expense in the line item "Other expenses".

Work in progress

*Note to Table 12.a, page 103 - includes work in progress (WIP) for intangible assets \$5.779 million (2024 - \$2.775 million)

The total amount of property, plant and equipment in the course of construction is \$71,646 thousand (2024 - \$78,062 thousand).

	Council and Group	
	2025 \$000s	2024 \$000s
Land	-	-
Vehicles and plant	7	54
Leasehold improvements	-	-
Wharves, ramps, moorings	701	3887
Runways	144	-
Furniture, fittings and office equipment	38	43
Information systems	497	1066
Roading and footpaths	28,816	28,564
Roading Land	-	-
Water - treatment plants and facilities	5,123	5,861
Water - reticulation	1,571	614
Wastewater - treatment plants and facilities	16,322	9,386
Wastewater - reticulation	1,886	279
Refuse	162	51
Stormwater	5,272	2,513
Community facilities	5,329	22,969
Infrastructural Land	-	-
Intangible assets	5,779	2,775
Total work in progress	71,646	78,062

Restrictions

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

Core infrastructure asset disclosures

Category	Closing Book Value \$000's	Additions Constructed by Council \$000's	Additions transferred to Council \$000's	Most recent estimate of replacement cost
2025				
Roading and Footpaths	1,606,236	35,515	673	1,581,062
Water				
- Treatment Plants and Facilities	31,973	3,556	-	29,875
- Other	93,860	588	235	94,675
Sewerage				
- Treatment Plants and Facilities	66,470	3,803	-	65,575
- Other	101,524	450	346	103,366
Stormwater	110,994	493	300	110,994
2024				
Roading and Footpaths	1,571,890	43,681	441	1,546,029
Water				
- Treatment Plants and Facilities	30,305	1,601	-	29,875
- Other	95,249	1,169	88	94,675
Sewerage				
- Treatment Plants and Facilities	67,478	2,160	-	65,575
- Other	103,374	169	236	103,366
Stormwater	104,041	1,185	382	104,761

13. Intangible assets

Accounting policy

Intangible assets that are acquired by the council are stated at cost less accumulated amortisation. Easements, resource consents, public access rights, software and electronic books are included in this category.

Computer software

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

Other intangible assets

Other intangible assets that are acquired by the council, excluding easements which are not amortised, are stated at cost less accumulated amortisation and impairment losses. The useful lives and associated amortisation classes of intangible assets have been estimated as follows

Resource consents	5 - 30 years	3.33 - 20%
Easements	Not amortised	0%
IT software	3 - 10 years	10 - 33%
Public access rights	10 - 50 years	2 - 10%
Electronic books	5 years	20%

Where the council invests at least \$100,000 in a project, but will not ultimately own an asset, the cost of the right will be treated as an intangible asset where:

- The community has the right to use the facility, and
- In terms of the contract, that right exists for longer than 12 months.

In all instances the cost will be amortised over the shorter of the expected life of the asset or the term of the contract rights.

Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and it meets the definition of, and recognition criteria for, an intangible asset. All other expenditure is expensed as incurred.

Amortisation

An intangible asset with a finite useful life is amortised over the period of that life, annually assessed for indicators of impairment and tested for impairment if indicators of impairment exist and carried at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset with an indefinite useful life is not amortised but is tested annually for impairment.

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Computer software				
Cost	6,565	6,468	6,752	6,656
Accumulated amortisation and impairment	(5,620)	(5,214)	(5,767)	(5,358)
Year ended 30 June 2024	945	1,254	987	1,298
Opening carrying amount	945	1,254	987	1,298
Additions	666	107	725	107
Amortisation charges	(299)	(416)	(301)	(418)
Disposals (at book value) / adjustments	(17)	-	(17)	-
Balance at 30 June 2025	1,295	945	1,394	987
Resource consents / easements				
Cost	4,480	4,336	4,480	4,336
Accumulated amortisation and impairment	(2,475)	(2,275)	(2,475)	(2,275)
Year ended 30 June 2024	2,005	2,061	2,005	2,061
Opening carrying amount	2,005	2,061	2,005	2,061
Additions	717	144	717	144
Amortisation charges	(236)	(200)	(236)	(200)
Disposals (at book value) / adjustments	-	-	-	-
Balance at 30 June 2025	2,486	2,005	2,486	2,005
Goodwill				
Balance 1 July 2024	-	-	100	100
Additions	-	-	-	-
Asset written off/impairment	-	-	-	-
Balance at 30 June 2025	-	-	100	100
Public access rights				
Cost	13,536	9,641	1,599	1,599
Accumulated amortisation and impairment	(2,967)	(2,777)	2,257	(1,638)
Year ended 30 June 2024	10,569	6,864	3,856	(39)
Opening carrying amount	10,569	6,864	3,856	(39)
Additions	-	3,895	-	3,895
Amortisation charges	(325)	(190)	(110)	-
Disposals (at book value) / adjustments	-	-	-	-
Balance at 30 June 2025	10,244	10,569	3,746	3,856
Water rights				
Cost	1,980	1200	1,980	1,200
Accumulated amortisation and impairment	-	-	-	-
Year ended 30 June 2024	1,980	1200	1,980	1,200

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Opening carrying amount	1,980	1200	1,980	1,200
Additions	7,500	780	7,500	780
Amortisation charges	-	-	-	-
Disposals (at book value) / adjustments	-	-	-	-
Balance at 30 June 2025	9,480	1,980	9,480	1,980
Total intangible assets	23,504	15,499	17,205	8,929

Easements and resource consents are not cash generating in nature, instead they give the council the right to access private property where infrastructural assets are located and to carry out activities approved by permit.

Emissions Trading Scheme - owners of pre-1990 forests may opt to join the Emissions Trading Scheme (ETS) and are allocated New Zealand Units (NZU's) based on the size of the forested area in tree tranches. Pre-1990 forests are forests that were established before 1 January 1990. NZU's cannot be earned for an increase in carbon stock (through forest growth) in a pre-1990 forest, but, provided that pre-1990 forests are re-established after harvesting (either by replanting or regeneration) there are no liabilities or obligations under ETS. However, land owners must surrender NZU's equivalent to the carbon emissions from any deforestation.

The council was allocated NZU's relating to 37.7 ha of forested land. These are recognised at nil cost.

In the 2024/25 financial year the council acquired 250 dry shares in Mid North Water Company Limited. The council obtained external advice on the treatment of these shares and the shares were subsequently treated as a non-depreciating intangible asset in line with this advice.

14. Depreciation and amortisation expense by activity

	Council	
	2025 \$000s	2024 \$000s
Directly attributable depreciation and amortisation by activity		
Community & Engagement (Customer Services)	798	848
Compliance (Environmental Management)	386	275
District Facilities	8,354	6,977
Planning and Policy (Strategic Planning and Policy)	7	13
Solid Waste Management	339	307
Stormwater and Drainage (Stormwater)	2,342	2,332
Transport Network (Roading and Footpaths)	26,902	25,778
Wastewater	6,654	5,572
Water Supply	3,926	3,496
Total directly attributable depreciation and amortisation by group of activities	49,707	45,598
Depreciation and amortisation not directly related to group of activities	1,535	2,096
Total depreciation and amortisation expense	51,241	47,694

15. Interest expense by activity

	Council	
	2025 \$000s	2024 \$000s
Directly attributable interest by activity		
Community & Engagement (Customer Services)	95	-
Compliance (Environmental Management)	135	133
Corporate Services (Governance and Strategic Administration)	645	596
District Facilities	1,841	1,498
Planning and Policy (Strategic Planning and Policy)	6	7
Solid Waste Management	182	197
Stormwater and Drainage (Stormwater)	206	180
Transport Network (Roding and Footpaths)	1,395	1,105
Wastewater	1,351	1,208
Water Supply	848	811
Total interest attributable to activities	6,704	5,735

16. Gain / (loss) on asset revaluations

	Council	
	2025 \$000s	2024 \$000s
Reported in PPE Note	47,778	110,223
Reported in Intangible Note	(17)	
Credited to:		
Revaluation reserves (Note 24)	48,190	110,223
Recognised in surplus / (deficit):		
Roding	(340)	-
Utilities land	-	-
Library books	(89)	-
Gain on asset revaluations	47,761	110,223

17. Agricultural assets

Accounting policy

Agricultural assets include biological assets and agricultural produce. A biological asset is a living animal or plant. Agricultural produce is the harvested produce of those biological assets.

Biological assets are measured at fair value less costs to sell, while agricultural produce is measured at fair value less costs to sell at the point of harvest. The net gain or loss arising from changes in valuation is included in the surplus / (deficit).

Agricultural produce from biological assets is transferred to inventory at its fair value, by reference to market prices less estimated costs to sell, at the date of harvest.

17.a Biological assets

Accounting policy

Biological assets held by the group are bees.

Bees have been valued at fair value by reference to the Ministry of Primary Industries published prices. The fair value gain or loss arising from changes in the valuation is included in the surplus / (deficit).

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Balance at 1 July	-	-	219	258
Sale of Queens and Hives	-	-	(219)	-
Fair value gains/(losses) on valuation	-	-	-	(39)
Balance at 30 June	-	-	-	219

Financial risk management strategies

The council's group is exposed to financial risks arising from changes in bee product prices and the inherent nature of beekeeping. Bee prices have declined significantly and measures are taken to manage exposure to risks of further decline.

17.b Forestry assets

Accounting policy

Forestry assets are independently revalued to estimated market valuation based on net present value. The net gain or loss arising from changes in the forest asset valuation is included in the surplus / (deficit). All gains and losses from harvesting are recognised in the statement of comprehensive revenue and expense when realised.

Forestry maintenance costs are expensed as incurred.

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Balance at 1 July	350	458	350	458
Disposal of Forestry Asset under Treaty settlement	-	-	-	-
Gains/(losses) arising from changes in value	8	(108)	8	(108)
Balance at 30 June	358	350	358	350

The council owns approximately 42.6 hectares of forest located close to Ōmāpere township. The council plans to harvest the Ōmāpere tree crop in the summer of 2025/2026 if the necessary access and agreement from the landowners is secured. There are no restrictions over the title of forestry assets and no forests are pledged as security for liabilities. Independent registered valuer's Woodlands Pacific Consulting Limited have valued the forestry assets as at 30 June 2025 and the following assumptions were used:

- A discount rate of 9% (2024 9%) has been used in discounting the present value of expected cash flows
- Tenure in the tree crop is held by lease or freehold title to the underlying land. Lease costs are included in the cash flows.
For the freehold land, a notional land rental is applied as a cost against the tree crop for the use of the land
- Costs and prices are held constant in 2025 NZ dollars, i.e. the net impact of inflation is assumed to be zero.

- The future costs applicable to the valuation can be grouped into the following. Forest costs (which in this case are confined to costs associated with protection and maintenance), administration and land rental. Production (harvesting) costs.
- Log prices assume delivery either at the mill gate or wharf gate and
- Export log prices have been adjusted to include the relevant port costs.

Financial risk management strategies

The council is exposed to financial risks arising from the changes in timber prices. The council is a long term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken measures to manage the risks of a decline in timber prices.

18. Investment property

Accounting policy

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or for both.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, the group measures all investment properties at fair value determined annually by an independent valuer. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss arising from a change in fair value is recognised in the surplus / (deficit). There is no depreciation on investment properties.

Rental revenue from investment property is accounted for as described in the Accounting Policies for revenue recognition.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item the gain is transferred to accumulated comprehensive revenue and expense. Any loss arising in this manner is recognised immediately in the surplus / (deficit).

If an investment property becomes owner occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes of subsequent recording. When the council begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on fair value, and is not reclassified as property, plant and equipment during the redevelopment.

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Balance at 1 July	-	-	128,853	148,153
Additions / WIP	-	-	6,544	17,039
Disposals	-	-	-	(10,520)
Reclassification as PPE movement	-	-	(1,521)	(1,453)
Transfer to properties intended for sale	-	-	796	(806)
Subsidy offset adjustment	-	-	-	-
Fair value changes and other adjustments	-	-	13,233	(23,560)
Balance at 30 June	-	-	147,905	128,853

Investment properties are valued annually at fair value effective 30 June. A market based approach has been applied to all investment properties where market evidence can be reliably analysed to assess open market values.

The most recent valuation was performed by Brad Sworn ANZIV, of the firm Telfer Young (Northland) Ltd, a valuer with extensive market knowledge in the types of investment properties owned by the group, for FNHL effective 30 June 2025.

Rental revenue

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Rental revenue	-	-	7,795	6,896
Expenses from investment property generating revenue	-	-	2,566	2,849
Expenses from investment property not generating revenue	-	-	-	-

19. Investment

19.a Investment in subsidiaries

Accounting policy

The council consolidates in the group financial statements all entities where the council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where the council controls the majority voting power of the governing body or where such policies have been irreversibly determined by the council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Far North Holdings Ltd	18,000	18,000	-	-
Total investment in subsidiaries	18,000	18,000	-	-

The council has a 100% investment in FNHL and its reporting date is 30 June.

The investment in FNHL comprises 7,000,000 ordinary shares and 11,000,000 convertible non participating redeemable shares. The holders of the convertible non participating shares have no rights to participate in the profits or assets of the Company other than by the discretion of the directors, to vote at any general meeting of the Company or to subscribe for or be offered or allotted any present or future issue of shares in the capital of the Company. The Company shall be entitled, at any time from 30 May 2002, to redeem all or any of the convertible non participating shares.

Other entities that the council has consolidated into the group financial statements are the council controlled organisation Pou Herenga Tai Twin Coast Cycle Trail Charitable Trust (Pou Herenga), and council organisation Te Ahu Charitable Trust (TACT).

19.b Investments in equity accounted associates

Accounting policy

The council's associate investment is accounted for in the group financial statements using the equity method. An associate is an entity over which the council has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the council has incurred legal or

constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of the surpluses only after its share of the surpluses equals the share of deficits not recognised.

When the group transacts with the associate, surpluses or deficits are eliminated to the extent of the council's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

The investment in the associate is accounted for using the equity method in the council's parent entity financial statements.

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Group investments in associates	-	-	13,758	13,835
Total investment in equity accounted associates	-	-	13,758	13,835

Group investments in associates

FNHL holds significant influence over their associate Kaikohe Berryfruit GP Limited and has included their investment using the equity accounting method. During the 2024 year a new entity was formed 56 Tawanui Road Limited Partnership. FNHL was initially the sole limited partner and it transferred an investment property to this entity. Subsequent to this Far North Housing Limited sold a 50% share to its subsidiary Northern Housing Limited, and a 50% share to an unrelated party.

Northland Inc. (Associate)

Northland Inc. is a limited company incorporated and registered under the Companies Act 1993 and is a council controlled organisation as defined in section 6 of the Local Government Act 2002. Northland Inc. is an associate of the council with a primary objective to develop the economy of Northland and review funding opportunities through the Investment and Growth Reserve. Northland Inc. is classified as an associate as it is considered that the council holds significant influence over the financial and operating policies of Northland Inc. due to the fact the council shares joint control of Northland Inc. with Northland Regional Council (25%), Kaipara District Council (25%) and Whangarei District Council (25%). The council's investment in Northland Inc. is carried at cost of \$60 (2024 \$80) in the council's parent entity financial statements.

20. Payables and deferred revenue

Accounting policy

A liability is recognised when the service has been received or the goods received or when it has been established that the rewards of ownership have been transferred from the seller / provider to the council and when it is certain that an obligation to pay arises. Short term creditors and other payables are recorded at face value.

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Current portion				
Payables and deferred revenue under exchange transactions				
Creditors	1,708	3,580	8,128	13,113
Accruals	15,751	17,507	15,766	17,539
Deposits	6,209	6,496	6,209	6,496
Revenue in advance	9,220	6,808	10,922	8,462
Total	32,888	34,391	41,025	45,610
Payables and deferred revenue under non-exchange transactions				
Income tax and ACC payable	659	633	659	633
Other taxes payable (e.g.GST and FBT)	-	-	14	8
Total	659	633	673	641
Total current portion	33,547	35,024	41,698	46,252
Non-current portion				
Creditors	526	111	526	111
Revenue in advance	-	-	17,665	18,037
Total non-current portion	526	111	18,191	18,148

Trade and other payables are non interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value.

21. Provisions

Accounting policy

A provision is recognised in the statement of financial position when the council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Landfill post – closure costs

The council as an operator of both closed and operational landfills has a legal obligation under the Resource Management Act (1991) to provide ongoing maintenance and monitoring services at the landfill sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closures costs arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account ongoing future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

The council measures landfill assets using the cost model with changes in the provision for decommissioning costs being added to, or deducted from, the asset value until closure of the asset, at which time all changes to the provision are taken to the surplus / (deficit).

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

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Provision for Landfill aftercare liability				
Current provisions	238	67	238	67
Non-current provisions	1,238	1,393	1,238	1,393
Total provisions landfill aftercare	1,476	1,460	1,476	1,460
This is represented by:				
Ahipara				
Opening balance 1 July	90	81	90	81
Plus provision added	(22)	9	(22)	9
Less amount utilised	-	-	-	-
Closing balance 30 June	68	90	68	90
Kaikohe				
Opening balance 1 July	57	16	56	15
Plus provision added	(23)	41	(23)	41
Less amount utilised	-	-	-	-
Closing balance 30 June	34	57	33	56
Russell				
Opening balance 1 July	1,265	1,592	1,265	1,592
Plus provision added	-	-	-	-
Less amount utilised	67	(327)	67	(327)
Closing balance 30 June	1,332	1,265	1,332	1,265
Whangae				
Opening balance 1 July	46	42	46	42
Plus provision added	(5)	4	(5)	4
Less amount utilised	-	-	-	-
Closing balance 30 June	41	46	41	46
Total landfill aftercare provisions	1,474	1,460	1,476	1,460
Total current provisions	238	67	238	67
Total non-current provisions	1,238	1,393	1,238	1,393
Total provisions	1,476	1,460	1,476	1,460

Landfill aftercare provisions

The council gained resource consents to operate landfills at Ahipara, Russell, Whangae and Kaikohe. The council has responsibility under the Resource Management Act (1991) to provide ongoing maintenance and monitoring of the landfills after the sites are closed.

There are closure and post closure responsibilities such as the following:

- Final cover and vegetation;
- Drainage control features to minimise infiltration of stormwater;
- Completing facilities for leachate collection and treatment;
- Ongoing monitoring as per discharge consent conditions; and
- Completing facilities for monitoring of landfill gas and ensuring no hazard exists.

Post closure responsibilities:

- Treatment and monitoring of leachate;
- Ground water and surface water monitoring;
- Gas monitoring and flaring if required;
- Implementation of remedial measures such as needed for settlement and cracking of capping layer;
- Ongoing site maintenance for drainage systems, final cover and vegetation; and

- Ensure closed landfill is suitable for intended future use.

The following major assumptions have been made in the calculation of the provision:

- Council approved the closure of the Russell landfill at a Council meeting on 11th August 2022.
 - Council have no active landfill sites in operation.

Provision for the aftercare of closed landfills is required for the foreseeable future. The council's latest consent for a closed landfill is for a period of 28 years and it is expected that future consents for closed landfills will be for a similar or extended timeframe. All consents require ongoing monitoring costs, leachate control costs and remedial work costs in order to maintain the structure of the landfill.

The future cash flows for the landfill post closures are expected to occur for the foreseeable future. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The future cashflows have been estimated taking into account existing technology. Risk-free Discount Rates published by the Treasury have been used to discount the estimated future cashflows. <https://treasury.govt.nz/publications/guidance/reporting/accounting/discount rates>

22. Employee benefits

Accounting policy

Short-term employee entitlements

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

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

Presentation of employee entitlements

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

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Accrued pay	867	649	1,181	934
Annual leave entitlement	2,051	2,098	2,371	2,482
Other entitlements	338	240	338	240
Total employee benefits	3,256	2,987	3,890	3,656
Comprising				
Current	3,256	2,987	3,890	3,656
Non-current	-	-	-	-
Total employee benefits	3,256	2,987	3,890	3,656

23. Borrowings and other financial liabilities

Accounting policy

Borrowings are initially recognised at their fair value. After initial recognition all borrowings are measured at amortised cost.

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.

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Current				
Bank overdraft (Note 8)	-	-	-	1,080
Secured loans	60,200	61,000	108,950	106,955
Total current borrowings	60,200	61,000	108,950	108,035
Non-current				
Secured loans	110,000	70,000	136,316	82,443
Total non-current borrowings	110,000	70,000	136,316	82,443

The council loans are secured over rating revenue. FNHL has loans of \$75.066m (2024 - \$58.397m). During the year the Company entered into a funding arrangement with the Local Government Funding Agency (LGFA). All borrowings as at 30 June 2025 are held with the LGFA and are secured over all assets of the group. The council has an overdraft limit of \$3 million (2024 - \$3 million) which is not secured. The council has a short term loan facility of \$20 million as at 30 June 2025 (2024 - \$20 million) and \$15.0 million was drawn against this facility as at 30 June 2025 (2024 - \$9.0 million).

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Maturity periods				
Payable no later than 1 year	60,200	61,000	108,950	106,955
Later than 1, not later than 2 years	20,000	10,000	30,526	20,923
Later than 2, not later than 5 years	20,000	40,000	35,789	40,000
Later than 5 years	70,000	20,000	70,000	21,520
Total	170,200	131,000	245,265	189,398

The carrying amount of borrowings approximates their fair value.

The weighted average effective interest rates on secured loans (current and non current) were:

	2025	2024
Secured loans and debentures	4.08%	4.62%

The council's borrowing management policy is based on ratios and is calculated as follows:

Ratio	Target	Achievement 2024/25
Net debt as % total revenue	Debt not greater than 280% of revenue	85%
Net annual interest to total revenue	Less than 10%	6.04%
Current ratio (liquidity ratio)	Equal to or greater than 110%	112%

24. Equity

Accounting policy

Equity is the community's interest in the council and is measured as the difference between total assets and liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that the council makes of its accumulated surpluses. The components of equity are:

- Retained earnings;
- Restricted reserves;
- Asset revaluation reserves;
- Fair value through equity reserves;
- Cash flow hedge reserve; and
- Capital reserves.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of the equity have been assigned. Reserves may be legally restricted or created by the council. Funds that are received or set aside for particular purposes, and have legislative restrictions placed upon them, are considered as restricted funds. These include some special funds or reserves and sinking funds created prior to the repeal of the Local Authorities Loans Act. The portion of these funds not required in the current year has been shown as restricted funds.

Restricted reserves are those reserves subject to specific conditions accepted as binding by the council and which may not be revised by the council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

The council created reserves are reserves established by the council decision. The council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the council.

Property revaluation reserves

These reserves relate to the revaluation of property, plant and equipment to fair value.

Fair value through equity reserves

This reserve comprises the cumulative net change in the fair value through equity assets.

Cash flow hedge reserves

Council has ceased to enter into derivative financial instrument arrangements and the resulting hedge accounting requirement is no longer being applied.

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Retained earnings				
As at 1 July	1,513,758	1,498,014	1,604,368	1,609,851
Transfer from / (to) restricted reserves	3,189	7,078	3,189	7,078
Transfer from revaluation reserves on disposal	7,496	5,814	7,022	8,912
Transfer from Revaluation Reserve for land under road adjustment	-	-	-	-
Surplus / (deficit) for the year	14,770	2,849	21,572	(21,473)
Balance as at 30 June	1,539,213	1,513,758	1,636,150	1,604,368
Restricted reserves				
As at 1 July	5,830	12,908	7,333	14,411
Transfer (to) / from retained earnings	(3,189)	(7,078)	(3,189)	(7,078)
Balance as at 30 June	2,641	5,830	4,144	7,333
Restricted reserves consists of:				
Community – district	2,683	591	2,683	591
Drainage	211	208	211	208
Stormwater separate rate	4,123	4,388	4,123	4,388
Sewerage	(6,829)	(5,583)	(6,829)	(5,583)
Water	(1,879)	(332)	(1,879)	(332)
Special funds	3,317	5,426	3,317	5,426
Kerikeri main street reserve	278	278	278	278
Economic development reserve	10	10	10	10
Paihia central business district development	49	197	49	197
Kaitaia BID	(3)	(4)	(3)	(4)
Hupara Road improvements	-	(32)	-	(32)
Carpark funds	68	68	68	68
Development Agreement Funds	615	615	615	615
Subsidiary assets	-	-	1,503	1,503
Total restricted reserves	2,641	5,830	4,144	7,333
Other reserves consist of:				
Asset revaluation reserves				
As at 1 July	1,080,092	975,683	1,085,742	988,907
Revaluation gains	48,190	110,223	48,910	104,782
Transfer to retained earnings on disposal	(7,496)	(5,814)	(7,022)	(7,948)
Adjustment from WIP	-	-	-	-
Transfer to Retained Earnings for land under road adjustment	-	-	-	-
Balance as at 30 June	1,120,786	1,080,092	1,127,630	1,085,742
Asset revaluation reserve consists of:				
Operational Land	151	151	151	151
Vehicles and plant	315	315	315	315
Leasehold improvements	45	40	45	40
Wharves, ramps, moorings	5,301	5,074	5,301	5,074
Furniture, fitting and office equipment	29	27	29	27
Information Systems	-	-	-	-
Roading and footpaths	763,694	739,542	763,694	739,542

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Roading Land	3,461	3,581	3,461	3,581
Water - treatment plants and facilities	9,396	9,568	9,396	9,568
Water - reticulation	64,257	64,768	64,257	64,768
Wastewater - treatment plants and facilities	20,395	20,882	20,395	20,882
Wastewater - reticulation	66,345	66,426	66,345	66,426
Refuse	5,077	4,458	5,077	4,458
Drainage	77,029	68,540	77,029	68,540
Community facilities	74,821	66,250	90,114	79,102
Infrastructural Land	26,014	26,014	26,014	26,014
Council restricted assets	4,456	4,456	-	-
FNHL – land	-	-	3,872	3,872
FNHL – runways	-	-	1,005	875
FNHL – wharves	-	-	(161)	-
FNHL – buildings	-	-	(8,708)	(7,493)
Total asset revaluation reserve	1,120,786	1,080,092	1,127,630	1,085,742
Fair value through equity reserve				
LGNZ shares revaluation movements				
As at 1 July	34	31	(196)	(199)
Fair value gains / (losses)	2	3	2	3
Total LGNZ shares valuation reserve	36	34	(194)	(196)
Cash flow hedge equity reserve				
As at 1 July	-	-	-	-
Fair value gains / (losses)	-	-	-	-
Balance 30 June	-	-	-	-
Capital reserve				
As at 1 July	2,697	2,697	-	-
Balance as at 30 June	2,697	2,697	-	-
Total other reserves	1,123,518	1,082,822	1,127,434	1,085,546

Footnote:

Restricted reserves consist of community services, amenity development and amenity funds, special funds and separate rates reserves and are restricted to use for specific purposes and are not available for general expenditure. The capital reserve pertains to profit of \$1,630,000 on the sale of the council's shares in Far North Maritime Limited to FNHL and a capital profit of \$1,067,000 on the sale of land and buildings to Far North Properties, a former subsidiary of FNHL.

25. Capital commitments

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Capital commitments approved and contracted				
District Facilities	964	1227	964	1227
Governance and Strategic Administration	-	-	-	-
Investment Property	-	-	133	1,169
Maritime / Airport	-	-	265	-
Roading and footpaths	36,771	29,625	36,771	29,625
Wastewater	19,240	2,880	19,240	2,880
Water Supply	14,286	1,629	14,286	1,629
Total capital commitments	71,261	35,361	71,659	36,530

The roading commitments will attract subsidy of \$26.1 million (2024 - \$20.4 million). Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

26. Operating leases

Accounting policy

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

26.a Operating leases as lessee

The council has operating lease agreements for the provision of property.

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Operating leases				
Lease payments made:	936	870	993	927
Lease payments due:				
Not later than 1 year	518	436	592	490
Later than 1 year and not later than 2 years	474	331	478	353
Later than 2 years and not later than 5 years	531	705	543	705
Later than 5 years	483	401	499	401
Total operating leases	2,006	1,873	2,112	1,949

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

26.b Operating leases as lessor

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Non-cancellable operating leases lessor				
Not later than 1 year	484	440	4,304	4,075
Later than 1 and not later than 5 years	1,475	1,608	10,065	11,866
Later than 5 years	3,764	4,053	13,703	17,233
Total non-cancellable operating leases	5,723	6,101	28,072	33,174

27. Contingencies

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Building Act claims	-	100	-	100
Other legal proceedings	550	400	550	400
Roading legalisation claims	-	-	-	-
Total contingent liabilities	550	500	550	500

Litigation

There are 7 claims involving possible future costs totalling an estimated value of \$550,000. These claims are contingent and have not been accrued in the financial statements. (Last year there were 5 possible claims at an estimated value of \$500,000).

Guarantees

There are two guarantees in place, with Houhora Big Game Sports and Fishing Club \$50,000 (2024 \$50,000) and the Kawakawa Bowling Club of \$45,500 (2024 \$45,500). The council has guaranteed a bank loan for the Kerikeri Civic Centre Trust, the guarantee is limited to \$1.9 million (2024 \$1.9 million). The council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from S&P Global Ratings of AAA and a foreign currency rating of AA+ and a local currency rating and foreign currency rating of AA+ from Fitch.

Accounting Standards require the council to initially recognise the guarantee liability by applying the 12-month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of the provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. At the end of financial year, the council have assessed the 12-month expected credit losses of the guarantee liability, based on market information of the underlying assets held by the NZLGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the NZLGFA in the next 12 months, and therefore, the council have not recognised a liability.

Uncalled capital

As at 30 June 2025, the council is one of 30 local authority shareholders and 72 local authority guarantors of the NZLGFA. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the council is a guarantor of all of NZLGFA's borrowings. At 30 June 2025, NZLGFA had borrowings totalling \$25.53 billion (2024: \$23.03 billion).

The council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

Riskpool exposure

Riskpool was established in 1997 by New Zealand local authorities in partnership with Civic Assurance (now Civic Financial Services Ltd) to provide collective risk protection for local government entities. It was formed in response to an increasingly unreliable and expensive commercial insurance market, particularly after key insurers withdrew from providing liability cover to local government entities. Structured as a not-for-profit mutual fund, Riskpool is governed by a board of trustees who act in the best interests of its members. Since 2017, Riskpool has been in a managed wind-down phase, focused on legacy claims, reinsurance recovery, and trust governance. The council has an ongoing obligation to contribute to the scheme if a call is made in relation to historical claims - to the extent those claims are not covered by reinsurance - and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, following the Supreme Court decision on 1 August 2023 in *Napier City Council v Local Government Mutual Funds Trustee Limited*, it was clarified that Riskpool holds liability for a member's claim involving non-weathertight defects (in a mixed claim involving both weathertight and non-weathertight defects). This ruling created an immediate liability for Riskpool and led to a call on members in December 2023. Following the Supreme Court's decision, Riskpool accepted two other claims for a different member, with these going to trial in September 2025. Riskpool's General Council, together with its recently appointed reinsurance brokers in London (Marsh UK), continues to manage claims and oversee reinsurance arrangements in London. Riskpool continues to work through mixed defect claims, and the extent of its potential exposure remains uncertain. The Riskpool Trust Deed, originally dated 1997 and amended in 2007, is currently under review as part of Riskpool's ongoing governance improvements. Deficiencies in the existing deed have been identified, and a restated and modernised deed is now proposed to align the governance framework with best practice.

Key proposed changes include:

- i. introducing clear indemnity provisions for the trustee company and its directors
- ii. clarifying the powers of the trustee company and its directors in relation to the scheme; and
- iii. modernising technical provisions to reflect Riskpool's current structure.

These proposed changes are essential to support effective governance as Riskpool moves toward wind-up.

28. Related party transactions

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

Key management personnel compensation

	Council	
	2025 \$000s	2024 \$000s
Councillor's remuneration	1,181	1,154
Community board remuneration	415	411
Senior management team (Inc. CEO)	1,879	1,941
Total salaries - key management personnel	3,475	3,506
Full time equivalents	2025	2024
Full time equivalent Councillors	11	11
Full time equivalent Community board members	19	18
Full time equivalent SLT (incl. CEO)	8	8

Due to the difficulty in determining the full time equivalent for councillors and community board members, the full time equivalent is taken as the number of councillors and community board members.

29. Remuneration

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
The Chief Executive Officer of the Far North District Council, appointed under section 42(1) of the Local Government Act 2002 received a salary and benefits respectively of:				
G Holroyd (CEO)	412	303	412	303
R Garcia (Acting CEO)	19	-	19	-
G Holroyd (Interim CEO)	-	62	-	62
Total CEO costs	431	365	431	365

Elected representatives

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Mayor Tepania - honorarium	169	163	169	163
Mayor Tepania - mileage and other expenses	9	1	9	1
Other elected representatives				
A Court - honorarium	88	6	88	6
A Court - mileage and other expenses	14	85	14	85
Foy F - honorarium	88	85	88	85
Foy F - mileage and other expenses	13	23	13	23
Halkyard- Harawira H - honorarium	88	10	88	10
Halkyard- Harawira H - mileage and other expenses	8	85	8	85
Kapa B - honorarium	88	85	88	85
Kapa B - mileage and other expenses	20	23	20	23
Kleskovic P - honorarium	88	85	88	85
Kleskovic P - mileage and other expenses	2	5	2	5
McNally S - honorarium	88	85	88	85
McNally S - mileage and other expenses	2	6	2	6
Radich M - honorarium	88	85	88	85
Radich M - mileage and other expenses	3	7	3	7
Rakena T - honorarium	88	85	88	85
Rakena T - mileage and other expenses	3	2	3	2
Stratford K - honorarium	130	125	130	125
Stratford K - mileage and other expenses	11	11	11	11
Vujcich J - honorarium	88	85	88	85
Vujcich J - mileage and other expenses	5	7	5	7
Total elected representatives	1,181	1,154	1,181	1,154

Elected members

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Bay of Islands-Whangaroa Community Board				
Ayr L - honorarium	17	17	17	17
Ayr L - mileage and other expenses	3	2	3	2
Bamber T - honorarium	17	17	17	17
Bamber T - mileage and other expenses	2	2	2	2
Hindle J - honorarium	17	17	17	17
Hindle J - mileage and other expenses	8	5	8	5
Mills B - honorarium	17	17	17	17
Mills B - mileage and other expenses	4	2	4	2
Pihema R - honorarium	17	17	17	17
Pihema R - mileage and other expenses	4	6	4	6
Slack A - honorarium	17	17	17	17
Slack A - mileage and other expenses	2	2	2	2
Ward B - honorarium	35	33	35	33
Ward B - mileage and other expenses	4	3	4	3
Kaikohe-Hokianga Community Board				
Edmonds M - honorarium	15	14	15	14
Edmonds M - mileage and other expenses	3	2	3	2
Edwards T - honorarium	15	14	15	14
Edwards T - mileage and other expenses	2	2	2	2
Filia T - honorarium	15	14	15	14
Filia T - mileage and other expenses	2	4	2	4
Grundy H - honorarium	15	14	15	14
Grundy H - mileage and other expenses	2	2	2	2
McVeagh J - honorarium	15	14	15	14
McVeagh J - mileage and other expenses	3	8	3	8
Rudkin A - honorarium	30	29	30	29
Rudkin A - mileage and other expenses	2	2	2	2
Te Hiku Community Board				
Axe D - honorarium	15	15	15	15
Axe D - mileage and other expenses	5	5	5	5
Bainbridge S - honorarium	15	15	15	15
Bainbridge S - mileage and other expenses	4	4	4	4
Baucke R - honorarium	15	15	15	15
Baucke R - mileage and other expenses	5	3	5	3
Gardner K - honorarium	30	29	30	29
Gardner K - mileage and other expenses	7	11	7	11
Stewart J - honorarium	15	15	15	15
Stewart J - mileage and other expenses	4	5	4	5
Subritzky B - honorarium	15	15	15	15
Subritzky B - mileage and other expenses	2	3	2	3
Total Community Board costs	415	411	415	411
Total remuneration costs	2,027	1,930	2,027	1,930

Total annual remuneration by band of employee as at 30 June 2025	
< \$60,000	159
\$60,000 to \$79,999	105
\$80,000 to \$99,999	98
\$100,000 to \$119,999	66
\$120,000 to \$139,999	29
\$140,000 to \$179,999	13
\$180,000 to \$349,999	7
\$350,000 to \$450,000	1
Total employees	478

Total annual remuneration by band of employee as at 30 June 2024	
< \$60,000	92
\$60,000 to \$79,999	84
\$80,000 to \$99,999	90
\$100,000 to \$119,999	73
\$120,000 to \$139,999	17
\$140,000 to \$179,999	13
\$180,000 to \$349,999	9
Total employees	378

Total remuneration includes non-financial benefits provided to employees.

At balance date, the council employed 368 (2024 - 340) full time employees, with the balance of staff representing 66 (2024 - 26.39) full time equivalent employees. A full time employee is determined on the basis of a 40 hour week.

30. Severance payments

There were two redundancy and nine severance payments made in 2024/25. The values of the payments were \$52,555, \$35,837, \$115,000, \$15,000, \$486, \$7,000, \$1,622, \$12,500, \$50,000, \$13,504, \$143,946 totalling \$447,450 (2024 – four redundancy payments and ten severance payments totalling \$327,978).

31. Events after balance sheet date

During the 2024-2025 financial year, Far North District Council jointly established a working group with Whangarei District Council and Kaipara District Council to explore water delivery options under the National Government's Local Waters Done Well programme. The councils worked together and consulted with their respective communities.

Following the consultation period and feedback received, the council meeting held 31 July 2025 tabled two options for Water Delivery models:

- i. To continue operating as a stand-alone water delivery model council; or
- ii. To operate as a regional Council Controlled Organisation (CCO) in collaboration with Whangarei and Kaipara District Councils.

All respective councils made the decision to adopt option two, a CCO water delivery.

On 1 September 2025, the combined councils submitted our joint water services delivery plan (the Plan) to the Department of Internal Affairs (DIA). The DIA assessed the Plan in accordance with the Local Waters (Water Services Preliminary Arrangements) Act 2024 (the Act).

This assessment included:

- A financial and technical review, confirming the Plan meets the financial sustainability requirements outlined in the Act.
- A legislative assessment, ensuring that all requirements set out in the Act are met.

On 3 October 2025, the DIA accepted the Plan under section 20(1)(b) of the Act. With this approval, the CCO will now proceed to the implementation stage, establishing the Water Supply Combined Council Organisation.

The construction tender for the Kaikohe Library and Civic Hub was awarded to Henwood Construction, a local far north firm. The tender process was open market, managed by the council's Procurement department. Three main bids were considered, with the final decision made by the council's tender panel during the public excluded section of the meeting held on 31 July 2025, due to the commercial sensitivity of the bids.

On 25 August 2025, Far North Holdings Ltd requested and received a rollover of \$3,750,000 in borrowings from the Local Government Funding Authority.

There are no other material events after balance sheet date.

32. Financial instrument risk

32.a Financial instrument categories

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Financial assets				
Amortised cost				
Cash and cash equivalents	12,786	9,316	16,498	10,629
Other financial assets	-	-	-	-
Short term deposits	-	-	-	-
Loans and receivables	600	-	1,558	1,006
Debtors and other receivables (excluding prepayments)	41,730	42,767	42,745	43,651
Total loans and receivables	55,116	52,083	60,801	55,286
Fair value through other comprehensive revenue and expense				
LGNZ shares	81	79	81	79
LGFA borrower notes	4,160	2,070	5,476	2,070
Total fair value through other comprehensive revenue and expense	4,241	2,149	5,557	2,149
Financial liabilities				
Derivatives that are cash flow hedge accounted				
Derivative financial instrument liabilities	-	-	-	-
Current	-	-	-	-
Non-current	-	-	-	-
Total derivatives that are in a cash flow hedge relationship	-	-	-	-
Financial liabilities at amortised cost				
Creditors and other payables	23,668	27,583	30,103	37,148
Borrowings				
Secured loans	170,200	131,000	245,265	189,398
Total financial liabilities at amortised cost	193,868	158,583	275,368	226,546

32.b Financial instrument risks

Management policies with respect to financial instruments

The group has a series of policies providing risk management for interest rates and the concentration of credit risk. The group is risk averse and seeks to minimise exposure from its treasury activities. The group has established a treasury policy specifying what transactions can be entered into. The policy does not allow any financial transactions that are speculative in nature to be entered into.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The council is exposed to equity price risk on investments, which are classified as financial assets held at fair value through equity. The price risk arises due to changes in performance of the shares held and is annually assessed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return on investment. The interest rates on the group's borrowings are disclosed in Note 23. There are no interest rate swap agreements in place at 30 June 2025 (2024 - nil). The council manages its interest rate risk by varying financing terms of its public debt.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The group has limited exposure to currency risk.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss. The maximum amount of credit risk for each class is the carrying amount in the statement of financial position. The council has minimal credit risk, apart from Māori land rates, which is provided for in the provision for Impairment of rates (Note 9), in its holdings of various financial instruments. These financial instruments include bank balances, local authority stock and accounts receivable. The council invests funds only in deposits with registered banks and local authority stock and limits the amount of credit exposure to any one institution or organisation. Accordingly, the council does not require any collateral or security to support the financial instruments with organisations it deals with. The council is exposed to credit risk as a guarantor of all of NZLGFA's borrowings. Information about this exposure is explained in note 27.

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arms length transaction. The fair value of financial instruments is approximately equivalent to the carrying amount disclosed in the statement of financial position.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flow from a financial instrument will fluctuate because of changes in market interest rates. The council has variable rate borrowings in the form of bank facilities, drawable on demand.

Fair value interest risk

Fair value interest risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The council holds all long term borrowings at fixed rates which could expose the council to fair value interest rate risk.

Maximum exposure to credit risk

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Cash at bank and term deposits	12,786	9,316	16,498	10,629
Debtors and other receivables	41,730	42,767	42,745	43,651
Other financial assets	-	-	-	-
LGNZ shares	81	79	81	79
LGFA borrower notes	4,160	2,070	5,476	2,070
Guarantee (Civic Trust)	16	87	16	87
Total credit risk	58,773	54,319	64,816	56,516

The council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in Note 27.

Credit quality of financial assets

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

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Counterparties with credit ratings				
Cash at bank and term deposits				
AA-	12,786	9,316	16,498	10,629
Total cash at bank and term deposits	12,786	9,316	16,498	10,629
Fair value through equity				
AAA	4,241	2,149	7,831	3,155
Total fair value through equity	4,241	2,149	7,831	3,155

Debtors and other receivables mainly arise from the council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors or other receivables with reference to credit ratings. Apart from Māori land, which is provided for in the provision for impairment of rates (Note 9), the council has no significant concentration of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and the council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk

Management of liquidity risk

The council is exposed to liquidity risk as a guarantor of all of NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 27.

Liquidity risk is the risk that the council will encounter difficulty raising liquid funds to meet commitments as they fall due.

Prudent liquidity management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The council aims to maintain flexibility in funding by keeping committed credit lines available. In meeting its liquidity requirements, the council maintains a loan profile, in accordance with its funding and financial policies, which includes a treasury management policy. The council has a maximum amount that can be drawn against its overdraft facility of \$3,000,000 (2024 - \$3,000,000). There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities

The table below analyses the council's financial liabilities into relevant maturity groups, based on the remaining period at the balance date, up to the contractual maturity date. Future interest payments are based on the rate attributable to that debt. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$000s	Contractual cash flows \$000s	Less than 1 year \$000s	1-2 years \$000s	2- 5 years \$000s	More than 5 years \$000s
Council 2025						
Creditors and other payables	23,668	23,668	23,668	-	-	-
Bank overdraft	-	-	-	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Secured loans	170,200	-	61,200	21,310	22,807	84,628
Guarantee (Civic Trust)	-	-	-	-	-	-
Total	193,868	23,668	84,868	21,310	22,807	84,628
Group 2025						
Creditors and other payables	30,103	30,103	30,103	-	-	-
Bank overdraft	-	-	-	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Secured loans	245,265	-	61,200	21,310	22,807	84,628
Guarantee (Civic Trust)	-	-	-	-	-	-
Total	275,368	30,103	91,303	21,310	22,807	84,628
Council 2024						
Creditors and other payables	27,583	27,583	27,583	-	-	-
Bank overdraft	-	-	-	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Secured loans	131,000	-	62,409	10,188	43,775	26,292
Guarantee (Civic Trust)	-	-	-	-	-	-
Total	158,583	27,583	89,992	10,188	43,775	26,292
Group 2024						
Creditors and other payables	37,148	37,148	37,148	-	-	-
Bank overdraft	-	-	-	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Secured loans	188,318	-	62,409	10,188	43,775	26,292
Guarantee (Civic Trust)	-	-	-	-	-	-
Total	225,466	37,148	99,557	10,188	43,775	26,292

The council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 27a.

Sensitivity analysis

The following table illustrates the potential profit and loss impact for reasonably possible market movements, with all other variables held constant based on the council's financial instrument exposures at the balance date.

Interest rate risk

Council	2025 \$000s		2024 \$000s	
	Profit - 100 bps	Profit + 100 bps	Profit - 100 bps	Profit + 100 bps
Financial assets				
Cash and cash equivalents	10	20	20	13
Derivative financial assets				
Derivative financial instruments	-	-	-	-
Financial liabilities				
Borrowings				
Credit lines	-	-	-	-
Total sensitivity to interest rate risk	10	20	20	13

Explanation of sensitivity analysis

1. Cash and cash equivalents

Cash and cash equivalents are \$12,785,602 (2024 \$9,315,771) which are at a floating rate. A movement of plus or minus 1% has an effect on interest revenue of \$127,856 (2024 \$93,158).

2. Credit lines

The balance on the credit lines was \$60m at 30 June 2025 (2024 \$61m) at a floating rate. A movement in interest rates of plus or minus 1% has an effect on interest payable of \$12,002 (2024 \$14,094). FNHL does not have any significant interest rate risk.

32.c Reconciliation of movements in liabilities arising from financing activities

	Borrowings \$000s
Council	
Balance as at 1 July 2024	131,000
Cash inflows and outflows	38,560
Fair value	-
Other changes	640
Balance as at 30 June 2025	170,200
Group	
Balance as at 1 July 2024	190,477
Cash inflows and outflows	57,175
Fair value	-
Other changes	(2,386)
Balance as at 30 June 2025	245,266

33. Capital management

The council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets. The Local Government Act 2002 (the Act) requires the council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, liabilities, investments and general financial dealings.

The council has created reserves for different areas of benefit. These are used where there is a discrete set of rate payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to specific reserves.

34. Property available for sale

Accounting policy

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

Any impairment losses for write-downs are recognised in the surplus or deficit.

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

Non-current assets are not depreciated nor amortised while they are classified as held for sale (including those that are part of a disposal group).

Breakdown of non-current assets held for sale and further information

	Council		Group	
	2025 \$000s	2024 \$000s	2025 \$000s	2024 \$000s
Non-current assets held for sale are:				
Land	-	-	2,334	6,663
Wharves	-	-	-	-
Total non-current assets held for sale	-	-	2,334	6,663

The council has no properties declared surplus and held for sale at the 30 June 25 year end. FNHL has three properties with a market valuation of \$3.0 million (2024 - seven properties with a market valuation \$8.8 million) that are intended for sale as at 30 June 2025.

35. Variances to the Long Term Plan

	Council 2025 \$000s
Statement of comprehensive revenue and expense	
Long Term Plan surplus	17,077
Annual Report surplus / (deficit)	14,770
Net operating variance surplus / (deficit)	(2,307)
Variance represented by:	
Variance area	
Rates	(732)
Other	8,014
Total revenue variance / surplus / (deficit)	7,282
Variance represented by:	
Variance area	
Personnel costs	(211)
Depreciation and amortisation expense	2,370
Finance costs	76
Other expenses	(11,826)
Total expenditure variance surplus / (deficit)	(9,591)
Net operating variance surplus / (deficit)	(2,308)

Significant variances to the Long Term Plan budget - statement of financial position

The major variances to the Long Term Plan budget arise mainly because the budgeted figures were based upon the audited closing balances for June 2023, adjusted for activity that was expected to occur during the 2023-24 financial year. The closing balances for June 2024 were not known at the time the 2024/25 budgets were approved. The planned capital programme was not fully delivered in the financial year to 30 June 2025 due to supply chain disruptions, high demand for construction services and delays from the increasing frequency and severity of weather events. The key areas of under delivery were for roading and footpaths, water supply and wastewater capital projects. We also experienced delays in consents being issued, flow-on impacts to timing and scheduling of multi-year projects, project concept refinement and clarification; and delays with community engagement.

- Other reserves were \$21.7 million less than anticipated which is the result of a shortfall between the expected and actual increase in asset valuations. These reserves largely comprise asset revaluation reserves which saw an actual increase in value by \$40.7 million.
- Restricted reserves were \$10.3 million less than anticipated largely due to an unbudgeted growing deficit year on year in both the wastewater and water separate funds which was unpredictable at budget setting time. Referring to Note 24, however, it can be seen that there was an actual decrease of \$3.2 million in Restricted reserves between years partly within wastewater and water separate funds. In addition, there was an unbudgeted \$2.3m compensation payment for Onewhero Reserve Esplanade strip from the Special Funds Reserve.
- There was an increase in Receivables \$7.6 million due to an increase in rates and water debtors, Waka Kotahi (NZTA) subsidy, prepayments and accrued debtors. Referring to Note 9, we can also see the similar movements year on year, with an increase of \$4.4 million, again largely driven by rates and prepayments.
- Borrowings were less than expected by \$54 million, and Property, plant and equipment was less than expected by \$47.9 million. These were both due to capital projects not being completed as planned resulting in loan funding not required.

36. Water Services Reform Programme

In line with the Local Government (Water Services) Act 2025 and the associated Repeals and Amendments Act, New Zealand councils were required to submit a Water Services Delivery Plan (WSDP) to Central Government by 3 September 2025.

The WSDP needs to include detailed information about water services operations, assets, revenue, expenditure, pricing, future capital expenditure, and how councils plan to finance and deliver a preferred model for water services delivery. WSDP's also need to demonstrate how water services will be financially sustainable by June 2028.

Following community consultation, Northland's district councils established a cross council working group to work through what collaboration across councils could look like. After assessing the benefits and risks of the various options proposed by each district and the results of consultation, it concluded that a multi council-owned Council Controlled Organisation (CCO) to deliver drinking water and wastewater services offered the strongest path forward for Northland – helping to ensure the region can meet the increased compliance requirements under Local Water Done Well and address growth across the region. The working group agreed to a model that would recognise the different starting points of each council in terms of water assets, debt levels and infrastructure investment needs, ensuring charges are fair for the residents and ratepayers of each district.

On 24 July 2025, Whangarei District Council voted in favour of establishing a Northland-wide CCO to deliver drinking and wastewater services. Kaipara District Council and Far North District Council adopted similar recommendations the following week.

A joint WSDP has been adopted by Far North, Kaipara and Whangarei District Councils and has been approved by the Department of Internal Affairs. All three councils will work together to establish the joint CCO, with incorporation due to happen in July 2026, and full operation by July 2027.

Once the details of the model have been finalised, the financial impact of this decision on the future Council will be worked through and considered as part of the development of Council's 2027-37 Long Term Plan.

FINANCIAL PRUDENCE BENCHMARKS

This section discloses the council's financial performance in relation to various benchmarks to enable an assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

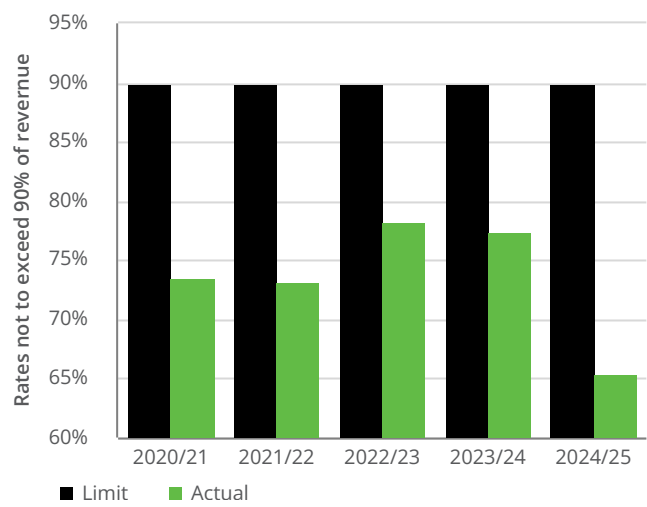
The council is required to include this statement in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

Rates affordability benchmarks

The council meets the rates affordability benchmark if:

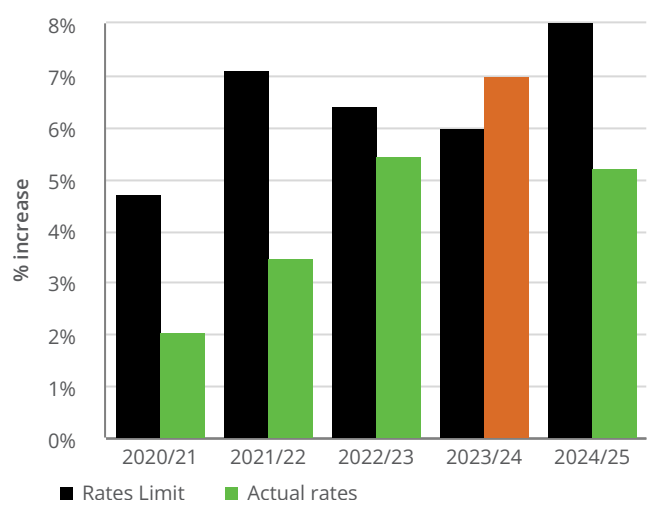
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability



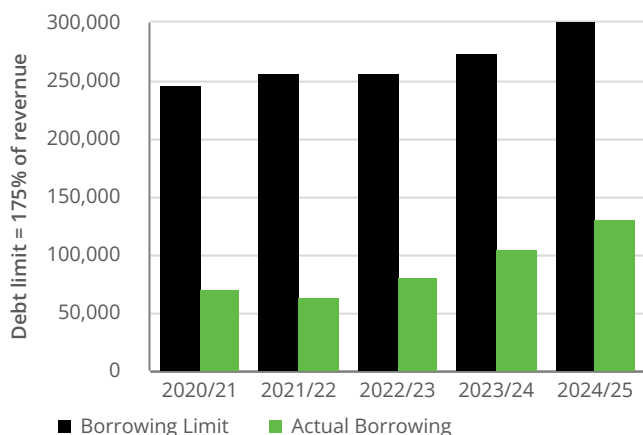
This graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's LTP 2024-27. The quantified limit is that rates revenue (excluding subsidies and capital income) will not exceed 90% of total revenue. The graph shows the budgeted rates proportion of revenue measured against the actual proportion achieved. Council has achieved this benchmark.

Rates (increase) affordability



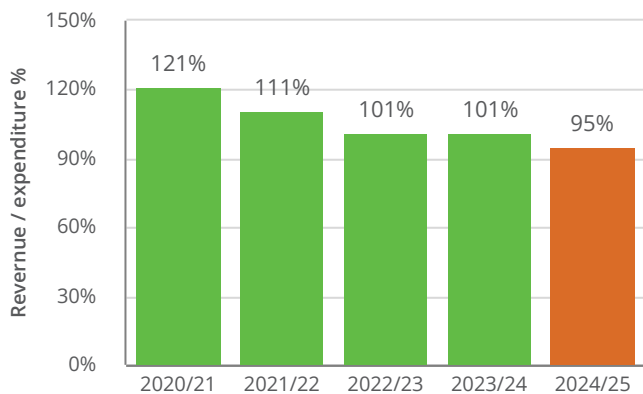
This graph compares the Council's actual rate increases with a quantified limit on rates increases (included in the financial strategy within the Council's LTP 2024-27). The quantified limit is that the rates increase should not exceed LGCI plus an addition. This addition reflects higher upfront investment in repairing our transport network post the severe weather events, after year 2 the addition progressively reduces to more historical norms. The graph shows the actual rate increase percentages measured against the predicted rate percentage increases. Council has achieved this benchmark.

Debt affordability benchmark



The Council meets the debt affordability benchmark if its actual borrowing is within the quantified limit on borrowing. This graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's LTP 2024-27. The quantified limit is that debt be no higher than 280% of total revenue (excluding subsidies and capital income). The graph shows the actual borrowing measured against the maximum borrowing determined by the quantified limit. Council has achieved this benchmark.

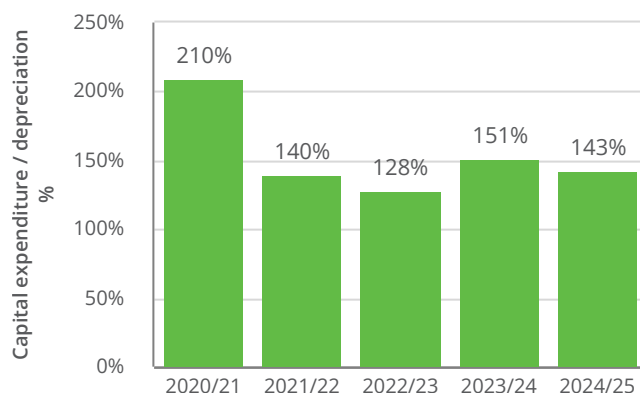
Balanced budget benchmark



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

The Council meets this benchmark if its revenue equals or is greater than its operating expenses. Council has not achieved this benchmark due to capital projects not being completed as planned.

Essential services benchmark

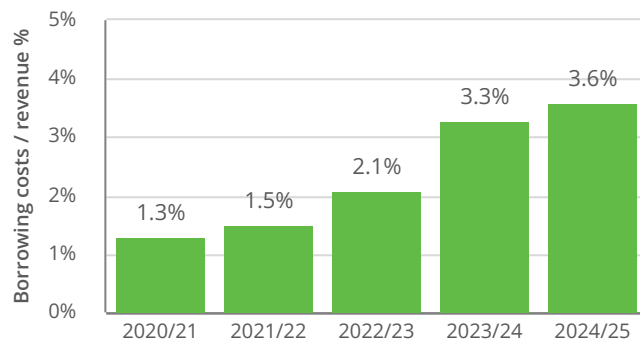


This graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. Network services are defined as:

- Water supply
- Sewerage and treatment and disposal of sewage
- Stormwater drainage
- The provision of roads and footpaths

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Council has achieved this benchmark.

Debt servicing benchmark



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

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

RESERVES REPORT

The LGA, Schedule 10, requires the Annual Report to include information on each reserve fund set aside by the council.

The Annual Report must identify the purpose of the fund, the activity it relates to and the amount expected to be in the fund as well as indicating the amounts that were allocated to and from the reserves during the year. The following tables identify the reserves the council maintains.

Reserve balance purposes

Other reserves

Revaluation reserves

These reserves represent the movement in the valuation of the council's assets.

Restricted reserves

Community services fund

Funds are generated by way of targeted rates and are intended for the use of maintenance of community infrastructure such as parks and reserves, public toilets, cemeteries, swimming pools, footpaths, halls etc., and the maintenance of central town areas such as street cleaning and rubbish collection. Funds were maintained at ward level but as the rating policy has changed over time, funds are now maintained as a district wide reserve.

General separate funds (drainage, stormwater separate rate, water, wastewater)

These are restricted reserves that are restricted for specific purposes and are not available for general expenditure.

Special funds

Funds received under the RMA that are ring fenced for specific works relating to the aspect of the RMA under which they were contributed.

General separate funds (Kerikeri mainstreet, economic development, CBD reserves, car park funds).

These are restricted reserves that are restricted for specific purposes and are not available for general expenditure.

Development agreement funds

The council ceased charging Development Contributions from 1 July 2015. A more targeted approach was adopted where development

agreements are negotiated for significant developments where there are significant infrastructure impacts from the development. These funds are restricted for a specific purpose identified at the time of negotiation.

Retained earnings

General funds retained by the council arising from the accumulation of prior year's surpluses or deficits from general rate funded operations.

Development contributions

The council's Development Contributions policy was revised effective 1 July 2015 whereby Development Contributions ceased to be charged and replaced with Development Agreements for significant developments.

Development Contributions in respect of development consents granted prior to 1 July 2015, however, remain payable in accordance with the policy applicable at the time that the consent was granted.

Open spaces development contributions

Contributions received in line with the council's development contributions policy. As the policy has changed over time, funds are required to be kept at both district wide and ward levels to provide an account of the contributions received under each policy and their use.

Depreciation reserves

The council is required to fund depreciation on assets that it is intending to renew at a future date. The depreciation charges generated are held by asset/activity area so that funds are available for future replacement.

Emergency event reserve

Specific funds earmarked for the recovery requirements of future weather-related events.

Property disposal reserve

Net sale proceeds arising from surplus property for use to fund future strategic needs within communities. The funds are held at activity and ward levels. The funding decisions are made by the council either at the time of sale or at a future date.

Mineral survey reserve

Reserve to investigate the mineral potential of the Northland region.

Note: Where a reserve balance is shown in brackets it means the reserve is overdrawn.

Reserves

	Opening Balance 2023/24 \$000s	Prior Year adjustment	Additions 2024/25 \$000s	Withdrawals 2024/25 \$000s	Closing Balance 2024/25 \$000s
Other reserves					
Revaluation reserves	1,080,092	-	48,190	(7,496)	1,120,786
LGNZ share valuation reserve	34	-	2	-	36
Capital reserve	2,697	-	-	-	2,697
Total other reserves	1,082,823		48,192	(7,496)	1,123,519
Restricted reserves					
Community services reserves	591	-	16,881	(14,790)	2,683
General separate funds (drainage, stormwater, water, wastewater)	(1,320)	-	35,745	(38,800)	(4,375)
Special funds	5,426	-	190	(2,300)	3,316
General separate funds (Kerikeri mainstreet, economic development, CBD rates, car parks)	517	-	131	(247)	401
Development agreement funds	615	-	-	-	615
Total restricted reserves	5,829		52,947	(56,137)	2,640
Retained earnings					
Retained earnings	1,423,622	-	-	-	1,440,396
Development contributions	(16,934)	79	-	-	(16,855)
Open spaces development contributions	(3,721)	-	-	-	(3,721)
Depreciation reserves	99,474	-	35,053	(27,234)	107,293
Emergency event reserve	11,069	-	857	(22)	11,904
Property disposal reserve	198	-	-	-	198
Mineral survey reserve	50	-	-	(50)	0
Total retained earnings	1,513,758	79	35,910	(27,306)	1,539,214

The prior year adjustment relates to a re-classification of a bond held relating to Taipa Bay capital works completed in 2008/09.

INSURANCE ON ASSETS

Water, wastewater and drainage assets

These assets have a total asset value for insurance purposes of \$274,362,204. The net book value of these assets at 30 June 2025 was \$98,528,431. The insurance cover in this group relates to over ground assets. Council's underground assets are not insured. Council has undertaken a risk assessment for insurance purposes and this has shown that these assets are not at significant risk from earthquake. No provision for self-insurance of these assets has been made.

Roading and footpath assets

The vehicle ferry - Kohu Ra, Pakaraka stock effluent facility, strategic property and the 100% NZTA subsidy funded footbridge in Kerikeri are specifically insured with an asset value of \$14,899,450. The net book value of these assets at 30 June 2025 is \$6,732,472. The remaining \$1,601,438,264 of assets within this group are considered to be uninsured. No provision has been made to self insure these assets as they are deemed to be subject to NZTA subsidy support of at least 60%.

Waste management assets

These assets have a total asset value for insurance purposes of \$5,627,611. The net book value of these assets at 30 June 2025 was \$3,706,677. The remaining assets valued at \$2,592,837 are considered to be uninsured. No provision is made to self insure these assets.

Heritage assets

These assets have a total value for insurance purposes of \$12,529,933. The net book value of these assets was \$6,562,377 at 30 June 2025. There are no uninsured assets in this group.

Community assets

These assets have a total asset value for insurance purposes of \$326,301,711. The net book value of these assets at 30 June 2025 was \$132,905,486. The remaining assets valued at \$18,354,340 are considered to be uninsured. No provision is made to self insure these assets. Of the insured assets, the largest values are held within community centres, parks and reserves, libraries and housing for the elderly with an insurance value of \$274,656,328 and a net book value of \$99,994,190.

Leasehold improvements, plant and equipment and vehicle assets

These assets have a total asset value for insurance purposes of \$21,527,035. The net book value of these assets at 30 June 2025 was \$8,820,773.

Council's excess for material damage insurance claims resulting from flood or storm is \$100,000 per claim. This reflects the opinion that the Far North is at risk from weather type events including possible tsunami. Council rates to cover one claim per annum arising from weather events and in years where significant claims are not made, this funding is used to support any additional funding requirements on roading arising from weather related emergency works.



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF FAR NORTH DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

The Auditor-General is the auditor of Far North District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Bennie Greyling, using the staff and resources of Deloitte Limited, to carry out the audit on his behalf.

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

We are also required to report on:

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

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

Opinion on the audited information

In our opinion:

- the financial statements of the Group on pages 74 to 138:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025;
 - the results of its operations and cash flows for the year ended on that date;and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards;
- the Group's statement of service provision on for the year ended 30 June 2025 on pages 23 to 72
 - provides an appropriate and meaningful basis to enable readers to assess the actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand.
 - fairly presents, in all material respects, the actual levels of service for each group of activities, including:



- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2025 on pages 29, 33, 35, 39, 41, 44, 47, 50, 54, 58 and 65 has been prepared, in all material respects, in accordance with clause 24 of Schedule 10 to the Act;
- the funding impact statement for each group of activities for the year ended 30 June 2025 on pages 29, 33, 35, 39, 41, 44, 47, 50, 54, 58 and 65 has been prepared, in all material respects, in accordance with clause 26 of Schedule 10 to the Act;
- the funding impact statement for the year ended 30 June 2025 on page 25 has been prepared, in all material respects, in accordance with clause 30 of Schedule 10 to the Act.

Report on the disclosure requirements

We report that:

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

Date

We completed our work on 31 October 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

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

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

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

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



Emphasis of Matter – future of water delivery

Without modifying our opinion, we draw attention to Note 36 on page 138, which outlines that in response to the Governments' Local Water Done Well reforms, the council has decided to establish a multi-owned water organisation with Whangarei District Council and Kaipara District Council to deliver water, waste water and stormwater as relevant services from July 2027.

The financial impact of this decision is unknown because details of the exact arrangements are still being considered.

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

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

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

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

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

Responsibilities for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is



higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the District Council.
- We evaluate whether the statement of service provision includes all groups of activities that we consider are likely to be material to the readers of the annual report.
- We evaluate whether the measures selected and included in the statement of service provision for groups of activities present an appropriate and meaningful basis that will enable readers to assess the actual performance. We make our evaluation by reference to generally accepted accounting practice in New Zealand.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Group.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

Responsibilities for the disclosure requirements

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

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

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



Other Information

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

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

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

Independence

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

In addition to the audit we have carried out engagements in the areas of Trustee Reporting and the summary financial statements, which are compatible with the independence requirements. Other than the audit, our report on the disclosure requirements, and these engagements, we have no relationship with or interests in the Council

A handwritten signature in black ink, appearing to be "Bennie Greyling".

Bennie Greyling
For Deloitte Limited

**On behalf of the Auditor-General
Auckland, New Zealand**

WHAKAPĀ MAI | CONTACT US



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