ROTORUA
LAKES COUNCIL

ANNUAL REPORT 2025





Rotorua - Aerial view

TE IHIRANGI
CONTENTS

NGĀ HIRANGA O TE TAU 2024/2025 | HIGHLIGHTS OF 2024/2025 4
HE KARERE NĀ TE MANUKURA |MAYOR'S MESSAGE 9
HE KARERE NĀ TE TOIHAUTŪ | CHIEF EXECUTIVE MESSAGE 11

Manu Mātārae | Elected Memebers - Our Council 12
Te Tatau o Te Arawa | Te Arawa partnership board Te Tatau o Te Arawa 15
Tō mātau tirohanga whakamua mō Rotorua| Our vision for Rotorua 17
Tō mātau takiwā | Our District 18
Te takiwā o Rotorua: He tauira o te houruatanga me te mahi ngātahi
Rotorua District: A model of partnership and collaboration 20
Te ārahitanga ā-ohu | Organisational leadership 23

TE TAU KUA KITEA | YEAR IN REVIEW 27
He Mātainga Poto: Te Mahinga Pūtea | At A Glance – Financial Performance 28
Te whakahaere pūtea| Managing the money 30
Ngā wero matua me ngā āheinga | Key challenges and opportunities 35
Ngā pitopito pātanga kōrero o te wā | Project updates 36

TE MAHI WHAKARATO | SERVICE DELIVERY 39
He mātainga poto: te mahinga ratonga | At a glance – service performance 41
Te ārahitanga ā-hapori | Community leadership 47
Te haumarutanga o te hapori | Community safety 51
Te whanaketanga o te takiwā | District growth and development 55
Ngā wāhi me ngā papa rēhia | Spaces, places and recreation 59
Wai āwhā | Stormwater 63
Te tūānuku haerere waka |Transportation infrastructure 67
Wai para | Wastewater 71
Te para me te toitūtanga | Waste and sustainability 75
Wai | Water 79

NGĀ TAHUA | FINANCIALS 85
Te tohu ki ngā tauākī pūtea tahua | Financial statements index 87
Te pūrongo o te kaiarotake pūtea | Auditor's report 89
Ngā tauāki pūtea tahua | Financial statements 96
Ngā kōrero whakamārama ki ngā tauākī pūtea tahua | Notes to the financial statements 101
Ngā pakihi mana kaunihera | Council controlled organisations 183
Te tauākī tūhuratanga | Disclosure statement 205

NGĀ HIRANGA O TE TAU 2024/2025
HIGHLIGHTS 2024/25

The reconstruction of Te Whare Taonga o Te Arawa Rotorua Museum is well underway with completion expected in 2027/2028. A video series "Unwrapping an Icon" was launched to share the journey of the refurbishment and building strengthening. This has been a successful way to keep the community informed.

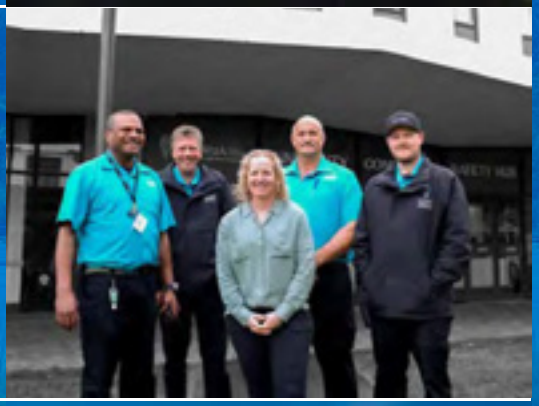


In May 2025 Council and Ngāti Kearoa-Ngāti Tuara celebrated a landmark partnership that secures ongoing water supply for Rotorua City from the Karamū Tākina Springs, which provides 60 percent of the city's water supply and is a place of deep ancestral connection for Ngāti Kearoa-Ngāti Tuara. Under the partnership, Council has returned the land where the springs are located at Tihi-o-Tonga, along with the former tennis courts at Pururū North Reserve, Tārewa.

Ngāti Kearoa-Ngāti Tuara and Council will now work on a joint resource consent application to enable council to draw water from the springs for the next 35 years.



The Safe City Guardians began patrolling Ngongotahā and Eastside hubs as part of extending community safety efforts across Rotorua city. Council advocacy for more police in Rotorua was successful with the introduction of a Police 'beat' team to patrol the inner city.



We have seen a boost to tourism in the District. In the 2024/2025 financial year Council increased base funding to RotoruaNZ by 5% as part of the Long-term Plan, in line wiht inflation. Alongside this inflationary adjustment, Council implemented the Business and Economic Targeted Rate to Short-Term Rental Accommodation. This has enabled additonal funding of $450,000 provided to RotoruaNZ to support the delivery of a plan to promte Rotorua and rebuild its reputation. Their recent succesful Robe Trip campaign was a finalist in the New Zealand Marketing Awards.

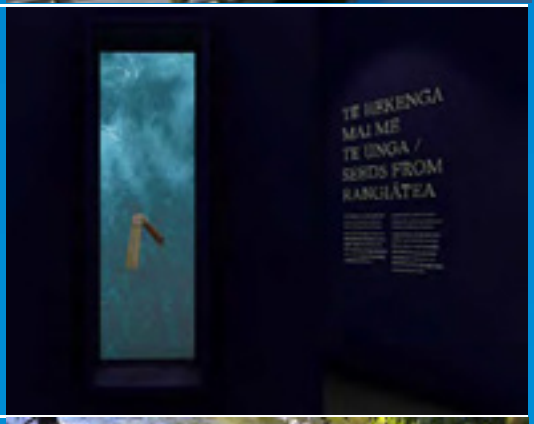


Stage one of the Tarawera Sewerage Scheme was completed. This included installation of pump stations and the main network pipeline. The purpose of the scheme is to protect the health of the community, the lake and downstream catchments.

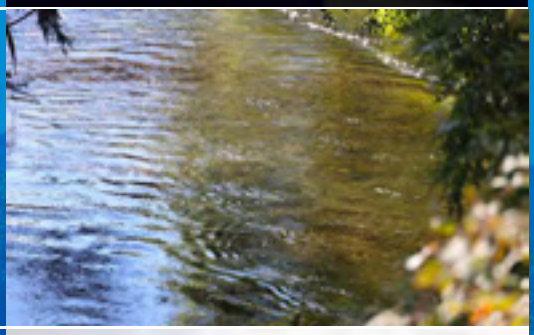


The Museum exhibition redevelopment project is also making great progress. The project team and exhibition designers are now well into the design phase.

Community consultation has continued and significant engagement was undertaken with descendants of B Company 28 Māori Battalion soldiers, with the aim of displaying as many photos of B Company men as possible when the Museum reopens.



As part of the Government's Local Water Done Well programme Council voted to keep water services in-house until 2028 while options for the establishment of a multi-council water services council-controlled organisation (WSCCO) are explored. This also allows time to engage with the community and iwi.



InfraCore, previously a Council Controlled Organisation (CCO) was brought back in-house in November 2024. This brings greater financial control and certainty, better management of services, flexibility in prioritising operational delivery, enabling wider use of operational skills and resources across the council organisation.

Major events and venues functions were moved from Council to our destination marketing and economic development CCO RotoruaNZ in November 2024. Major events have a significant positive economic impact for Rotorua, so this move was seen as a better fit for these services and functions, aligning with RotoruaNZ's focus and expertise.



This year saw a record high for housing in Rotorua. Over 500 new dwellings were constructed against a target of 420. This result is a new record high for the Rotorua Lakes District and is a result of many factors such as Council advocacy with Central Government to support more diversified housing options for our community.



HE MIHI
WELCOME

Kia hīkoi whakamua, me tiro whakamuri
Waiho mā ngā tapuwae tātau e ārahi ki te ara whakamua
Tihei Mauriora e!

To see what lies ahead, we must look
to what has gone before us
May the footsteps we have walked
guide us to the pathway forward
Behold there is life!



Ngongotahā Hatchery

NGĀ KŌRERO MŌ TĒNEI PŪRONGO
ABOUT THIS REPORT

The Annual Report is produced each year to measure Council's progress against the Long-term Plan and Annual Plan. This report covers the financial year from 1 July 2024 to 30 June 2025 and represents year one of the 2024/2034 Long-term Plan, adopted in June 2024.

It highlights both the achievements and challenges faced by Council in delivering on the first year of the Long-term Plan.

The report includes information about the Rotorua Lakes Council Group which includes our Council-Controlled Organisations (CCOs). It also includes a full set of financial statements and is independently audited by Audit New Zealand.

Rotorua Lakes Council is required by legislation to provide both a full Annual Report and a Summary of the Annual Report.



AUDIENCE FOR THIS REPORT

This report is intended to provide important information to a broad range of stakeholders including the Rotorua community, local businesses, non-government organisations, Council partners and government departments and agencies. It also provides Rotorua Lakes Council staff with information about how well the organisation has performed and how their efforts have contributed towards priority work areas.



HE KUPU
NĀ TE MANUKURA
MAYOR'S MESSAGE

This year, our focus was on delivering exceptional services and value for our community while laying strong foundations for Rotorua's future.

A key priority has been restoring Rotorua's reputation as a top tourism destination. We've successfully reconnected with international markets and delivered strong domestic campaigns, such as the Rotorua Robe Trip, to boost visitor numbers.

Supporting this has been the steady reduction of emergency housing in local motels, with Government committed to ending all emergency housing motels in Rotorua by December 2025. We remain on track to achieve this important milestone.

To ensure sustainable progress, we've prioritised housing development. Rotorua experienced its strongest growth in over a decade, with over 500 new homes built in 2024, the highest in at least 14 years, and residential consents were up 40%, compared to a national decline of 3.3%. Our updated Housing and Business Development Capacity Assessment (HBA) confirmed that Rotorua now has a surplus of development capacity, thanks to initiatives like our Future Development Strategy and District Plan Change 9.

Supporting growth requires investing in reliable infrastructure. We've progressed upgrades to the Rotorua Wastewater Treatment Plant and completed Stage One of the Tarawera Sewerage Reticulation Scheme to help protect Lake Tarawera. We've also made decisions about the future of Rotorua's water services by voting to maintain an in-house water services division for now and while investigating transitioning to a multi-council Water Services CCO from July 2028 as part of Government's Local Water Done Well policy. In May 2025, we also secured a clean and safe water source for the next 35 years for 60% of our residents by partnering with Ngāti Kearoa Ngāti Tuarā and committing to a partnership agreement for Karamū Tākina Spring for our Rotorua central water supply.

Community safety remains a top priority. Our inner-city safety hub has delivered positive results, and we've extended safety initiatives into Ngongotahā and some of our Eastside suburbs. Collaboration with Police has been impactful, supported by our CCTV network and the introduction of the new Police CBD Beat Team, announced by Police Minister Mark Mitchell in 2025.

We remain committed to preserving and celebrating our cultural and community assets. With the reconstruction of the Rotorua Museum well underway, and exhibition planning getting started, we can't wait to reopen this iconic building to locals and visitors in 2027/2028.

We've worked hard to keep rates as low as possible, paused non-essential projects, and found savings where we could. Despite this, unexpected costs, such as protest-related expenses during the Tarawera Sewerage Scheme pipeline installation, has impacted our final financial position for the year. To reduce the financial burden on Tarawera ratepayers, these costs will be recovered through the Lakes Enhancement Rate over the next 25 years rather than passed on directly to the community.

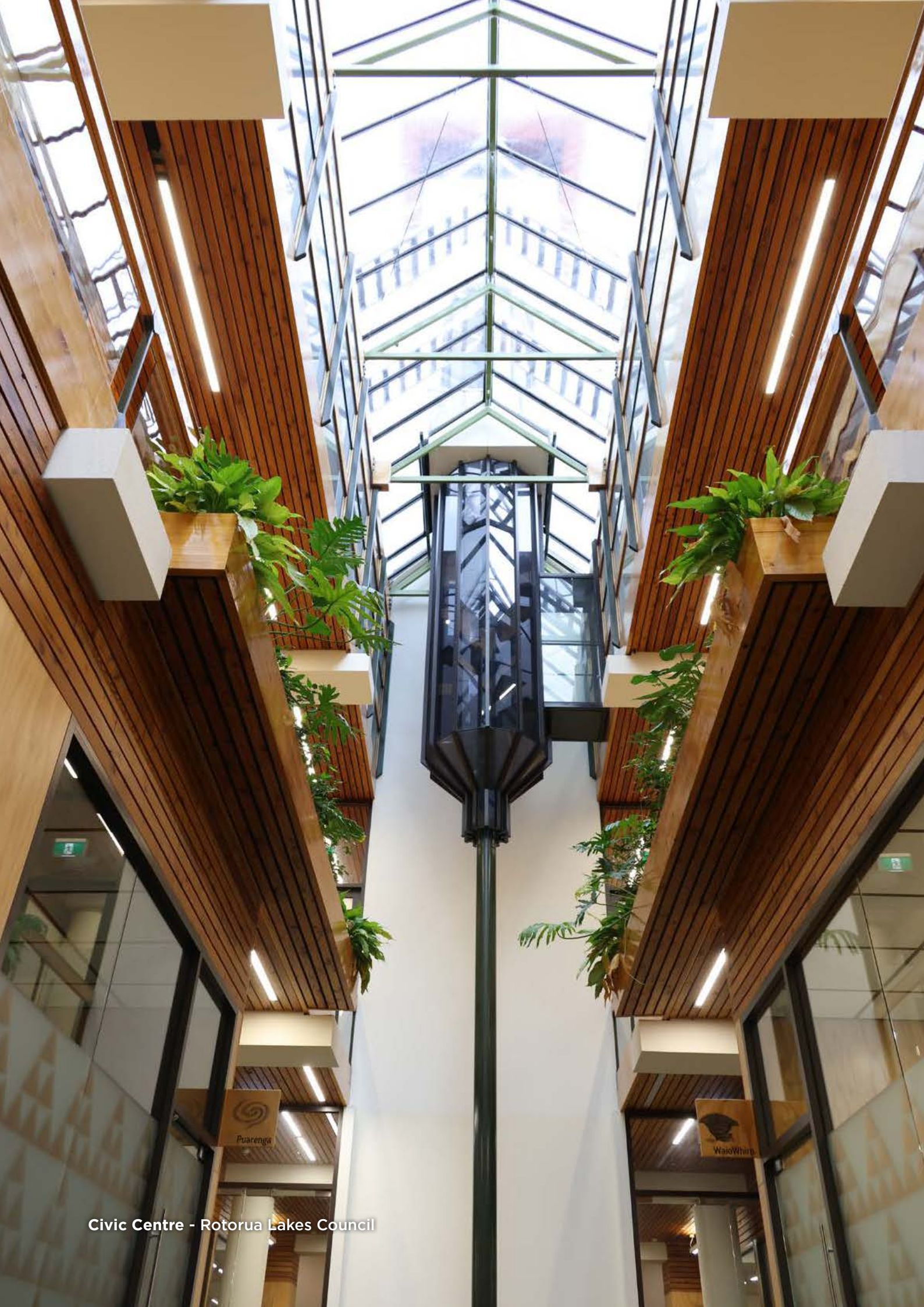
Finally, as well as making positive change for our community we've also restructured our organisation to improve efficiencies and value. Bringing Infracore back into Council has delivered financial and service benefits, while outsourcing the operations of our key venues and major events to RotoruaNZ will help enhance performance and revenue opportunities over time.

The year has been all about progress, resilience, and partnership. Together, we're building a stronger, safer, and better Rotorua for all.
Ngā mihi nui,



TANIA TAPSELL
Her Worship the Mayor





Civic Centre - Rotorua Lakes Council

HE KARERE NĀ TE TOIHAUTŪ **CHIEF EXECUTIVE MESSAGE**

Tēnā koutou,
It has been my first full year as Chief Executive at Rotorua Lakes Council and it has been an action-packed year that I have immensely enjoyed.

I want to start by acknowledging mana whenua of Rotorua – Te Arawa – and the important role that they play for the benefit of our District.
Thanks to all of our elected members for their service to the community during the past year and for the duration of this triennium.

As an organisation we aim to deliver excellent services, facilities and infrastructure for our community and I would also like to acknowledge all of our council staff who have worked hard this year to deliver on that commitment.

This annual report reflects what we've been able to achieve during the past financial year in the face of ongoing challenges while at the same time making the most of opportunities for improvements and efficiencies.

HIGHLIGHTS

There have been some significant highlights during the financial year including the reintegration into the council organisation of our former works CCO InfraCore, the completion of stage one of the Tarawera Sewerage Scheme, moving the operation of major events and council venues to our destination marketing and economic development CCO RotoruaNZ to ensure we can maximise the benefits that come from these, the construction progress on our museum and the establishment of the Te Arawa Vision 2050 Committee following a review of the Te Arawa Partnership.

Internally we've also undergone an organisation-wide reset that has seen the establishment of a new structure to achieve the right balance of internal and external focus for work towards delivering our basic services brilliantly.

Areas of organisational focus during this past year have also included implementing significant change in the way we have organised ourselves to deliver capital projects and a focus on financial efficiencies.

FINANCES

Council has retained its AA- credit rating from international agency Fitch, a very good rating which has been maintained since 2016 when the council's finances were first tested by Fitch to provide an independent view of the financial stewardship.

Our rating has been achieved despite challenging times which have included the impact of bringing our former works CCO InfraCore back in-house and additional costs incurred as a result of protest action related to the Tarawera Sewerage Scheme.

This provides an independent view that should also give our community confidence in our financial settings and strategies.

CENTRAL GOVERNMENT REFORM

We have had to continue to adjust to an ever-changing local government landscape with ongoing changes being implemented as the current government rolls out its agenda.

A major achievement has been the extensive work undertaken to comply with the Government's Local Water Done Well water services reforms. We are now well placed to undertake the focussed discussion with our neighbours about whether a combined water services CCO (council-controlled organisation) across Rotorua and the Eastern Bay of Plenty is right for our community in Rotorua.

COMMITMENT

I look forward to working alongside staff, elected members and the community to implement these reforms as they come into effect and to continuing the good work already underway to ensure we deliver for our District residents, businesses and visitors.

As you read through this annual report and learn more about what has been achieved I want you to know that each day I am focussed on looking for ways – big and small – to better and more efficiently deliver the important mahi that we do for the benefit of our community.

Ngā mihi nui,



ANDREW MORAES
Chief Executive



MANU MĀTĀRAE
ELECTED MEMBERS - OUR COUNCIL



GENERAL WARD
MĀORI WARD
RURAL WARD












ROTORUA LAKES COUNCILLORS

From left to right: Tania Tapsell - Mayor of Rotorua,
Deputy Mayor Sandra Kai Fong, Cr Gregg Brown, Cr Robert Lee,
Cr Conan O'Brien, Cr Don Paterson, Cr Fisher Wang,
Cr Lani Kereopa, Cr Trevor Maxwell, Cr Rawiri Waru, Cr Karen Barker



ROTORUA LAKES COMMUNITY BOARD

From left to right: Phill Thomass (Chair), Nick Chater (Deputy Chair), Peter MacMillan, Jennifer Rothwell



ROTORUA RURAL COMMUNITY BOARD

From left to right: Colin Guyton, (Chair), Ben Hollier (Deputy Chair), John Atkinson, Rachel Clarke



Ohinemutu

TE TATAU O TE ARAWA
TE ARAWA PARTNERSHIP BOARD

In December 2015 the Te Arawa partnership was signed between Te Arawa and Rotorua Lakes Council.

Te Tatau o Te Arawa is the board that represents the collective interests of Te Arawa under the Te Arawa partnership agreement with Rotorua Lakes Council.

The board comprises 14 members, representative of a cross section of Te Arawa stakeholders including koeke (elders), Ngāti Whakaue, Te Arawa iwi and hapū, land trusts and incorporations, pan-Te Arawa entities and rangatahi (youth).

There were two vacancies on the board at time of reporting.

Rotorua Lakes Council thanks Te Tatau o Te Arawa for its enduring relationship and its commitment to the betterment of our community.

TE TATAU O TE ARAWA

TE TATAU O TE ARAWA BOARD MEMBERS

TE ARAWA IWI AND HAPU (6 SEATS)

James Hamiora (Chair)

Mariana Vercoe

Te Taru White

Aroha Bray (resigned in January)

Dr Kēpa Morgan

Potaua Biasiny-Tule

KOEKE (1 SEAT)

Kiri Potaka-Dewes

NGATI WHAKAUE (2 SEATS)

Rangitiaria Tibble

Wātea | Vacant

TARATI WHENUA & KAPOREIHANA LAND TRUSTS & INCORPORATIONS (2 TŪRU | SEATS)

Andrew Te Amo

PAN TE ARAWA ENTITIES (1 SEAT)

Roku Mihinui

RANGATAHI (2 SEATS)

Kahutapeka Ututaonga

Te Waiarangi Collier-Merito


Tree Trust

TŌ MĀTAU TIROHANGA WHAKAMUA MŌ ROTORUA
OUR VISION FOR ROTORUA

Council has a vision for a better Rotorua for all. What Council delivers and how it delivers will help to realise the vision. The focus of Council's work programme in the 2024/2034 Long-term Plan is on the following nine key outcomes:

Connected and Resilient	**Kua tūhonohono te hapori, ā,kua rite ki ngā putanga nui o te huringa āhuarangi me ngā aituā māori, mā te pakari o ngā mahi tūānuku ka eke ka ora.** Our communities are cohesive and prepared for the effects of climate change, natural hazards and we invest in safe and reliable infrastructure.
Employment and Economy	**Ka whakakahangia ngā pakihi kia tupu tūturu ai. Mā te nui a ngā whaiwāhitanga haumi ka eke ka roto ora. Ka kite i te putaputa mai o ngā whiwhinga mahi e wātea ana ki te tangata.** We enable businesses to grow with confidence through increasing investment opportunities. There are employment options across a range of sectors.
Tourism	**He wāhi pakari tēnei e hiahiatia ana e te ao te tae atu, he pokapū whakarawerawe, kua rongo nui tōna ingoa.** We are a world class destination, with a vibrant inner city and a positive reputation.
Housing	**E wātea ana ki te kainoho o te tāone he whare tuawhiti e taea ai e rātau te noho haumaru, te noho marutau e pai ai tana oranga.** All residents have access to a range of housing options that ensures they can live in quality homes that are safe and healthy.
Active	**Kua tūhera katoa ngā rotomoana, ngā ngahere, me ngā papa wātea, ā, ko te kounga o ngā whare rēhia, ka toro atu ngā ringa ki te tangata, māna tōna oranga e whakahī, e whakahā ia te rā.** The accessibility of our lakes, forests, open space networks and the quality of our facilities create opportunities for everyone to be active throughout their lives.
Environment	**He arotahinga ki te whakapaipai, ki te tiaki hoki i ngā roto moana, i ngā arawai, me ngā ngāherehere.** We are committed to protecting and improving our lakes, waterways and forest environments.
Safety	**Kua korowaihia ā tātau hapori, ngā pakihi, me ngā manuhiri ki te korowai o marutau huri āwhio i te takiwā.** Our communities, businesses and visitors feel safe across our District.
Mana Whenua / Tāngata Whenua Aspirations	**E kitea ana, e taunakitia ana e mātau ko wā te tangata whenua e manakotia ana. Ka noho mātau hai hoa haere ki te whakatupu rau ōhanga, ki te whakapuare kūaha pāpori hoki rā hei painga mō te katoa.** We recognise and support the aspirations of Tangata Whenua/Mana Whenua and partner to grow economic and social opportunities and benefits for everyone.
Arts and Culture	**Ko te ahurea tuakiri o Rotorua, he motuhake, koia hoki te papa whakapoapoa i te tangata kia tae atu ki ngā manomano pātanga. Ka oreore te takiwā, ka kōkiritia ngā kaupapa ōhanga me ngā hua ki te hapori i roto tonu i ngā taupuni me te rohe whānui.** Our District's unique cultural identity is the foundation for attracting and delivering a diverse range of events, increasing vibrancy and activity and driving economic and community benefits within our facilities and for our District.

TŌ MĀTAU TAKIWĀ
OUR DISTRICT

Population over 77,000 people

63% are of working age (15-64)

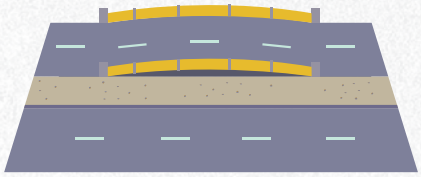
18% were born overseas

43% are Māori

21% are aged 0-14

** Source: Stats NZ*

COUNCIL ASSETS AND SERVICES THAT SUPPORT OUR COMMUNITY



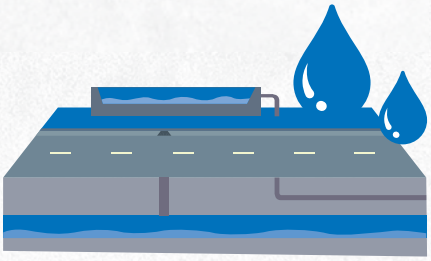
1014 km of roads

900 km of sealed roads

114 km of unsealed road

383 km of footpaths

80 km of road bridges

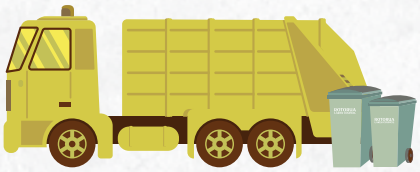


154 km of stormwater channels

284 km of stormwater pipelines

761 km of water pipelines

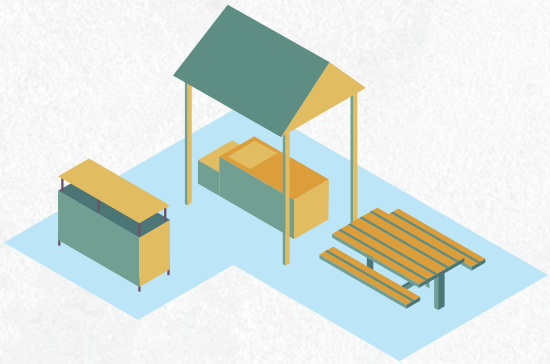
9 water supply treatment plants



41,473
tonnes of waste collected in 2024

12,489
tonnes of recycled material diverted from landfill in 2024

31,203
households have their rubbish collected



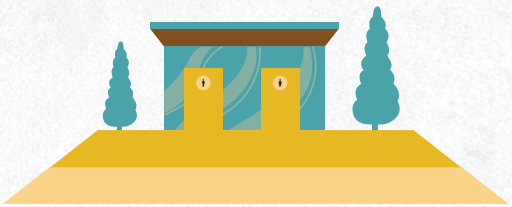
37 BBQ areas
189 picnic tables



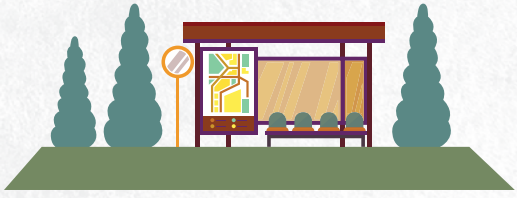
574 km of sewer pipelines



80 playgrounds



67 public toilets



144 bus shelters

TE TAKIWĀ O ROTORUA: HE TAUIRA O TE HOURUATANGA ME TE MAHI NGĀTAHI
ROTORUA DISTRICT: A MODEL OF PARTNERSHIP AND COLLABORATION

Rotorua Lakes Council stands as a leading council in collaboration, shaped by a long history of partnership with mana whenua.

This enduring partnership traces back to the Fenton Agreement, a foundational covenant between the Crown and Ngāti Whakaue that enabled the establishment of the Rotorua township. The Fenton Agreement reflects the early recognition of mana whenua authority and continues to inform Council's approach to shared decision-making today.

As the heart of Aotearoa New Zealand's tourism industry, Rotorua and its geothermal wonders, lakes and forests have long drawn visitors from around the world, offering an experience deeply rooted in Māori culture and storytelling.

Rotorua Lakes Council remains committed to honouring Te Tiriti o Waitangi and upholding all legislative and relationship obligations.

Through formalised agreements, strategic collaboration and shared aspirations, Council and mana whenua continue to build a thriving Rotorua that reflects the identity and values of its people.

Rotorua Lakes Council recognises that achieving a thriving District requires strong relationships with iwi, hapū and whānau Māori.

There are currently 19 formal relationships between iwi/ hapū and Rotorua Lakes Council.

Relationship/Partnership Agreements with iwi and hapū

Over the years, previous Councils have entered into agreements with mana whenua that provide for regular, formal meetings between the governance of mana whenua groups and Council. Council staff report on relevant activities at these meetings, which also serve as an important forum to raise awareness of issues or projects.

Those agreements and protocols include:

- Joint Management Agreement (JMA) with Raukawa. This JMA has legislative effect requiring joint decision-making for specific Resource Management Act planning decisions.
- JMA with Te Arawa River Iwi, which has similar effect to the Raukawa JMA.
- Protocol agreements with Ngāti Rangiwewehi, Tapuika and Ngāti Rangiteaorere, which were negotiated as part of their Treaty settlements. These require regular meetings of iwi and council leadership.
- Tūhourangi Agreement. This is an early agreement negotiated outside of Treaty settlement. It requires regular meetings and is an important leadership mechanism because of the range of council projects affecting Tūhourangi (currently including the Tarawera sewerage scheme, public mountain bike trails across their lands and upgrades of council lakeside reserves affecting their lands and taonga).
- Gifted Reserves Protocol with Ngāti Whakaue. In 1994 the Crown agreed to return reserves to Ngāti Whakaue if those reserves are no longer needed for their gifted purpose. The Gifted Reserves Protocol was agreed in 1995 and requires that Council (as manager of the reserves) seek Ngāti Whakaue approval before any lease, easement or similar transaction is entered into over the reserves.
- Kauae Cemetery. Ngāti Whakaue have vested a large portion of their land for use as a public cemetery. The Trustees of the cemetery are appointed by Ngāti Whakaue and Council.

Rotorua Lakes Council is also a member of two key co-governance entities established through Treaty settlements:

- Tarawera Awa Restoration Strategy Group (TARSG) – Established through the Ngati Rangitihi Settlement Act, the co-governance group led by Te Mana o Ngati Rangitihi works with iwi and other councils to restore and protect the mauri of the Tarawera Awa and its catchment, supporting shared environmental and cultural outcomes.

- Te Maru o Kaituna River Authority – Established through the Tapuika Claims Settlement Act 2014, the Authority is a co-governance partnership made up of iwi representatives from Tapuika Iwi Authority Trust, Te Kapu Ō Waitaha, Te Pumautanga o Te Arawa Trust, Te Tāhuhu o Tawakeheimoa Trust and Te Komiti Nui o Ngāti Whakaue, along with council representatives from Bay of Plenty Regional Council, Rotorua Lakes Council, Western Bay of Plenty District Council, and Tauranga City Council. It is a permanent joint committee of the four councils and works collectively to uphold the values of the Kaituna River through joint planning and implementation of the Kaituna River Document.

Additional significant partnership agreements include:

- Karamū Tākina Springs Agreement with Ngāti Kearoa-Ngāti Tuara – A co-management agreement over one of Rotorua city's main drinking water sources, supplying about 60% of the city's water. The agreement returns land to the iwi, acknowledges their ancestral guardianship, and establishes a joint decision-making framework. It also enables future cultural initiatives and supports long-term water access arrangements.

- Te Puna a Pekehaua Joint Resource Consent with Ngāti Rangiwewehi – A nationally recognised partnership that enables continued community water supply from Te Waro Uri (a sacred spring and major contributing spring to the larger Puna o Pekehaua (Taniwha Springs) through a joint resource consent. This agreement followed the return of land taken under the Public Works Act and embeds tikanga and kaitiakitanga into the ongoing management of this taonga.

The following Treaty settlement legislation applies to Rotorua Lakes Council:

- Te Arawa Lakes Settlement Act 2006
- Affiliate Te Arawa Iwi and Hapū Claims Settlement Act 2008
- Central North Island Forests Lands Collective Settlement Act 2008
- Ngāti Tūwharetoa, Raukawa, Te Arawa River Iwi Waikato River Act 2010
- Raukawa Claims Settlement Act 2014
- Ngāti Rangiwewehi Claims Settlement Act 2014
- Tapuika Claims Settlement Act 2014
- Ngāti Rangiteaorere Claims Settlement Act 2014
- Ngāti Rangitihi Claims Settlement Act 2022

38 Marae in Rotorua District

19 formal relationships between iwi/ Hapū and Rotorua Lakes Council

TE TIRITI O WAITANGI CROWN SETTLEMENTS WITH TE ARAWA IWI:

17 completed settlements

35 Post Settlement Governance entities established in the wider Waiariki area

Ngāti Whakaue settlement in progress

MĀORI FREEHOLD LAND IN ROTORUA
(SOURCE STATS.NZ):

57,892ha

305,726 Owners

TE ĀRAHITANGA Ā-OHU
ORGANISATIONAL LEADERSHIP

The Rotorua Lakes Council Executive Team is led by the Chief Executive. The organisation is made up of four groups.

- Infrastructure and Assets
- Destination Development
- Organisational Performance and Innovation
- Community Experience

Our organisation has many skilled and professional people who are passionate about our District and its future. Within the four group areas, there are 21 business units made up of 466 FTE's (Full Time Equivalent Employees) who deliver our services and projects.

Three other teams provide critical functions that report to the Chief Executive

- Te Arawa Partnerships
- Finance
- People and Culture

EXECUTIVE TEAM

Chief Executive
Andrew Moraes

Manahautū Te Arawa Hourua - Te Arawa Partnerships
Paul Warbrick

Group Manager – Infrastructure and Assets
Stavros Michael

Group Manager – Destination Development
Jean-Paul Gaston

Group Manager – Organisational Performance and Innovation - Seconded
Thomas Collé

Group Manager – Community Experience
Alex Wilson

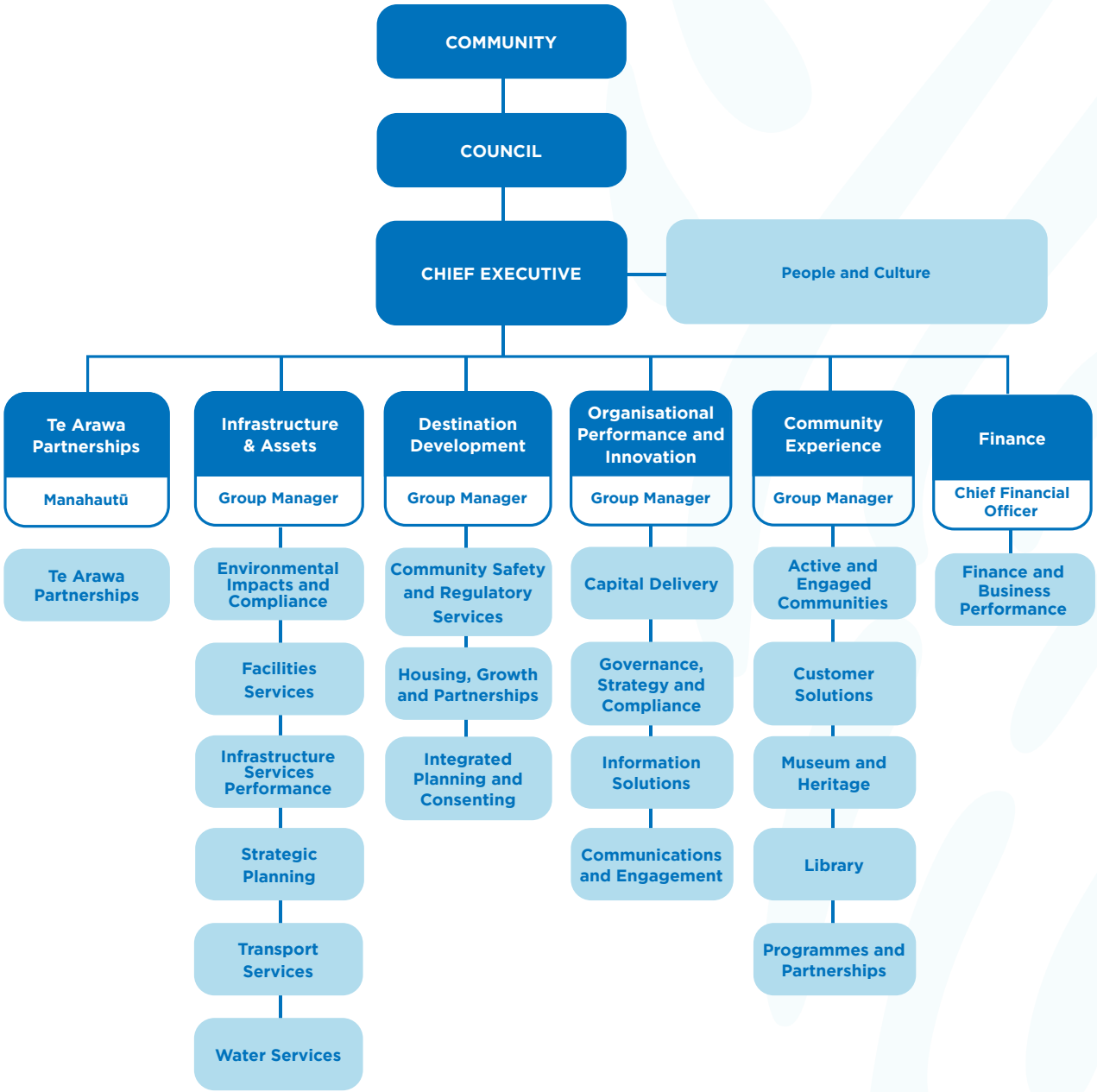
Chief People Officer – People and Culture
Clint Brickhill

Chief Financial Officer - Seconded
David Jensen



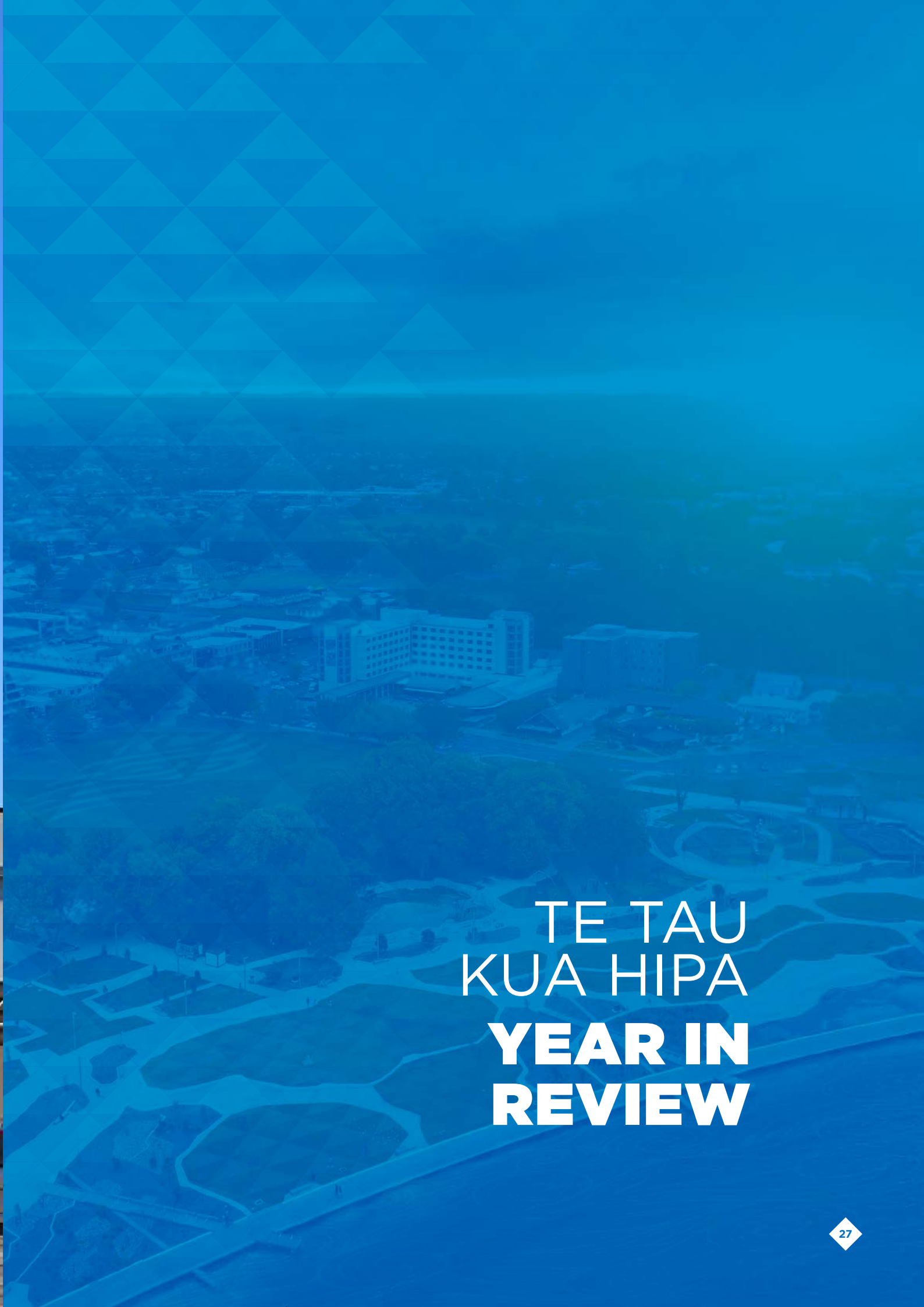
Te Arawa Waka - Rotorua Lake Front

TE OHU MANAHAUTŪ **ORGANISATIONAL LEADERSHIP**





Hinemoa Tower - Mural



TE TAU KUA HIPA **YEAR IN REVIEW**

HE MĀTAINGA POTO: TE MAHINGA PŪTEA **AT A GLANCE: FINANCIAL PERFORMANCE**

	Actual	Budget
Operating surplus / (deficit)	$8,326	$21,128
Revenue	$216,464	$208,737
Expenditure	$208,137	$187,609
Revenue – from rates	$146,323	$143,773
Revenue – from other sources	$70,140	$64,964
Capital expenditure	$98,439	$132,956
Net debt	$453,144	$469,968
Credit rating – Fitch International Feb25	AA-	
Outlook	Stable	

Throughout the 2024/25 financial year, Rotorua Lakes Council experienced several significant changes that materially impacted its operating environment and financial position.

Key structural changes included the reintegration of InfraCore into Council operations and the transfer of Events and Venues functions to RotoruaNZ. These decisions altered both the revenue and cost structures compared to the original forecasts set in the 2024/2034 Long-Term Plan.

As at 30 June 2025, the Council reported a core operating surplus of $8.3 million, compared to a budgeted surplus of $21 million.

Rate revenue exceeded budget due to a higher-than-expected number of ratepayers electing to pay the Rotoiti/Rotomā sewerage capital rate as a lump sum. Development and financial contributions were significantly below budget, reflecting reduced development activity and the timing of consents lodged prior to the adoption of the new development contributions policy. Finance income was above budget, driven by a strategic decision to place funds on term deposit under favourable conditions, resulting in a positive arbitrage effect that helped offset borrowing costs.

Operating expenses were higher than budgeted, primarily due to personnel costs, which included the unbudgeted expense of bringing InfraCore staff in-house in October 2024 under the newly established Works Department. Depreciation, which increased following asset revaluations, particularly for wastewater and water supply infrastructure. Finance costs, which were elevated but partially offset by a $2.5 million surplus in finance income resulting from the term deposit strategy.

In accordance with Council's accounting policy, asset classes are revalued every three years. For 2024/25, Council revalued its art collection, landfill assets, and land and buildings, resulting in a revaluation gain of $88 million.

As at year-end, net debt was $453 million, coming in below the budgeted figure of $470 million. This variance is primarily attributable to slight delays in the execution of capital projects, this has reduced the need to draw down on debt.

NEW ISSUES

1. **Fiscal pressures and budget constraints:** reduced central government funding, insurance premiums and other operating costs particularly in water services.

2. **Policy and Governance reform:** Central government is pursuing a “back-to-basics” approach by streamlining local authority functions, in addition the implications of reforms such as Local Water Done Well, changes in the Resource Management Act.

3. **Housing and Infrastructure Challenges:** pressure to deliver affordable housing and associated infrastructure with limited borrowing capacity.

ONGOING ISSUES

1. **Workforce capacity constraints:** staffing shortages in areas such as planning and engineering, compounded with the cost of recruitment and retention of staff.

2. **Infrastructure deficit and ageing assets:** The cost of renewals and upgrade projects are rising in cost, with investment required in climate adaption, flood protection and emergency management following severe weather events.

3. **Global Economic Decline:** The global economic downturn continues to exert pressure on local economic conditions.



Te Rūnanga Tea House

TE WHAKAHAERE PŪTEA
MANAGING THE MONEY

The Rotorua Lakes Council allocated $208 million this year to deliver direct community services, internal support functions, and additional community-benefiting services. An additional $98.4 million was invested in capital works to renew assets and develop new facilities and amenities for Rotorua's future.

The Council manages assets valued at $2.1 billion, encompassing roads, bridges, parks, playgrounds, halls, land, recreation and leisure facilities, drainage systems, water and wastewater infrastructure and libraries.

Key revenue sources include property rates (both general and targeted), government grants and subsidies, and user charges and fees. Major expense categories cover contractors, maintenance, personnel costs, depreciation, grants to community groups, and various community services.

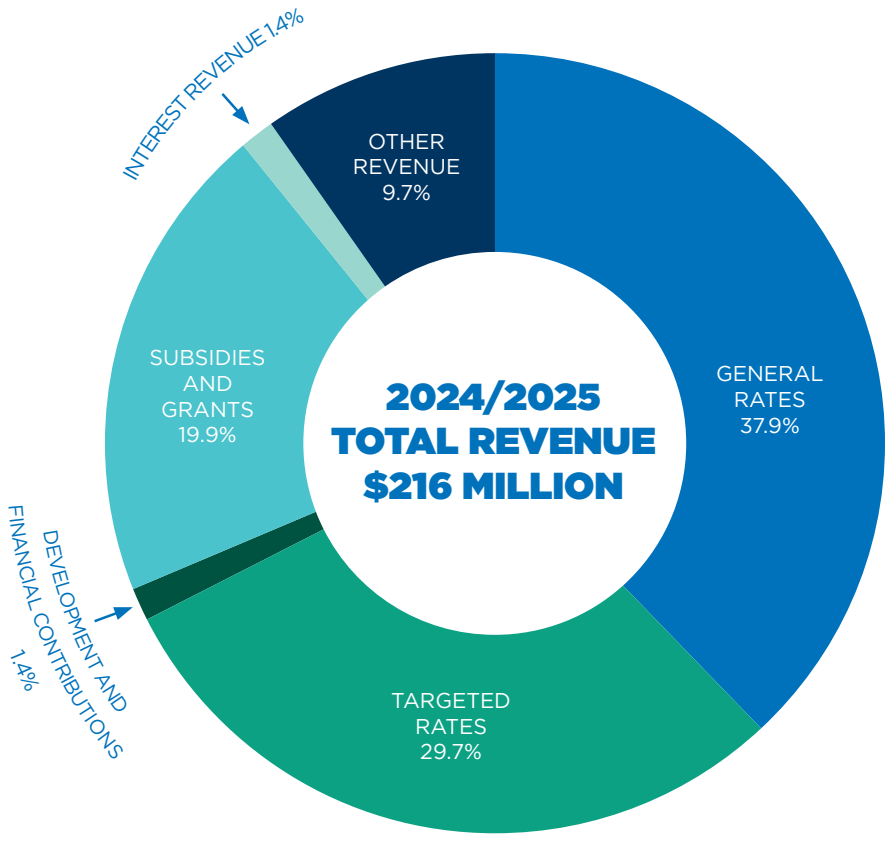
The core services provided include roading and footpaths, drinking water, wastewater, stormwater, library services, the Aquatic Centre, emergency management, and planning and regulatory programs.

For comprehensive details, please refer to the Council's Financial Statements starting on page 87.

WHERE DID COUNCIL'S REVENUE COME FROM?

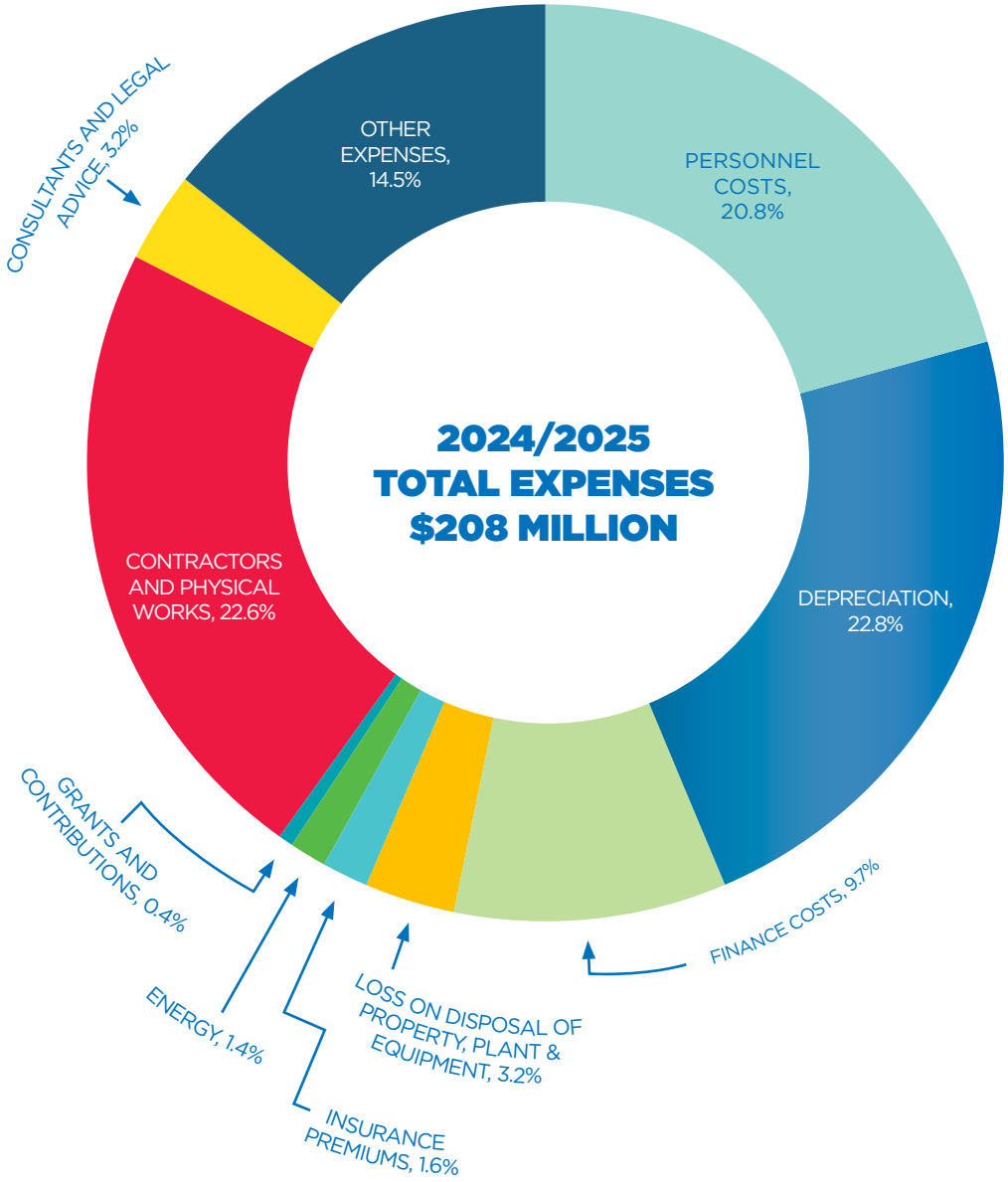
In the 2024/25 financial year, Rotorua Lakes Council generated $146 million from general and targeted rates, representing 67.6% of total operating revenue (2023/24: $128 million; 71%). Rates remain the primary funding source for Council operations, supporting the delivery of essential services and infrastructure across the District.

In addition to rates, the Council received $43 million from subsidies and grants, accounting for 19.9% of total revenue (2023/24: $47 million; 24%). These funds are typically sourced from central government and other agencies to support specific projects, such as transport infrastructure, community development and environmental initiatives.



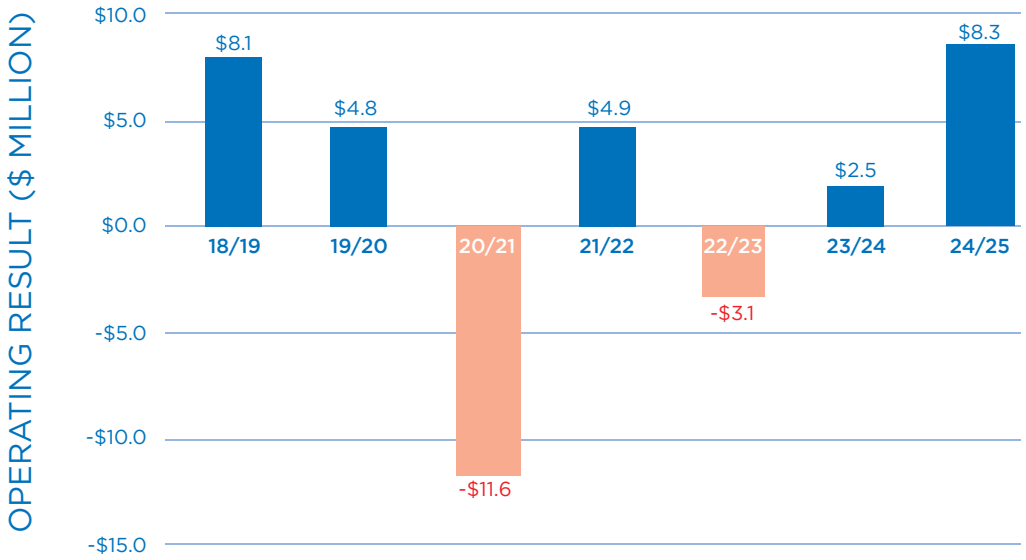
WHAT WERE COUNCIL FUNDS USED FOR?

For the 2024/25 financial year, Rotorua Lakes Council has allocated a total operating expenditure of $208 million. These funds are directed toward the delivery of essential services and infrastructure across the District. Key areas of investment include the maintenance and development of roads, three waters infrastructure and the enhancement of parks and reserves to support a vibrant and active community.



HOW DOES OUR PERFORMANCE COMPARE WITH PREVIOUS YEARS?

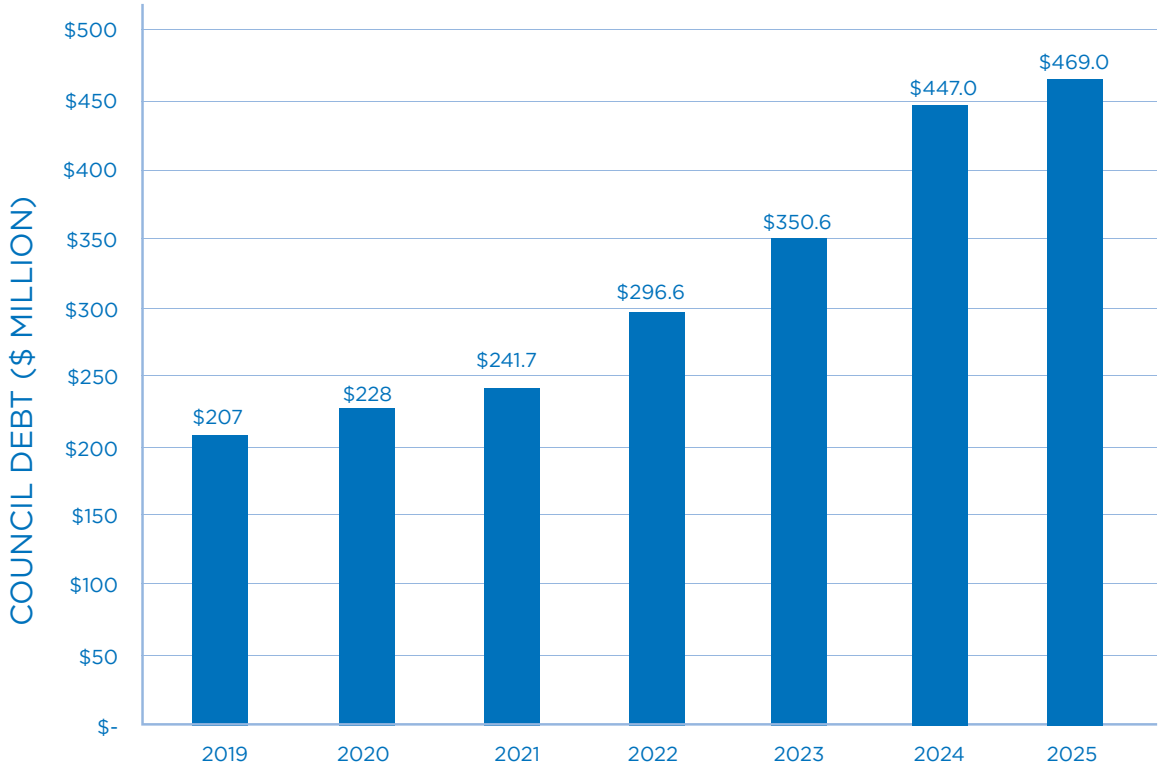
This financial year, the Rotorua Lakes Council has achieved a net surplus of $8.3 million for 2024/25. This surplus is derived from the reported revenue of $216 million, offset by the reported expenses of $208 million.



COUNCIL DEBT

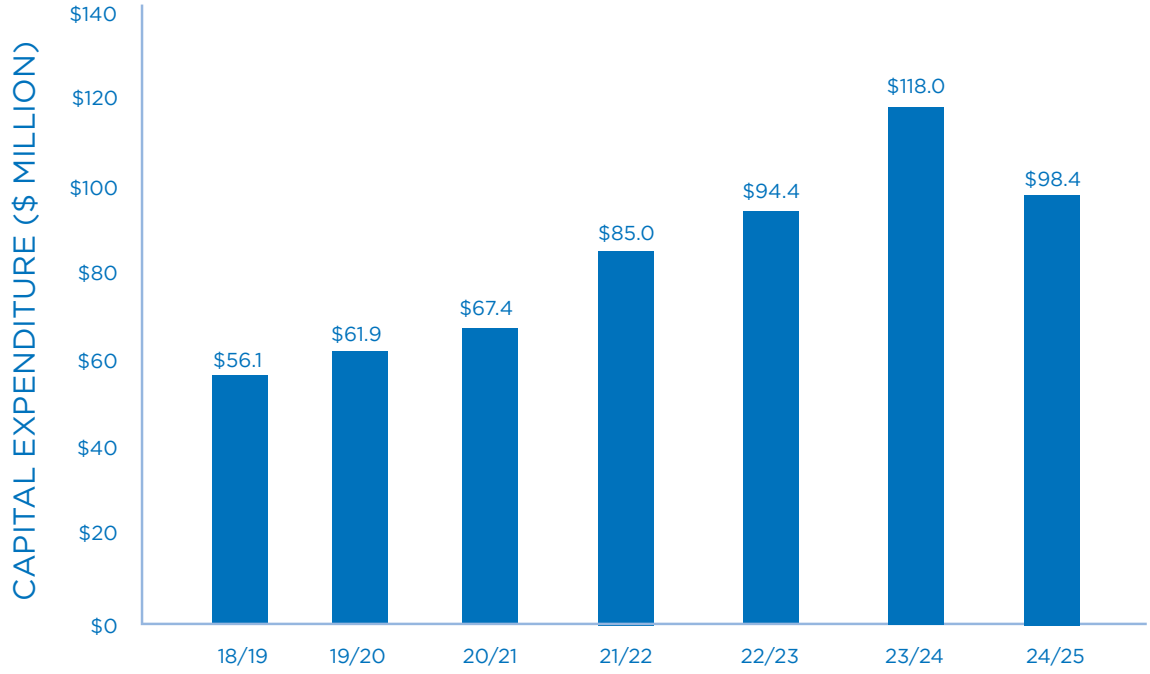
During the 2024/25 financial year, Rotorua Lakes Council's total debt increased by $22 million, bringing the overall debt position to $469 million. This increase reflects the Council's strategic approach to funding long-term capital investments.

Borrowing is used to finance the development of new facilities, infrastructure upgrades, and other significant improvements across the District. This approach ensures that the costs associated with these assets are equitably shared across the generations who will benefit from and utilise them. It also supports intergenerational equity and aligns with prudent financial management principles.



CAPITAL EXPENDITURE

In the current financial year, Rotorua Lakes Council has committed $98 million in capital expenditure to support strategic initiatives across the District. This investment is allocated across asset renewals ($28 million), asset service enhancement ($63 million) and growth ($6 million). These capital projects are designed to maintain and improve the quality of public infrastructure and services to ensure they meet the evolving needs of the community. Some of the key capital projects underway this year include the Museum, Wastewater Treatment Plant and Tarawera Sewerage Scheme.





Nōnamata Po - Lake Front

NGĀ WERO MATUA ME NGĀ ĀHEINGA
KEY CHALLENGES AND OPPORTUNITIES

LOCAL WATER DONE WELL

The Government's Local Water Done Well (LWDW) reform programme required all Councils to develop Water Services Delivery Plans (WSDPs) by September 2025. We have been working closely with councils in Whakatāne, Ōpōtiki and Kawerau to develop a roadmap that would allow the time and process to explore the potential benefits of a multi-council Council Controlled Organisation (CCO).

Consultation with the community was undertaken in April 2025 on the future of our water services delivery model. In June 2025 Council confirmed its preferred model which is to retain water services in-house until July 2028 while options for the potential establishment of a multi-council Water Services Council Controlled Organisation (WSCCO) are explored. In 2027, Council will make a final decision. Should a future Council decision be to not join a WSCCO, the fall-back option is an in-house business unit. This decision enables the Council to conduct a detailed assessment of the advantages of a multi-Council WSCCO and allowing time for engagement with mana whenua and the community.

The Water Services Delivery Plan was submitted to the Department of Internal Affairs in August 2025.

RESOURCE MANAGEMENT ACT (RMA) REFORM

The RMA has been the cornerstone of New Zealand's planning framework for more than two decades and successive governments have indicated future changes and reforms. The RMA went through a reform process during the 2024-2025 financial year and while not complete at the end of this period, at the time of writing the current version of this reform is going through Parliament and is likely to be enacted by mid-2026.

FUTURE OF LOCAL GOVERNMENT

During this financial year several changes to local government were underway. The Local Government Systems Improvements Amendment Bill, which was out for public consultation at the time of writing this report, proposes a range of amendments to the Local Government Act 2002.



NGĀ PITOPITO PĀTANGA KŌRERO O TE WĀ **PROJECT UPDATES**

The following major capital projects were committed to in year one of our 2024/2034 Long-term Plan.

WASTEWATER TREATMENT PLANT

The city's wastewater treatment plant was originally constructed in the 1960s. Work on upgrades started in late 2022 and is progressing well. The $100 million programme of works will increase treatment capacity, improve the quality of treated water and help maintain nutrient levels below the thresholds set through the Rotorua Te Arawa Lakes Programme. It is a critical investment for protecting the health of our lakes and enabling the city's future growth.

$23,750,000 was allocated in year one of the Long-term Plan for wastewater treatment plant upgrade phases including:

- Mechanical fit-out of the new blower building, improving aeration and treatment efficiency
- Installation of major pipelines, connecting the new treatment processes into the existing network
- Reshaping of the containment cell, strengthening resilience and ensuring capacity for future demand

A parallel project to explore long-term options for the management and/or reuse of recovered water (treated wastewater) is also getting underway.

MUSEUM RESTORATION

Construction for the earthquake strengthening of Te Whare Taonga o Te Arawa and re-opening it as a Museum started in July 2024. The museum is a Category One Heritage Building and an iconic building for both New Zealand and Rotorua. Because of its significance Council has been able to secure substantial external funding to offset the cost to the Rotorua community which is contributing $15.5m.

$17,900,000 (including external funding) was allocated to these works for year one of the Long-term Plan.
The seismic strengthening and restoration works are progressing well. External works are being undertaken in a north-to-south sequence across the building, while basement and internal works are staged in a south-to-north sequence.
During the 2024/2025 financial year:

- Structural and seismic strengthening works (including foundation, floor, and wall strengthening) and internal finishing works were progressed in the Southern and Central Wings
- Roof and external repair works were completed on the Northen Wing

STORMWATER ENHANCEMENTS

Stormwater management is an important aspect of enabling development and growth. The stormwater programme is a major investment in the future of Rotorua, ensuring infrastructure keeps pace with community needs while supporting housing, growth and environmental sustainability.

Through the Council's Infrastructure Investment for Growth (IIG) programme, a coordinated series of projects will expand and strengthen the city's stormwater network. This work is supported by multiple funding sources, including approximately $85 million from central government's Infrastructure Acceleration Fund (IAF).

This year $13,483,811 was allocated to stormwater enhancements.

This is a large programme of work and includes multiple stormwater projects over time, including new stormwater detention facilities, additional network capacity in growth areas and catchment improvements in the Western and Central parts of Rotorua. Together, these upgrades will strengthen resilience, support urban development, enable new housing including papakāinga and reduce the impacts of heavy rainfall on local communities.

This year, work has included feasibility assessments, early design and engagement planning, required to prepare for the next stage of delivery.

Council carefully considered all feedback received during the development of the 2024–2034 Long-term Plan. As a result, the final plan included the following projects.

BUILDING OUR REPUTATION AND ECONOMY

Council is working with its Council Controlled Organisation (CCO) RotoruaNZ, which is the District's Tourism Promotion and Economic Development Agency, to rebuild the District's reputation and support and create opportunities to build the local economy.

In the 2024/2025 financial year, Council increased base funding to RotoruaNZ by 5% as part of the Long-term Plan, in line with inflation. Alongside this inflationary adjustment, Council provided targeted annual funding of $450,000 to support the delivery of a plan to promote Rotorua and rebuild its reputation. Read more about RotoruaNZ on page 185.

SHORT TERM ACCOMMODATION

Council made a decision as part of the 2024/2034 Long-term Plan to apply the Business and Economic Development Targeted Rate (BEDTR) to Short-Term Rental Accommodation (STRA) properties that fit the following criteria:

- Advertised as available for more than 60 days per financial year
- Where the entire house/property is advertised

STRA properties on farms or where a secondary dwelling is on the property have been excluded from the current rating approach

The BEDTR is used to fund marketing and tourism promotion for the Rotorua District.

Council also agreed to establish a working party to review the policy and propose any improvements to Council.

AQUATIC CENTRE REVITALISATION STAGE THREE

Council set aside $200,000 in year one of the 2024/2034 Long-term plan to undertake a revision of the scope, explore partnerships and other funding options for stage three of the Aquatic Centre. As part of the 2025/2026 Annual Plan consultation in April 2025 a decision was made to redirect the Central Government funding towards the Tarawera Sewerage Scheme.

EAST ROTOITI/ROTOMĀ SEWERAGE SCHEME

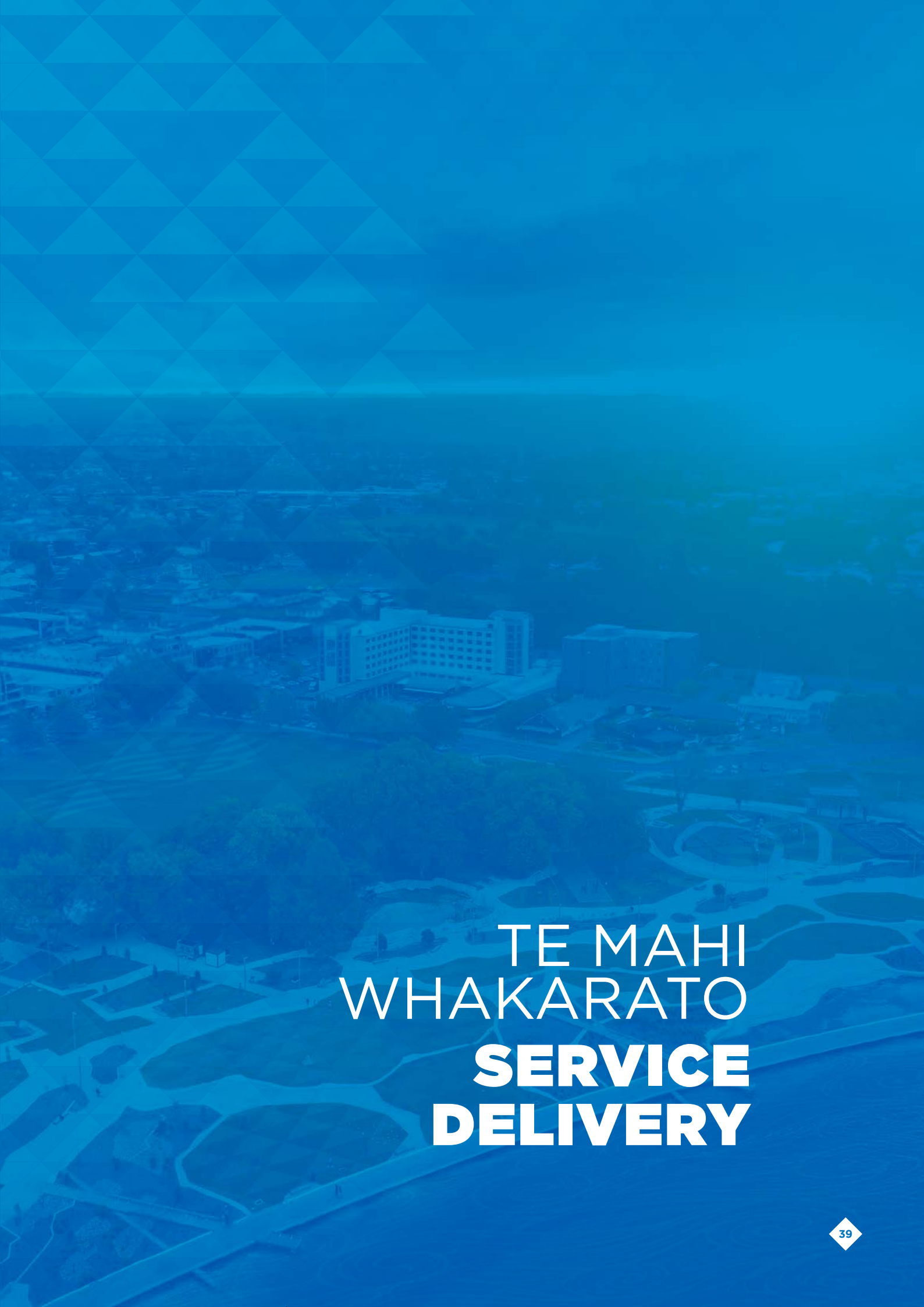
Council committed to a reticulated sewerage scheme for East Rotoiti/Rotomā in 2017/2018. The project is part of Council's contribution to the Rotorua Te Arawa Lakes Programme which aims to improve lakes water quality, protect public health and respects the traditional cultural values and broader community expectations.
The 2024/2034 Long-term Plan introduced a capital repayment plan for ratepayers with properties connected to the East Rotoiti/ Rotomā sewerage scheme. This capital rate was struck on 1 July 2024, year one of the 2024/2034 Long-term Plan.

TARAWERA SEWERAGE SCHEME

Stage one of the Tarawera Sewerage scheme was completed during the 2024-2025 financial year. During the 2025/2026 Annual Plan process a new capital rate was struck, effective 1 July 2025, following community consultation in April 2025 and discussions with Central Government and Bay of Plenty Regional Council.



Lake Road - from Pukeroa Hill



TE MAHI WHAKARATO
SERVICE DELIVERY



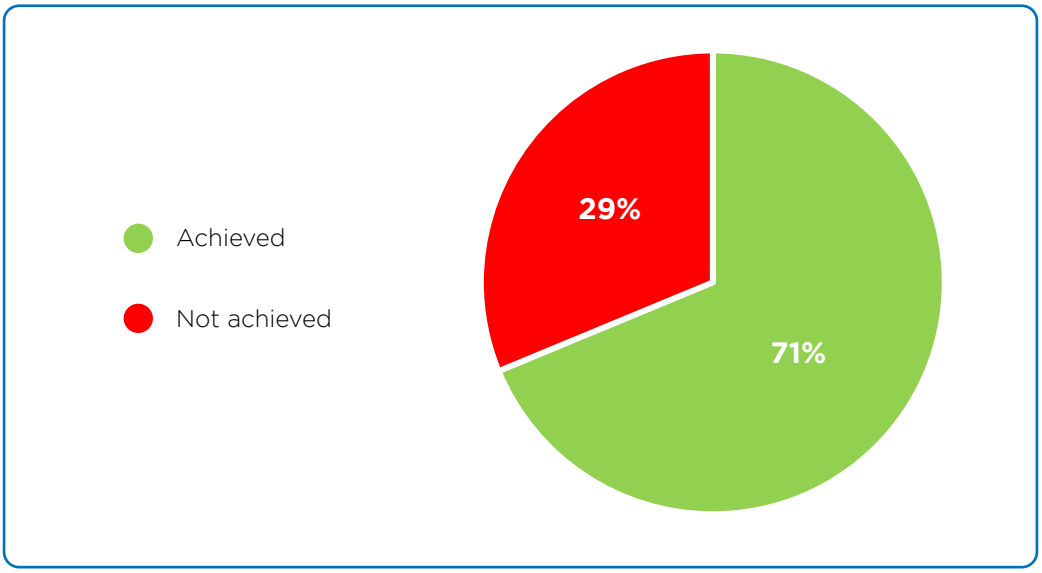
Ngongotahā Trail

HE MĀTAINGA POTO: TE MAHINGA RATONGA
AT A GLANCE: SERVICE PERFORMANCE

The 2024/2034 Long-term Plan arranges Council's services into nine service delivery groups. There are a total of 65 Key Performance Indicators (KPIs) across these nine groups which set out the level of service that the council will deliver for each year. The results of the Key Performance Indicators in this Annual Report are a way to track how well we have done over the year.

Of the 65 measures, 46 were achieved and 19 not achieved.

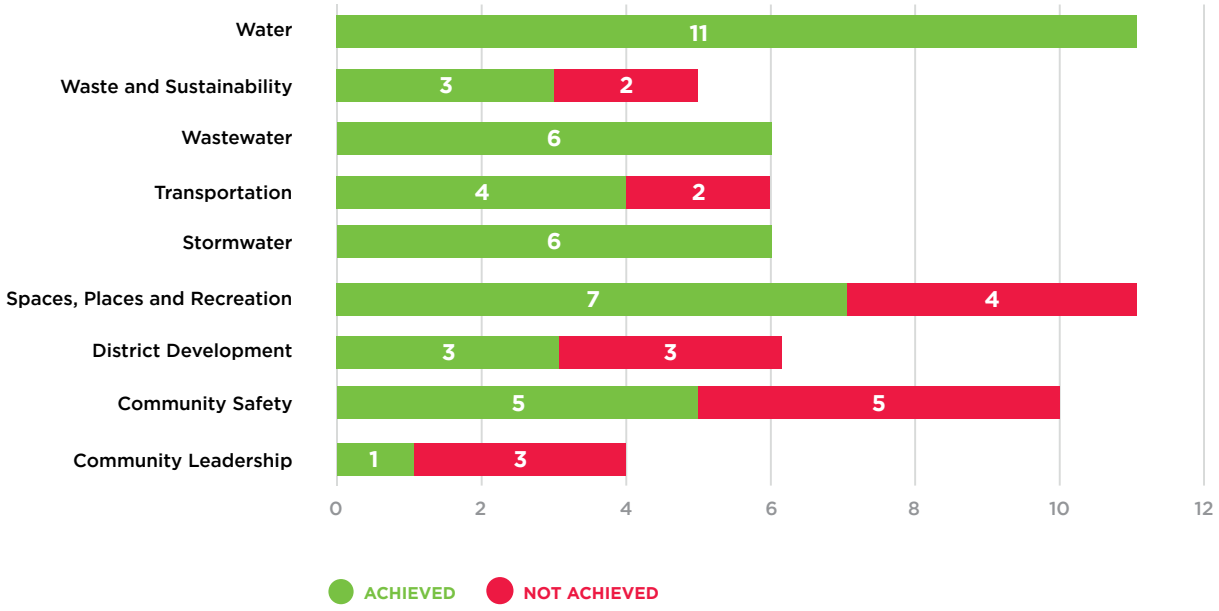
PERFORMANCE TARGETS SUMMARY



LOCAL GOVERNANCE FOR COMMUNITY WELLBEING

In May 2019, the Local Government Act 2002 was amended to reintroduce the four wellbeings into the purpose of Local Government, requiring all councils to play a broad role in promoting the social, economic, environmental and cultural wellbeing of communities. In this part of the Annual Report, we present the identified effects of our activities on the four dimensions of wellbeing. Some of our activities affect all four, while others may only touch on one. Effects can be positive or negative and are described in more detail within each activity.

KEY PERFORMANCE TARGETS BY ACTIVITY GROUP





PREPARATION OF SERVICE PERFORMANCE MEASURES

The Council's Statement of Service Performance information on the following pages has been prepared in accordance with the latest Public Benefit Entity Financial Reporting Standards (PBE FRS 48) and with generally accepted accounting practice (GAAP).

For PBE FRS 48 it states that in reporting about the entity's objectives and how it intends to achieve them, the information should be drawn from the founding documents, governance documents and accountability documents.

As such, council has drawn this information from the 2024/2034 Long-term Plan, which sets the direction for 10 years.

PBE FRS 48 also states judgement is required in deciding how much information to provide about the current reporting period as well as comparatives for all performance measure and survey results. Please refer to the individual Statements of Service Performance for each activity.

SERVICE PERFORMANCE JUDGEMENTS AND ASSUMPTIONS

When council prepared the forecast Statement of Service Performance in the 2024/2034 Long-term Plan, the following judgements were made in the selection of service performance measures detailed under each Group of Activities:

- Council reflected on the extent to which the levels of service it plans to provide to the community were best captured by performance measures
- Council has ensured that the performance measures adequately inform Rotorua residents and ratepayers of progress towards delivering Council's outcomes

Relevant measurement judgements have been included within each group of activity sections to which the judgement relates. This information applies to the Statement of Service Performance reporting from pages 47 of this report. f

Under the Local Government Act 2002 Councils are mandated to provide standard performance measures so that the public may compare the level of service provided in relation to the following group of activities:

- water supply
- sewerage treatment and disposal of sewage
- stormwater drainage
- provision of roads and footpaths.

Department of Internal Affairs (DIA) guidance has been followed in measuring performance against all mandatory performance measures. Further to the above judgements being made in the selection of performance measures, the council also applies judgements in the measurement, aggregations and presentation of service performance information.

EXTERNAL IMPLICATIONS FOR SERVICE PERFORMANCE STATEMENTS

There are conditions that affect the service performance results and may result in a variation from the targeted results. These are ones that are outside the control of the Council. Examples of this are, but are not limited to, changes in government policy in New Zealand, changes in international travel restrictions, global and domestic economic conditions and international policy that may impact areas such as staff recruitment.

SURVEYS

Council conducts a number of satisfaction surveys that measure the community's satisfaction with a number of interactions with council. The surveys are designed by in-house staff and external research experts, based on best practice in survey design.

They are designed to measure changes in perceptions of service delivery over time. For example, questions are written so they are clearly understood by participants and neutral in tone; and response options are designed so they are balanced, do not lead participants to respond in a certain way and cover all possible responses a participant may wish to provide. Where neutrality is important these surveys are independently run.

Service Delivery:	We deliver this through the following activities:
Community Leadership	• Corporate Planning, Governance and Engagement • Marketing and Communications • Customer Solutions • Finance and Business Performance • Property • Kaitiaki Māori • Organisation Enablement • Community support and funding
Community Safety	• Community Safety • Animal Education and Control • Environmental Health and Alcohol Licensing • Emergency Management
District Growth and Development	• Growth and Development • Consenting • Building Control
Spaces, places and recreation	• Open Spaces and Recreation • Major Events and Venues (moved to RotoruaNZ) • Community Facilities
Stormwater	• Stormwater systems
Transport Infrastructure	• Transport services including development and management of the roading network, including public transport infrastructure, safety programmes, alternative transport modes and long-term planning. • Parking
Wastewater	• Collection, treatment and disposal of wastewater from the three urban areas of Rotorua (Ngongotahā, city and eastern suburbs) as well as some rural lakeside communities.
Waste and Sustainability	• Waste Services
Water	• Water supply to three urban supply areas, five residential supply areas and two farming supply areas.



Jean Batton Square



Okere Falls

TE ĀRAHITANGA Ā-HAPORI
COMMUNITY LEADERSHIP

Community leadership is about setting the future direction and priorities for the District through good governance, partnerships, community advocacy and informed and inclusive decision-making. Leadership is underpinned by services that support the effective and efficient delivery of council services.

Community leadership includes:

- Corporate Planning, Governance and Engagement
- Marketing and Communications
- Customer Solutions
- Finance and Business Performance
- Property
- Kaitiaki Māori
- Organisation Enablement
- Community support and funding

These services support us to achieve the following community outcomes:

Connected and Resilient	**Environment**
Employment & Economy	**Safety**
Tourism	**Mana Whenua/Tāngata Whenua Aspirations**
Housing	**Arts and Culture**
Active	

Through Community Leadership we contribute to three of the four Local Government wellbeings by:

Wellbeings Indicator
Social
Cultural
Economic

- Supporting Council in setting the future direction and priorities for the Rotorua District
- Leading, partnering and advocating for Rotorua communities.
- Partnering effectively with Te Arawa to achieve enhanced outcomes for iwi and the Rotorua District
- Nurturing sustainable relationships that empower community participation
- Supporting meaningful engagement between Council and Māori communities, including marae, rūnanga, iwi, hapū and whānau, and facilitating Māori input into Council decision-making
- Enabling sound decision-making processes for the Mayor, elected members and committees.
- Empowering the organisation to deliver Council's vision for the District
- Ensuring business assurance, integrity, and transparency across council operations.
- Managing the council's property portfolio, ensuring that the investments provide a gross return that is sustainable and meets the needs of our community.

- **We launched our new online engagement platform Participate in April. This is an exciting new way to engage with our communities online and an easy way for members of the community to provide feedback and make submissions on Council plans and projects.**

- **In August public forums were added to the start of Council meetings. These forums provide an opportunity for members of the public to speak to elected members at the beginning of a Council meeting. It is the first time a Rotorua Council has had these types of public forums.**

MEASURING OUR PERFORMANCE

We have measured our performance towards the objectives set in the 2024/2034 Long-term Plan through the below Key Performance Indicators.

Want to find out more?

See page 47 of our 2024/2034 Long-term Plan.

Community Leadership

Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
Provide opportunities for the community and individuals to participate	Percentage of residents who are satisfied with the Let's Talk platform - quality, reliability and value (1)	54%	75%	67%	The previous online engagement platform used by Council was Let's Talk/ Korero Mai. We transitioned to a new platform Participate in April 2025. The end of year satisfaction survey was hosted on the Participate platform. The result was an overall satisfaction across value, reliability and quality of the platform was 67% from a total of 5 responses. Note that this is a small sample size.
Demonstrate robust debate and decision making for matters that impact upon the Rotorua District	No decision is overturned by judicial review		Zero		No decisions have been overturned by judicial review for the year.
Customer Satisfaction	Percentage of residents that agree with how the decisions made by the Council represent the best interests of the District (2) (3)		≥50%	41%	The Residents Experience Monitor is an independent survey conducted throughout the year. Out of a total of 339 responses for the year 41% of respondents felt that the decisions made by the Council represent the best interests of the District (measure of satisfaction is those that selected from a scale seven and above) 25% were dissatisfied and 34% were neutral.
	Percentage of residents that are very/fairly satisfied with how the Council keeps the community informed (2) (3)		≥50%	48%	The Residents Experience Monitor is an independent survey conducted throughout the year. Out of a total of 367 responses for the year 48% of respondents felt fairly or very satisfied with how the Council keeps the community informed (measure of satisfaction is those that selected from a scale seven and above) 19% were dissatisfied and 33% were neutral.

Achieved Not Achieved New Measure

(1) The survey was made up of three questions measuring satisfaction, reliability and value of the platform. Satisfaction is measured via those who select four and above on a scale of one-five smiley faces.

(2) The Residents Experience Monitor is conducted by independent research company Key Research on behalf of Rotorua Lakes Council. Invitations are sent quarterly to a randomly selected group of residents from the electoral roll. Invitation letters provide a QR code for respondents to take part in an online survey, or they can request a paper copy. The data collection period for this report was between August 2024 and June 2025, with a total of 410 respondents.

(3) These are new measures that have been implemented for either the first time in this financial year or have had adjusted method of calculation to satisfy the measurement. Therefore, the current financial year result will form the base comparative for next financial year.

ROTORUA LAKES COUNCIL:
Funding Impact Statement for the year ended 30 June 2025 for Community Leadership

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actual 2024/25 ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	11,801	12,521	11,751
Targeted rates	-	-	0
Subsidies and grants for operating purposes	-	-	89
Fees and charges	2,097	1,597	1,681
Internal charges and overheads recovered	19,234	22,375	23,232
Local authorities fuel tax, fines, infringement fees, and other receipts	556	1,355	2,932
Total operating funding (A)	33,688	37,848	39,684
Applications of operating funding			
Payments to staff and suppliers	25,385	28,615	34,844
Finance costs	1,602	1,940	2,039
Internal charges and overheads applied	1,597	1,605	1,588
Other operating funding applications	-	-	-
Total applications of operating funding (B)	28,584	32,160	38,471
Surplus (deficit) of operating funding (A – B)	5,104	5,688	1,214
Sources of capital funding			
Subsidies and grants for capital expenditure	232	555	17
Development and financial contributions	-	-	-
Increase (decrease) in debt	(4,110)	1,204	2,238
Gross proceeds from sale of assets	-	3,484	(47)
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(3,878)	5,243	2,208
Applications of capital funding			
Capital expenditure—			
• to meet additional demand	-	-	98
• to improve the level of service	468	1,914	461
• to replace existing assets	3,417	7,918	7,287
Increase (decrease) in reserves	-	-	(5,459)
Increase (decrease) of investments	(2,661)	1,100	1,035
Total applications of capital funding (D)	1,224	10,932	3,422
Surplus (deficit) of capital funding (C – D)	(5,104)	(5,688)	(1,214)
Funding balance ((A - B) + (C – D))	-	-	0



Kuirau Park

TE HAUMARUTANGA O TE HAPORI
COMMUNITY SAFETY

This activity is delivered to ensure people feel and are safe in public spaces and places through partnerships, visibility and enforcement that supports a thriving city. Safety is about ensuring Rotorua is a place where people are protected from risks to their health and wellbeing. We want to make sure our public places are safe for the people who use them and all legal standards are met. We aim to meet our legal obligations relating to safety by ensuring compliance with public health and safety regulations.

Community Safety includes:

- Animal Education and Control
- Community Safety
- Environmental Health and Alcohol Licensing
- Emergency Management

These services support us to achieve the following community outcomes:

Employment & Economy	**Safety**
Tourism	**Mana Whenua/Tāngata Whenua Aspirations**

Through Community Leadership we contribute to all four of the Local Government wellbeings by:

- Ensuring people feel and are safe in public spaces and places
- Providing leadership, advice, planning and resources to enable the community to respond to and recover from any significant disaster that could affect the area
- Working with other agencies to reduce anti-social behaviour, prevent crime, support vulnerable people and improve safety in the central city through services like CCTV, graffiti removal, and Safe City Guardians
- Reducing risks from dogs and roaming stock through dog registration, enforcement and community education
- Monitoring and enforcing standards for businesses selling food and liquor, respond to health nuisances and deal with environmental pollution issues such as noise control and contaminated sites

Wellbeings Indicator
Social
Cultural
Environmental
Economic

We introduced changes to the Dog Control Bylaw and Dog Policy to improve community safety, following community consultation in August 2024, where 72% of submitters supported the proposed changes. These include introducing DNA testing to confirm or rule out a dog's involvement in attacks on people, stock, or other animals, and requiring the desexing of dogs that are impounded more than once for roaming within a 12-month period. The new Dog Control Bylaw and Dog Policy came into effect in October 2024. For more information, please visit our website

MEASURING OUR PERFORMANCE

We have measured our performance towards the objectives set in the 2024/2034 Long- term Plan through the below Key Performance Indicators.

Want to find out more?

See page 57 of our 2024/2034 Long-term Plan.

Community Safety

Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
Ensuring a prepared and effective response to emergencies	Annual audit conducted by Emergency Management Bay of Plenty. Audit reviews the: • Emergency operations centre staffing levels with appropriate qualifications • Practice operations of activated emergency operations centre • Procedures reviewed within last three years (1) (3)		Pass the audit		The annual audit is no longer conducted by Emergency Management Bay of Plenty (EMBOP). This audit has been replaced with a continuous improvement process which is focused on improving operational capability of Councils to respond to emergencies. Regular reporting is undertaken in house and submitted externally to EMBOP. 72 staff are trained with appropriate qualifications to support an emergency operations centre and all procedures have been reviewed within the last three years.
Managing Animal Welfare and Public Safety	All urgent animal requests are responded to within 60 minutes where there is an ongoing risk to safety. (3)		≥99%	100%	Data was recorded for quarter three and quarter four of this financial year. 258 complaints were received and 100% of these complaints were responded to within the 60 minute target. Data was not formally recorded for quarter one and quarter two."
	Percentage of residents rating Council's animal control service as good to excellent (2) (3)		≥ 50%	61%	The Residents Experience Monitor is an independent survey conducted throughout the year. Of the total of 67 responses for the year 61% of respondents rated Councils Animal Control Service as good or excellent (measure of satisfaction is those that selected from a scale 7 and above) 24% were dissatisfied and 15% neutral.
	Percentage of all known dogs registered with Council annually or owners infringed (3)		100%	100%	100% of the known dogs in Rotorua at the end of the financial year, were either registered or owners infringed for non-registration. The total number of known dogs at year end was 10,952.
Safeguarding Public Health	All new food control plans are inspected within 6 weeks after opening for trade (3)		100%	90%	This measure is not achieved for this year, 10 of the 11 (90%) of the 11 Food Control Plans were inspected.

Achieved Not Achieved New Measure

Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
Safeguarding Public Health	Percentage of residents rating Council's food control service as good and excellent (2) (3)		≥75%	56%	The Residents Experience Monitor is an independent survey conducted throughout the year. Of the total of eight responses for the year 56% of respondents rated Councils food Control Service as good or excellent (measure of satisfaction is those that selected from a scale seven and above) 28% were dissatisfied and 16% neutral. Note this is a small sample size of less than 10 responses for the year.
	Percentage of licensed premises inspected annually. (3)		85%	100%	Of the 262 licensed premises in our District 100% of these were inspected throughout the financial year. This demonstrates the licensing team's continuing commitment to ensuring the safe sale and supply of alcohol.
	Percentage of residents rating Council's alcohol licensing service as good and excellent (2) (3)		≥50%	39%	The Residents Experience Monitor is an independent survey conducted throughout the year. Of the total of seven responses for the year 39% rated Councils Alcohol Licensing Service as good or excellent (measure of satisfaction is those that selected from a scale seven and above) 50% were dissatisfied and 11% were neutral. Note this is a small sample size of less than 10 responses for the year.
Creation of Safe Public Premises	Percent of Buildings with a Building Warrant of Fitness (BWOF) audited (3)		25%	24.4%	The total percentage of buildings with a Building Warrant of Fitness (BWOF) audited is 24.4% which is slightly below the target of 25%. This result was impacted by staff vacancies during the year.
Creation of Safe Public Premises	100% monitoring of CBD via CCTV network during peak hours. Sun - Wed 0800hrs - midnight. Thurs-Sat 0800hrs 0400hrs network during peak hours. Sun - Wed 0800hrs -midnight. Thurs-Sat 0800hrs 0400hrs (3)				A review of operating hours was undertaken to ensure appropriate cover and these differ from the stated LTP levels of service. Hours are: Sunday - Wednesday 7am - midnight Thursday 9am - 4am Friday and Saturday 7am - 4am Staffing rotations occasionally are altered, therefore this measure is not achieved for this financial year.

Achieved Not Achieved New Measure

(1) Each Council submits a monthly report to EMBOP and this report is then submitted quarterly to the Bay of Plenty Chief Executive Group (CEG) meeting. The measure of the number of practice operations of an activated emergency operations centre is currently under review in the Bay of Plenty.

(2) The Residents Experience Monitor is conducted by independent research company Key Research on behalf of Rotorua Lakes Council. Invitations are sent quarterly to a randomly selected group of residents from the electoral roll. Invitation letters provide a QR code for respondents to take part in an online survey, or they can request a paper copy. The data collection period for this report was between August 2024 and June 2025, with a total of 410 respondents.

(3) These are new measures that have been implemented for either the first time in this financial year or have had adjusted method of calculation to satisfy the measurement. Therefore, the current financial year result will form the base comparative for next financial year.

ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended 30 June 2025 for Community Safety

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actual 2024/25 ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties		3200	3,003
Targeted rates		-	-
Subsidies and grants for operating purposes		11	173
Fees and charges		2,208	1,532
Internal charges and overheads recovered		-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		114	303
Total operating funding (A)	-	5,533	5,012
Applications of operating funding			
Payments to staff and suppliers		4,275	5,121
Finance costs		90	95
Internal charges and overheads applied		1,131	1,317
Other operating funding applications		-	-
Total applications of operating funding (B)	-	5,496	6,532
Surplus (deficit) of operating funding (A – B)	-	37	(1,520)
Sources of capital funding			
Subsidies and grants for capital expenditure		-	-
Development and financial contributions		-	-
Increase (decrease) in debt		170	104
Gross proceeds from sale of assets		-	-
Lump sum contributions		-	-
Other dedicated capital funding		-	-
Total sources of capital funding (C)	-	170	104
Applications of capital funding			
Capital expenditure—			
• to meet additional demand		-	-
• to improve the level of service		-	-
• to replace existing assets		207	132
Increase (decrease) in reserves		-	(1,548)
Increase (decrease) of investments		-	-
Total applications of capital funding (D)	-	207	(1,417)
Surplus (deficit) of capital funding (C – D)	-	(37)	1,520
Funding balance ((A - B) + (C – D))	-	-	-

TE WHANAKETANGA O TE TAKIWĀ
DISTRICT GROWTH AND DEVELOPMENT

District development is about planning that supports District growth through infill and new suburbs, while ensuring the unique environment of Rotorua is protected. We aim to meet our regulatory requirements to ensure building activity in the District supports safe, sustainable housing and commercial solutions in response to our growing population. We want to ensure developers have accurate advice and information to help them through the regulatory processes.

District Growth and Development includes:

• Growth and Development • Consenting • Building Control

These services support us to achieve the following community outcomes:

Connected and Resilient	**Environment**
Employment & Economy	**Safety**
Tourism	**Mana Whenua/Tāngata Whenua Aspirations**
Housing	

Through District Growth and Development we contribute to all four of the Local Government well-beings by:

- Being well prepared for what our future District could look like, the challenges and opportunities we may face as our communities grow and change
- Protecting and enhancing our unique environmental and cultural features
- Enabling the development of a well-functioning urban environment that provides sufficient homes and job opportunities
- Supporting residential land development through partnerships with landowners to provide for the delivery of housing across all sizes and types (social, affordable and market) to meet community needs.
- Ensuring Rotorua is a confident and strong District, with growing business and investor confidence through land being developed to support residential, industrial and commercial growth opportunities
- Supporting growth in a sustainable way with a regulatory environment that ensures building activity in Rotorua supports safe, sustainable housing and commercial solutions
- Issuing building consents, inspecting buildings under construction, auditing building warrants of fitness and providing advice to make sure Rotorua buildings are safe, healthy and durable

Wellbeings Indicator
Social
Cultural
Environmental
Economic

In April 2024 Council undertook the latest Housing and Business Development Capacity Assessment (HBA). Under the National Policy Statement for Urban Development (NPS-UD) 2020 (updated in 2022) Council is required to undertake an HBA. This is to ensure that councils provide sufficient development capacity to meet demand for housing and business land and have robust and regularly updated information on the supply and demand for housing and business land. We are a tier two territorial authority, meaning the council is required to ensure sufficient housing and business development capacity in the short (three years), medium (10 years) and long term (30 years).

The HBA showed Rotorua has sufficient business and housing development capacity to meet growth demands. This is primarily due to infrastructure expansion, a more enabling District Plan, through Plan Change 9 – Housing for Everyone and having the recent Future Development Strategy in place.

MEASURING OUR PERFORMANCE

Want to find out more?

See page 65 of our 2024/2034 Long-term Plan.

We have measured our performance towards the objectives set in the 2024/2034 Long-term Plan through the below Key Performance Indicators.

District Growth and Development

Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
Support and enable growth by unlocking housing development opportunities	Number of net new dwellings	436	420	518	A total of 518 Net dwellings were constructed against a target of 420. This result is a new record high for the Rotorua Lakes District. Council as the regulator enables growth by unlocking housing development opportunities through several mechanisms, one of which was the adoption of Plan Change 9 enabling greater housing choice for Rotorua.
Support and enable development by processing LIM requests	We will provide a Land Information Memorandum (LIM) service in the ten day statutory timeframe (2)	99%	100%	100%	All Land Information Memorandum (LIM) applications were processed in the ten-day statutory timeframe for this financial year.
Support and enable development by processing Resource and Building Consents	Percentage of non-notified resource consents processed within statutory timeframes (Land Use)	40.5%	70%	31%	This measure is not achieved for this financial year. This is partly due to competing priorities such as resources being allocated elsewhere, for example fast-track applications, and training of new consenting staff. Having a full complement of staff towards the end of the year meant there was an increase in the final quarter results (60%) and the team continuing to work on business improvements.
	Percentage of non-notified resource consents processed within statutory timeframes (Subdivision)	31.5%	70%	28%	This measure is not achieved for the 2024-2025 financial year. This is partly due to competing priorities such as resources being allocated elsewhere, for example fast-track applications, and training of new consenting staff. An increase in the final quarter (42%) was the result of having a full complement of staff and the team working on business improvements.
	Percentage of consents processed within statutory timeframes (Building Consents)	96.2%	≥95%	98.25%	The average percentage of consents processed within statutory timeframes was 98.25% for the 2024-2025 financial year which is above target.
	Percentage of residents rating Council's planning and resource consents service as good and excellent (1) (2)		≥50%	31%	The Residents Experience Monitor is an independent survey conducted throughout the year. Of the total of 13 responses for the year 31% rated Councils Planning and Resource Consents Service as good or excellent (measure of satisfaction is those that selected from a scale seven and above) 37% were dissatisfied and 32% neutral. Note this is a small sample.

Achieved Not Achieved New Measure

(1) The Residents Experience Monitor is conducted by independent research company Key Research on behalf of Rotorua Lakes Council. Invitations are sent quarterly to a randomly selected group of residents from the electoral roll. Invitation letters provide a QR code for respondents to take part in an online survey, or they can request a paper copy. The data collection period for this report was between August 2024 and June 2025, with a total of 410 respondents.

(2) The statutory timeframe for the LIM processing has been compared against a prior year result of 99%. The remaining measures are new measures that have been implemented for either the first time in this financial year or have had adjusted method of calculation to satisfy the measurement. Therefore, the current financial year result will form the base comparative for next financial year.

ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended 30 June 2025 for District Growth and Development

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actual 2024/25 ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	7,568	8,488	7,966
Targeted rates	6,311	7,421	8,724
Subsidies and grants for operating purposes	10	-	40
Fees and charges	6,210	5,177	5,228
Internal charges and overheads recovered	60	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3,622	853	494
Total operating funding (A)	23,781	21,939	22,452
Applications of operating funding			
Payments to staff and suppliers	20,043	18,169	15,856
Finance costs	457	854	898
Internal charges and overheads applied	3,162	2,354	2,285
Other operating funding applications	-	-	-
Total applications of operating funding (B)	23,662	21,377	19,039
Surplus (deficit) of operating funding (A – B)	119	562	3,413
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(1,969)	(1,900)	986
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(1,969)	(1,900)	986
Applications of capital funding			
Capital expenditure—			
• to meet additional demand	-	-	-
• to improve the level of service	30	-	-
• to replace existing assets	120	62	-
Increase (decrease) in reserves	-	-	4,399
Increase (decrease) of investments	(2,000)	(1,400)	-
Total applications of capital funding (D)	(1,850)	(1,338)	4,399
Surplus (deficit) of capital funding (C – D)	(119)	(562)	(3,413)
Funding balance ((A - B) + (C – D))	-	-	-



Lake Front

NGĀ WĀHI ME NGĀ PAPA RĒHIA
SPACES, PLACES AND RECREATION

Spaces, Places and Recreation is about the creation of a sense of place, building identity and pride. These services bring our people together, enhancing activity and promoting the social and cultural wellbeing of our District. We aim to provide a range of activities and experiences in our District to contribute to a thriving community.

Spaces, Places and Recreation include:

- Open spaces, sports facilities and recreation
- Major Events and Venues (transferred to RotoruaNZ)
- Community facilities and events (the Aquatic Centre, Rotorua District Library Te Aka Mauri Te Whare Taonga o Te Arawa Rotorua Museum and the Stadium)

These services support us to achieve the following community outcomes:

Employment & Economy	**Environment**
Tourism	**Mana Whenua/Tāngata Whenua Aspirations**
Active	**Arts and Culture**

Through Spaces, Places and Recreation we contribute to all four of the Local Government wellbeings by:

Wellbeings Indicator
Social
Cultural
Environmental
Economic

- Having a range of activities, events and experiences that connect and engage our community
- Supporting the development of communities to become more vibrant, resilient and sustainable
- Supporting the development of community identity and sense of place so people are proud of where they live
- Connecting communities – bringing people together to build social cohesion, participate, belong and to learn
- Creating opportunities for play, active recreation and sport in our community through the District's parks, reserves and assets in them
- Protecting the cultural, ecological and heritage values of our parks, reserves and assets

- **Rotorua Library was formally recognised by Alzheimers NZ as working to be dementia friendly. The library team have been on this journey since 2018 and Rotorua Library is now seen as leading the way with dementia services in New Zealand public libraries. Rotorua Library is the fifth library in New Zealand to be formally recognised as working to be dementia friendly.**

- **The Play, Active Recreation and Sport Strategy was adopted in November 2024. This is a comprehensive sport and recreation strategy that is aimed at encouraging physical activity in the District. A plan will be developed to identify investment requirements for the 2027-2037 Long-term Plan and other actions which could be implemented through existing budgets.**

MEASURING OUR PERFORMANCE

We have measured our performance towards the objectives set in the 2024/2034 Long-term Plan through the below Key Performance Indicators.

Want to find out more?

See page 73 of our 2024/2034 Long-term Plan.

Spaces, Places and Recreation

Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
Creation of vibrant, energised experiences with loads of activity	The number of event days that the Sir Howard Morrison Centre is occupied from total possible available days using bookng information (1) (5)		Establish Baseline	Established baseline of 32.3%	The baseline of 32.3% has been established based on a calculation of the total number of potential days available across the key spaces being utilised. Only the larger commercial spaces have been included in this calculation. This baseline has been established on the 2024 calendar year.
	The number of people attending events at the Sir Howard Morrison Centre (1) (5)		Establish Baseline	Established baseline of 52,331	The baseline has been established using the total number of people attending events across the larger commercial spaces. This baseline has been established on the 2024 calendar year. Actual attendance numbers are sometimes not available until several months following the event.
	The number of event days that the Energy Events Centre is occupied from total possible available days using booking information (1) (5)		Establish Baseline	Established baseline of 22.9%	The baseline has been established based on a calculation of the total number of potential days available across the key spaces being utilised. Only the larger commercial spaces have been included in this calculation. This baseline has been established on the 2024 calendar year.
	The number of people attending events at the Energy Event Centre (1) (5)		Establish Baseline	Established baseline of 62,384	The baseline has been established using the total number of people attending events across the larger commercial spaces. This baseline has been established on the 2024 calendar year. Actual attendance numbers are sometimes not available until several months following the event.
	The percentage of Aquatic Centre customers surveyed who are satisfied with their overall experience (2) (5)		80%	88%	In person surveys of Aquatic Centre users were conducted in quarter two and four of the 2024-2025 reporting year. There was a total of 393 customer surveys undertaken over the year. The average level of satisfaction with user's overall experience at the Aquatic Centre was 88%.
	Number of customer interactions with Library core services (literacy and digital resources) (5)		440,000	(total 434,038)	The total number of customer interactions with Library core services for the 2024-2025 financial year is 434,038, this is 1.35% below the annual target. There was an overall increase in research enquiries and issue of e-resources although this is offset by a drop in public computer use and in book issues for Library outreach which is largely driven by a change in delivery schedules.

Achieved Not Achieved New Measure

Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
Creation of vibrant, energised experiences with loads of activity	Number of people participating in Library and partnership programmes and events (5)		31,000	(total 27,992)	The total number of people participating in Library and partnership programmes and events was 27,992 for the 2024-2025 financial year. This is 9.7% below the annual target. There was an overall increase in after school and holiday programmes although this is offset by a decline in both adult and school literacy programmes. Ongoing vacancies and a review of programmes has had a significant impact. There has also been a drop in partner events which has contributed.
Provide for and develop a sustainable open space network	The percentage of Parks Survey respondents who agree the facilities in our parks and open spaces are easily accessible (3) (5)		80%	82%	In person surveys of 246 park users were completed between November and March. 82% of parks survey respondents agreed the facilities in our parks and open spaces are easily accessible.
	Percentage of users very/fairly satisfied with Council's open space network (3)	86%	95%	98%	In person surveys of 246 park users were completed between November and March. 98% of parks survey respondents were very/fairly satisfied with Council's open space network. The highest satisfaction rates were seen in destination and nature parks with slightly lower satisfaction in sports and neighbourhood parks.
	The visitor experience satisfaction rating for security in open space locations (3)	92% (2023/2024 target was 85%)	95%	92%	In person surveys of 246 park users were completed between November and March. The overall visitor experience satisfaction rating for security in open space locations was 92%. The lowest security scores were seen in sports parks.
Safety	Number of lessons in Learn to Swim School programmes per term (4)	8080 per term	≥18,000 per term	Per term: 15,394 Year total: 61,577	The annual total of lessons in Learn to Swim School programmes was 61,577 which is 86% of the annual target. Numbers are still re-building after the significant reduction during the indoor pool hall refurbishment. Community Leisure Management (CLM) the Councils Aquatic Centre contractors are continuing to build the base of learners in their programme since the pool reopened on 24 June 2024.

Achieved Not Achieved New Measure

(1) Maintenance days for the building are not included in the calculation. Details for events are often updated as more information becomes available, for example actual attendance is sometimes not available for months after an event has been held and event days are occasionally amended post-event.

(2)The customer satisfaction surveys are developed by Community Leisure Management (CLM) the Councils Aquatic Centre contractor and are conducted in person with Aquatic Centre users during quarters two and four. Overall satisfaction is measured by the percentage of customers who are satisfied with their overall experience.

(3)Yardstick Parks Benchmarking compiled the survey, and targeting of park users occurred over the summer period 2 December 2024 to 1 February 2025. A total of 246 surveys were undertaken across 18 different Rotorua District Council parks and reserves. The methodology recommended for the surveys is to gather a minimum of 30 surveys per park type and/or major park (i.e. 30 per destination park and a total of 30 for other park types). This is undertaken to provide a level of confidence of 95% for the entire survey as a representative sample of users of the parks that were surveyed.

(4)This measure is collected by Community Leisure Contractors (CLM) the Councils Aquatic Centre contractor, based on the number of enrolments over the year.

(5) These are new measures that have been implemented for either the first time in this financial year or have had adjusted method of calculation to satisfy the measurement. Therefore, the current financial year result will form the base comparative for next financial year.

ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended 30 June 2025 for Spaces, Places and Recreation

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actual 2024/25 ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties		39,610	37,173
Targeted rates		-	-
Subsidies and grants for operating purposes		351	290
Fees and charges		5,949	1,957
Internal charges and overheads recovered		-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		514	1,062
Total operating funding (A)	-	46,424	40,482
Applications of operating funding			
Payments to staff and suppliers		27,617	19,882
Finance costs		5,744	6,038
Internal charges and overheads applied		7,048	7,560
Other operating funding applications		-	-
Total applications of operating funding (B)	-	40,409	33,479
Surplus (deficit) of operating funding (A – B)	-	6,015	7,003
Sources of capital funding			
Subsidies and grants for capital expenditure		13,831	16,367
Development and financial contributions		-	1,440
Increase (decrease) in debt		12,064	6,628
Gross proceeds from sale of assets		-	-
Lump sum contributions		-	-
Other dedicated capital funding		-	-
Total sources of capital funding (C)	-	25,895	24,435
Applications of capital funding			
Capital expenditure—			
• to meet additional demand		-	461
• to improve the level of service		24,088	25,648
• to replace existing assets		7,821	5,278
Increase (decrease) in reserves		-	52
Increase (decrease) of investments		-	-
Total applications of capital funding (D)	-	31,909	31,438
Surplus (deficit) of capital funding (C – D)	-	(6,015)	(7,003)
Funding balance ((A - B) + (C – D))	-	-	-

WAI ĀWHĀ
STORMWATER

To manage the drainage of excess rainfall so that properties and people are protected from potential flood damage and to mitigate the adverse effects of stormwater run-off on the District's lakes and waterways.

Stormwater services support us to achieve the following community outcomes:

Connected and Resilient	**Mana Whenua/Tāngata Whenua Aspirations**
Environment	

Through Spaces, Places and Recreation we contribute to all four of the Local Government wellbeings by:

- Protecting people and property from potential flood damage.
- Minimising the adverse effects of stormwater discharges into our lakes and waterways
- Managing an integrated approach to planning and maintaining a stormwater system that includes ecosystems, people, urban design, communities and businesses, as well as cultural, amenity and social values
- Developing and implementing programmes to progressively improve stormwater systems in areas that experience localised flooding usually resulting from extreme rainfall episodes

Wellbeings Indicator
Social
Cultural
Environmental
Economic

Council successfully completed construction of three large stormwater detention dams this year in the Eastern and Central areas (Morey Street East, Morey Street West and Linton park). This new infrastructure will mitigate the effects of large rainfall events on downstream parts of the city.

MEASURING OUR PERFORMANCE

We have measured our performance towards the objectives set in the 2024/2034 Long-term Plan through the below Key Performance Indicators.

Want to find out more?

See page 83 of our 2024/2034 Long-term Plan.

Stormwater

Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
System Adequacy	The number of flooding events that occur in a territorial authority District (DIA Measure)(1)	Zero events	≤ 2	Zero events	There were no flooding events reported or attended to during the year that caused damage to occupied residential dwellings.
	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system) (DIA Measure).	0.11/1000 customer complaints - not service requests. Number of properties connected 28,376	≤ 0.5 / 1000 rated properties	Zero events	No flooding events occurred in this financial year.
Discharge Compliance	Council's stormwater compliance with resource consents for discharge from its stormwater system measured by the number of: a. abatement notices; b. infringement notices; c. enforcement orders; d. convictions received in relation to those resource consents (DIA Measure).	Zero infringement notices or convictions	0	Zero infringement notices or convictions	No abatement notices, infringement notices, enforcement notices or convictions were received during the financial year.
Response times	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 (DIA Measure).	Zero events	≤ 60 minutes	Zero events	No flooding events occurred in this financial year.
Customer Satisfaction	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system (DIA Measure).	Achieved 1.7/1000	≤ 20/1000 rated properties	1.5/1000	A total of 43 service requests/ complaints were received for stormwater in the year, from a total of 28,378 properties with a storm water connection. This results in 1.5 calls made per 1000 properties in the stormwater catchment.

Achieved Not Achieved New Measure



Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
Customer Satisfaction	Percentage of residents that are very/fairly satisfied with Council's storm water network (2) (3)		≥50%	63%	The Residents Experience Monitor is an independent survey conducted throughout the year. Of the total of 354 responses for the year 63% of respondents felt fairly or very satisfied with Council's storm water network (measure of satisfaction is those that selected from a scale seven and above) 14% were dissatisfied and 23% neutral.

Achieved Not Achieved New Measure

1) Flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. Habitable floor means a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.

(2) The Residents Experience Monitor is conducted by independent research company Key Research on behalf of Rotorua Lakes Council. Invitations are sent quarterly to a randomly selected group of residents from the electoral roll. Invitation.

(3) This is a new measure that has been implemented for either the first time in this financial year or has had an adjusted method of calculation to satisfy the measurement. Therefore, the current financial year result will form the base comparative for next financial year.



ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended 30 June 2025 for Stormwater

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actual 2024/25 ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	4,836	6,543	6,140
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	32	35	14
Internal charges and overheads recovered	-	-	1,213
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	67
Total operating funding (A)	4,868	6,578	7,434
Applications of operating funding			
Payments to staff and suppliers	1,579	1,898	3,166
Finance costs	528	1,741	1,830
Internal charges and overheads applied	992	1,220	1,618
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,099	4,859	6,613
Surplus (deficit) of operating funding (A – B)	1,769	1,719	821
Sources of capital funding			
Subsidies and grants for capital expenditure	5,953	835	36
Development and financial contributions	2,004	4,842	970
Increase (decrease) in debt	2,727	10,527	2,008
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	10,684	16,204	3,014
Applications of capital funding			
Capital expenditure—			
• to meet additional demand	8,953	14,064	3,023
• to improve the level of service	500	730	5,180
• to replace existing assets	3,000	3,129	1,423
Increase (decrease) in reserves	-	-	(5,791)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	12,453	17,923	3,835
Surplus (deficit) of capital funding (C – D)	(1,769)	(1,719)	(821)
Funding balance ((A - B) + (C – D))	-	-	-

TE TŪĀNUKU HAERERE WAKA
TRANSPORTATION INFRASTRUCTURE

To provide a safe and efficient transport network that supports the District's economy, provides access for utilities, supports the facilitation of events and other activities, promotes road safety and encourages the use of other sustainable forms of travel.

District Growth and Development includes:

- Transport
- Parking

These services support us to achieve the following community outcomes:

Connected and Resilient	**Environment**
Employment & Economy	**Mana Whenua/Tāngata Whenua Aspirations**
Tourism	

Through Transport Infrastructure we contribute to all four of the Local Government wellbeings by:

- Ensuring our community is well connected through safe and reliable transport infrastructure
- Supporting the economy and community wellbeing through developing and managing the roading network, including public transport infrastructure, safety programmes and alternative transport modes
- Planning for future development and growth of the District including growth trends in network use and asset management needs
- Managing parking in a way that equitably supports wider transport and urban form outcomes such as mode shift and urban amenity improvements

Wellbeings Indicator
Social
Cultural
Environmental
Economic

In collaboration with the Rotorua Rural Community Board, we were able to install four bus shelters in rural communities. The shelters were repurposed from other locations in Rotorua. With funding support from the Rural Community Board, locations of need were identified, the shelters were given a makeover and installed in a new community to be used for years to come.

MEASURING OUR PERFORMANCE

We have measured our performance towards the objectives set in the 2024/2034 Long-term Plan through the below Key Performance Indicators.

Want to find out more?

See page 93 of our 2024/2034 Long-term Plan.

Transportation Infrastructure

Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
Safety	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 (DIA Measure) (1)	0	≤ -1	12	There were a total of 25 serious crashes in the financial year (Fatal = 3, serious injuries = 29). This compares to a prior year result of 13 crashes (Fatal = 2, serious injuries = 16) which sees an increase of 12 from the previous financial year.
Condition	The average quality of ride on a sealed local road network, measured by smooth travel exposure. (DIA Measure) (2)	91%	≥75%	82%	The data is obtained from the New Zealand Transport Agency Smooth travel exposure report which is run through Councils Road Assessment and Maintenance Management system (RAMM). Considerable effort is made each year to optimise resurfacing treatments for the extensive roading network of Rotorua. The effort made each year is to optimise preseal preparation and detailed design for each treatment length to ensure maximum waterproofness as risk reduction measures, and this achieves better results for riding condition.
Maintenance	The percentage of the sealed local road network that is resurfaced. (DIA Measure)	5.7%	≥7-9%	6.9%	6.9% of the sealed local road network was resurfaced this financial year which is slightly below target. This data is obtained from the New Zealand Transport Agency Surfacing by year report and Statistics Phase 1 report.
Condition	The percentage of footpaths within the Rotorua District that fall within the condition four (4) or better, set out in the council's asset management plan. (DIA Measure) (3)	99.7%	≥98%	99.7%	Of the 3540 footpath assets, 3530 have a condition rating of 4 or better. Condition ratings 1 = excellent, 2 = Good, 3 = Average, 4 = Poor and 5 = Very Poor. This data is obtained from Councils Road Assessment and Maintenance Management system (RAMM)

Achieved Not Achieved New Measure

Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
Response time	The percentage of customer service requests relating to roads and footpaths which are responded to within five (5) working days. (DIA Measure) (4)	87%	≥90%	92%	Of the 1620 public requests for service relating to roads and footpaths received this financial year, 1492 were responded to within five working days which equates to 92%.
Customer Satisfaction	Percentage of residents that are very/fairly satisfied with Council's roading, cycleways and footpaths network (5) (6)		≥50%	56%	The Residents Experience Monitor is an independent survey conducted throughout the year. Of a total of 398 respondents over the year, 56% were fairly or very satisfied with Council's roading, cycleways and footpaths network (measure of satisfaction is those that selected from a scale seven and above) 19% felt dissatisfied and 25% neutral.

Achieved Not Achieved New Measure

(1) Death and Serious Injuries (DSI) numbers may differ for the same time period due to dependency on Waka Kotahi's Crash Analysis System which is updated continuously.

(2) Smooth Travel Exposure (STE) is a customer outcome measure indicating 'ride quality'. It is an indication of the percentage of vehicle kilometres travelled on a road network with roughness below a defined upper threshold level. The threshold varies depending on the traffic volume band and urban/rural environment of the road.

(3) Condition 4 means that the condition of the footpath is in poor condition with condition 5 being very poor and condition 1 being excellent.

(4) Responded to within 5 working days is measured from the time the local authority or contractor receives notification to the time that the customer is first contacted, or the request is actioned, whichever occurs first.

(5) The Residents Experience Monitor is conducted by independent research company Key Research on behalf of Rotorua Lakes Council. Invitations are sent quarterly to a randomly selected group of residents from the electoral roll. Invitation letters provide a QR code for respondents to take part in an online survey, or they can request a paper copy. The data collection period for this report was between August 2024 and June 2025, with a total of 410 respondents.

(6) This is a new measure that has been implemented for either the first time in this financial year or has had an adjusted method of calculation to satisfy the measurement. Therefore, the current financial year result will form the base comparative for next financial year.



ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended 30 June 2025 for Transportation Infrastructure

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actual 2024/25 ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	12,913	12,234	11,482
Targeted rates	-	-	-
Subsidies and grants for operating purposes	4,413	4,786	4,800
Fees and charges	141	-	80
Internal charges and overheads recovered	27	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	665	3,678	3,506
Total operating funding (A)	18,159	20,698	19,868
Applications of operating funding			
Payments to staff and suppliers	10,193	11,581	12,595
Finance costs	1,579	2,562	2,693
Internal charges and overheads applied	2,254	2,791	3,484
Other operating funding applications	-	-	-
Total applications of operating funding (B)	14,026	16,934	18,772
Surplus (deficit) of operating funding (A – B)	4,133	3,764	1,097
Sources of capital funding			
Subsidies and grants for capital expenditure	5,433	6,201	4,875
Development and financial contributions	-	-	-
Increase (decrease) in debt	2,193	3,074	2,956
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	7,626	9,275	7,831
Applications of capital funding			
Capital expenditure—			
• to meet additional demand	500	1,134	558
• to improve the level of service	3,800	1,755	1,214
• to replace existing assets	7,457	10,151	7,938
Increase (decrease) in reserves	-	-	(782)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	11,757	13,040	8,928
Surplus (deficit) of capital funding (C – D)	(4,133)	(3,764)	(1,097)
Funding balance ((A - B) + (C – D))	-	-	-

WAI PARA
WASTEWATER

To protect and promote public health and minimise the impact of communities on the environment.

The public wastewater network consists of approximately 410km of gravity mains and 164km of rising mains that protect public health and the environment from the effects of wastewater and by-products. Two wastewater treatment plants service approximately 25,748 properties with wastewater connections.

Wastewater services support us to achieve the following community outcomes:

Connected and Resilient	**Environment**
Housing	**Mana Whenua/Tāngata Whenua Aspirations**

Through wastewater we contribute to all four of the Local Government wellbeings by:

- Protecting and promoting public health by providing reliable, safe and efficient wastewater collection and treatment infrastructure services for three urban areas of Rotorua (Ngongotahā, city and eastern suburbs) as well as some rural lakeside communities
- Minimising any negative impacts on the environment of wastewater from communities
- Providing wastewater infrastructure that future proofs our District, catering for our growing population, providing for housing growth and supporting a growing economy

Wellbeings Indicator
Social
Cultural
Environmental
Economic

Did you know the Rotorua Wastewater Treatment Plant is being upgraded? This is to cater for future growth and to ensure we manage our waste responsibly, in a way that protects people's health, is environmentally sustainable and culturally appropriate.

Progress is advancing on the upgrade. Works started in December 2022 and are scheduled to be complete in 2027.

MEASURING OUR PERFORMANCE

We have measured our performance towards the objectives set in the 2024/2034 Long-term Plan through the below Key Performance Indicators.

Want to find out more?

See page 100 of our 2024/2034 Long-term Plan.

Wastewater

Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
Systems and Adequacy	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system. (DIA measure) (1)	1.33/1000 connections	≤ 5/1000 connections	1.28/1000 connections	There are 25,748 properties with sewerage connections and there were 33 dry weather overflows during the year. This results in 1.28 per 1000 connections.
Discharge Compliance	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents. (DIA measure)	No abatement or infringement notices, enforcement orders or convictions were received during the period.	0	No abatement or infringement notices, enforcement orders or convictions were received during the period.	No abatement notices, infringement notices, enforcement notices or convictions were received during the year.
Fault Response Times	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the median attendance time from the time that the territorial authority receives notification to the time that service personnel reach the site. (DIA measure) (2)	31 minutes	≤60 minutes	32 minutes	There were a total of 55 service requests for the year. The median response times to these requests was 32 minutes. Our notifications
Fault Resolve Times	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the median 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. (DIA measure) (3)	101 minutes	≤180 minutes	79 minutes	There were a total of 55 service request for the year. The median time to resolve these was 79 minutes. Our notifications systems are designed to ensure community safety and minimise any potential health effects to the community from any wastewater blockages or faults.

Achieved Not Achieved New Measure

Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
Customer Satisfaction	The total number of complaints received by the territorial authority about any of the following: • sewage odour • sewerage system faults • sewerage system blockages, and • the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system (DIA measure)	11 odour 409 faults 50 blockages 8 response complaints Total number: 478 Total = 18.67/ 1000 connections	≤30/1000 connections	92% Odour - 4 Faults - 308 Blockages - 24 Complaints - 6 Total number: 342 Total=13.36/ 1000 connections	There were a total of 342 customer complaints for the year (excluding overflows) from 25,748 properties with sewerage connections. This equates to 13.36 per 1000 connections. This is an improvement on the previous year and reflects the commitment from the team and contractors to ensure an efficient and safe wastewater network.
Customer Satisfaction	Percentage of residents that are very/fairly satisfied with Council's reliability of the waste water service (4) (5)		≥85%	92%	The residents experience monitor is an independent survey conducted throughout the year. Of the total of 289 respondents for the year, 92% felt fairly to very satisfied with council's reliability of the wastewater service (measure of satisfaction is those that selected from a scale 7 and above). 2% were dissatisfied and 6% neutral.

Achieved Not Achieved New Measure

(1) Dry weather sewerage overflow means sewage that escapes a territorial authority's sewerages system and enters the environment during periods of dry weather. Dry weather overflows generally indicate a specific network fault.

(2) Sewage overflow means sewage that escapes Council's sewerage system and enters the environment. The median attendance time is measured from the time that the territorial authority receives notification to the time that service personnel reach the site.

(3) Resolution time is measured from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.

(4) The Residents Experience Monitor is conducted by independent research company Key Research on behalf of Rotorua Lakes Council. Invitations are sent quarterly to a randomly selected group of residents from the electoral roll. Invitation letters provide a QR code for respondents to take part in an online survey, or they can request a paper copy. The data collection period for this report was between August 2024 and June 2025, with a total of 410 respondents.

(5) This is a new measure that has been implemented for either the first time in this financial year or has had an adjusted method of calculation to satisfy the measurement. Therefore, the current financial year result will form the base comparative for next financial year.

ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended 30 June 2025 for Wastewater

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actual 2024/25 ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	23,408	31,088	34,521
Subsidies and grants for operating purposes	-	-	204
Fees and charges	560	773	2,280
Internal charges and overheads recovered	417	-	(2)
Local authorities fuel tax, fines, infringement fees, and other receipts	9	10	16
Total operating funding (A)	24,394	31,871	37,018
Applications of operating funding			
Payments to staff and suppliers	11,501	14,232	16,113
Finance costs	2,090	4,822	5,068
Internal charges and overheads applied	3,236	3,308	3,466
Other operating funding applications	-	-	-
Total applications of operating funding (B)	16,827	22,362	24,647
Surplus (deficit) of operating funding (A – B)	7,567	9,509	12,371
Sources of capital funding			
Subsidies and grants for capital expenditure	14,041	3,781	11,700
Development and financial contributions	637	3,607	413
Increase (decrease) in debt	13,377	22,111	5,563
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	28,055	29,500	17,677
Applications of capital funding			
Capital expenditure—			
• to meet additional demand	-	6,733	1,359
• to improve the level of service	30,060	26,018	26,500
• to replace existing assets	5,561	6,258	2,175
Increase (decrease) in reserves	-	-	13
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	35,621	39,009	30,048
Surplus (deficit) of capital funding (C – D)	(7,567)	(9,509)	(12,371)
Funding balance ((A - B) + (C – D))	-	-	-

TE PARA ME TE TOITŪTANGA
WASTE AND SUSTAINABILITY

To provide for the sustainable collection, reduction, reuse, recycling and disposal of waste.

Waste and Sustainability Includes:

- Waste services

These services support us to achieve the following community outcomes:

Connected and Resilient	**Environment**
Housing	**Mana Whenua/Tāngata Whenua Aspirations**

Through Waste and Sustainability we contribute to all four of the Local Government wellbeings by:

- Protecting the health of our environment and community by the collection, reduction, reuse, recycling and disposal of waste safely and sustainably
- Educating and raising awareness and understanding of the need to dispose of waste responsibly, for the good of the community overall
- Providing and managing waste disposal facilities

Wellbeings Indicator
Social
Cultural
Environmental
Economic

Rotorua Lakes Council's waste collection partner Smart Environmental signed a nine-year contract to provide collection services for Food, Organic and Green Organic waste (FOGO) in the District. The service will start 1 July 2026. This is something people in our District have supported. It was originally set to begin in 2025 but it was agreed in the Annual Plan that the implementation should be delayed until 2026.

MEASURING OUR PERFORMANCE

Want to find out more?

See page 108 of our 2024/2034 Long-term Plan.

We have measured our performance towards the objectives set in the 2024/2034 Long-term Plan through the below Key Performance Indicators.

Waste and Sustainability

Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
Sustainability	Reduction in the amount of waste being sent to the landfill.(2)	219.5 kg Per capita Per Year	≤ 212.5 kg /capita Per Year	222.9 kg per capita	The overall levels of refuse going to landfill is often impacted by various projects happening within the District, including the commercial sector and seasonal fluctuations which we have seen this year.
Sustainability	Reduce the amount of rubbish/waste that is collected from kerbside collection per capita.	220	≤ 210 kg /capita Per Year	Achieved 199.8 kg per capita	The levels of refuse collected from the kerbside bins is below target for this year and has been relatively consistent throughout the year with some fluctuations over the summer period. Waste education has continued throughout the year contributing to the result.
Compliance	Compliance with resource consent conditions at the landfill	100%	100%	100%	There were no incidents reported for this financial year.
Sustainability	Reducing the percentage of contaminants in kerbside recycling collection across the Rotorua District.	23%	<20%	23%	The levels of contamination in kerbside recycling have remained consistent throughout the year at 23%. Continuous education programmes are conducted with the community and there will be more education around correct recycling with the implementation of Food Organic and Green Organic Waste (FOGO) next year.
Customer Satisfaction	Percentage of residents that are very/fairly satisfied with Council's rubbish and recycling kerbside collection service (1) (2)		80%	85%	The Residents Experience Monitor is an independent survey conducted throughout the year. Of the total of 390 responses for the year 85% felt fairly or very satisfied with Council's rubbish and recycling kerbside collection service (measure of satisfaction is those that selected from a scale seven and above) 5% were dissatisfied and 10% neutral.

Achieved Not Achieved New Measure

(1) The Residents Experience Monitor is conducted by independent research company Key Research on behalf of Rotorua Lakes Council. Invitations are sent quarterly to a randomly selected group of residents from the electoral roll. Invitation letters provide a QR code for respondents to take part in an online survey, or they can request a paper copy. The data collection period for this report was between August 2024 and June 2025, with a total of 410 respondents.

(2) The prior year result for the reduction in the amount of waste being sent to landfill is 219.5kg per capita per year. The remaining measure is a new measure that has been implemented for either the first time in this financial year or has an adjusted method of calculation to satisfy the measurement. Therefore, the current financial year result will form the base comparative for next financial year.

ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended 30 June 2025 for Waste and Sustainability

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actual 2024/25 ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,494	2,684	2,475
Targeted rates	7,951	8,336	8,294
Subsidies and grants for operating purposes	277	300	1,810
Fees and charges	-	-	(1)
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	621	1,732	976
Total operating funding (A)	11,343	13,052	13,555
Applications of operating funding			
Payments to staff and suppliers	9,959	12,034	13,416
Finance costs	-	-	-
Internal charges and overheads applied	925	727	823
Other operating funding applications	-	-	-
Total applications of operating funding (B)	10,884	12,761	14,239
Surplus (deficit) of operating funding (A – B)	459	291	(684)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(459)	(291)	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(459)	(291)	-
Applications of capital funding			
Capital expenditure—			
• to meet additional demand	-	-	-
• to improve the level of service	-	-	-
• to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	(684)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	(684)
Surplus (deficit) of capital funding (C – D)	(459)	(291)	684
Funding balance ((A - B) + (C – D))	-	-	-



Lake Tikitapu

WAI
WATER

Protect and promote public health, ensure firefighting water supplies are available in specific areas and enable businesses to operate and grow. We provide a cost-effective, constant, adequate, sustainable and high-quality supply of water to three urban supply areas, five residential supply areas and two farming supply areas. The reticulated schemes are a network of about 761km of pipes supplying approximately 26,487 properties in the District connected to the water supply.

Water services support us to achieve the following community outcomes:

Connected and Resilient	**Environment**
Housing	**Mana Whenua/Tāngata Whenua Aspirations**

Through Water we contribute to all four of the Local Government wellbeings by:

- Protecting and promoting public health by having safe and sustainable water supplies
- Supporting overall community wellbeing and our economy by providing a cost-effective, constant, adequate, sustainable and high-quality supply of water
- Ensuring firefighting water supplies are available in specific areas and enabling businesses to operate and grow through having reliable and high-quality water

Wellbeings Indicator
Social
Cultural
Environmental
Economic

In May 2025 Council and Ngāti Kearoa-Ngāti Tuara celebrated a landmark partnership that secures ongoing water supply for Rotorua city from the Karamū Tākina Springs, which provides 60 percent of the city's water supply and is a place of deep ancestral connection for Ngāti Kearoa-Ngāti Tuara. Under the partnership, Council has returned the land where the springs are located at Tihi-o-Tonga, along with the former tennis courts at Pururū North Reserve, Tārewa.

Ngāti Kearoa-Ngāti Tuara and Council will now work on a joint resource consent application to enable council to draw water from the springs for the next 35 years.

MEASURING OUR PERFORMANCE

We have measured our performance towards the objectives set in the 2024/2034 Long-term Plan through the below Key Performance Indicators.

Want to find out more?

See page 114 of our 2024/2034 Long-term Plan.

Water

Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
Safety of drinking water	The extent to which Council's drinking water supply complies with: 4.10.1 - T3 of the Drinking Water Quality Assurance Rules (bacterial rules) (DIA Measure). (1) (2)	All supplies (9)	Achieved for all supplies	All supplies	All drinking water supplied is fully compliant with the Drinking Water Quality Assurance Rules. The ten treatment plants for Rotorua District are: Deep Creek, Hamurana, Mamaku, Matipo, Reporoa, Rotoiti, Rotoma, Taniwha Springs, Utuhina and Whakarewarewa. There was one incident of a mistaken E. coli reading, however that was remedied at the time of finding.
	The extent to which Council's drinking water supply complies with: 4.10.2 - T3 of the Drinking Water Quality Assurance Rules (protozoal rules) (DIA Measure). (1) (2)	All supplies (9)	Achieved for all supplies	All supplies	All drinking water supplied is fully compliant with the Drinking Water Quality Assurance Rules, Protozoal criteria has been met and is well within the maximum acceptable values.
	The extent to which Council's drinking water supply complies with: 4.11.5 - D3.29 of the Drinking Water Quality Assurance Rules (microbiological monitoring rule) (DIA Measure). (1) (2)		Achieved for all supplies	All supplies	All drinking water supplied is fully compliant with the Drinking Water Quality Assurance Rules, the microbiological monitoring rule has been met.
Maintenance of the reticulation network	The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this) (DIA Measure)(3).	31.6%	≤ 30%	26.1%	The water loss measure is achieved for this financial year. This result is an improvement on the previous year and can be attributed to our targeted interventions to reducing water loss and continual monitoring of high-risk areas of our water network.
Fault response times	IIn response to a fault or unplanned interruption to its networked reticulation system, the median response times measured: attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (DIA Measure) (4).	29 minutes	≤ 60 minutes	31 minutes	There were 162 urgent requests responded to in the year. There was an average response time of 31 minutes to these requests.

Achieved Not Achieved New Measure

Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
Fault response times	In response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: resolution of 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 (DIA Measure) (5).	96 minutes	≤ 210 minutes	82 minutes	There were 162 urgent service requests received throughout the year. The median resolution time for these requests was 82 minutes. This is a further improvement in response time from last year. Our contract management model encourages constant improvement through collaboration, and overall this enables the performance and results to be kept consistently high.
	In response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (DIA Measure) (6).	14 hours 20 minutes	≤ 2 days	20 hours 3 minutes	There were a total of 1217 non-urgent requests this year with a median response time of 20 hours and 3 minutes. Our contract management model encourages constant improvement through collaboration, and overall this enables the performance and results to be kept consistently high.
	In response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: 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 (DIA Measure).	26 hours 46 minutes	≤ 4 days	48 hours 6 minutes	1217 non-urgent service requests were received for the year. The median response time was 48 hours and 6 minutes. Our contract management model encourages constant improvement through collaboration, and overall this enables the performance and results to be kept consistently high.
Customer satisfaction	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, and • the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system (DIA Measure).	Achieved 86 complaints Clarity- 7 Taste -18 Odour- 1 Pressure or flow -38 Continuity of supply -11 Customer service complaints -11 Total =3.27 / 1000 connections	≤ 10/1000 connections	Achieved 78 complaints Drinking Water Clarity - 12 Drinking Water Taste - 14 Drinking Water Odour – 1 DW Pressure or Flow – 38 DW Continuity of Supply – 0 Customer Service Complaints - 14, Local Authority Response = 0.53/1000 connections	There were a total of 65 service complaints and 14 customer service complaints received during the year. The response total is 0.53 per 1000 connections based on 26,487 properties connected to the water supply network. The Rotorua water quality is kept consistently high and is reflected in these results.

Achieved Not Achieved New Measure

Level of service	How will it be measured? (Measures)	2023/24 Result	2024/25 Target	Year End Result	Comment
Demand management	The average consumption of drinking water per day per resident within the territorial authority based on water leaving the water treatment plants in litres per capita per day (annual consumption and based on population of 25,641 connections supplied with water) (DIA Measure) (7)	217 litres per person per day	≤ 320 litres per person per day	Achieved 262 litres per person per day	The average consumption of drinking water in litres per person per day is calculated using: domestic monitoring metered consumption, population within the water supply areas and number of people per household within the Rotorua Lakes Council Territorial Authority. This years result is higher than last year due to an update in Rotorua specific population data from StatsNZ and Water supply boundary maps.
Customer satisfaction	Percentage of residents that are very/fairly satisfied with Council's water supply service (8) (10)		Greater than or equal to 65%	94%	The Residents Experience Monitor is an independent survey conducted throughout the year. Of the total of 332 respondents for the year, 94% felt fairly or very satisfied with Council's water supply service (measure of satisfaction is those that selected from a scale seven and above) 3% were dissatisfied and 3% neutral.

Achieved Not Achieved New Measure

(1) The Department of Internal Affairs updated this mandatory performance measure after the Council had published our Long-term Plan, which sets our statement of service performance. The updated measure still covers the bacterial and protozoal compliance of water supplies but now is directly referenced to the relevant rules in the Drinking Water Quality Assurance Rules 2022. Our reporting is, therefore, against those rules

(2) The Drinking Water Safety measure for the 2024/25 financial year was being reported against the Drinking Water Standards NZ up until the 21 August 2024 when the Drinking Water Quality Assurance Rules came into effect on the 22 August 2024. Council notes that under the old standards all of the water supply areas were compliant with the Part 4 & Part 5 of the DWSNZ for the period 1 July 2024 to 21 August 2024.

(3)This measure tracks unexplained water losses as a percentage of total water produced. These losses are calculated by deducting water sales volumes and estimated unbilled water usage from the total volume of water produced.

(4) An urgent call-out is one that leads to a complete loss of supply of drinking water or risk of damage to persons and/or property. A non-urgent call-out is one where there is still a supply of drinking water and low risk of damage to persons and/or property. Response time is measured from the time that the local authority receives notification to the time that service personnel reach the site.

(5)Response time is measured from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.

(6) Response time is measured from the time that the local authority receives notification to the time that service personnel reach the site.

(7) This measure is a Department of Internal Affairs (DIA) mandatory measure to provide information on whether the water supply system is being managed to ensure demand does not outstrip capacity. Careful management of the demand for water is an important component of integrated water resources management to ensure that demand does not exceed capacity, that water is allocated efficiently, and that productivity is maximised.

(8) The Residents Experience Monitor is conducted by independent research company Key Research on behalf of Rotorua Lakes Council. Invitations are sent quarterly to a randomly selected group of residents from the electoral roll. Invitation letters provide a QR code for respondents to take part in an online survey, or they can request a paper copy. The data collection period for this report was between August 2024 and June 2025, with a total of 410 respondents.

(9) The 2023/24 result for the Drinking Water Safety measures was reporting against the old Drinking Water Standards New Zealand which only measured the compliance on bacteria & protozoal.

(10) This is a new measure that has been implemented for either the first time in this financial year or has had an adjusted method of calculation to satisfy the measurement. Therefore, the current financial year result will form the base comparative for next financial year.

ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended 30 June 2025 for Water

	Long-term Plan 2023/24 ($000)	Long-term Plan 2024/25 ($000)	Actual 2024/25 ($000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	11,746	14,292	14,793
Subsidies and grants for operating purposes	-	-	-
Fees and charges	13	18	20
Internal charges and overheads recovered	245	-	481
Local authorities fuel tax, fines, infringement fees, and other receipts	228	246	508
Total operating funding (A)	12,232	14,556	15,802
Applications of operating funding			
Payments to staff and suppliers	6,627	7,728	5,489
Finance costs	754	1,378	1,448
Internal charges and overheads applied	1,900	2,190	2,783
Other operating funding applications	-	-	-
Total applications of operating funding (B)	9,281	11,296	9,720
Surplus (deficit) of operating funding (A – B)	2,951	3,260	6,082
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	2,738
Development and financial contributions	780	1,606	105
Increase (decrease) in debt	1,473	4,171	1,590
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	2,253	5,777	4,433
Applications of capital funding			
Capital expenditure—			
• to meet additional demand	480	2,138	2,065
• to improve the level of service	1,675	2,920	4,013
• to replace existing assets	3,050	3,979	3,628
Increase (decrease) in reserves	-	-	809
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	5,205	9,037	10,515
Surplus (deficit) of capital funding (C – D)	(2,951)	(3,260)	(6,082)
Funding balance ((A - B) + (C – D))	-	-	-



Redwoods



NGĀ TAUĀKI PŪTEA **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED
30 JUNE 2025



Sulphur Point

FINANCIAL STATEMENTS INDEX

Auditor's Report 89

Financial statements

Statement of Comprehensive Revenue and Expense 96
Statement of Financial Position 97
Statement of Changes in Equity 98
Statement of Cash Flows 99

Notes to the Financial Statements

1 Statement of accounting policies 101
2 Revenue 104
3 Finance revenue and costs 109
4 Personnel costs 110
5 Other expenses 111
6 Taxation 112
7 Cash and cash equivalents 113
8 Receivables 113
9 Associates 117
10 Other financial assets 119
11 Inventory 124
12 Non current assets held for sale 125
13 Property, plant and equipment 125
14 Intangible assets 143
15 Depreciation and amortisation expense by activity 146
16 Payables and deferred revenue 147
17 Borrowings 148
18 Employee Entitlements 150
19 Provisions 151
20 Equity 153
21 Capital commitments and operating leases 159
22 Contingencies 160
23 Related party transactions 163
24 Remuneration 164
25 Agency relationships 165
26 Financial instruments 167
27 Explanation of major variances against budget 174
28 Insurance 177
29 Events after balance date 177
30 Prior year error correction 178



Hannah's Bay - Waikawau Wetlands

Independent Auditor's Report

To the readers of Rotorua Lakes Council group's annual report for the year ended 30 June 2025

The Auditor-General is the auditor of Rotorua Lakes Council (the Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, David Walker, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf.

We have audited the information in the annual report of the 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 Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

We refer to this information as "the disclosure requirements" in our report.

Opinion on the audited information

In our opinion:

- the financial statements of the Group on pages 96 to 179:
    - present fairly, in all material respects:
        - its financial position as at 30 June 2025; and
        - the results of its operations and cash flows for the year ended on that date; and
    - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Reporting Standards;
- the service performance information for the year ended 30 June 2025 on pages 41 to 83:

- 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 the Public Benefit 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 49 to 83, 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 49 to 83 has been prepared, in all material respects, in accordance with clause 26 of Schedule 10 to the Act; and
- the funding impact statement for the year ended 30 June 2025 on page 180, 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 29 October 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

Emphasis of matter – future of water delivery

Without modifying our opinion, we draw attention to page 177, which outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to deliver water services itself directly or establish a multi-council owned water organisation to deliver water, wastewater and stormwater services from July 2028.

There is some uncertainty as the proposal is yet to be accepted by the Secretary for Local Government

Basis for our opinion on the audited information and the disclosure requirements

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the *Professional and Ethical Standards*, the *International Standards on Auditing (New Zealand),* and *New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor for the audited information and the disclosure requirements section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information and our report on the disclosure requirements.

Responsibilities of the Council for the audited information and the disclosure requirements

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements the Council is responsible for assessing its ability to continue as a going concern.

Responsibilities of the auditor for the audited information and the disclosure requirements

Responsibilities for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the 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 Council.
- We evaluate whether the service performance information 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 service performance information for groups of activities present an appropriate and meaningful basis that will

enable readers to assess the Council's actual performance. We make our evaluation by reference to generally accepted accounting practice in New Zealand.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the 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 Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Responsibilities for the disclosure requirements

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and
- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the Group's audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the audited information and our report on the disclosure requirements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the 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 our audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's Debenture Trust Deed, which is compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



David Walker
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

The governing body and management of Rotorua Lakes Council confirm that all the statutory requirements in relation to this annual report, as outlined in the Local Government Act 2002, have been complied with.

RESPONSIBILITY

The governing body and management of Rotorua Lakes Council accept responsibility for the preparation and completion of the financial statements and the related judgements. The governing body and management adopted the financial statements as presented here on 29 October 2025.

The governing body, the management of Rotorua Lakes Council and the Rotorua Lakes Council Group accept responsibility for establishing and maintaining systems of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and performance reporting.

In the opinion of Rotorua Lakes Council, the Group annual report, for the year ended 30 June 2025 fairly presents the financial performance, financial position, cash flows and service performance of the Rotorua Lakes Council Group and Rotorua Lakes Council.

Andrew Moraes
Chief Executive

Date: 29/10/2025

Tania Tapsell
Her Worship the Mayor

Date: 29/10/2025

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2025

	Note	Council			Group	
		Actual 2025 $'000	**Budget 2025 $'000**	Restated Actual 2024 $'000	**Actual 2025 $'000**	Restated Actual 2024 $'000
Revenue						
Rates	2a	146,323	143,773	128,139	146,194	128,025
Subsidies and grants	2b	43,138	30,651	47,055	43,554	47,137
Development and financial contributions	2c	2,928	10,056	1,975	2,928	1,975
Finance income	3	3,050	601	1,544	2,806	1,157
Other revenue	2d	21,025	23,656	18,755	34,237	28,941
Total revenue		216,464	208,737	197,468	229,719	207,235
Expenses						
Personnel costs	4	**43,240**	**38,883**	34,866	**54,372**	49,664
Depreciation and amortisation expense	15	**47,454**	**44,702**	45,060	**50,093**	47,558
Finance costs	3	**20,107**	**19,131**	17,236	**20,112**	17,261
Other expenses	5	**97,336**	**84,893**	97,758	**95,723**	89,602
Total expenses		**208,137**	**187,609**	194,920	**220,300**	204,085
Surplus/(deficit) before tax		**8,327**	**21,128**	2,548	**9,419**	3,150
Income tax expense	6	**-**	**-**	-	**531**	71
Surplus/(deficit) after tax		**8,327**	**21,128**	2,548	**8,888**	3,079
Other comprehensive revenue and expense						
Items that could be reclassified to surplus/(deficit)						
Net change in fair value of investment	20	**1,225**	**-**	2,819	**-**	-
Items that will not be reclassified to surplus/(deficit):						
Revaluation on property, plant and equipment	20	**88,090**	**-**	156,369	**88,090**	160,045
Revaluation on intangibles	20	**32**	**-**	310	**32**	310
Other transfers		**757**	-	4,160	**762**	4,160
Prior Year Equity Correction		**-**	**-**	-	**(48)**	-
Income tax related to gain on Revaluation of Airport Assets		**-**	**-**	-	**-**	(1,389)
Total other comprehensive income		**90,104**	**-**	**163,657**	**88,836**	**163,123**
Total comprehensive income		**98,431**	**21,128**	**166,205**	**97,724**	**166,205**

Explanations of major variances against budget are provided in note 27.
The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2025

	Note	Council			Group	
		Actual 2025 $'000	**Budget 2025 $'000**	Restated Actual 2024 $'000	**Actual 2025 $'000**	Restated Actual 2024 $'000
ASSETS						
Current Assets						
Cash and cash equivalents	7	15,856	9,373	8,990	19,119	11,231
Receivables	8	31,691	21,694	42,768	34,135	43,915
Other financial assets	10	5,666	-	26,910	4,530	26,243
Inventories	11	658	-	117	1,115	1,116
Current tax receivables	6	57	-	61	127	129
Non-current assets held for sale	12	348	1,616	3,098	348	3,098
Total current assets		**54,276**	**32,683**	**81,944**	**59,374**	**85,732**
Non-current assets						
Shares in associates	9	72	-	109	72	109
Other financial assets:						
- Investment in CCO's and other similar entities	10	82,492	85,541	82,667	-	-
- Investment in other entities	10	12,266	7,103	10,237	12,266	10,237
Trade and other receivables	8	-	-	8	-	8
Property, plant and equipment	13	2,058,719	2,051,336	1,917,349	2,145,844	2,007,134
Work in progress	13	163,931	-	165,065	163,931	165,065
Intangible assets	14	14,349	12,223	15,629	14,671	15,896
Deferred tax asset	6	-	-	-	5,026	5,795
Total non-current assets		**2,331,829**	**2,156,203**	**2,191,064**	**2,341,810**	**2,204,244**
Total assets		**2,386,105**	**2,188,886**	**2,273,008**	**2,401,184**	**2,289,976**
LIABILITIES						
Current liabilities						
Borrowings	17	76,000	26,000	27,927	76,000	27,927
Employee entitlements	18	4,936	2,975	3,664	5,703	4,925
Provisions	19	18	18	18	18	18
Payables and deferred revenue	16	37,088	33,324	45,587	37,846	46,187
Total current liabilities		**118,042**	**62,317**	**77,196**	**119,567**	**79,057**
Non-current liabilities						
Borrowings	17	393,000	453,341	419,000	393,000	419,600
Employee entitlements	18	101	130	113	101	113
Provisions	19	2,812	1,933	2,105	2,812	2,105
Deferred tax liabilities	6	-	-	-	6,278	6,516
Payables and deffered revenue		-	-	875	-	875
Total non-current liabilities		**395,913**	**455,404**	**422,093**	**402,191**	**429,209**
Total liabilities		**513,955**	**517,721**	**499,289**	**521,758**	**508,270**
Net assets		1,872,150	1,671,165	1,773,719	1,879,426	1,781,702
EQUITY						
Accumulated funds	20	650,298	752,451	647,915	658,799	656,106
Reserves	20	1,221,852	918,717	1,125,804	1,220,627	1,125,596
Total equity attributable to the Entity		**1,872,150**	**1,671,168**	**1,773,719**	**1,879,426**	**1,781,702**
Total equity		**1,872,150**	**1,671,168**	**1,773,719**	**1,879,426**	**1,781,702**

Explanations of major variances against budget are provided in note 27.
The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

		Council			Group	
	Note	**Actual 2025 $'000**	**Budget 2025 $'000**	Restated Actual 2024 $'000	**Actual 2025 $'000**	Restated Actual 2024 $'000
Balance as at 1 July		1,773,719	-	1,607,514	1,781,702	1,615,500
Surplus/(deficit) after tax		8,327	21,128	2,548	8,888	3,079
Other comprehensive revenue and expense		90,104	-	163,657	88,836	163,123
Balance as at 30 June	20	**1,872,150**	**1,671,168**	**1,773,719**	**1,879,426**	**1,781,702**

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



STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

		Council			Group	
	Note	**Actual 2025 $'000**	**Budget 2025 $'000**	Restated Actual 2024 $'000	**Actual 2025 $'000**	Restated Actual 2024 $'000
Cash flows from operating activities						
Receipts from rates revenue		143,886	145,724	127,611	143,757	127,489
Receipts from other revenue	30	21,275	23,656	15,347	32,114	25,361
Subsidies and grants received	30	48,169	30,651	29,496	48,235	29,228
Development and financial contributions received		5,239	10,056	1,975	5,239	1,975
Interest received		3,050	601	1,544	2,806	1,157
Dividends received		-	-	-	-	-
Payments to suppliers*		(87,386)	(85,712)	(78,794)	(85,523)	(68,330)
Payments to employees		(41,980)	(39,371)	(34,169)	(53,606)	(48,769)
Interest paid		(20,548)	(19,131)	(16,049)	(20,553)	(16,074)
Income tax paid		4	-	(4)	229	(38)
Goods and Services Tax (net)		(1,663)	-	1,802	(1,663)	1,802
Net cash flow from operating activities		**70,046**	**66,475**	**48,759**	**71,035**	**53,801**
Cash flows from investing activities						
Receipts from sale of property, plant, and equipment		9,036	3,484	(1,256)	13,534	(873)
Receipts from sale of intangible assets		-		11	5	20
Proceeds from community loan repayments			1,400			
Purchase of property, plant and equipment		(114,268)	(121,018)	(115,432)	(114,268)	(119,247)
Purchase of intangible assets		(649)	-	(1,958)	(759)	(2,200)
Purchase of other investments		-	(1,100)	-	-	-
PPE reval non-cash		-	-	-	(2,834)	(1,316)
Purchase of financial assets		20,605	-	(25,158)	19,675	(23,752)
Depreciation write back		-	-	-	4	-
Net cash flow from investing activities		**(85,276)**	**(117,243)**	**(143,793)**	**(84,643)**	**(147,368)**
Cash flows from financing activities						
Proceeds from borrowings		50,000	77,130	232,056	50,000	231,214
Repayment of borrowings		(27,927)	(26,000)	(135,758)	(28,527)	(135,711)
Payments of finance leases		23	-	-	23	(5)
Net cash flow from financing activities		**22,096**	**51,130**	**96,299**	**21,496**	**95,498**
Net increase / (decrease) in cash and cash equivalents		6,866	372	1,265	7,888	2,085
Cash and cash equivalents at the beginning of the year		8,990	9,002	7,725	11,231	9,146
Cash and cash equivalents at the end of the year	7	15,856	9,373	8,990	19,119	11,231

* This includes amounts received and paid on behalf of and from Bay of Plenty Regional Council, New Zealand Transport Agency and petrol tax. Refer to Note 25 for further detail.

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

RECONCILIATION OF NET SURPLUS/(DEFICIT) AFTER TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2025

	Council		Group	
	Actual 2025 $'000	Restated Actual 2024 $'000	**Actual 2025 $'000**	Restated Actual 2024 $'000
Surplus/(deficit) after tax	8,327	2,548	8,888	3,079
Add/(less) non-cash items				
Depreciation	45,434	43,294	47,818	44,467
Amortisation	1,961	1,768	2,013	1,775
Bad debts written off	142	1,711	142	1,711
Impairment of property, plant and equipment and intangible assets	(2,189)	(2,334)	(4,020)	(1,919)
Impairment of accounts receivable	(8)	3,388	(8)	3,378
Impairment of WIP	7,190	-	7,190	-
Vested assets and assets recognised for the first time	(1,280)	(1,016)	(1,280)	(458)
Disposal non-cash	-	11	-	20
Decrease in weathertightness provision	-	-	-	-
Share of associate's surplus	(37)	(19)	(37)	(19)
Finance lease receivables written off during the period	(23)	-	(23)	-
Revaluation of intangibles	(32)	-	(32)	-
(Gains)/losses in fair value on investments through surplus and deficit	47	16	47	16
Other transfers	757	-	762	-
Total non-cash items	**51,962**	**46,819**	**52,572**	**48,971**
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant, and equipment	6,680	17,049	6,712	17,084
(Gains)/losses on interest rate swap	185		185	
Total items classified as investing or financing activities	6,865	**17,049**	**6,897**	**17,084**
Add/(less) movements in working capital items				
Receivables	11,702	(21,667)	10,231	(21,835)
Prepayments	(640)	(17)	(525)	(31)
Inventories	(541)	(34)	-	(177)
Payables and deferred revenue	(9,600)	3,145	(8,254)	4,422
Provision for taxation	4	(4)	(9)	(38)
Provisions	707	697	469	895
Employee benefits	1,260	223	766	1,431
Net movement in working capital items	**2,892**	**(17,657)**	**2,678**	**(15,333)**
Net cash inflow/(outflow) from operating activities	**70,046**	**48,759**	**71,035**	**53,801**

1 - STATEMENT OF ACCOUNTING POLICIES

1.1 Reporting entity

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

The Rotorua Lakes Council group (Group) consists of the ultimate parent, Rotorua Lakes Council (Council) and its subsidiaries Rotorua Regional Airport Limited (100% owned), Rotorua Economic Development Limited (100% owned), InfraCore Limited (100% owned), and Kauae Cemetery Trust Board by special relationship. The Council's subsidiaries are incorporated and domiciled in New Zealand.

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

The Council has designated itself and the Group as public benefit entities (PBEs) to comply with generally accepted accounting practices and applies New Zealand Tier 1 Public Benefit Entity accounting standards (PBE standards).

The financial statements of the Council and Group are for the year ended 30 June 2025. The financial statements were authorised for issue by Council on 29 October 2025.

1.2 Basis of preparation

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain assets and liabilities as identified in the significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

The financial statements have been prepared on a going concern basis.

Statement of compliance

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

The financial statements have been prepared in accordance with and comply with Tier 1 PBE Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($'000), other than the remuneration payment disclosure in Note 24 and related party disclosures in Note 23, which are rounded to the nearest dollar.

Service Performance Reporting:

PBE FRS 48 Service Performance Reporting is mandatory for annual periods beginning on or after 1 January 2022. This Standard establishes new requirements for public benefit entities to select and present service performance information.

This is the second year that the Council has implemented PBE FRS 48.

Standards issued and not yet effective and not early adopted

There are currently no issued Standards which meet this criteria.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1.3 Basis of consolidation

The Group 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 intragroup 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 and Group obtains control of the entity and ceases when the Council and Group loses control of the entity.

1.4 Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into functional currency (NZD) using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the surplus or deficit in the period they arise.

1.5 Goods and Services Tax

All items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are stated on a GST inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense. Net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position. Net GST paid to, or received from, the IRD, including 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.

1.6 Budget figures

The budget figures are approved by the Council in the Long Term Plan 2024 2034. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing the financial statements.

1.7 Cost allocation

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

Direct costs:

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

Indirect costs:

Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. Indirect costs are allocated as overheads across all activities utilising an appropriate driver.

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

1.8 Critical accounting estimates and judgements

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

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

- Note 13 provides information about the estimates and assumptions applied in determining the fair value of land, buildings, infrastructural assets and art collections.
- Note 19 provides information about the estimates and assumptions surrounding the landfill aftercare provision.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying Rotorua Lakes Council's accounting policies for the period ended 30 June 2025:

- Note 2 provides information about the judgements applied in accounting for donated or vested land and buildings with use or return conditions.
- Note 10 provides information about the judgements applied in determining the fair value of subsidiaries
- Note 13 provides information about the judgements applied in determining the classification of property held.
- Note 22 provides information about the judgements applied in accounting for the suspensory loan from Housing New Zealand.
- Note 8 provides information about the judgements applied in determining impairment of debtors.



2 - REVENUE

Accounting Policy
Revenue is measured at the fair value of consideration received or receivable to the extent that it is probable that economic benefits or service potential will flow to the Group and the revenue can be reliably measured.

Critical accounting estimates and judgement
Accounting for donated or vested land and buildings with use or return conditions

The Council has received land and buildings from non exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity and no revenue would ever be recognised for the asset received. The Council considers an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognise revenue immediately for such transfers and a liability is not recognised until such time as it is expected that the condition will be breached.

2a Rates Accounting Policy
Rates are set annually by a resolution of Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when the Council has struck the rate and that rate becomes payable.

The following policies for rates have been applied:

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

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
General rates	82,102	76,357	81,973	76,243
Targeted rates attributable to activities:				
Water, excluding water supply rates	8,212	7,116	8,212	7,116
Targeted water supply rates	7,043	6,178	7,043	6,178
Sewerage	28,254	23,565	28,254	23,565
Refuse and sanitation	8,301	7,710	8,301	7,710
Lakes enhancement rate	1,555	637	1,555	637
Eastern sewerage capital rates	4,194	611	4,194	611
Business development targeted rates	8,725	6,955	8,725	6,955
Urban sewerage development rates	76	73	76	73
Rates penalties	1,608	1,734	1,608	1,734
Less rates charges to Council properties	(3,747)	(2,797)	(3,747)	(2,797)
Total rates, excluding targeted water supply rates	146,323	128,139	146,194	128,025

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

Rates remissions

Rates revenue is shown net of rates remissions. The Council's rates remission policy allows rates to be remitted on condition of a ratepayer's extreme financial hardship, land used for sport, and land protected for historical or cultural purposes.

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Total gross rates	147,665	128,918	147,536	128,804
Rates remissions:				
- General rates remissions	514	386	514	386
- Targeted rates remissions	828	393	828	393
Total remissions	1,342	779	1,342	779
Rates (net of remissions)	146,323	128,139	146,194	128,025

Non-rateable land

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, water, refuse, and sanitation. The non rating of non rateable land does not constitute a remission under the Council's rates remission policy.

Rating base information

The number of rating units within the District or region of Rotorua Lakes Council at 30 June 2025 was 31,254 (2024: 30,952).

The total capital value of rating units within the District or region of Rotorua Lakes Council at 30 June 2025 was $28,372,301,700 (2024: $28,223,555,700).

The total land value of rating units within the District or region of Rotorua Lakes Council at 30 June 2025 was $14,042,905,600 (2024: $14,232,047,100).

.

2b Subsidies and grants

Accounting Policy

Waka Kotahi / NZ Transport Agency (NZTA) roading subsidies

The Council receives funding assistance from the Waka Kotahi / NZ 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.

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
NZTA roading subsidies	9,499	13,062	9,499	13,062
Capital grants and subsidies	30,858	31,970	30,858	31,970
Other operating grants, subsidies and donations	2,781	2,023	3,197	2,105
Total subsidies and grants	**43,138**	**47,055**	**43,554**	**47,137**

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

2c Development and financial contributions

Accounting Policy

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

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Financial contributions	2,928	1,975	2,928	1,975
Total development and financial contributions	**2,928**	**1,975**	**2,928**	**1,975**

.

2d Other revenue

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

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

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

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

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

Donated and bequeathed financial assets
Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

Dividend income
Dividends are recognised when the right to receive payment has been established.

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

Entrance Fees
Entrance fees are fees charged to users of the Council's local facilities such as the museum (when operational). Revenue from entrance fees is recognised upon entry to such facilities.

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

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Traffic and parking infringements	1,969	1,089	1,969	1,089
Rendering of services (other trading revenue)	4,533	4,956	17,306	14,984
Petrol tax	557	616	557	616
Vested assets	1,280	483	1,280	483
Fees and charges	9,324	7,831	9,324	7,831
Lease and rental revenue	3,316	3,500	3,180	3,268
Other revenue	93	269	668	659
Gain on disposal of property, plant and equipment	-	27	-	27
Gain/(loss) on fair value of investments	(47)	(16)	(47)	(16)
Found assets	-	-	-	-
Total other revenue	21,025	18,755	34,237	28,941



Government Gardens

3 - FINANCE REVENUE AND COSTS

Accounting Policy

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

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

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Finance income				
Interest income:				
- term and call deposits	3,050	1,544	2,806	1,157
Total finance income	**3,050**	**1,544**	**2,806**	**1,157**

Finance costs				
Interest expense:				
- interest on bank borrowings	19,351	17,236	19,356	17,261
- non-hedged accounted interest rate swaps	**756**	**-**	**756**	**-**
Total finance costs	20,107	**17,236**	20,112	**17,261**
Net finance costs	**17,057**	**15,692**	**17,306**	**16,104**

4 - PERSONNEL COSTS

Accounting Policy

Superannuation Schemes

Defined contribution schemes
Employer contributions to KiwiSaver, the Government Superannuation Scheme are expensed in the surplus or deficit as incurred.

Defined benefit schemes
The Council makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi employer defined benefit scheme.

Insufficient information is available to use defined benefit plan accounting as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in Note 22.

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Salaries and wages	**40,817**	33,198	**51,685**	47,640
Defined contribution plan employer contributions	**1,164**	970	**1,428**	1,326
Increase/(decrease) in employee entitlements	**1,259**	698	**1,259**	698
Total personnel costs	**43,240**	**34,866**	**54,372**	**49,664**

Employer contributions to defined contribution plans include contributions to KiwiSaver and the Defined Benefit Plan (DBP) Contributors Scheme.

During the year, Council made five severance payments totalling $77,163 (2024 : $68,500.00). The value of each severance payment was $30,000, $25,500, $8,000, $7,000 and $6,663

5 - OTHER EXPENSES

Operating leases

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

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

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

Grant expenditure

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

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

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

	Council		Group	
	Actual 2025 $'000	Restated Actual 2024 $'000	**Actual 2025 $'000**	Restated Actual 2024 $'000
Fees incurred for services provided by our audit firm The Council and group's financial statments and service performance information for the year ended 30 June 2025 are audited by Audit New Zealand on behalf of the Auditor General. During the year, the following fees were incurred for services provided by our audit firm:				
Audit of the financial statements	**414**	336	**414**	336
The audit fee disclosed for the financial statements represents the fee for the annual statutory audit engagement carried out under the Auditor-General's auditing standards, as described in the audit report on pages 90-94. This fee also includes the audit of the summary annual report, also a statutory requirement, which is completed in conjunction with this engagement and not billed separately.				
Audit or review related services				
- Audit of the long term plan	33	114	33	114
- Assurance engagement in relation to the Debenture Trust Deed	12	12	12	12
Fees to other providers for Council's subsidiaries audits	-	-	120	134
Other assurance services and other agreed-upon procedures engagements	39	-	39	-
Grant and contributions	766	1,049	766	1,049
Contractors and physical works	46,954	51,627	41,900	37,823
Insurance premiums	3,247	3,158	3,272	3,236
Consultants and legal advice	6,714	5,073	7,780	5,972
Marketing and promotion	72	91	2,553	1,174
Energy	2,828	2,653	3,182	2,872
ACC	174	80	229	192
Bad debts written off	142	1,711	142	1,711
Elected member remuneration (incl. hearing fees)	1,098	1,079	1,098	1,138
Impairment of receivables	(8)	(3,330)	(8)	(3,330)
Loss on disposal of property, plant and equipment	6,680	16,686	6,712	16,721
Operating lease expense	-	-	257	541
Other expenditure	20,796	17,602	19,847	20,090
Impairment of property, plant and equipment	7,190	(183)	7,190	(183)
Loss/ Gain on interest rate swap	185	-	185	-
Total other expenses	**97,336**	**97,758**	**95,723**	**89,602**

6 - TAXATION

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 financial statements 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 tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantially enacted at balance date.

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	
	Actual 2025 $'000	Restated Actual 2024 $'000	**Actual 2025 $'000**	Restated Actual 2024 $'000
Components of tax expense				
Current tax expense	-	-	-	-
Deferred tax expense	-	-	531	71
Tax expense	-	-	531	71

Relationship between tax expense and accounting profit				
Surplus/(deficit) before tax	8,327	2,548	9,419	3,150
Tax at 28%	2,331	713	2,636	882
Plus/(less) tax effect of:				
Non taxable revenue	-	-	(26)	(59)
Non deductible expenditure	(2,311)	(786)	(2,282)	(722)
Loss to carry forward	(264)	(317)	(238)	(102)
Tax loss not recognised	-	-	(264)	(127)
Group loss offset	244	499	747	(2)
Deferred tax on temporary differences	-	-	(61)	217
Deferred tax adjustment	-	-	-	95
Deferred tax not recognised	-	-	19	-
Prior year adjustment - group loss offset	-	(109)	-	(109)
Tax expense	-	-	531	71

	Property, plant and equipment $'000	Employee entitlements $'000	Other provisions $'000	Tax losses $'000	Total $'000
Group Deferred tax assets/(liabilities)					
Balance at 30 June 2023	**(5,486)**	**22**	**44**	**6,157**	**737**
Charged to surplus or deficit	(8)	14	8	(83)	(69)
Charged to other comprehensive revenue and expense	(1,389)	-	-	-	(1,389)
Balance at 30 June 2024	**(6,883)**	**36**	**52**	**6,074**	**(721)**
Charged to surplus or deficit	233	3	3	(770)	(531)
Charged to other comprehensive revenue and expense	-	-	-	-	-
Balance at 30 June 2025	**(6,650)**	**39**	**55**	**5,304**	**(1,252)**

Disclosed in the balance sheet as:					
Deferred tax asset	(278)	-	-	5,304	5,026
Deferred tax liability	(6,372)	39	55	-	(6,278)
Balance at 30 June 2025	**(6,650)**	**39**	**55**	**5,304**	**(1,252)**

Council has not recognised a deferred tax asset in relation to tax losses of $17,949,334 (2024: $19,696,812). However, this asset has been recognised at group level.

7 - CASH AND CASH EQUIVALENTS

Accounting Policy

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

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Cash at bank and on hand	15,856	8,990	19,119	11,231
Total cash and cash equivalents	**15,856**	**8,990**	**19,119**	**11,231**

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

Cash, cash equivalents and bank overdrafts include the above for the purpose of the Statement of Cash Flows.

8 - RECEIVABLES

Accounting Policy

Receivables are held for collection of contractual cash flows and classified as a financial asset measured at amortised cost.

Loans include loans to subsidaries and associcates, and community loans (loans and receivables)

Loans made at nil or below market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and the present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

After initial recognition, loans to subsidiaries and associates, and community loans are measured at amortised cost using the effective interest rate method, less any expected credit losses (ECL).

These assets are assessed for indicators of impairment. Impairment is established when there is evidence that the council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

If assets are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Current receivables				
Rates receivables	13,678	11,269	13,678	11,269
Other receivables	15,115	30,112	17,373	30,961
GST receivable	2,481	818	2,481	854
Finance lease receivables	8	31	8	31
Prepayments	2,880	2,240	3,103	2,535
Current gross receivables	**34,162**	**44,470**	**36,643**	**45,650**
Allowance for credit losses	(2,471)	(1,702)	(2,508)	(1,735)
Total current portion	**31,691**	**42,768**	**34,135**	**43,915**
Non-current portion receivables				
Loans to subsidiaries (refer Note 10)	-	-	-	-
Finance lease receivables	-	8	-	8
Total non-current portion	**-**	**8**	**-**	**8**
Total receivables	**31,691**	**42,776**	**34,135**	**43,923**
Total receivables comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	20,792	17,671	20,593	18,486
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	10,899	25,105	13,542	25,437
	31,691	**42,776**	**34,135**	**43,923**

Allowance for credit losses

In measuring ECL's, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have 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.

The impairment provision is calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collective history and debt write offs.

When Council provides for impairment on rates receivables, it takes into account its various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

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 Maori freehold land) of the Local Government (Rating) Act 2002.

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

- Section 90A: $1,319,875 (2024: $Nil)
- Section 90B: $Nil (2024: $Nil)

Other Receivables

The ageing profile of receivables at year end is detailed below:
The status of receivables as at 30 June 2025 and 2024 are detailed below:

	2025			2024		
	Gross $'000	Impairment $'000	Net $'000	Gross $'000	Impairment $'000	Net $'000
Council						
Not past due	16,464	(32)	16,432	28,948	(19)	28,929
Past due 1-60 days	4,382	(152)	4,230	4,209	(100)	4,109
Past due 61-120 days	947	(205)	742	1,562	(320)	1,242
Past due > 121 days	12,369	(2,082)	10,287	9,751	(1,263)	8,488
Total	**34,162**	**(2,471)**	**31,691**	**44,470**	**(1,702)**	**42,768**

Group						
Not past due	18,945	(32)	18,913	29,863	(19)	29,844
Past due 1-60 days	4,382	(152)	4,230	4,223	(100)	4,123
Past due 61-120 days	947	(205)	742	1,566	(320)	1,246
Past due > 121 days	12,369	(2,119)	10,250	9,998	(1,296)	8,702
Total	**36,643**	**(2,508)**	**34,135**	**45,650**	**(1,735)**	**43,915**

All receivables greater than 30 days in age are considered to be past due.
The impairment provision has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write offs.

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Individual impairment	1,010	742	1,010	742
Collective impairment	1,461	960	1,498	993
Total provision for impairment	**2,471**	**1,702**	**2,508**	**1,735**

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Not past due	-	-	-	-
Past due 1-60 days	88	53	88	53
Past due 61-120 days	14	26	14	26
Past due > 121 days	908	663	908	663
Total individual impairment	**1,010**	**742**	**1,010**	**742**

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

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
As at 1 July	1,702	5,090	1,735	5,113
Additional provisions made during the year	792	370	796	380
Provisions reversed during the year	-	(2,042)	-	(2,042)
Receivables written-off during the period	(23)	(1,716)	(23)	(1,716)
At 30 June	2,471	1,702	2,508	1,735

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

9 - ASSOCIATES

Accounting Policy

An associate is an entity over which the Council and Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of another entity but is not control or joint control of those policies.

Investments in associates are measured using the equity method in the Council and Group financial statements.

Equity method of accounting in Group financial statements

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Council and Group's share of the change in net assets of the entity after the date of acquisition. The Council and Group's share of the surplus or deficit is recognised in the Council and Group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the Council and Group financial statements.

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

Associates of the Council and Group:
- Mountain Bike Events Limited
- Pukaki Trust
- Rotorua Museum Centennial Trust

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Mountain Bike Events Limited	72	109	72	109
Pukaki Trust	-	-	-	-
Rotorua Museum Centennial Trust	-	-	-	-
Total associates	**72**	**109**	**72**	**109**

Mountain Bike Events Limited

For the purposes of the PBE IPSAS 34 – 38 standards, Mountain Bike Events Limited is assessed by Council as an associate due to Council having significant influence over the company. On balance the following key judgements and assumptions in making this assessment were:

- Council has the right to appoint two of a maximum of six directors thereby exerting influence but not power;
- Non financial benefits arise from the company promoting major events in Rotorua;
- Council holds 4,900 shares out of a total of 10,000 shares, representing 49% of ordinary shares on issue; and
- Council has no control of the organisation but does have some rights and exposure to its variable benefits.

For the 30 June 2022-2027 financial years the Council approved sponsorship funding of $250,000 per year. There is no binding arrangement in place with Mountain Bike Events Limited which would give rise to significant restrictions of any kind.

Pukaki Trust

Pukaki Trust was established by Trust Deed on 13 November 2001 to provide for the care, conservation and custody of the Pukaki carving on behalf of the Crown. It requires there to be four trustees represented as follows:

- Minister for Culture and Heritage;
- One Ngati Whakaue representative;
- One appointee of the Auckland Museum Trust Board; and
- One appointee of Rotorua Lakes Council.

For the purposes of the PBE IPSAS 34 – 38 standards, Pukaki Trust is assessed by Council as an associate due to Council having significant influence of the Trust. The following key judgements and assumptions in making this assessment are:

- In accordance with the Trust Deed, Council has the right to appoint one of four trustees, giving it a 25% portion of influence over the Trust's policies, financial affairs and governance;
- Council derives a non financial benefit from the Trust in the care and protection of a Crown taonga, the Pukaki carving;
- Council provides Pukaki Trust with funding; and
- Council performs the financial administration of the Trust.

Council pays the expenses of the Trust on its behalf and has not yet been reimbursed by the Trust. Council has no binding arrangements in place with the Pukaki Trust which would give rise to significant restrictions of any kind.

Rotorua Museum Centennial Trust

The Rotorua Museum Centennial Trust was established by Trust Deed on 17 March 2006 to raise funds to celebrate, in 2008, the centennial of Rotorua Museum and also to apply such funds towards a proposed expansion of the Rotorua Museum. The Trust's purpose is also to promote public awareness of, and interest in, care of the architectural and historic importance of the Rotorua Museum and its surroundings. Trustees may number up to twelve but no less than five. Mayor Tania Tapsell is a current Trustee of the Trust.

For the purposes of the PBE IPSAS 34 – 38 standards, Rotorua Museum Centennial Trust is assessed by Council as an associate due to Council having significant influence of the Trust. The following key judgements and assumptions in making this assessment were:

- Council derives a non financial benefit from the Trust in the enhancement and increased public awareness of, and interest in, Rotorua Museum and its surroundings;
- The Mayor of Rotorua is one of five appointed Trustees;
- The Trust Deed cannot be altered without a further resolution of the Council; and
- Council performs the financial administration of the Trust.

Council does not provide funding to the Rotorua Museum Centennial Trust and has no binding arrangements in place with the Trust which would give rise to significant restrictions of any kind.

10 - OTHER FINANCIAL ASSETS

Accounting Policy

Shares in subsidiaries

Rotorua Regional Airport Limited
RotoruaNZ
Infracore Limited
Kauae Cemetery Trust Board

The Council and Group consolidates in the Group financial statements those entities it controls. Control exists where the Council and Group is exposed, or has rights, to variable benefits (either financial or non financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by the Council and Group.

Investments in subsidiaries is measured at fair value through other comprehensive revenue and expense using the net asset backing value method in the Council financial statements. The net asset backing method is assessed as an appropriate fair value technique as the assets and liabilities on the entities' balance sheets are predominantly carried at fair value rather than cost.

Investments in subsidiaries are assessed at each year end for impairment. A significant or prolonged decline in the fair value of the investment below its costs is considered to be objective evidence of impairment. If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit. Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

The Council and Group will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. The difference reflects the goodwill to be recognised by the Council. If the consideration transferred is lower than the net fair value of the Council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

Shares in other entities

BOP Local Authority Shared Services Limited
Waikato Local Authority Shared Services Limited
Civic Financial Services Limited

Shares (other than shares in subsidiaries) and listed bonds (other than those designated as held to maturity) are initially recognised at fair value plus transaction costs and are designated at fair value through other comprehensive revenue and expense. After initial recognition, the shares and listed bonds are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

For shares, a significant or prolonged decline in the fair value of the shares below its costs is considered to be objective evidence of impairment. For listed bonds, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments is considered to be objective evidence of impairment.

If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of the listed bonds increases and the increase can be objectively related to an event after the impairment loss was recognised the impairment loss is reversed in the surplus or deficit.

Borrowernotes

Borrower notes are subordinated convertible debt instruments that the Council is required to subscribe for when borrowing from LGFA being an amount equal to 2.5% of the amount borrowed (2024: 2.5%). LGFA will redeem borrower notes or convert to equity under specific circumstances when the Council's related borrowings are repaid or no longer owed to LGFA.

The fair value of borrower notes is calculated using the discounted cashflow method. The significant input used in the fair value measurement of borrower notes is the forward interest rate yield curve

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Current portion				
Term deposits	4,266	26,000	4,530	26,243
Loans to related parties	1,400	910	-	-
Total current portion	**5,666**	**26,910**	**4,530**	**26,243**
Investment in CCO's and other similar entities:				
Unlisted shares Rotorua Regional Airport Limited	69,916	69,105	-	-
Unlisted shares RotoruaNZ	1,030	384	-	-
Unlisted shares InfraCore Limited	1,796	2,028	-	-
Loan to realated parties	9,750	11,150	-	-
Total investment in CCO's and other similar entities	**82,492**	**82,667**	**-**	**-**
Investment in other entities:				
Unlisted shares Waikato Local Authority Shared Services Limited	104	109	104	109
Unlisted shares BOP Local Authority Shared Services Limited	1	9	1	9
Unlisted shares Civic Financial Services Limited	167	164	167	164
Borrower notes	11,994	9,955	11,994	9,955
Total investment in other entities	**12,266**	**10,237**	**12,266**	**10,237**
Total non-current portion	**94,758**	**92,904**	**12,266**	**10,237**
Total other financial assets	**100,424**	**119,814**	**16,796**	**36,480**

	Rotorua Regional Airport Limited	**RotoruaNZ**	**Infracore Limited**
Number of shares	28,645,000	100	2,366,081
Cost Price	22,322,821	232,493	2,366,000
Book value as at1 July 2023	65,836,256	226,600	2,635,795
Revaluation gain/(loss) through other comprehensive revenue and expense	3,268,419	156,979	(607,488)
Acquisition/(disposal) of shares	-	-	-
Revaluation gain/(loss) through Surplus/(Deficit)	-	-	-
Book value as at 30 June 2024	**69,104,675**	**383,579**	**2,028,307**
Book value as at 1 July 2024	69,104,675	383,579	2,028,307
Revaluation gain/(loss) through other comprehensive revenue and expense	810,890	646,433	(232,416)
Acquisition/(disposal) of shares	-	-	-
Revaluation gain/(loss) through Surplus/(Deficit)	-	-	-
Book value as at 30 June 2025	**69,915,565**	**1,030,012**	**1,795,891**

Other financial assets	**Waikato LASS Limited**	**BOP LASS Limited**	**Civic Financial Services Limited**
Number of shares	134,220	5	175,906
Cost Price	181,511	15,968	167,911
Book value as at 1 July 2023	153,238	4,692	158,856
Revaluation gain/(loss) through other comprehensive revenue and expense	-	-	-
Acquisition/(disposal) of shares	-	-	-
Revaluation gain/(loss) through Surplus/(Deficit)	(44,185)	4,275	4,937
Book value as at 30 June 2024	**109,053**	**8,967**	**163,793**
Book value as at 1 July 2024	109,053	8,967	163,793
Revaluation gain/(loss) through other comprehensive revenue and expense	-	-	-
Acquisition/(disposal) of shares	-	-	-
Revaluation gain/(loss) through Surplus/(Deficit)	(4,601)	(7,862)	2,914
Book value as at 30 June 2025	**104,452**	**1,105**	**166,707**

Unlisted shares

Subsidiaries

Rotorua Regional Airport Limited

For the purposes of the PBE IPSAS 34 – 38 standards, Rotorua Regional Airport Limited is assessed by Council as a subsidiary due to Council having control of the organisation and rights or exposure to its variable benefits. The key judgements and assumptions in making this assessment are:

- Council is the sole shareholder;
- A reasonable level of economic dependence exists; and
- A special relationship exists to the extent of the interests of the Rotorua region's tourism industry.

Rotorua Lakes Council and Rotorua Regional Airport Limited are subject to a Service Funding Agreement dated 18 February 2016. In the agreement, Council is committed to providing funding to the airport for a 20 year term due to the company purchasing the airport assets and maintaining acceptable levels of stewardship. Currently, the funding sits at $172,500 excl GST per month. Rotorua Regional Airport Limited also has a loan from Council for the sum of $11,150,000 which it is repaying on an interest only basis in the short term.

RotoruaNZ

For the purposes of the PBE IPSAS 34 – 38 standards, RotoruaNZ is assessed by Council as a subsidiary due to Council having control of the organisation and rights or exposure to its variable benefits. The key judgements and assumptions in making this assessment are:

- Council is the sole shareholder;
- A reasonable level of economic dependence exists, including a letter of comfort dated 11 September 2015 stating Council's intention to supply sufficient funding and support to the company to ensure it operates efficiently;
- A special relationship exists to the extent of the interests of the Rotorua region's tourism industry; and
- The activities of the company were predetermined by Council prior to incorporation.

Council provides monthly funding of $845,443 (excl GST) to Rotorua Economic Development Limited as part of the Statement of Intent when the functions performed by the company were separated from within Council.

InfraCore Limited

For the purposes of the PBE IPSAS 34 – 38 standards, InfraCore Limited is assessed by Council as a subsidiary due to Council having control of the organisation and rights or exposure to its variable benefits. The key judgements and assumptions in making this assessment are:

- Council is the sole shareholder;
- A high level of economic dependence exists. Council have agreed in the Letters of Comfort dated 30 June 2016 and 19 August 2020 to provide working capital where necessary and support the success of the company; and
- The activities of the company were predetermined by Council prior to incorporation.

On 31 October 2024 Council entered into a sale and purchase agreement with Infracore Limited to purchase their assets and take over their liabilities. The loan to Infracore Limited totalling $910 000 pursuant to the loan agreement dated 22 June 2016, was offset as part of the sale and purchase agreement

Kauae Cemetery Trust Board

Kauae Cemetery Trust Board was formed by a Maori Land Court Order on 4 February 2003 and is controlled by a Board of eight trustees. Four of the trustees must be of Ngati Whakaue descent and four trustees represent Rotorua Lakes Council. The Board fixes the scale of fees, appoints a secretary, sexton and grave diggers. It has delegated the administrative operations of the urupa to Council.
For the purposes of the PBE IPSAS 34 – 38 standards, Kauae Cemetery Trust Board is assessed by Council as a subsidiary due to Council having a special relationship with the Trust. The key judgements and assumptions in making this assessment are:

- Council has the ability to direct the relevant activities of the Trust via a majority representation of Trustees;
- Council provides the majority of services to the Kauae Cemetery including operational and administrative support; and
- Council derives some non financial benefits from the Kauae Cemetery Trust Board activities, ie if the Trust Board did not provide cemetery services, the Council would have to provide an alternative for people in the district. The Trust Board and Council therefore have congruent activities. These non financial benefits are deemed to be variable as the Council is exposed to the performance risk of the Trust Board.

Council has no binding arrangements in place with Kauae Cemetery Trust Board which would give rise to significant restrictions of any kind. Council does not provide financial support to Kauae Cemetery Trust Board.

Other financial assets

Civic Financial Services Limited

The cost price of the share investment in Civic Financial Services Limited amounts to $167,911.The recoverable amount is approximated by using the net asset backing method and amounts to $166,707 (2024: $163,793). The shares in this entity are fair valued through Other Comprehensive Revenue and Expense. The net change in fair value for this year is a increase of $2,914 (2024: 4,937). The Council holds 175,906 ordinary shares.

Council has no binding arrangements in place with Civic Financial Services Limited which would give rise to significant restrictions of any kind. The gain of $2,914 was recognised through surplus/deficit this year (2024: gain of $4,937 recognised through surplus/deficit).

Waikato Local Authority Shared Services Limited

The cost price of the share investment in Waikato Local Authority Shared Services Ltd amounts to $181,511. The recoverable amount is approximated by using the net asset backing method and amounts to $104,452 (2024: $109,053). The shares in this entity are fair valued through surplus/deficit. The net change in fair value for this year is a decrease of $4,601 (2024: decrease of $44,185). The Council holds 134,220 shares.

The Waikato LASS share investment comprises:

- 1 ordinary share;
- 126,703 Shared Valuation Database shares; and
- 7,516 WRAP service shares, which are uncalled as at balance date.

The service shares are non voting and do not carry the right to share in any distributions of the company.

Council makes an annual contribution to the operating costs of Waikato Local Authority Shared Services Limited. The decrease of $4,601 was recognised through surplus/deficit this year (2024: decrease of $44,185).

Council has no binding arrangements in place with Waikato Local Authority Shared Services Limited which would give rise to significant restrictions of any kind.

BOP LASS Limited

The cost price of the share investment in BOP LASS Limited amounts to $15,968. The recoverable amount is approximated by using the net asset backing method and amounts to $1,105 (2024: $8,967). The shares in this entity are fair valued through surplus/deficit. The net change in fair value for this year is a decrease of $7,862 (2024: $4,275 increase). The Council holds 5 ordinary shares.

Council makes an annual contribution to the operating costs of BOP LASS Ltd. The loss of $7,862 (2024: $4,275 gain) was recognised through surplus/deficit this year.

Council has no binding arrangements in place with BOP LASS Limited which would give rise to significant restrictions of any kind.

Impairment

A total impairment write back of ($37,610) (2024: ($34,973)) has been recognised in the surplus/deficit of the Statement of Comprehensive Revenue and Expense. This related to investment in subsidiaries and other entities.



Lake Front boardwalk

11 - INVENTORY

Accounting Policy

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

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

Cost is allocated using the first in first out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

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

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant and equipment.

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Non-commercial inventory:				
Water and sewerage reticulation spare parts	358	51	358	371
Other	28	15	28	15
Total non-commercial inventory	386	66	386	386
Commercial inventory:				
Nursery store	243	3	243	314
Museum retail stock	29	29	29	29
Other	-	19	457	387
Total commercial inventory	272	51	729	730
Total inventories	**658**	**117**	**1,115**	**1,116**

No inventories are pledged as security for liabilities (2024: $Nil). However, some inventories are subject to retention of title clauses.

Non commercial inventory

The carrying amount of inventory held for distribution that is measured at current replacement cost as at 30 June 2025 amounted to $385,855 (2024: $66,000).

The write down of inventory held for distribution because of a loss in service potential amounted to $Nil (2024: $Nil). There have been no reversals of previous write downs (2024: $Nil).

The loss in service potential of inventory held for distribution is determined on the basis of obsolescence.

Commercial inventory

The write down of commercial inventory to net realisable value during the year amounted to $Nil (2024: $Nil). There have been no reversals of write downs (2024: $Nil).

12 - NON-CURRENT ASSETS HELD 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 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 of non current assets held for sale are recognised in the surplus or deficit.

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

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

As at 30 June 2025, Council had a number of properties surplus to requirements and held available for sale. The sale of these assets are expected to be concluded within twelve months from balance date.

	Council		Group	
	Actual 2025 $'000	Restated Actual 2024 $'000	**Actual 2025 $'000**	Restated Actual 2024 $'000
Non-current assets held for sale are:				
Land	348	626	348	626
Buildings	-	2,472	-	2,472
Total non-current assets held for sale	**348**	**3,098**	**348**	**3,098**

13 - PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Property, plant and equipment of the Council and Group are classified into three categories:

- Operational assets

These include property, plant and equipment used to provide core council services, either as a community service, for administration or as a business activity. These operational assets include land, buildings, library books, motor vehicles, art collections, public artworks, plant and equipment, and landfill post closure.

- Infrastructure assets

These include land under roads and systems and networks integral to the city's infrastructure. These assets are intended to be maintained indefinitely, even if individual assets or components are replaced or upgraded. These infrastructure assets include land, parks and reserves, recreational forests, roading and footpaths, sewerage assets and water assets. Each class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

- Restricted assets

Restricted assets include property and improvements where the use or transfer of title outside the Group or the Council is subject to restrictions. This includes restriction imposed by legislation (such as land declared as a reserve under the Reserves Act 1977), or othe restrictions (such as land or buildings acquired under a bequest or donation that restricts the purpose for which the asset can be used). These restricted assets include airport infrastructure, land and landfill pre closure.

Property Plant and Equipment Artworks

During 2023, Rotorua Lakes Council changed its accounting policy for Public Artworks from a revaluation model to a cost model.

In prior years, the entity has not been able to establish a readily available "active" market for valuation purposes, in order to determine an accurate fair value for Public Artworks. These artworks have been procured due to their cultural significance and beautification of the Rotorua District.

The change in policy provides a more practical and faithfully representative way of accounting for these artworks.

There is no adjustment to the value of the Public Artworks, as these assets have been historically recorded at cost less accumulated depreciation and impairment due to their low value.

In prior years, the entity has not been able to establish a readily available "active" market for valuation purposes, in order to determine an accurate fair value for Public Artworks. These artworks have been procured due to their cultural significance and beautification of the Rotorua District.

The change in policy provides a more practical and faithfully representative way of accounting for these artworks.

There is no adjustment to the value of the Public Artworks, as these assets have been historically recorded at cost less accumulated depreciation and impairment due to their low value.

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

Initial recognition:
Property, plant and equipment is measured at initial costs directly attributable to acquisition of the items or valuation, less accumulated depreciation and impairment losses.

Where an asset is acquired in a non exchange transaction for nil or nominal consideration the asset is initially measured at fair value as at the date of acquisition.

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

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

Disposals:
Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset or when no further economic benefits or service potential are expected. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Revaluations:
Land (operational, infrastructural and restricted), buildings (operational and restricted), art collections, infrastructural assets (including landfill pre closure) and airport are revalued at fair value with sufficient regularity to ensure that their carrying amount does not differ materially from fair value, and at least every three years (except for airport assets which are at least every 5 years).

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

The value of recreational forests is at deemed cost. All other assets are carried at depreciated historical cost.

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

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

The value of land and buildings is their market value as determined by a registered valuer.

Depreciation:
Depreciation is provided on all fixed assets with certain exceptions. The exceptions are:

- Land is not depreciated.
- Roading, wastewater reticulation, stormwater systems and water reticulation assets are depreciated as noted below. A number of the components of the roading network, such as excavation, sub base materials and compaction, are not depreciated as these assets have an infinite life. Stormwater channels are also considered to have an infinite life and are not depreciated. Signs and markings are not depreciated as these assets are maintained to the same level.
- The useful lives of Rotorua Museum collections and the library reference collection are considered to be extremely long (with potential for appreciation of value). Therefore, due to its insignificance, no depreciation has been brought to charge.

RLC Works trucks are depreciated on the basis of diminishing value and at a rate of 40%, calculated to allocate motor vehicles' cost over their estimated useful lives.

All other assets are depreciated on a 'straight line' basis at rates that will write off their cost or valuation over their expected useful economic lives.



The expected lives of major classes of assets are:

Parks and reserves	1 - 100 years
Motor Vehicles	5 years
Airport Assets	
Runway, Taxiways, Aprons	5 - 42 years
Other paved areas	10 - 42 years
Surround security fences	10 years
Landfill improvements	2 - 100 years
Plant and Equipment	1 - 96 years
Buildings	
Structure	10 - 101 years
Services	20 - 50 years
Fit-out	2 - 40 years
Roof	3 - 75 years
Roads and footpaths	
Seals - first coat and base	80 years
Seal - second coat	20 years
Footpaths	1 - 162 years
Streetlights (Poles, Brackets & Lamps)	30 years
Bridges	70 - 100 years
Water	
Treatment plants & facilities	5 - 100 years
Water and reticulation (other assets)	10 - 130 years
Sewage system	
Treatment plants & facilities	3 - 100 years
Wastewater & reticulation (other assets)	10 - 100 years
Stormwater drainage	2 - 100 years

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



Impairment of property, plant, and equipment

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

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

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.

Value in use for non cash generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash generating assets and cash generating units is the present value of expected future cash flows.

Recreation forestry assets

Standing forestry assets are held for the prime purpose of recreation at deemed cost.

Council may from time to time harvest minor portions of a forest. At the time of sale a proportion of deemed cost of area of forest evidenced within a felling plan is offset against proceeds and felling costs at the time. The net value is recognised in the surplus or deficit.

Recreational forest assets not managed for harvesting into agricultural produce, or being transformed into additional biological assets are reported as property, plant and equipment in accordance with the policies for property, plant and equipment. Forestry maintenance costs are recognised in the surplus or deficit when incurred.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that the cost is incurred, and excludes costs of day to day maintenance.

After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property, through valuation or retirement, are recognised in the surplus or deficit.

Critical accounting estimates and judgement

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 them. These properties are held for service delivery objectives as part of the Council's social housing policy. These properties are held as property, plant and equipment rather than as investment property.



Lake Rotokakahi

13 - PROPERTY, PLANT AND EQUIPMENT

Council 2025	Cost / revaluation 1 Jul 2024 $'000	Accumulated depreciation and impairment charges 1 Jul 2024 $'000	Carrying amount 1 Jul 2024 $'000	Current year additions $'000	Transfers from capital work in progress $'000	Assets transferred (to)/from held for sale $'000
Operational assets						
Land	78,438	-	78,438	-	-	278
Building	227,086	(18,089)	208,997	-	29,343	2,473
Library books	4,920	(2,729)	2,191	-	-	-
Motor vehicles	3,699	(2,062)	1,637	-	2,044	-
Art collections	20,002	-	20,002	-	-	-
Public Artwork	5,094	(143)	4,951	-	25	-
Plant and equipment	23,029	(14,043)	8,986	-	3,158	-
Total operational assets	**362,268**	**(37,066)**	**325,202**	**-**	**34,570**	**2,751**
Infrastructural assets						
Geothermal	**-**	**-**	**-**	**-**	1,425	**-**
Parks and reserves	53,639	-	53,639	-	10,955	-
Recreational forests	1,827	-	1,827	-	-	-
Roading and footpaths	670,194	-	670,194	-	7,729	-
Sewerage - treatment plant and facilities	64,603	-	64,603	-	3,441	-
Sewerage - other	243,542	(4,997)	238,545	-	1,908	-
Water - treatment plant and facilities	49,355	(924)	48,431	-	454	-
Water - other	150,054	(3,673)	146,381	-	3,912	-
Stormwater	161,215	-	161,215	-	45,091	-
Land under roads	46,723	-	46,723	-	-	-
Total infrastructural assets	**1,441,152**	**(9,594)**	**1,431,558**	**-**	**74,915**	**-**
Restricted assets						
Airport	-	-	-	-	-	-
Land	155,602	-	155,602	-	-	-
Landfill	5,277	(292)	4,985	-	7	-
Total restricted assets	**160,879**	**(292)**	**160,587**	**-**	**7**	**-**
Total Council	**1,964,299**	**(46,952)**	**1,917,347**	**-**	**109,492**	**2,751**

Other transfers $'000	Current year disposals $'000	Current year impairment charges $'000	Current year depreciation $'000	Revaluation surplus/ depreciation write back $'000	Other cost & depreciation movements $'000	Cost/ revaluation 30 Jun 2025 $'000	Accumulated depreciation and impairment charges 30 Jun 2025 $'000	Carrying amount 30 Jun 2025 $'000
-	-	-	-	25,021	-	103,737	-	103,737
(2,958)	(4,004)	2,215	(9,559)	22,748	-	248,238	1,017	249,255
(13)	(2,179)	-	-	616	-	616	-	616
-	(47)	-	(668)	-	-	5,361	(2,396)	2,965
-	-	-	-	2,638	-	22,641	-	22,641
-	-	-	-	-	-	5,120	(143)	4,977
815	(346)	17	(2,754)	-	-	23,182	(13,306)	9,876
(2,156)	**(6,576)**	**2,232**	**(12,981)**	**51,023**	**-**	**408,895**	**(14,828)**	**394,067**
625	(103)	-	(82)	-	-	2,212	(348)	1,864
1,531	(7,365)	(43)	(4,302)	4	-	58,828	(4,409)	54,419
-	-	-	-	-	-	1,827	-	1,827
-	(196)	-	(10,043)	-	-	677,718	(10,034)	667,684
-	(144)	-	(3,356)	-	-	67,953	(3,409)	64,544
-	(170)	-	(5,347)	21	-	245,239	(10,282)	234,957
799	(59)	-	(989)	-	-	50,544	(1,908)	48,636
(799)	(680)	-	(3,730)	-	-	152,461	(7,376)	145,085
-	(299)	-	(4,485)	-	-	205,998	(4,475)	201,523
-	-	-	-	-	-	46,723	-	46,723
2,156	**(9,016)**	**(43)**	**(32,334)**	**25**	**-**	**1,509,503**	**(42,241)**	**1,467,262**
-	-	-	-	-	-	-	-	-
-	(120)	-	-	35,040	-	190,521	-	190,521
-	(6)	-	(120)	2,002	-	6,903	(34)	6,869
-	**(126)**	**-**	**(120)**	**37,042**	**-**	**197,424**	**(34)**	**197,390**
-	**(15,718)**	**2,189**	**(45,435)**	**88,090**	**-**	**2,115,822**	**(57,103)**	**2,058,719**

13 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Council 2024	Cost / revaluation 1 Jul 2023 $'000	Accumulated depreciation and impairment charges 1 Jul 2023 $'000	Carrying amount 1 Jul 2023 $'000	Current year additions $'000	Transfers from capital work in progress $'000	Assets transferred (to)/from held for sale $'000
Operational assets						
Land	62,800	-	62,800	-	-	317
Building	186,269	(9,655)	176,614	-	6,732	(2,404)
Library books	5,871	(2,729)	3,142	-	-	-
Motor vehicles	3,482	(1,842)	1,640	-	555	-
Art collections	20,002	-	20,002	-	-	-
Public artwork	2,044	(143)	1,901	-	1,148	-
Plant and equipment	63,347	(26,012)	37,335	-	5,770	-
Total operational assets	**343,815**	**(40,381)**	**303,434**	**-**	**14,206**	**(2,087)**
Infrastructural assets						
Land	862	-	862	-	-	-
Parks and reserves	82,231	(5,233)	76,998	-	7,657	-
Recreational forests	1,895	-	1,895	-	-	-
Roading and footpaths	506,146	-	506,146	-	24,965	-
Sewerage - treatment plant and facilities	70,221	(4,835)	65,386	-	2,759	-
Sewerage - other	226,725	-	226,725	-	16,697	-
Water - treatment plant and facilities	44,341	-	44,341	-	5,067	-
Water - other	143,322	-	143,322	-	6,469	-
Stormwater	152,397	(5,273)	147,124	-	3,560	-
Land under roads	46,723	-	46,723	-	-	-
Total infrastructural assets	**1,274,863**	**(15,341)**	**1,259,522**	**-**	**67,174**	**-**
Restricted assets						
Airport	771	(507)	264	-	-	-
Land	170,333	-	170,333	-	-	-
Landfill	5,276	(167)	5,109	-	-	-
Total restricted assets	176,380	(674)	175,706	-	-	-
Total Council	**1,795,058**	**(56,396)**	**1,738,663**	**-**	**81,380**	**(2,087)**

Other transfers $'000	Current year disposals $'000	Current year impairment charges $'000	Current year depreciation $'000	Revaluation surplus/ depreciation write back $'000	Other cost & depreciation movements $'000	Cost/ revaluation 30 Jun 2024 $'000	Accumulated depreciation and impairment charges 30 Jun 2024 $'000	Carrying amount 30 Jun 2024 $'000
15,918	(597)	-	-	-	-	78,438	-	78,438
36,285	(739)	1,954	(9,446)	-	-	227,086	(18,089)	208,997
(950)	-	-	-	-	-	4,920	(2,729)	2,191
-	(67)	-	(490)	-	-	3,699	(2,062)	1,639
-	-	-	-	-	-	20,002	-	20,002
1,902	-	-	-	-	-	5,094	(143)	4,951
(31,432)	(271)	(4)	(2,411)	-	-	23,029	(14,043)	8,986
21,723	**(1,674)**	**1,950**	**(12,348)**	**-**		**362,269**	**(37,067)**	**325,204**
(862)	-	-	-	-	-	-	-	-
(11,790)	(6,209)	181	(4,869)	(8,328)	-	53,639	-	53,639
-	(68)	-	-	-	-	1,827	-	1,827
3,487	(5,382)	20	(8,760)	149,717	-	670,194	-	670,194
373	(887)	-	(3,124)	96	-	64,603	-	64,603
366	(196)	-	(5,048)	-	-	243,542	(4,997)	238,545
8	(72)	-	(913)	-	-	49,355	(924)	48,431
967	(705)	-	(3,671)	-	-	150,054	(3,673)	146,381
420	(335)	-	(4,438)	14,884	-	161,215	-	161,215
-	-	-	-	-	-	46,723	-	46,723
(7,031)	**(13,853)**	**201**	**(30,823)**	**156,369**	**-**	**1,441,152**	**(9,594)**	**1,431,558**
-	(264)	-	-	-	-	-	-	-
(14,732)	-	-	-	-	-	155,602	-	155,602
-	-	-	(123)	-	-	5,276	(290)	4,986
(14,732)	(264)	-	(123)	-	-	160,878	(290)	**160,588**
(40)	**(15,791)**	**2,151**	**(43,294)**	**156,369**	**-**	**1,964,299**	**(46,950)**	**1,917,349**

13 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2025	Cost / revaluation 1 Jul 2024 $'000	Accumulated depreciation and impairment charges 1 Jul 2024 $'000	Carrying amount 1 Jul 2024 $'000	Current year additions $'000	Transfers from capital work in progress $'000	Assets transferred (to)/from held for sale $'000
Operational assets						
Land	78,438	-	78,438	-	-	278
Buildings	251,836	(19,212)	232,624	444	29,343	2,473
Library books	4,920	(2,729)	2,191	-	-	-
Motor vehicles	8,414	(4,494)	3,920	494	2,044	-
Fine Art collections	20,002	-	20,002	-	-	-
Public artwork	5,094	(143)	4,951	-	25	-
Plant and equipment	27,032	(16,518)	10,514	657	3,158	-
Total	**395,736**	**(43,096)**	**352,640**	**1,595**	**34,570**	**2,751**
Infrastructural assets						
Land	27,255	-	27,255	-	-	-
Parks and reserves	53,639	-	53,639	-	10,955	-
Recreational forests	1,827	-	1,827	-	-	-
Roading and footpaths	670,194	-	670,194	-	7,729	-
Sewerage - treatment plant and facilities	64,603	-	64,603	-	3,441	-
Sewerage - other	243,542	(4,997)	238,545	-	1,908	-
Water - treatment plant and facilities	49,355	(924)	48,431	-	454	-
Water - other	150,054	(3,673)	146,381	-	3,912	-
Stormwater	161,215	-	161,215	-	45,091	-
Land under roads	46,723	-	46,723	-	-	-
Geothermal	-	-	-	-	1,425	-
Total infrastructural assets	**1,468,407**	**(9,594)**	**1,458,813**	**-**	**74,915**	**-**
Restricted assets						
Airport	36,538	(1,952)	34,586	27	-	-
Land	156,107	-	156,107	-	-	-
Landfill	5,276	(290)	4,986	-	7	-
Total restricted assets	**197,921**	**(2,242)**	**195,679**	**27**	**7**	**-**
Total Group	**2,062,064**	**(54,932)**	**2,007,132**	**1,622**	**109,492**	**2,751**

Other transfers $'000	Current year disposals $'000	Current year impairment charges $'000	Current year depreciation $'000	Revaluation surplus/ depreciation write back $'000	Other cost & depreciation movements $'000	Cost/ revaluation 30 Jun 2025 $'000	Accumulated depreciation and impairment charges 30 Jun 2025 $'000	Carrying amount 30 Jun 2025 $'000
-	-	-	-	25,021	-	103,736	-	103,736
(2,958)	(4,007)	2,215	(10,284)	22,748	-	273,427	(831)	272,596
(13)	(2,179)	-	-	616	-	616	-	616
-	(2,648)	-	(782)	-	-	7,969	(3,135)	4,834
-	-	-	-	2,638	-	22,641	-	22,641
-	-	-	-	-	-	5,120	(143)	4,977
815	(2,270)	17	(2,989)	-	-	25,778	(14,850)	10,928
(2,156)	**(11,104)**	**2,232**	**(14,055)**	**51,023**	**-**	**439,287**	**(18,959)**	**420,328**
-	-	-	-	-	-	27,255	-	27,255
1,531	(7,365)	(43)	(4,302)	4	-	58,828	(4,409)	54,419
-	-	-	-	-	-	1,827	-	1,827
-	(196)	-	(10,043)	-	-	677,718	(10,034)	667,684
-	(144)	-	(3,356)	-	-	67,953	(3,409)	64,544
-	(170)	-	(5,347)	21	-	245,239	(10,282)	234,957
799	(59)	-	(989)	-	-	50,544	(1,908)	48,636
(799)	(680)	-	(3,730)	-	-	152,461	(7,376)	145,085
-	(299)	-	(4,485)	-	-	205,998	(4,475)	201,523
-	-	-	-	-	-	46,723	-	46,723
625	(103)	-	(82)	-	-	2,212	(348)	1,864
2,156	**(9,016)**	**(43)**	**(32,334)**	**25**	**-**	**1,536,758**	**(42,241)**	**1,494,517**
-	-	-	(1,509)	-	-	36,566	(3,461)	33,105
-	(120)	-	-	35,040	-	191,026	-	191,026
-	(6)	-	(120)	2,002	-	6,902	(34)	6,868
-	**(126)**	**-**	**(1,629)**	**37,042**	**-**	**234,494**	**(3,495)**	**230,999**
-	**(20,246)**	**2,189**	**(48,018)**	**88,090**	**-**	**2,210,539**	**(64,695)**	**2,145,844**

13 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2024	Cost / revaluation 1 Jul 2023 $'000	Accumulated depreciation and impairment charges 1 Jul 2023 $'000	Carrying amount 1 Jul 2023 $'000	Current year additions $'000	Transfers from capital work in progress $'000	Assets transferred (to)/from held for sale $'000
Operational assets						
Land	62,800	-	62,800	-	-	317
Buildings	208,900	(9,481)	199,419	167	6,732	(2,404)
Library books	5,871	(2,729)	3,142	-	-	-
Motor vehicles	8,482	(4,861)	3,638	563	555	-
Fine Art collections	20,002	-	20,002	-	-	-
Public artwork	2,045	(143)	1,902	-	1,148	-
Plant and equipment	67,674	(28,908)	38,879	387	5,770	-
Total	**375,774**	**(46,122)**	**329,782**	**1,117**	**14,206**	**(2,087)**
Infrastructural assets						
Lands	29,202	-	29,202	200	-	-
Parks and reserves	81,934	(4,936)	76,998	-	7,657	-
Recreational forests	1,895	-	1,895	-	-	-
Roading and footpaths	506,146	-	506,146	-	24,965	-
Sewerage - treatment plant and facilities	70,221	(4,835)	65,386	-	2,759	-
Sewerage - other	226,725	-	226,725	-	16,697	-
Water - treatment plant and facilities	44,341	-	44,341	-	5,067	-
Water - other	143,322	-	143,322	-	6,469	-
Stormwater	152,397	(5,273)	147,124	-	3,560	-
Land under roads	46,723	-	46,723	-	-	-
Total infrastructural assets	**1,302,906**	**(15,044)**	**1,287,862**	**200**	**67,174**	**-**
Restricted assets						
Airport	33,260	(507)	32,754	-	-	-
Land	170,838	-	170,838	-	-	-
Landfill	5,276	(167)	5,109	-	-	-
Total restricted assets	**209,374**	**(674)**	**208,701**	**-**	**-**	**-**
Total Council	**1,888,054**	**(61,840)**	**1,826,345**	**1,317**	**81,380**	**(2,087)**

Other transfers $'000	Current year disposals $'000	Current year impairment charges $'000	Current year depreciation $'000	Revaluation surplus/ depreciation write back $'000	Other cost & depreciation movements $'000	Cost/ revaluation 30 Jun 2024 $'000	Accumulated depreciation and impairment charges 30 Jun 2024 $'000	Carrying amount 30 Jun 2024 $'000
15,918	(597)	-	-	-	-	78,438	-	78,438
36,285	(1,066)	1,954	(8,828)	(1,285)	-	251,836	(19,212)	232,624
(950)	-	-	-	-	-	4,920	(2,729)	2,191
-	(274)	-	(722)	-	-	8,414	(4,494)	3,920
-	-	-	-	-	-	20,002	-	20,002
1,901	-	-	-	-	-	5,094	(143)	4,951
(31,432)	(420)	(17)	(2,757)	-	-	27,032	(16,518)	10,514
21,721	**(2,357)**	**1,937**	**(12,306)**	**(1,285)**	**-**	**395,737**	**(43,097)**	**352,641**
(862)	-	-	-	980	-	27,255	-	27,255
(11,790)	(6,209)	(181)	(4,869)	(8,328)	-	53,639	-	53,639
-	(68)	-	-	-	-	1,827	-	1,827
3,487	(5,382)	(20)	(8,760)	149,718	-	670,194	-	670,194
373	(887)	-	(3,124)	-	-	64,603	-	64,603
366	(196)	-	(5,048)	1,224	-	243,542	(4,997)	238,545
8	(72)	-	(913)	-	-	49,355	(924)	48,431
967	(705)	-	(3,671)	1,464	-	150,054	(3,673)	146,382
420	(335)	-	(4,438)	14,884	-	161,215	-	161,215
-	-	-	-	-	-	46,723	-	46,723
(7,031)	**(13,854)**	**(201)**	**(30,823)**	**159,942**	**-**	**1,468,407**	**(9,594)**	**1,458,813**
-	-	-	(1,214)	-	-	36,538	(1,952)	34,586
-	-	-	-	-	-	156,107	-	156,107
-	-	-	(123)	-	-	5,276	(290)	4,986
-	**-**	**-**	**(1,338)**	**-**	**-**	**197,921**	**(2,242)**	**195,679**
14,690	**(16,211)**	**1,736**	**(44,467)**	**158,657**	**-**	**2,062,067**	**(54,933)**	**2,007,134**

Core infrastructure asset disclosures

Council 2024	Last valuation date	Replacement Cost 2025 $'000	Replacement Cost 2024 $'000
Water supply:			
– treatment plants and facilities	2023	97,794	25,331
– other assets (such as reticulation systems)	2023	277,540	358,547
Sewerage:			
– treatment plants and facilities	2024	162,926	103,682
– other assets (such as reticulation systems)	2023	452,191	460,679
Stormwater drainage	2024	290,721	245,928
Roads and footpaths	2024	1,118,257	1,110,724

*The above replacement costs exclude capital work in progress.

Critical accounting estimates and judgement
Estimating the fair value of land, buildings, infrastructure and art collections assets

Land (operational, infrastructural and restricted)
The fair value of land is reviewed at three yearly intervals. The most recent valuation was performed by independent registered valuer Beca Limited, and was effective as at 31 March 2025.

Land is valued at fair value using market based evidence based on its highest and best use with reference to comparable land values. Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which is based on the valuer's judgement.

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

Land is valued as if vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage.

Buildings (operational and restricted)
The fair value of buildings is reviewed at three yearly intervals. The most recent valuation was performed by independent registered valuer Beca Limited. The valuation is effective as at 31 March 2025.

The non specialised properties have been valued on a market based approach with research and analysis of market data compiled and applied to the valuation of these assets.

For the specialised properties which are rarely if ever traded on the open market, valuations are based on depreciated replacement cost approach. In assessing if a building is specialist in nature, Beca has taken into regard the surrounding neighbourhood and likely alternative use demand.

The depreciated replacement cost reflects the minimum cost to provide the current level of utility or service. In this way the DRC approach is often referred to as the optimised depreciated replacement cost (ODRC) approach.

The ODRC approach method uses the assessment of replacement cost new of a modern equivalent asset as the starting point and applies optimisation and depreciation to adjust for age, condition, use and performance and remaining useful life.

Infrastructural asset classes: sewerage, water, drainage and roads

Where fair value of a class of assets is not able to be reliably determined using market based evidence, depreciated replacement cost (DRC) is considered to be the most appropriate basis for determination of fair value.

The ODRC approach method uses the assessment of replacement cost new of a modern equivalent asset as the starting point and applies optimisation and depreciation to adjust for age, condition, use and performance and remaining useful life.

Infrastructural asset classes: sewerage, water, drainage and roads
Sewerage, water, drainage, and roading infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using this method. These include:

- The replacement costs where appropriate reflect optimisation due to over design or surplus capacity.

- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth and location. If recent contract cost information is considered out of date,

it is indexed using Statistics New Zealand's Capital Goods Price Index (replaced by the Business Price Index in 2015) for civil constructions to convert them to current dollar value at the valuation date.

- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

The fair value of infrastructural assets will be revised at three yearly 'rolling' intervals. The most recent valuations are performed by Council engineers and are peer reviewed by independent registered valuers Beca Limited. The effective dates of these valuations are:

- Water reticulation system: 30 June 2023
- Wastewater reticulation system: 30 June 2023
- Wastewater treatment plant & facilities: 30 June 2024
- Water treatment plant & facilities: 30 June 2023
- Stormwater and land drainage system: 30 June 2024
- Roading network: 30 June 2024
- Parks and reserves assets: 30 June 2024
- Landfill assets: 31 March 2025

A fair value assessment was performed for all non revalued assets classes as at 30 June 2025, the fair value assessment was prepared by Beca Projects NZ Limited, applying available price indices. Management then reviewed the value movement against the asset class's last revaluation, with any movement above 10% considered material.

When applying the assessment of fair value to these asset classes, the increase in value was not considered material, and accordingly management has concluded these asset classes did not require revaluation for 30 June 2025.

The valuation for wastewater reticulation system is included within the classification 'sewerage other'.

Airport
An independent valuation of the Airport assets was performed by Beca Projects NZ Limited to determine the fair value of the assets as at 30 June 2023. The next valuation is scheduled for 30 June 2026.

Art collections
The Museum art collections are valued at fair market value. Determination of fair value is made by:

- if an active market exists for the same or similar asset the market prices are deemed to be the fair value; or
- if there is no active market fair value should be determined by other market based evidence ad judged by us as active and knowledgeable partic ipants in the market.

Accounting estimate - Public Artworks
The Public Artworks are accounted for using the cost model. Under this model the public artworks are initially recognised at their acquisition cost and subsequently adjusted for depreciation and impairment. The useful life is determined based on factors such as wear & tear, exposure to environmental conditions and any specific preservation efforts. Impairment is assessed annually to identify permanent decrease in value and this is recognised as a loss in the income statement and a reduction to the carrying amount of the public artwork to its recoverable amount.

Impairment
Impairment losses of $7,189,977 (2024 losses of: $756,162) have been recognised for the year. The impairment has been recognised in the Statement of Comprehensive Revenue and Expense in the line item 'impairment of property, plant and equipment'. This relates to the impairment of Work in Progress for the Wastewater Treatment Plant because the work could not proceed in its intended form.

Forestry assets
Council's forestry assets are recognised as recreational forests, as part of Council's operating assets. The Council owns five forestry stands located at:

- Near the Rotorua Landfill measures 6.8 hectares of Pinus Radiata with a current age of 7 years.
- Great West Road spring reserve measures 2.5 hectares of Pinus Radiata with a current age of 5 years.
- Hill Road spring reserve measures 1.6 hectares of Pinus Radiata forest with a current age of 35 years.
- Reservoir Road spring reserve measures 7.6 hectares of Pinus Radiata forest with a current age of 22 years.
- Tokorangi Forest measures 112.2 hectares and consists of multiple species including Redwood, Douglas Fir, Pinus Radiata, Pinus Patula, Eucalyptus, Larch and Blackwood. The age of each stand of species varies, depending on the year of planting and ranges from 10 to 121 years.

Tokorangi Forest (Redwood Forest)
In 1993 the Crown Forest License for the Tokorangi Forest (Redwood Forest) was transferred to the Council from the Crown in recognition of the significant recreation resource with the valuable aesthetic and landscape features that the forest represents for the people of Rotorua, as well as its national and international visitors. There are covenants in place that restrict the license to this effect. The majority of the forest will therefore not be managed commercially.

The land on which the forest grows is owned by the Central North Island Iwi Collective. Council has the license to continue managing the forest until 2049.

Work in progress

Accounting Policy

Work in progress is recognised at cost less impairment and is not depreciated.
Property, plant and equipment in the course of construction by class of asset is detailed below:

	Council		Group	
	Actual 2025 $'000	Restated Actual 2024 $'000	**Actual 2025 $'000**	Restated Actual 2024 $'000
Operational assets				
Buildings	37,752	42,031	37,752-	42,031
Art collections	19	51	19	51
Plant and equipment	741	279	741	279
Infrastructural assets			-	-
Parks and reserves	3,764	3,582	3,764	3,582
Geothermal	2,595	-	2,595	-
Roading and footpaths	5,038	2,159	5,038	2,159
Sewerage - treatment plant facilities	69,319	58,999	69,319	58,999
Sewerage- other	27,648	13,223	27,648	13,223
Stormwater	4,194	41,283	4,194	41,283
Water - treatment plant facilities	11,589	3,285	11,589	3,285
Intangibles				
Computer software	1,272	173	1,272	173
Total work in progress	**163,931**	**165,065**	**163,931**	**165,065**

Leasing

The net carrying amount of plant and equipment held under financing leases is $Nil (2024: $Nil).

Security

No tangible assets are pledged as security for liabilities.



Lake Front



Rotorua iSite

14 - INTANGIBLE ASSETS

Accounting Policy
Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets with finite lives are amortised over the assessed useful economic life or pattern of consumption. The amortisation expense is recognised in the surplus or deficit as an expense category consistent with the function of the intangible asset.

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. Impairment losses are recognised immediately in surplus or deficit. For further details, refer to the policy for impairment of Property, Plant and Equipment in Note 13. The same approach applies to the impairment of intangible assets.

Goodwill
Goodwill on acquisition of businesses and controlled entities (subsidiaries) is included in 'intangible assets'. Goodwill on acquisition of associates is included in 'investments in associates' and is tested for impairment as part of the overall investment balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed.

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Impairment losses relating to goodwill cannot be reversed in future periods.

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

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

Staff training costs, costs associated with maintaining computer software and costs associated with the development and maintenance of Council's website are recognised as an expense when incurred.

Carbon credits
Purchased carbon credits are recognised initially at cost on acquisition. They are not amortised, but are instead tested for impairment annually, and otherwise revalued to fair value annually. They are 'derecognised' when they are used to satisfy carbon emission obligations.

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

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

Computer Software	2 - 30 years

Software as a Service (SaaS)

In April 2021, the IFRS Interpretations Committee (IFRIC), a committee supporting profit oriented reporting, published an agenda decision clarifying how configuration and customisation costs incurred in implementing SaaS should be accounted for. The New Zealand Accounting Standards Board has not issued similar guidance, however, in the absence of a PBE standard specifically dealing with such costs, management considers the IFRIC decision relevant to the accounting for similar types of arrangements of the group in accordance with PBE IPSAS 31 Intangible assets. The group revised its accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements.

The IFRIC concluded where SaaS arrangements are service contracts providing the customer with the right to access the SaaS provider's application software over the contract period. Costs incurred to configure or customise software in a cloud computing arrangement, can be recognised as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on premises systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight line basis. The useful lives are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate. Costs that do not result in intangible assets are expensed as incurred, unless they are paid to the supplier(s) of the cloud based software and/or to the supplier's agent, to significantly customise the cloud based software for the group, in which case, the costs paid upfront may be recorded as a prepayment for services and amortised over the expected term of the cloud computing arrangement.

At 30 June 2025 Council have assessed their software values and costs and applied the accounting policy. No adjusting entries were required for the 2025 financial year (2024 : No adjusting entries were required). No other Council software previously classified as intangible has been assessed to be SaaS. OneCouncil ERP software currently live and in progress is not SaaS as Council is using the on premise version of this software and will continue to do so for the foreseeable future.

Cost	Goodwill $'000	Computer software $'000	Carbon credits $'000	Total Council $'000	Total Group $'000
Balance as at 1 July 2024	95	23,907	172	24,174	25,391
Additions from internal development	-	649	-	649	759
Other transfers	-	-	-	-	-
Additions acquired separately	-	-	-	-	-
Revaluations	-	-	32	32	32
Disposals	-	(3,455)	-	(3,455)	(3,460)
Prior year corrections	(95)	-	-	(95)	(95)
Balance as at 30 June 2025	**-**	**21,101**	**204**	**21,305**	**22,626**

Cost	Goodwill $'000	Computer software $'000	Carbon credits $'000	Total Council $'000	Total Group $'000
Balance as at 1 July 2023	95	24,177	163	24,435	25,419
Additions from internal development	-	1,413	-	1,413	1,413
Other transfers	-	545	-	545	545
Additions acquired separately	-	-	-	-	243
Revaluations	-	-	-	-	-
Disposals	-	(2,312)	-	(2,312)	(2,322)
Prior year reallocation between cost and amortisation	-	84	9	93	93
Balance as at 30 June 2024	**95**	**23,907**	**172**	**24,174**	**25,390**

Accumulated amortisation and impairment	Goodwill $'000	Computer software $'000	Carbon credits $'000	Total Council $'000	Total Group $'000
Balance as at 1 July 2024	(95)	8,450	-	8,545	9,492
Amortisation charge	-	1,961	-	1,961	2,013
Disposals	-	(3,455)	-	(3,455)	(3,455)
Impairment	-	-	-	-	-
Revaluations	-	-	-	-	-
Prior year correction	95	-	-	95	95
Balance as at 30 June 2025	**-**	**6,956**	**-**	**6,956**	**7,955**

Accumulated amortisation and impairment	Goodwill $'000	Computer software $'000	Carbon credits $'000	Total Council $'000	Total Group $'000
Balance as at 1 July 2023	(95)	8,888	-	8,983	9,919
Amortisation charge	-	1,768	-	1,768	1,785
Disposals	-	(2,301)	-	(2,301)	(2,307)
Impairment	-	-	-	-	-
Revaluations	-	-	-	-	-
Prior year reallocation between cost and amortisation	-	(95)	-	(95)	(95)
Balance as at 30 June 2024	**(95)**	**8,450**	**-**	**8,545**	**9,493**

Carrying amounts					
As at 30 June 2024	**-**	**15,457**	**172**	**15,629**	**15,896**
As at 30 June 2025	**-**	**14,145**	**204**	**14,349**	**14,671**

Carbon credits

As at 30 June 2025 the Council's residual closing balance of 3,956 carbon credit units were revalued based on the market spot rate at balance date.

The Council considers there has been no impairment of carbon units held, as they are expected to be fully utilised in satisfying carbon obligations from its landfill operations. Carbon units have been assessed as having an indefinite useful life as they have no expiry date and will continue to have economic benefit for as long as the Emissions Trading Scheme is in place.

Goodwill

The carrying amount of the goodwill on the Museum Cafe was impaired to nil in the 2021 financial year due to the on going work surrounding the Museum and cafe closure.

Security

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

15 - DEPRECIATION AND AMORTISATION EXPENSE BY ACTIVITY

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Directly attributable depreciation and amortisation expense by group of activity				
Community Leadership	6,149	5,535	8,788	8,033
Community Wellbeing	12,692	12,830	12,692	12,830
District Development	81	106	81	106
Sport, Recreation and Environment	-	-	-	-
Roads and Footpaths	10,332	9,155	10,332	9,155
Sewerage and Sewage	8,802	8,275	8,802	8,275
Stormwater and Land Drainage	4,458	4,401	4,458	4,401
Waste Management	120	124	120	124
Water Supplies	4,762	4,636	4,762	4,636
Total directly attributable depreciation and amortisation by group of activity	**47,396**	**45,062**	**50,035**	**47,558**
Depreciation and amortisation not directly related to group of activities	58	-	58	-
Total depreciation and amortisation expense	**47,454**	**45,060**	**50,093**	**47,558**

16 - PAYABLES AND DEFERRED REVENUE

Accounting Policy

Short term creditors and other payables are recorded at their face value.

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Exchange - non-current portion				
Deposits and bonds	-	875	-	875
Exchange - current portion				
Trade payables and accrued expenses	17,397	18,768	17,784	19,625
Deposits and bonds	223	1,435	223	1,435
Accrued interest	3,541	3,982	3,541	3,982
Development and financial contributions in advance	2,211	-	2,211	-
Amounts due to subsidiaries and associates	-	-	-	-
Retentions accrued for contract work	1,559	1,776	1,559	1,776
Other payables	-	-	14	5
Metered water and revenue received in advance	737	549	737	549
Total payables under exchange transactions	**25,668**	**26,510**	**26,069**	**27,367**
Non-exchange - current portion				
Trade payables and accrued expenses	1,716	458	2,748	458
Deposits and bonds	817	-	817	-
Revenue received in advance	-	-	-	126
Rates received in advance (excluding metered water)	4,188	4,546	4,188	4,546
Grants received in advance	813	1,063	(39)	282
Other payables	3,886	4,192	3,886	4,192
Deferred grant revenue	-	8,820	-	8,820
Taxes payable	-	-	177	396
Total payables under non-exchange transactions	**11,420**	**19,077**	**11,777**	**18,820**
Total payables and deferred revenue - current portion	**37,088**	**45,587**	**37,846**	**46,187**

Payables and deferred revenue are non interest bearing and are normally settled on 30 day terms. Therefore, the carrying value of payables and deferred revenue approximates their fair value.

Deferred grant revenue and grants received in advance consist of grants received which have substantive conditions attached to the value provided. These conditions include for instance, requiring the full amount to be used or used in accordance with agreed terms otherwise the value is to be returned to the Grantor.

17 - BORROWINGS

Accounting Policy

Borrowings are initially recognised at their fair value plus transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Interest due on the borrowings is subsequently accrued and added to the borrowing's balance.

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

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Current portion				
Bank facilities	-	-	-	-
LGFA borrowings	76,000	27,927	76,000	27,927
Registered debenture stock	-	-	-	-
Other loans	-	-	-	-
Total current portion	**76,000**	**27,927**	**76,000**	**27,927**
Non-current portion				
Bank facilities	-	-	-	-
LGFA borrowings	393,000	419,000	393,000	419,000
Registered debenture stock	-	-	-	-
Other loans	-	-	-	600
Total non-current portion	**393,000**	**419,000**	**393,000**	**419,600**
Total borrowings	**469,000**	**446,927**	**469,000**	**447,527**
Fair values of non-current borrowings				
LGFA borrowings	393,000	419,000	393,000	419,000
Registered debenture stock	-	-	-	-
Other loans	-	-	-	600
Total	**393,000**	**419,000**	**393,000**	**419,600**

LGFA borrowings

Borrowing from the Local Government Funding Agency (LGFA) of $312,000,000 (2024: $338,000,000) is at a fixed interest rate for the term of the stock.

Borrowing from the local Government Funding Agency (LGFA) of $157,000,000 (2024: $108,926,669) is at floating interest rates. The interest rate is reset quarterly, based on the equivalent bank bill rate plus a margin for credit risk.

Security

All Council's borrowings are secured by a floating charge over the future rate revenue of the district through the operation of a Debenture Trust Deed.

The Council does not have an overdraft facility.

Reconciliation of movements in liabilties from financing activities

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

	Council		Group	
	LGFA Borrowings	Other loans	**LGFA Borrowings**	**Other loans**
Balance as at 1 July 2024	446,927	-	446,927	600
Cash inflows	50,000	-	50,000	-
Cash outflows	(27,927)	-	(27,927)	(600)
Non-cash changes (further breakdown should be included where material)	-	-	-	-
Balance as at 30 June 2025	**469,000**	**-**	**469,000**	**-**

	Limit	Actual 2025 $'000	**Actual 2024 $'000**
Treasury Policy compliance ratios			
Net Debt / Total Revenue	<295%	243.00%	2.00%
Net Interest / Total Revenue	<20%	9.00%	-%
Net Interest / Annual Rates Income	<30%	12.00%	-%
Liquidity [a]*	>110%	113.00%	1.00%
Liquidity [b]**	0		

* Liquidity [a]: (external debt + cash or near cash financial investments + unutilised but committed loan facilities, to existing external debt)

** Liquidity [b]: (cash or near cash financial investments + unutilised but committed loan facilities emergency risk funding of $15,000,000, to equal a minimum period of forecast net cash outflow including maturing debt on a rolling basis)

The weighted average effective interest rate on borrowings is 4.22% (2024: 4.7%).

18 - EMPLOYEE ENTITLEMENTS

Accounting Policy

Short-term employee entitlements:

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values 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, sick leave and e Bike loans. A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the Group has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements:

Entitlements that are payable beyond 12 months, after the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

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

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.

The expense relating to these provisions is presented in the Statement of Comprehensive Revenue and Expense net of any reimbursement.

	Council		Group	
	Actual 2025 $'005	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Current portion				
Payroll payables	967	587	1,164	587
Accrued Pay	792	589	799	651
Accrued leave	3,272	2,501	3,835	3,700
Long service leave	-	-	-	-
Employee Loans	(95)	(13)	(95)	(13)
Total current portion	**4,936**	**3,664**	**5,703**	**4,925**
Non-current portion				
Long service leave	26	42	26	42
Retirement gratuities	75	71	75	71
Total non-current portion	101	113	101	113
Total employee entitlements	**5,037**	**3,777**	**5,804**	**5,038**

19 - PROVISIONS

Accounting Policy

The Council and Group recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of expenditures expected to be required to settle the obligation, using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'. Refer to Note 3.

ACC Accredited Employers Programme:

The Council belongs to the ACC Accredited Employers Programme (the "Full Self Cover Plan") whereby the Council accepts the management and financial responsibility for employee work related illnesses and accidents. Under the programme, the Council is liable for all its claims costs for a period, the Council pays a premium to ACC for the value of residual claims, and from that point the liability for ongoing claims passes to ACC.

The liability for the ACC Accredited Employers Programme is measured using actuarial techniques at the present value of expected future payments to be made in respect of the employee injuries and claims up to balance date. Consideration is given to anticipated future wage and salary levels and experience of employee claims and injuries. Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Current provisions are represented by:				
ACC Accredited Employers Programme	-	-	-	-
Weathertightness claims	18	18	18	18
Non-current provisions are represented by:				
Landfill aftercare provision	2,743	2,036	2,743	2,036
Provision for refund of rates	69	69	69	69
Total non-current provisions	**2,812**	**2,105**	**2,812**	**2,105**
Total provisions	**2,830**	**2,123**	**2,830**	**2,123**

Movements for each class of provisions are as follows:

Movement in current provisions	**Weather-tightness claims $'000**	**Landfill aftercare $'000**	**Refund of rates $'000**	**ACC accreditation $'000**	**Total $'000**
Council and Group 2025					
Balance at 1 July 2024	18	2,036	69	-	2,123
Change in provision	-	707	-	-	707
Balance at 30 June 2025	**18**	**2,743**	**69**	**-**	**2,830**

Movement in current provisions	**Weather-tightness claims $'000**	**Landfill aftercare $'000**	**Refund of rates $'000**	**ACC accreditation $'000**	**Total $'000**
Council and Group 2024					
Balance at 1 July 2023	18	1,813	69	11	1,911
Change in provision	-	223	-	(11)	212
Balance at 30 June 2024	**18**	**2,036**	**69**	**-**	**2,123**

Weathertightness claims

There are currently no claims lodged with the Weathertight Homes Resolution Service (WHRS) and the Financial Assistance Package as at 30 June 2025 (2024: no claims). Council has recognised a provision of $18,000 for actual and any potential future claims, which has been based on historical average claim levels and other information held.

The actual costs to Council may vary significantly from the amount of the provision currently recognised, particularly the estimations of unreported claims, which is based on historical data collected on the number of claims lodged. This allows assumptions to be made on the percentage of homes that experience issues and that will likely result in a successful weathertightness claim.

Landfill aftercare costs

Council has resource consent to operate the Rotorua Landfill until 31 January 2030. The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed.
The cash outflows for landfill post closure costs are expected to cease in 2066. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The future cash outflows for the provision have been estimated taking into account existing technology and known changes to legal requirements.

The overall Landfill Aftercare Provision has increased by $707,041 in the 2025 financial year to $2,743,281 with the following significant assumptions having been made in estimating the provision:

- Inflation factor. An annual inflation factor of 3.1% has been applied in estimating the future cash outflows (2024: 5.3%).
- Discount rate A discount rate of 5.57% has been applied (2024: 5.04%) to discount the estimated future cash outflows.
- Length of aftercare. The assumption for the length of aftercare has remained at 35 years (2024: 35 years).

The cash outflows for the landfill are expected to cease in 2066 when the strength of any discharges are expected to have reduced to a level at which they are unlikely to have any adverse effects on the environment. The management of the landfill site will continue to be contracted to an external party to maintain the landfill site beyond the current consent and into the foreseeable future.

The future management of the landfill will influence the timing of recognition of some liabilities. In 2018 Council selected Waste Management New Zealand Limited as a partner to work with to review the future development of the site. Due to identified financial, environmental and health and safety risks with the landfill, Council and Waste Management New Zealand Limited have capped and sealed the current landfill stages after constructing a transfer station on site to act as a collection point for the District waste before being loaded to another waste disposal facility. The landfill has potential airspace for more stages, however the investment required to develop additional stages is subject to further study with regards to the viability of the landfill as a regional facility. The Council assumes the landfill will remain capped until 2030 at which point the resource consent will expire, the landfill will close and the cash outflows in relation to the maintenance and monitoring of the site will start. The landfill aftercare provision does not reflect the Request for Proposal implications, due to their current uncertainty.

Refund of rates

This relates primarily to a provision created for historical errors for rates charged in prior years.

20 - EQUITY

Accounting Policy

Net assets/equity is the community's interest in the Rotorua Lakes Council and is measured as the difference between total assets and total liabilities. Net Assets/equity is disaggregated and classified into a number of components.

The components of net assets/equity are:

- Accumulated funds; and
- Reserves, consisting of:
  - Self funding reserves;
  - Council created reserves;
  - Restricted reserves;
  - Fair value through equity reserve; and
  - Asset revaluation reserves.

	Council		Group	
	Actual 2025 $'000	Restated Actual 2024 $'000	**Actual 2025 $'000**	Restated Actual 2024 $'000
Accumulated funds				
Balance as at 1 July	647,915	720,034	656,106	728,280
Net surplus/(deficit)	8,327	2,548	8,888	3,079
Revaluation Reserve Write back	-	176	-	176
Transfers (to)/from council-created reserve	11	3	11	3
Transfers (to)/from restricted reserve	(1)	(866)	(1)	(866)
Transfers (to)/from asset revaluation reserves on disposal of PPE and intangible assets	(4,489)	(73,980)	(4,489)	(74,764)
Airport transfer from asset revaluation reserve to accumulated funds	-	-	(208)	-
Prior Year Equity Correction	-	-	(47)	-
Development and financial contributions	(1,465)	-	(1,461)	-
Balance as at 30 June	**650,298**	**647,915**	**658,799**	**656,106**

Reserves				
Council-created reserves	49	59	49	59
Restricted reserves	9,819	8,257	9,819	8,257
Fair value through equity reserve	40,246	39,021	5,218	2,399
Asset revaluation reserve - property, plant and equipment	1,171,236	1,077,997	1,205,039	1,114,619
Asset revaluation reserve - intangibles	502	469	502	469
Total reserves	**1,221,852**	**1,125,804**	**1,220,627**	**1,125,804**

Self-funding reserves

Self funding reserves are reserves established at Council's will for activities that will generate enough revenue over time to cover the cost of their operation. The reserve balances represent accumulated balances to date of such activities. Council does not currently have any self funding reserves.

Council-created reserves

Council created reserves are established by Council resolution. Transfers to and from these reserves are at the discretion of Council.

	Opening balance 1 July 2024 $'000	Deposits $'000	Withdrawals $'000	Interest earned / charged $'000	Transfer to accumulated funds $'000	Closing balance 30 June 2025 $'000
Council and Group 2025						
Reporoa Domain	53	-	(10)	-	-	43
Waikite Domain	6	-	-	-	-	6
Total restricted reserves - 2025	**59**	**-**	**(10)**	**-**	**-**	**49**

	Opening balance 1 July 2023 $'000	Deposits $'000	Withdrawals $'000	Interest earned / charged $'000	Transfer to accumulated funds $'000	Closing balance 30 June 2024 $'000
Council and Group 2024						
Reporoa Domain	56	-	(3)	-	-	53
Waikite Domain	6	-	-	-	-	6
Total restricted reserves - 2024	**62**	**-**	**(3)**	**-**	**-**	**59**

The Reporoa and Waikite Domain reserves were established to account for the domain board committee current account balances. These were established when the Reserves Act came into effect. The reserve recognises a future call on funding towards improvements to various categories of capital assets; for example, the Waikite Domain reserve assists with the development of the Waikite Hot Pools.

Restricted reserves

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

Restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

	Opening balance 1 July 2024 $'000	Deposits $'000	Withdrawals $'000	Interest earned / charged $'000	Closing balance 30 June 2025 $'000
Council and Group 2025					
Reserves development	8,129	1,562	-	-	9,691
Creative NZ Reserve	128	-	-	-	128
Total restricted reserves - 2025	**8,257**	**1,562**	**-**	**-**	**9,819**

	Opening balance 1 July 2023 $'000	Deposits $'000	Withdrawals $'000	Interest earned / charged $'000	Closing balance 30 June 2024 $'000
Council and Group 2024					
Reserves development	7,265	864	-	-	8,129
Creative NZ Reserve	126	81	(79)	-	128
Total restricted reserves - 2024	**7,391**	**945**	**(79)**	**-**	**8,257**

Restrictions

Reserve development Section 108 of the Resource Management Act 1991 requires funds to be set aside for the development of reserves.

Creative NZ Reserve Funds are held and used in accordance with the policies of organisations external to Council; for example Council allocates funds on behalf of Creative New Zealand on application for funding. Funding rounds occur approximately two times per year, dependent on funds available.

Fair value through equity reserve

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

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Opening balance	39,021	36,203	2,399	2,399
Transfers (to)/from accumulated funds	-	-	-	-
Valuation gains/(losses) taken to equity	1,225	2,818	2,819	-
Prior year movement	-	-	-	-
Balance 30 June	**40,246**	**39,021**	**5,218**	**2,399**

Asset revaluation reserves - Property, Plant and Equipment

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

2025 asset revaluation reserve for each asset class consist of:

Council 2025	Opening balance 1 July 2024 $'000	Transfers relating to prior period $'000	Transfers between asset classes $'000	Revaluation gains / (losses) during year $'000	Transfer to accumulated funds on disposals $'000	Other transfers $'000	Closing balance 30 June 2025 $'000
Art collections	14,105	-	-	2,638	-	-	16,743
Buildings	103,949	-	685	22,750	(4,203)	310	123,491
Land - operational	19,760	-	-	25,020	-	-	44,780
Land - restricted	89,323	-	-	35,040	(46)	(559)	123,758
Landfill	1,205	-	-	2,002	4,669	(10)	7,866
Library books	335	-	-	616	-	(335)	616
Parks & reserves	4,009	-	(24)	4	4,121	7,058	15,168
Roading and footpaths	500,232	-	-	-	(89)	(430)	499,713
Stormwater	115,362	-	-	-	(21)	(388)	114,953
Geothermal	-	-	-	-	-	64	64
Sewerage - other	87,779	-	-	20	84	29,668	117,551
Water - other	141,938	-	-	-	(27)	(35,378)	106,533
Total	**1,077,997**	**-**	**661**	**88,090**	**4,488**	**-**	**1,171,236**

Group 2025	Opening balance 1 July 2024 $'000	Transfers relating to prior period $'000	Transfers between asset classes $'000	Revaluation gains / (losses) during year $'000	Transfer to accumulated funds on disposals $'000	Other transfers $'000	Closing balance 30 June 2025 $'000
Art collections	14,105	-	-	2,638	-	-	16,743
Buildings	111,865	-	685	22,750	(4,203)	310	129,395
Land - operational	20,740	-	-	25,020	-	-	45,760
Land - restricted	109,317	-	-	35,040	(46)	(559)	143,752
Landfill	1,205	-	-	2,002	4,669	(10)	7,866
Library books	335	-	-	616	-	(335)	616
Parks and reserves	4,009	-	(24)	4	4,121	7,058	15,168
Roading and footpaths	504,510	-	-	-	(89)	(430)	503,991
Stormwater	115,362	-	-	-	(21)	(388)	114,953
Geothermal	-	-	-	-	-	64	64
Sewerage - other	90,371	-	-	20	84	29,668	120,143
Water - other	141,993	-	-	-	(27)	(35,378)	106,588
Total	**1,114,410**	**-**	**661**	**88,090**	**4,488**	**-**	**1,205,039**

2024 asset revaluation reserve for each asset class consist of:

Council 2024	Opening balance 1 July 2023 $'000	Transfers relating to prior period $'000	Transfers between asset classes $'000	Revaluation gains / (losses) during year $'000	Transfer to accumulated funds on disposals $'000	Other transfers $'000	Closing balance 30 June 2024 $'000
Art collections	14,282	-	-	-	-	(177)	14,105
Buildings	102,069	-	-	-	(48)	1,928	103,949
Land - operational	20,210	-	-	-	(450)	-	19,760
Land - restricted	89,323	-	-	-	-	-	89,323
Landfill	1,205	-	-	-	-	-	1,205
Library books	335	-	-	-	-	-	335
Parks and reserves	10,953	-	-	(8,328)	-	1,384	4,009
Roading and footpaths	275,279	-	-	149,718	75,235	-	500,232
Stormwater	104,259	(4,059)	-	14,884	278	-	115,362
Sewerage - other	85,479	4,059	-	(1,368)	(391)	-	87,779
Water - other	131,557	-	-	1,463	208	-	141,938
Total	**834,951**	**-**	**-**	**156,369**	**74,832**	**3,135**	**1,077,997**

Group 2024	Opening balance 1 July 2023 $'000	Transfers relating to prior period $'000	Transfers between asset classes $'000	Revaluation gains / (losses) during year $'000	Transfer to accumulated funds on disposals $'000	Other transfers $'000	Closing balance 30 June 2024 $'000
Art collections	14,282	-	-	-	-	(177)	14,105
Buildings	111,270	-	-	(1,285)	(48)	1,928	111,865
Land - operational	20,210	-	-	980	(450)	-	20,740
Land - restricted	109,317	-	-	-	-	-	109,317
Landfill	1,205	-	-	-	-	-	1,205
Library books	335	-	-	-	-	-	335
Parks and reserves	10,953	-	-	(8,328)	-	1,384	4,009
Roading and footpaths	279,563	-	-	149,718	75,235	-	504,510
Stormwater	104,259	-	-	14,884	278	-	119,421
Sewerage - other	85,479	(4,059)	-	1,224	(391)	-	82,253
Water - other	131,612	4,059	-	1,463	208	-	146,052
Total	**868,485**	**-**	**-**	**158,657**	**74,832**	**3,135**	**1,113,812**

Asset revaluation reserve - Intangibles

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Carbon credits				
Opening balance	470	160	470	160
Revaluation gains/(losses) during year	32	309	32	309
Transfer to accumulated funds on disposal	-	-	-	-
Closing balance	**502**	**469**	**502**	**469**

Capital management

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

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

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

The Council has the following Council created reserves:

- Self funding reserves;
- Council created reserves; and
- Restricted reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from payers of general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Trust and bequest reserves are set up where the Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

There have been no externally imposed capital requirements to which the Council has been subject to.

21 - CAPITAL COMMITMENTS AND OPERATING LEASES

Capital commitments

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

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Capital commitments				
Parks and reserves	1,020	440	1,020	440
Roading network	14,292	10,539	14,292	10,539
Buildings	27,076	47,026	27,076	47,026
Stormwater	1,642	1	1,642	1
Wastewater - other	-	429	-	429
Wastewater treatment	42,324	69,256	42,324	69,256
Water - other	3,620	6,100	3,620	6,100
Water treatment	-	-	-	-
Intangible assets	194	230	194	230
Plant and equipment	18	17	460	17
Land	6	3,089	6	3,089
Animal control	2	-	2	-
Facilities	2,560	-	2,560	-
Laboratory	241	-	241	-
SHMC	3	-	3	-
Total capital commitments	**92,998**	**137,127**	**93,440**	**137,127**

Operating leases as lessee

The Council and Group lease property, plant and equipment in the normal course of its business. The leases have non cancellable terms that range between 22 and 1,189 months. The future aggregate minimum lease payments payable under non cancellable operating leases are as follows:

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Not later than one year	114	244	374	244
Later than one year but not later than two years	106	114	343	114
Later than two years but not later than five years	140	222	849	1,191
Later than five years	321	345	611	868
Total non-cancellable operating leases	**681**	**925**	**2,177**	**2,417**
Total capital commitments	92,998	137,127	93,440	137,127
Total commitments	**93,679**	**138,052**	**95,617**	**139,544**

The total minimum future sublease payments expected to be received under non cancellable subleases at balance date is $Nil (2024: $Nil).

In general, leases can be renewed at the Council or Group's option, with rents set by reference to current market rates for items of equivalent age and condition. For some lease agreements, the Council or Group has the option to purchase the asset at the end of the lease term.

For the majority of lease agreements, there are no restrictions placed on the Council or Group by any of the leasing arrangements.

Operating leases as lessor

The Council and Group lease land, buildings, parks, reserve land and commercial premises under operating leases. The leases have non cancellable terms that range between 12 and 636 months. The future aggregate minimum lease payments to be collected under non cancellable operating leases are as follows:

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Not later than one year	1,269	1,563	1,212	1,696
Later than one year but not later than two years	1,160	1,469	1,113	1,495
Later than two years but not later than five years	2,235	3,711	2,597	4,760
Later than five years	4,531	5,142	4,821	5,639
Total non-cancellable operating leases	**9,195**	**11,885**	**9,743**	**13,590**

No contingent rents have been recognised during the period.

22 - CONTINGENCIES

Contingent liabilities

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Financial guarantees	-	-	-	-
Suspensory loan				
Housing New Zealand Corporation suspensory loan	1,567	1,567	1,567	1,567
Legal proceedings				
The Group's effective exposure to legal claims	12,747	9,025	12,747	9,025
Total contingent liabilities	**14,314**	**10,592**	**14,314**	**10,592**

Financial guarantees

Accounting Policy

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

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

Financial guarantees are subsequently measured at the higher of:

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

The value of the guarantees disclosed as contingent liabilities reflects the Group's assessment of the undiscounted portion of financial guarantees that are not recognised in the Statement of Financial Position.

Suspensory loan

The Housing New Zealand suspensory loan has been spent on specific social housing projects in accordance with the loan agreement. The Council is not required to repay the principal, including interest and costs, provided the Council meets the conditions of the loan during a 20 year period commencing December 2005. The loan is secured by first ranking mortgage over the land.

Critical accounting estimates and judgement

Accounting for suspensory loan from Housing New Zealand

The Council's view is the suspensory loan from Housing New Zealand is in substance a grant with conditions attached and is therefore accounted for under PBE IPSAS 23 Revenue from Non Exchange Transactions. The Council considers there are two possible accounting treatments for the grant under PBE IPSAS 23; either recognising the grant evenly over the 20 year condition period, or recognising the grant as revenue at the end of the conditions in 2025. As the suspensory loan in totality would be repayable, should any of the conditions not be met during the condition period to 2025.

Legal proceedings

The Council is currently facing fourteen legal claims (2024: nine). An estimate of Council's share of exposure is $12,747,000 (2024: $9,025,000), and includes an estimate for other known situations out of which a formal claim may arise. The Council does not accept the validity of all these claims and is in the process of resolving them through normal legal avenues.

Unquantified claims

Weathertightness claims

As disclosed in Note 19 a provision of $18,000 (2024: $18,000) has been recognised for weathertightness claims. Included in this amount is an estimate of $Nil (2024:$Nil) being the Council's exposure to potential future claims which have not yet been advised until the statutory limitation period expires. Claims must be made within 10 years of the construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services Act 2006, but other statutory limitation periods could also affect claims.

RiskPool

Rotorua Lakes Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The scheme is in wind down, however the Council has an ongoing obligation to contribute to the Riskpool scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance or where reinsurance is delayed), 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, which addressed the treatment of claims against Riskpool that involved a mixture of non-weathertightness and weathertightness defects (mixed claims), a number of proceedings against Riskpool, which were stayed pending the Supreme Court's decision in 2023, have since recommended.

Several member Councils have brought proceedings against Riskpool related to mixed claims. Two of these claims are currently listed for trial in September 2025. These cases are important in clarifying the scope of Riskpool's historical obligations and the interpretation of past Scheme terms. At this point the total potential liability of the outstanding claims against Riskpool is unable to be quantified.

National Provident Fund

The Council is a participating employer in the National Provident Fund (NPF) Defined Benefit Plan Contributors Scheme ("the Scheme"), which is a multi employer defined benefit scheme. If the other participating employers ceased to participate in the Scheme, the Council could be responsible for the entire deficit of the Scheme. Similarly, if a number of employers ceased to participate in the Scheme, the Council could be responsible for an increased share of the deficit.

As at 31 March 2025 the Scheme had a deficit of $166,000 (99% of the liabilities) (2024: deficit of $166,000, 99%). This amount is exclusive of Employer Superannuation Contribution Tax. This surplus was calculated using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of PBE IPSAS 25.

Acturial Review: The employer contribution rate applicable to 31 March 2025 is four times contributors' contributions. The rate will be reviewed again at 31 March 2026 and any change would be implemented from 1 April 2026.

Local Government Funding Agency

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 current local currency rating from Fitch ratings and Standard and Poor's of AAA for local currency and a foreign currency rating of AA+.

Council is one of 30 local authority shareholders and 72 local authority guarantors of the NZLGFA. The NZLGFA has uncalled capital of $20M of which Council's share is $1.9M as at 30 June 2025 (2024: $1.9M). As at 30 June 2025 , NZLGFA had total borrowings of $25.5 billion (2024: $23 billion) for which Council is a guarantor along with other shareholders and guarantors.

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability.

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

- Council is not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligation if further funds were required; and
- NZLGFA has a credit rating of AA+

Contingent assets

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Loan guarantees				
Rotorua Hockey Trust & BOP Hockey Association	-	350	-	350
Total loan guarantees	**-**	**350**	**-**	**350**

The Council operates a scheme whereby sports clubs are able to construct facilities (eg. club rooms) on reserve land. The clubs control the use of these facilities and the Council will only gain control of the asset should the club vacate the facility, or defaults on the Council guaranteed loan. Until this event occurs, these assets are not recognised in the Statement of Financial Position.

As at 30 June 2025 there is no facility (2024: one facility, $350,000).



23 - 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 otherwise adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such Group transactions.

	Actual 2025 $'000	Actual 2024 $'000
Council members		
Senior Management Team, including the Chief Executive	2,292	2,356
Councillors	1,098	1,079
Total Group key management remuneration	**3,390**	**3,435**

Full-time equivalent members		
Full-time equivalent Senior Management Team	8	8
Full-time equivalent Councillors	11	11
Total full-time equivalent personnel	**19**	**19**

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

Included in key management personnel compensation is $49,232 (2024: $51,777) to defined contribution plans.



24 - REMUNERATION

Chief Executive's remuneration

The Chief Executive of Rotorua Lakes Council is appointed under Part 4, section 42, of the Local Government Act 2002. The Chief Executive received the following remuneration:

	Council	
	Actual 2025 $'000	Actual 2024 $'000
Salary	351,643	682,888
Vehicle (including Fringe Benefit Tax)	18,358	13,073
Total Chief Executive's remuneration	**370,001**	**695,961**

The Chief Executive's remuneration includes their salary, employer superannuation contributions, and non-financial benefits such as a vehicle, parking and medical insurance. In the 2024 financial year this included a severance payment of $295,588.

Elected representatives

	Total 2025 $'000	Total 2024 $'000
Mayor		
Tapsell T	162,598	157,831
Tapsell T - Mayor's vehicle	12,421	11,132
Councillors		
Barker K	112,960	118,492
Brown G	102,481	99,600
Kai Fong S	151,519	147,359
Kereopa L	68,418	67,100
Lee R	69,647	68,091
Maxwell T H	68,590	64,600
O'Brien C	68,418	67,100
Paterson D	68,418	67,100
Wang F	109,421	111,279
Waru R	102,626	99,600
Total Councillor remuneration	**1,097,517**	**1,079,284**
Rotorua Lakes/Rural Community Boards	136,849	110,011
Total elected representatives' remuneration	**1,234,366**	**1,189,295**

The monetary remuneration consists of honoraria and meeting allowances, and is determined by the remuneration authority under the local government elected members determination 2023 24. Professional indemnity and trustee liability insurance is also provided to the Councillors against any potential legal litigation which may occur while undertaking Council business.

Council employees

	Number of employees	
	2025	2024
< $60,000	67	64
$60,000 – $79,999	188	114
$80,000 – $99,999	101	87
$100,000 – $119,999	63	57
$120,000 - $139,999	41	29
$140,000 - $159,999	15	18
$160,000 - $179,999	10	1
$180,000 - $219,999	9	11
$220,000 - $419,999	8	6
Total employees	**502**	**387**

Total remuneration includes non financial benefits provided to employees.

At balance date, the Council employed 476 (2024: 332) full time employees, with the balance of staff representing 16.00 (2024: 35.93) full time equivalent employees. A full time employee is determined on the basis of a 40 hour working week.

25 - AGENCY RELATIONSHIPS

Council is involved in administering expenditure and revenue on behalf of other organisations as described below.

These agency transactions have not been included in the Council's current year operating results. Council has however, included the net movement in agency debtors and creditors in its Statement of Cash Flows, and included the Council's asset or liability in relation to the agencies in its Statement of Financial Position. Council derives commission revenue to compensate for the cost of administration.

	2025 $'000	**Percentage %**	**2024 $'000**	**Percentage %**
Bay of Plenty Local Authority Petrol Tax Distribution for the year ended 30 June:				
Kawerau District Council	57	1.9%	63	2.0%
Opotiki District Council	64	2.1%	68	2.2%
Rotorua Lakes Council	560	18.6%	603	19.4%
Taupo District Council	401	13.3%	417	13.4%
Tauranga District Council	1,279	42.5%	1,223	39.4%
Western BOP District Council	392	13.1%	447	14.4%
Whakatane District Council	257	8.5%	286	9.2%
	3,010	**100.0%**	**3,107**	**100.0%**

State Highways administration

	2025 $'000	2024 $'000
Expenditure on State Highways roading network (Reimbursed from New Zealand Transport Agency)	260	374



Ngongotahā Farmland

26 - FINANCIAL INSTRUMENTS

(a) Financial instrument categories

FINANCIAL ASSETS	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Amortised Cost				
Total cash and cash equivalents (including short-term deposits 3 months or less)	15,856	8,990	19,119	11,231
Receivables (including community loans)	37,473	51,747	28,543	40,503
Term deposits	4,266	26,000	4,530	26,243
Total Amortised Cost	**57,595**	**86,737**	**52,192**	**77,977**
Fair value through surplus or deficit				
Shares in associates	72	109	72	109
Borrower notes	11,994	9,955	11,994	9,955
Total fair value through surplus or deficit	**12,066**	**10,064**	**12,066**	**10,064**
Fair value through other comprehensive revenue and expense				
Unlisted shares	73,014	71,799	272	283
Total fair value through other comprehensive revenue and expense	**73,014**	**71,799**	**272**	**283**
Total financial assets	**142,675**	**168,600**	**64,530**	**88,324**

FINANCIAL LIABILITIES	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Fair value through surplus or deficit				
Interest rate swaps	185	-	185	-
Amortised cost				
Payables and deferred revenue	29,139	30,611	31,522	32,679
Borrowings:				
Registered debenture stock	-	-	-	-
Bank facilities	-	-	-	-
LGFA borrowings	469,000	446,927	469,000	446,927
Other loans	-	-	-	600
Total financial liabilities	**498,139**	**477,538**	**500,522**	**480,206**

(b) Fair value hierarchy

For those instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:

- Quoted market price (Level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (Level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non observable inputs (Level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the Statement of Financial Position:

2025	Total $'000	Valuation Technique: Quoted market price $'000	Valuation Technique: Observable inputs $'000	Valuation Technique: Significant non-observable inputs $'000
30 June 2025 - Council				
Financial assets				
Borrower notes	11,994	-	11,994	-
Shares in associates	72	-	-	72
Unlisted shares	73,014	-	-	73,014
Financial liabilities				
Registered debenture stock	-	-	-	-
Bank facilities	-	-	-	-
LGFA borrowings	469,000	157,000	312,000	-
Other Loans	-	-	-	-

30 June 2025 - Group				
Financial assets				
Borrower notes	11,994	-	11,994	-
Shares in associates	**-**	**-**	**-**	**-**
Unlisted shares	72	-	-	72
Unlisted shares	272	-	-	272
Financial liabilities				
Registered debenture stock	-	-	-	-
Bank facilities	-	-	-	-
LGFA borrowings	469,000	157,000	312,000	-
Other Loans	-	-	-	-

2024	Total $'000	Valuation Technique: Quoted market price $'000	Valuation Technique: Observable inputs $'000	Valuation Technique: Significant non-observable inputs $'000
30 June 2024 - Council				
Financial assets				
Borrower notes	9,955	-	9,955	-
Shares in associates	109	-	-	109
Unlisted shares	71,799	-	-	71,799
Financial liabilities				
Registered debenture stock	-	-	-	-
LGFA borrowings	446,927	-	446,927	-

30 June 2024 - Group				
Financial assets				
Borrower notes	9,955	-	9,955	-
Shares in associates	109	-	-	109
Unlisted shares	283	-	-	283
Financial liabilities				
Registered debenture stock	-	-	-	-
LGFA borrowings	446,927	-	446,927	-
Other Loans	600	-	600	-

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

Valuation techniques with significant non-observable inputs (Level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the Level 3 fair value measurements:

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Balance at 1 July	36,934	69,089	36,899	313
Capital movement	-	-	-	-
Write off of investment through surplus and deficit	-	-	-	-
Change in fair value of investment through surplus and deficit	(10)	(34,973)	(10)	(35)
Gains and losses recognised in other comprehensive revenue and expense	1,225	2,818	-	36,621
Prior year adjustment	34,865	-	(36,617)	-
Balance at 30 June	73,014	36,934	272	36,899

Any hedging must be approved by Council.

Specific valuation techniques used to value financial instruments include:

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

(c) Financial instrument risks

The Council and Group's acitivities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risks.

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

Market risk

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. At present the Council is not exposed to any equity securities price risk as the Council holds no listed equity instruments.

Currency risk

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

The Council purchases plant and equipment associated with the construction of certain infrastructural assets from overseas, which may require it to enter into transactions denominated in a foreign currency. As a result of these activities, exposure to currency risk arises.

Interest rate risk

Fair value interet rate risk:

- Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings issued at fixed rates expose the Council and Group to fair value interest rate risk.

Cash flow interest rate risk

- Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at a variable interest rate expose the Council to cash flow interest rate risk.

To manage these risks the Council's current fixed rate maturity profile limits, in accordance with the Council's Treasury Policy, are:

Term of exposure	Minimum Fixed Rate	Maximum Fixed Rate
Year 1	40%	90%
Years 2 and 3	30%	80%
Year 4	25%	75%
Year 5 to Year 12	0%	70%
Year 13 and over	-%	25%

To achieve this, the Coucil uses interest rate swaps. Interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Council borrowed at fixed rates directly. Note 17 provides further information on term loan interest rates and maturity profile.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Council or Group causing the Council and Group to incur a loss.

Financial instruments which potentially subject the Council and Group to credit risk consist of bank balances, term deposits, rates, other receivables and community loans.

The Council places its cash and short term deposits with high credit quality financial institutions. Accordingly, the Council does not require any collateral or security to support these financial instruments with institutions or organisations it deals with.

Maximum exposure to credit risk

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

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Cash at bank and term deposits	**15,856**	8,990	**19,119**	11,231
Term deposits	**4,266**	26,000	**4,530**	26,243
Receivables (including community loans)	**37,473**	51,747	**29,508**	40,503
Borrower notes	**11,994**	9,955	**11,994**	9,955
Shares in associates	**72**	109	**72**	109
Unlisted shares	**73,014**	71,799	**272**	283
Financial guarantees	**-**	350	**-**	-
Total credit risk	**142,675**	168,950	**65,495**	88,324

The Council is exposed to credit risk as a guarantor of all of the NZ LGFA's borrowings. Information about this exposure is explained in note 22.

Credit quality of financial assets

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

	Council		Group	
	Actual 2025 $'000	Actual 2024 $'000	**Actual 2025 $'000**	Actual 2024 $'000
Counterparties with credit ratings:				
Cash at bank and term deposits (AA-)	15,855	8,990	19,119	11,231
Total cash at bank and term deposits	15,855	8,990	19,119	11,231
Borrower notes (AA+)	11,994	9,955	11,994	9,955
Total government bonds	11,994	9,955	11,994	9,955
Counterparties without credit ratings:				
Unlisted shares	73,014	71,799	272	283
Shares in associates	-	-	-	-
Existing counterparty with no defaults in the past	11,150	12,060	-	-
Total loans to subsidiaries	11,150	12,060	-	-

Debtors and other receivables mainly arise from the Council's statutory function. Therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Council has no significant concentration of credit risk with respect 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

Liquidity risk is the risk that Council and the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

The Council manages its borrowings in accordance with its funding and financial policies, which includes a liability management policy. These policies have been adopted as part of the Council's long term planning process.

The Council has a maximum amount that can be drawn down against its bank facilities of $45,000,000 (2024: $45,000,000). There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities

The table below analyses the Council and Group's financial liabilities into relevant maturity groupings based on the remaining period as at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount $'000	Contractual cash flows $'000	Less than 1 year $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Council 2025						
Payables	29,139	30,721	30,721	-	-	-
Financial guarantees	-	-	-	-	-	-
Registered debenture stock	-	-	-	-	-	-
Bank facilities	-	-	-	-	-	-
LGFA borrowings	469,000	1,296,383	95,336	847,661	322,226	31,160
Interest rate swaps	60,000	61,667	263,133	187,957	(389,423)	-
Other loans	-	-	-	-	-	-
Total	**558,139**	**1,388,771**	**389,190**	**1,035,618**	**(67,197)**	**31,160**
Council 2024						
Payables and deferred revenue	30,611	31,062	31,062	-	-	-
Financial guarantees	350	-	-	-	-	-
Registered debenture stock	-	-	-	-	-	-
Bank facilities	-	-	-	-	-	-
LGFA borrowings	446,927	526,436	48,422	84,801	309,154	84,059
Other loans	-	-	-	-	-	-
Total	**477,888**	**557,498**	**79,484**	**84,801**	**309,154**	**84,059**
Group 2025						
Payables	31,522	33,733	33,733	-	-	-
Financial guarantees	-	-	-	-	-	-
Registered debenture stock	-	-	-	-	-	-
Bank facilities	-	-	-	-	-	-
LGFA borrowings	469,000	1,296,383	95,336	847,661	322,226	31,160
Interest rate swaps	60,000	61,667	263,133	187,957	(389,423)	-
Other loans	-	-	-	-	-	-
Total	**560,522**	**1,391,783**	**392,202**	**1,035,618**	**(67,197)**	**31,160**
Group 2024						
Payables and deferred revenue	32,679	32,263	32,263	-	-	-
Financial guarantees	-	-	-	-	-	-
Registered debenture stock	-	-	-	-	-	-
Bank facilities	-	-	-	-	-	-
LGFA borrowings	446,927	526,436	48,421	84,801	309,154	84,058
Other loans	600	600	-	600	-	-
Total	**480,206**	**559,299**	**80,684**	**85,401**	**309,154**	**84,058**

Contractual maturity analysis of financial assets

The table below analyses the Council and Group's financial assets into relevant maturity groupings based on the remaining periods as at balance date to the contractual maturity date.

	Carrying amount $'000	Contractual cash flows $'000	Less than 1 year $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Council 2025						
Cash and cash equivalents (including short term deposits 3 months or less)	15,856	15,856	15,856	-	-	-
Term deposits	4,266	4,266	4,266	-	-	-
Receivables	37,473	37,473	26,323	-	11,150	-
Other financial assets:		-				
Borrower notes	11,994	11,994	1,961	1,493	8,040	500
Shares in associates	72	72	72	-	-	-
Unlisted shares	73,014	73,014	73,014	-	-	-
Total	**142,675**	**142,675**	**121,492**	**1,493**	**19,190**	**500**
Council 2024						
Cash and cash equivalents (including short term deposits 3 months or less)	8,990	8,990	8,990	-	-	-
Term deposits	26,000	26,000	26,000	-	-	-
Receivables	50,951	50,951	39,801	-	11,150	-
Other financial assets:		-				
Borrower notes	9,955	9,955	461	1,461	6,123	1,910
Shares in associates	109	109	109	-	-	-
Unlisted shares	71,799	71,799	71,799	-	-	-
Total	**167,804**	**167,804**	**147,160**	**1,461**	**17,273**	**1,910**
Group 2025						
Cash and cash equivalents (including short term deposits 3 months or less)	19,119	19,119	19,119	-	-	-
Term deposits	4,530	4,530	4,530	-	-	-
Receivables	28,543	29,508	18,358	-	11,150	-
Other financial assets:		-				
Borrower notes	11,994	11,994	1,961	1,493	8,040	500
Shares in associates	72	72	72	-	-	-
Unlisted shares	272	272	272	-	-	-
Total	**64,530**	**65,495**	**44,312**	**1,493**	**19,190**	**500**
Group 2024						
Cash and cash equivalents (including short term deposits 3 months or less)	11,231	11,231	11,231	-	-	-
Term deposits	26,243	26,243	26,243	-	-	-
Receivables	39,707	39,707	39,707	-	-	-
Other financial assets:						
Borrower notes	9,955	9,955	461	1,461	6,123	1,910
Shares in associates	109	109	109	-	-	-
Unlisted shares	283	282	282	-	-	-
Total	**87,528**	**87,527**	**78,033**	**1,461**	**6,123**	**1,910**

Sensitivity analysis

The following table illustrates the potential surplus and deficit and equity (excluding accumulated funds) impact for reasonably possible market movements, with all other variables held constant, based on the Council and Group's financial instrument exposure as at balance date:

Council	2025 $'000				2024 $'000			
	-100bps surplus	-100bps other equity	+100bps surplus	+100bps other equity	-100bps surplus	-100bps other equity	+100bps surplus	+100bps other equity
INTEREST RATE RISK								
Financial assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Borrowings:								
- Debenture stock / LGFA / Bank facilities	1,451	-	(1,451)	-	1,023	-	(1,023)	-
Interest rate derivatives	(2,494)	-	2,494	-	-	-	-	-
Total sensitivity	(1,043)	-	1,043	-	1,023	-	(1,023)	-

Group	2025 $'000				2024 $'000			
	-100bps surplus	-100bps other equity	+100bps surplus	+100bps other equity	-100bps surplus	-100bps other equity	+100bps surplus	+100bps other equity
INTEREST RATE RISK								
Financial assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Borrowings:								
- Debenture stock / LGFA / Bank facilities	1,451	-	(1,451)	-	1,023	-	(1,023)	-
Interest rate derivatives	(2,494)	-	2,494	-	-	-	-	-
Total sensitivity	(1,043)	-	1,043	-	1,023	-	(1,023)	-

Explanation of interest rate risk sensitivity

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

27 - EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations of major variations against the budget information at the start of the financial year are as follows:

Statement of Comprehensive Revenue and Expense

Rotorua Lakes Council recorded a surplus of $8.3m compared to a budgeted surplus of $21.1m.
The major reasons for the variance of $12.8m between actual and budgeted result are as follows:

Revenue

Revenues were $7.7m higher than budget with major variances including:

- Subsidies and grants revenue exceeded budget expectations by $12.5 million. This variance is primarily attributable to the early recognition of capital grants associated with the Museum Redevelopment project, which met key delivery milestones during the year. Additionally, a $10 million grant was received from the Ministry for the Environment (MFE) to support the Rotoiti/Rotoma sewerage scheme. This funding is provided with the understanding that future contributions will be made under the terms of the Deed of Agreement entered into with MFE, the Bay of Plenty Regional Council (BOPRC), and Te Arawa Lakes Trust (TALT).

- Development and financial contributions were $7.1 million below budget. This shortfall is primarily due to timing delays between resource consent applications and the commencement of housing developments. Additionally, a number of consents were lodged prior to the re implementation of the new development contributions policy, which impacted the timing and recognition of associated revenues.
- Finance income exceeded budget by $2.4 million, driven by a strategic decision to place funds on term deposit under favourable conditions, resulting in a positive arbitrage effect that helped offset borrowing costs. This should be offset with Finance costs variance within expenditure.
- Other revenue was $2.6 million below budget. This variance is primarily due to lower than expected fees and charges, following the decision in October 2024 to transfer all events and venues activities to RotoruaNZ. This structural change has had a direct impact on actual revenue results. Additionally, broader economic challenges have further contributed to the shortfall.

Expenditure
Expenses were $20.5m higher than budget, with major variances including:

- Personnel costs exceeded the budget by $4.4 million. This variance is primarily driven by the October 2024 decision to reintegrate Infracore into Council's core service delivery. As this change was not anticipated in the Long Term Plan (LTP), the resulting financial comparisons are not directly aligned with budget expectations. A detailed explanatory note regarding the incorporation of Infracore is provided below.
- Other expenditure exceeded the budget by $12.4 million. This variance is primarily driven by the impairment and disposal of property, plant, and equipment (PPE) no longer in use, these transactions are not planned through the Long Term Plan (LTP), in addition the incorporation of Infracore operations has contributed to the misalignment with budgeted figures.

Statement of Financial Position
Overall net assets are $201m above budget. Significant variances are as follows:

Current Assets
Cash and cash equivalents were $6.4 million above budget. This favourable variance is primarily attributable to term deposits held as part of working capital investment strategies, as well as targeted debt recovery initiatives that improved the collection of long outstanding receivables. Additional contributing factors include delayed capital expenditure, and the timing of grant or subsidy receipts.

Receivables were $10 million above budget. This variance is primarily driven by the 11.4% increase in rates, which has elevated the overall value of outstanding receivables. Additionally, a small number of high value debtors have contributed to the higher balance.

Non current assets held for sale are below budget by $1.2m, this is largely due to land & building sales which did not materialise.

Non-current Assets
Investments were $3.5 million above budget. This favourable variance is primarily driven by a higher than anticipated increase in LGFA borrower notes. In addition, strong financial performance from Council Controlled Organisations (CCOs) in which Council holds a 100% ownership interest has further contributed to the positive result.

Intangible assets were $2.1 million above budget. This variance is primarily driven by the integration and implementation of key Enterprise Resource Planning (ERP) modules designed to improve operational efficiency and support the additional functionality required for the in house management of Infracore. These investments reflect a strategic focus on strengthening internal systems and capabilities.

Current Liabilities
Payables and deferred revenue were $3.8 million above budget. This variance is primarily due to the timing of payments and obligations falling due. The increase in trade payables is further influenced by CPI related cost escalations in contractor spend, as well as the onboarding of additional suppliers following the integration of Infracore into Council's core operations.

The current portion of borrowings is $50 million above budget. This variance is primarily attributable to delays in the delivery of capital projects, which have impacted the planned drawdown and repayment schedules. The timing of debt repayments has also contributed to the higher than expected current borrowings balance.

Non - current liabilities
The non current portion of borrowings is $60 million below budget. This variance is primarily attributable to delays in the delivery of capital projects, which have reduced the need for planned debt drawdowns. Additionally, the receipt of external funding from prior years has further offset borrowing requirements, contributing to the lower than expected non current debt balance.

Key variances as a result of acquisition of the operations and relating assets & liabilities of Infracore Limited

In October 2024, Rotorua Lakes Council entered into a "sale and purchase agreement" with Infracore to purchase the business operations, assets and employee liabilities. This was completed on the 31st of October 2024.

Statement of comprehensive revenue and expenses

Acquisition of Infracore's operations on 31 October Affect on operations	4 months 1 Jul 24 - 31 Oct 24 Included in Group accounts as part of Infracore Limited $000	8 months 1 Nov 24 - 30 Jun 25 Included in RLC accounts after acquisition $000	Comments
Revenue			
Operating revenue - RLC	4,682		(a)
Operating revenue - Other	403	393	-
Expenditure			
Personnel costs	3,282	5,592	(b)
Other expenses	2,036	2,903	
Surplus/(Deficit)	**(233)**	**(8,102)**	

Operating revenue - RLC reflects services delivered by Infracore for utilities and Parks & Recreation. These transactions are eliminated on consolidation. Following the acquisition of operations ceased and costs to deliver services were incorporated into RLC.

Expenditure incurred in period Jul to Oct will be eliminated on consolidation. Expenditure incurred post Oct has been incorporated into RLC which has driven the variances noted above due to the fact this decision was made post Long-Term Plan process.

28 - INSURANCE

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

	Council	
	Actual 2025 $'000	Actual 2024 $'000
The total value of all Council assets covered by insurance contracts	**2,081,912**	2,112,065
The maximum amount to which insured assets are insured	**2,081,912**	2,112,065
The total value of all Council assets covered by financial risk-sharing arrangements	**1,069,248**	1,108,903
Maximum amount available to the Council under risk-sharing arrangements	**250,000**	**250,000**
Total value of assets that are self-insured	**148,630**	**148,630**
Value of funds maintained for self-insurance	**148,630**	**148,630**

Rotorua Lakes Council is part of the Bay of Plenty Local Authority Shared Services (BOPLASS), a regional collective of local authorities for insurance purposes. Through the collective economies of scale Council has access to the best processes and cover.

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

The Risk Management Strategy (RMS) and Reinsurance Management Strategy (REMS) identify the group's policies and procedures, processes and controls that comprise its risk management and control systems. These system address all material risks, financial and non financial, likely to be faced by the Group. Annually, the Board certifies to Australian Prudential Regulation Authority (APRA) that adequate strategies have been put in place to monitor those risk, that the Group has system in place to ensure compliance with legislative and prudential requirements and that the board has satisfied itself a to the compliance with the RMS and REMS.

29 - EVENTS AFTER BALANCE DATE

Local Water Done Well

On 8 August 2024, the Government announced enduring settings for the Local Water Done Well initiative. This initiative aims to provide flexibility for local decision making while strongly emphasizing compliance with economic, environmental, and water quality regulatory requirements. The Local Government (Water Services Preliminary Arrangements) Act 2024 was enacted on 3 September 2024, marking the beginning of a 12 month period during which the Council had to develop its Water Services Delivery Plan.

New models have been introduced to create financially stable water organizations, allowing LGFA lending up to 500% of operating revenue to mitigate the impact on rate hikes. Additionally, a new economic regulation regime will ensure that water revenue is spent on infrastructure, with oversight by the Commerce Commission to promote transparency.

The WSPA Act requires territorial authorities to submit a water services plan to the Secretary for Local Government by 3 September 2025. Rotorua Lakes Council prepared a water service delivery plan which will see water services delivered in house until 2028 and may then be delivered by Water Services Council Controlled Organisation (WSCCO) from 1 July 2028 onward dependent on a regional waters working group report in 2027. At the conclusion of the waters working group final report in 2027, Council will make a final decision on whether to participate in the multi council WSCCO. Should a future Council decision be to not join the multi council WSCCO, Rotorua Lakes Council's fall back option is an in house business unit.

Council's water service delivery plan was lodged with the Secretary for Local Government on 14 August 2025 and the outcome of the assessment is not yet known.

30 - PRIOR YEAR ERROR CORRECTION

The Council and group has adjusted its comparative year financial statements for the year ended 30 June 2024 for the correction of prior period errors. The financial statements for 2024, which are presented as comparative information in the 30 June 2025 financial statements, have been restated to correct these errors.

During the 2024/25 year, the Council discovered a material prior period error in its capital work in progress (WIP) balance totalling $16,144,564. The majority of the error occurred prior to 1 July 2023 and therefore adjustments have been made to opening equity for the 2024 year.

During 2024/25, the Council discovered that it had incorrectly deducted an amount of $16,296,000 from "Receipts from other revenue" instead of "Subsidies and grants received" within the cash flow statement in the prior year. There is no impact on any other statements, notes or disclosure from this cash flow restatement.

The adjustments shown in the table below reflect an error in the 2024 opening balance of capital work in progress (WIP) of $15,754,229 which increased by a further $390,335 during 2024 (Note 13), an error in the 2024 opening Revaluation Reserve for Water Works of $8,709,428 (Note 20), and an error in the 2024 opening Accumulated funds by $7,044,801 which increased by a further $390,335 during 2024 (Note 20).

The impact of the accumulated errors in the previously reported comparatives is shown below.

Council	2024 Before adjustments $'000	2024 Correction of error $'000	2024 After adjustments $'000
Impact on Statement of comprehensive revenue and expense:			
Other expenses	(98,148)	390	(97,758)
Total operating expenditure	(195,310)	390	(194,920)
Operating surplus/(deficit) before tax	2,158	390	2,548
Total comprehensive income	165,815	390	166,205
Impact on Statement of financial position:			
Work in Progress	148,921	16,144	165,065
Total non-current assets	2,174,920	16,144	2,191,064
Total assets	2,256,864	16,144	2,273,008
Accumulated funds	640,480	7,435	647,915
Reserves	1,117,095	8,709	1,125,804
Total equity attributable to the entity	1,757,575	16,144	1,773,719

These restatements above had a consequential impact on notes 5, 13 and 20

Impact on Statement of cash flows:			
Cash flow from operating activities			
Receipts from other revenue	(951)	16,296	15,345
Subsidies and grants received	45,792	(16,296)	29,496

There is no impact on any other statements, notes, disclosures or benchmarks for this cashflow restatement

Impact on Statement of changes in equity:			
Balance as at 1 July	1,591,760	15,754	1,607,514
Surplus/ (deficit) after tax	2,158	390	2,548
Other comprehensive revenue and expense	163,657		163,657
Balance as at 30 June	1,757,575	16,144	1,773,719

Group	Before adjustments $'000	Correction of error $'000	After adjustments $'000
Impact on Statement of comprehensive revenue and expense:			
Other expenses	(89,992)	390	(89,602)
Total operating expenditure	(204,475)	390	(204,085)
Operating surplus/(deficit) before tax	2,760	390	3,150
Total comprehensive income	165,815	390	166,205
Impact on Statement of financial position:			
Work in Progress	148,921	16,144	165,065
Total non-current assets	2,188,100	16,144	2,204,244
Total assets	2,273,832	16,144	2,289,976
Accumulated funds	648,671	7,435	656,106
Reserves	1,116,887	8,709	1,125,596
Total equity attributable to the entity	1,765,558	16,144	1,781,702

These restatements above had a consequential impact on notes 5, 13 and 20

Impact on Statement of cash flows:			
Cash flow from operating activities			
Receipts from other revenue	9,065	16,296	25,361
Subsidies and grants received	45,524	(16,296)	29,228

There is no impact on any other statements, notes, disclosures or benchmarks for this cashflow restatement

Impact on Statement of changes in equity:			
Balance as at 1 July	1,599,746	15,754	1,615,500
Surplus/ (deficit) after tax	2,689	390	3,079
Other comprehensive revenue and expense	163,123		163,123
Balance as at 30 June	1,765,558	16,144	1,781,702

ROTORUA LAKES COUNCIL:
Funding Impact Statement for the year ended 30 June 2025 for Whole of Council

	2024		2025	
	Annual Plan 2023/24 ($000)	Actual 2023/24 ($000)	Long Term Plan 2024/25 ($000)	Actual 2024/25 ($000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	79,171	75,294	85,280	80,034
Targeted rates	51,851	52,844	61,138	66,288
Subsidies and grants for operating purposes	5,208	7,460	5,448	7,405
Fees and charges	15,421	11,331	16,815	12,791
Interest and dividends from investments	575	1,544	601	2,866
Local authorities fuel tax, fines, infringement fees, and other receipts	5,839	6,929	6,841	7,000
Total operating funding (A)	**158,066**	**155,402**	**176,123**	**176,383**
Applications of operating funding				
Payments to staff and suppliers	116,109	120,031	126,148	126,481
Finance costs	14,025	17,236	19,131	20,107
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**130,134**	**137,267**	**145,279**	**146,588**
Surplus (deficit) of operating funding (A – B)	**27,932**	**18,135**	**30,844**	**29,795**
Sources of capital funding				
Subsidies and grants for capital expenditure	33,017	39,594	25,203	35,733
Development and financial contributions	3,592	1,975	10,056	2,928
Increase (decrease) in debt	68,576	96,298	51,130	22,073
Gross proceeds from sale of assets	-	11	3,484	(47)
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources ofcapital funding (C)	**105,185**	**137,878**	**89,873**	**60,688**
Applications of capital funding				
Capital expenditure—				
• to meet additional demand	16,855	5,320	24,068	7,564
• to improve the level of service	75,699	66,562	57,425	63,016
• to replace existing assets	43,225	45,675	39,524	27,860
Increase (decrease) in reserves	-	38,455	(300)	(8,992)
Increase (decrease) of investments	(2,661)	-	-	1,035
Total applications of capital funding (D)	**133,118**	**156,012**	**120,717**	**90,482**
Surplus (deficit) of capital funding (C – D)	**(27,932)**	**(18,135)**	**(30,844)**	**(29,795)**
Funding balance ((A - B) + (C – D))	**-**	**-**	**-**	**-**



Lake Okareka





RNGĀ PAKIHI MANA KAUNIHERA
COUNCIL CONTROLLED ORGANISATIONS

NGĀ PAKIHI MANA KAUNIHERA **COUNCIL CONTROLLED ORGANISATIONS**

Council Controlled Organisations (CCO) are separate organisations that are owned by the Council and overseen by an independent board of directors.

Council selects and appoints the directors to the board based on their ability to add value to the organisation. Expectations for the CCOs are set by the Council. Council is able to set the level of decision-making for the board and the outcomes they are to achieve.

In contrast to Councils, CCOs are focused on achieving a specific set of business objectives. This brings a unifying focus to the organisation along with efficiencies through a corresponding drive to align resources with the required outcomes. The formation of partnerships and alliances is a further strength of the CCO model. Commonly perceived as being more commercial and flexible than councils, CCOs are often able to collaborate more effectively with the private sector.

Council has a number of CCOs, these include:

- Rotorua Regional Airport Ltd
- Bay of Plenty LASS Ltd (BOPLASS)
- Co-Lab
- RotoruaNZ Ltd

The following summaries explain what each of the CCO's do and what they have achieved over the past financial year and sets out an overview of their performance. Targets set are included in each CCO's statement of intent.

Want to know more? For further information, please see the individual CCOs' statements of intent and annual reports, which are available via their websites.

ROTORUA REGIONAL AIRPORT LTD

Rotorua Regional Airport Ltd is 100% owned by Rotorua Lakes Council and operates as a Council Controlled Organisation (CCO).

Rotorua Regional Airport Ltds purpose is to be Te Waharoa (Gateway) of the Central North Island and its vision is to be a uniquely Rotorua hub our community can be proud of.

Rotorua Regional Airport Ltds core business is to maintain a safe and efficient airport operation in a commercially viable manner, whilst optimising the use of its assets to facilitate and grow tourism and trade, other commercial activity and airport profitability. Rotorua Regional Airport Ltd is responsible for the ongoing capital development and maintenance of the airport assets and infrastructure.

Rotorua Regional Airport Ltd has a Memorandum of Understanding with Ngāti Uenukukōpako. Ngāti Uenukukōpako assert mana whenua over Rotokawa, which is where the airport is located. While recognising that other iwi and hapū are affected by the airport operations, Rotorua Regional Airport Ltd recognises the deep ancestral connections of Ngāti Uenukukōpako to Rotokawa and the land underlying Rotorua Airport.

Rotorua Regional Airport Ltd is led by a Chief Executive and governed by an independent board of five directors, as well as an independent board advisor.

Nature and Scope of Activities

The purpose is to be Te Waharoa (Gateway) of the Central North Island. For the airport this means:

- Enabling Rotorua to fulfil its aspirations and success as the gateway to the Central North Island
- Enabling safe passage for people and goods, business and life
- Manaakitanga through the expression of aroha, hospitality, generosity and mutual respect. Building unity and connection. We anticipate the arrival of our guests, the needs of our partners and work to meet their needs
- Our purpose reflects our contribution to the region and therefore enables others to see Rotorua as our base and the Central North Island as our rohe

Underpinning this purpose is a vision: “to be a uniquely Rotorua hub our community can be proud of” and the board and management have identified five key priorities for the airport to deliver this vision:

- Be a safe airport
- Help Council achieve its growth aspirations
- Manage & maintain assets to a high standard
- Be financially sustainable
- Be environmentally conscious

To read the full annual report for Rotorua Regional Airport Ltd and their financial statements visit their website. rotorua-airport.co.nz

PERFORMANCE MEASURES

Non-financial measures	FY25 Target	FY25 Actual	Performance	FY24 Actual
Aircraft Movements (1)	5,487	5,421	Not Achieved	5,464
Passenger Numbers (2)	243,328	206,008	Not Achieved	232,678
Aviation Compliance	Yes	Part 139 Certification Held	Met	Yes
Legal Compliance	Provided with quarterly reporting	Provided	Met	Provided with quarterly reporting
Asset Management	By 30 June, each year	Delayed	Not Achieved	Provided

Note (1) Commercial numbers were behind budget due to Air New Zealand reducing the schedule as a result of operational restraints and lower demand. General Aviation aircraft movement numbers were ahead of budget, driven by the aviation open day in October 2024.

Note (2) Passenger numbers decreased by -11.5% on previous year and -15.3% down on budget, reflecting the lower Air New Zealand capacity.

ROTORUANZ LTD

RotoruaNZ Ltd is the Economic Development Agency (EDA) and Regional Tourism Organisation (RTO) for the Rotorua District.

Our work supports the development of the Rotorua economy, unlocking opportunities for commercial investment and providing employment, wealth and wellbeing for all of our people. RotoruaNZ is committed to developing and promoting Rotorua as a destination of choice to work, study, visit, invest and live in. RotoruaNZ's key trading activities and brands are RotoruaNZ, i-SITE, Sir Howard Morrison Centre, Energy Events Centre, and Mai Rotorua.

RotoruaNZ Ltd is a Council Controlled Organisation (CCO) that works in partnership with iwi, private sector business, local government, community organisations and central government to support their growth aspirations and enhance the Rotorua identity and reputation. We operate as a neutral entity and a trusted advisor, balancing the needs of each group of stakeholders for the benefit of the destination. RotoruaNZ is committed to sustainability and focused on reducing our environmental footprint.

RotoruaNZ Ltd is led by a Chief Executive and governed by an independent Board of Directors who are appointed by the shareholder Rotorua Lakes Council (RLC).

RotoruaNZ Ltd updated their Statement of Intent which came into effect 29 October 2024. This recognises the transfer of the function of major events and venues from Rotorua Lakes Council to RotoruaNZ Ltd.

Nature and Scope of Activities

The purpose of RotoruaNZ Ltd is to unlock the economic potential of Rotorua. This reflects RotoruaNZ Ltds primary role as the Regional Tourism Organisation (RTO) and Economic Development Agency (EDA).

RotoruaNZ will continue to unlock the potential of Rotorua by:

- Promoting Rotorua as a vibrant world-class destination
- Attracting, retaining and growing investment, talent and business across the district
- Supporting efforts to revitalise the inner-city and Fenton Street corridor
- Working closely with Te Arawa whānui to support the growth of their economy in alignment with the values set out in the Te Arawa 2050 Vision
- Ensuring the impact of change achieves a balance between social, environmental, economic and wellness benefits for the people of Rotorua
- Building place brand equity, enhancing vibrancy and delivering economic value through destination promotion and delivery of the Rotorua events strategy
- Delivering sales across key commercial venues (Energy Events Centre and Sir Howard Morrison Centre), international, business events, education and groups.
- Providing high quality service delivery across visitor services and venue operations (Energy Events Centre and Sir Howard Morrison Centre)
- Delivering economic development initiatives, with a focus on priority sectors – tourism and forestry – and facilitating investment attraction

To read the full annual report for RotoruaNZ Ltd and their financial statements visit their website. rotoruanz.com

PERFORMANCE MEASURES

Measure	Target 2024	Actual 2024	Achieved / Not Achieved	Comment
Domestic visitor card expenditure in Rotorua (based on Marketview Tourism Tool dataset)	≥ $320m	$336.4m	Achieved	There has been steady growth in domestic visitor card spending in Rotorua during the past twelve months, which enabled the target to be achieved ahead of expectations and despite cost of living challenges in New Zealand.
International visitor card expenditure in Rotorua (based on Marketview Tourism Tool dataset)	≥ $135m	$129.2m	Not Achieved	There has been strong growth in spending by US card holders in Rotorua, however that growth has been more than offset by declines in most other international markets and overall resulted in a marginal decline in international card spending in Rotorua over the previous year.
% of commercial accommodation occupied (based on MBIE ADP dataset)	≥ 57%	55.5%	Not Achieved	Room nights occupied for the year ending June 2025 were up 4.3% over the same period of the previous year, however occupancy (ie. room nights occupied as a percent of room nights available) was down as a result of increased capacity mostly attributable to visitor accommodation that had been repurposed during COVID being returned to use as visitor accommodation. The hotel sector accounts for almost half of all commercial visitor accommodation capacity and recorded a two-percentage point lift in occupancy to 68.4% for the year ending June 2025.
% of local visitor economy stakeholders satisfied with RotoruaNZ services (Survey of Rotorua attraction, hospitality, food & beverage businesses)	≥ 75%	72.6%	Not Achieved	Question in the RotoruaNZ stakeholder satisfaction survey, asking Rotorua businesses to rate their satisfaction that RotoruaNZ supports 'Rotorua as a whole', 'their industry' and 'their own business'. The figure is calculated as an average of these three selections using % satisfied plus % very satisfied (Tourism, Accommodation and Hospitality & Food Services businesses only).
% of domestic travellers that have visited Rotorua overnight within the past 12 months (based on Angus & Associates, VIP dataset)	≥ 15%	11%	Not Achieved	Rotorua's market share of overnight domestic visitors has remained the same as the previous year at 11%, which although below target is an improvement over the decline occurring in each of the more recent years. Roading improvements such as the Waikato Expressway have possibly contributed to some substitution of overnight stays for day visitation.

Measure	Target 2024	Actual 2024	Achieved / Not Achieved	Comment
% of domestic travellers find Rotorua highly appealing as a destination for a short break or holiday (based on Angus & Associates, VIP dataset)	≥ 37%	33%	Not Achieved	After an uplift in the previous year, Rotorua's domestic traveller appeal has again declined to the survey low point and possibly indicates the ongoing challenge of rebuilding Rotorua's brand reputation.
Net Promoter Score (NPS) of domestic visitors to Rotorua within the past 12 months who would recommend Rotorua as a travel destination (based on Angus & Associates, VIP dataset)	≥ +12	+13	Achieved	Rotorua's domestic visitor Net Promoter Score was +13 (versus +11 national benchmark), indicating the word of mouth promotion from loyal supporters recommending Rotorua as a travel destination continues to outweigh the voice of detractors.
% of domestic travellers who definitely or probably will visit Rotorua within the next 12 months (based on Angus & Associates, VIP dataset)	≥ 35%	37%	Achieved	Domestic traveller intention to visit Rotorua was the same as the previous year and is an opportunity for converting intention into visitation by ensuring marketing messages pitch time-sensitive reasons to visit and/or new experiences.
Destination sales - Delivering sales across key commercial venues (Energy Events Centre and Sir Howard Morrison Centre), international, business events, education and groups, and in-destination				
i-SITE to be financially self-sufficient	≥ $0	+$3,531	Achieved	The i-SITE achieved a financially self-sufficient position driven by good growth in revenue and despite costs associated with a delayed start in a new revenue stream.
Business events - value of bids won in financial year (based on MBIE CDS dataset and RotoruaNZ lead sheet confirmed conferences)	≥ $10m	$10.22m	Achieved	The combined efforts of RotoruaNZ Business Events team and the Events & Venues Rotorua sales team have successfully achieved their target in a challenging sales environment, following the post-COVID surge of 'catch-up' events. Together, the team secured several high-profile business events including one valued at over $1.2 million in visiting delegate spend, as well as two others valued at more than $500,000 each.
Education and Group Bookings - annual value of school bookings through the Rotorua Education Network	≥ $1.45m	$2.867m	Achieved	There was very strong demand for school group bookings throughout the whole year, resulting in the annual target being attained only six months into the reporting year.
The number of event days that the Sir Howard Morrison Centre is utilised from total possible available days using booking information	Establish baseline	Total: 32.3%	Achieved	Utilisation is based on a 'space day' calculation, which is the total number of potential days across the key spaces being utilised. Only the larger commercial spaces have been included in this calculation. Maintenance is not included. Baseline utilisation calculated using Momentus booking information for finalised events in the 2024 calendar year as extracted in April 2025.
	Establish baseline	Commercial: 18.0%	Achieved	As above
	Establish baseline	Community: 14.4%	Achieved	As above
The number of people attending events at the Sir Howard Morrison Centre	Establish baseline	52,331	Achieved	As above, people attending events is based on the larger commercial spaces and excluding maintenance. People attending events is calculated using Momentus 'actual attendance' data for finalised events in the 2024 calendar year as extracted in April 2025.

Measure	Target 2024	Actual 2024	Achieved / Not Achieved	Comment
The number of event days that the Energy Events Centre is utilised from total possible available days using booking information	Establish baseline	Total: 22.9%	Achieved	As above for SHMC utilisation
	Establish baseline	Commercial: 20.8%	Achieved	As above
	Establish baseline	Community: 2.2%	Achieved	As above
The number of people attending events at the Energy Event Centre	Establish baseline	62,384	Achieved	As above for SHMC people attended
Major events and events delivery support - Strengthening Rotorua's reputation, enhancing vibrancy and delivering economic impact				
Delivery against the event strategy: Fund distribution	Establish baseline	Tier 1: 53%	Achieved	Baseline distribution of funds is as per the proposed event strategy criteria as at October 2024.
	Establish baseline	Tier 2: 27%	Achieved	As above
	Establish baseline	Tier 3: 20%	Achieved	As above
Delivery against the event strategy: Events funded	Establish baseline	Tier 1: 1	Achieved	As above
	Establish baseline	Tier 2: 6	Achieved	As above
Visitor services and venue operations - Providing high quality service delivery across operational teams				
Post event evaluation satisfaction rate	Establish baseline	77.9%	Achieved	Question in the RotoruaNZ venue perception survey, asking event organisers to rate RotoruaNZ effectiveness on six service delivery metrics at the EEC and SHM venues. The figure is calculated using the weighted average of responses on the ten point effectiveness scale for responses received as at 30 June 2025.
Business growth, insights, and innovation - Delivering economic development initiatives, with a focus on priority sectors – tourism and forestry – and facilitating broader business growth initiatives				
The number of Te Arawa economic development projects directly supported by RotoruaNZ	>= 2	2	Achieved	• Supporting Marae / Papakainga / Cultural tourism project through regional infrastructure fund process. • Supporting potential new Maori tourism development opportunity through feasibility
The number of actions supported or delivered by RotoruaNZ in the Forest Futures Action Plan	>= 2	2	Achieved	• Action 13: Identify and drive opportunities for the uptake of wood-based bio-products (e.g., biofuels, biochemicals, bio plastics etc.) - Leading the project with Scion on the creation of Bio-innovation park as part of the regional infrastructure fund application • Action 12: Establish a bio-pilot testing facility in Rotorua. - Working alongside Scion on the BioFactory business case and Regional Infrastructure Fund application.

Measure	Target 2024	Actual 2024	Achieved / Not Achieved	Comment
The number of projects identified in the Rotorua Destination Management Plan directly delivered or supported by RotoruaNZ	>= 4	4	Achieved	• In-depth Auckland qualitative and quantitative market research conducted, aligned to our tourism strategic objective to grow key markets • Tourism forecasts have been completed, mapping out Rotorua's potential market growth over the next 10 years • Creating a more connected destination: creation of digital My Card system and process • Inner city blueprint project has kicked off
The number of submissions written by RotoruaNZ and/ or projects supported to apply for a government fund	>= 3	3	Achieved	• Geothermal Plan Change • Science System Phase 2 Review • DOC submissions - DOC consultation on charging for access to conservation land - DOC consultation on modernising conservation land management
% of local businesses satisfied with the quality of RotoruaNZ's destination data and insights developed to support decision making by business (Survey of all Rotorua businesses)	>= 75%	74.1%	Not Achieved	Question in the RotoruaNZ stakeholder satisfaction survey, asking Rotorua businesses to rate RotoruaNZ effectiveness at providing 'Data, research and insights'. The figure is calculated using the weighted average of responses on the five point effectiveness scale. The overall result across all industries is marginally short of the target, however filtering the responses to the visitor industry results in higher satisfaction, which is possibly reflective of the increased resources invested into reporting tourism data and insights.

1 Marketview spend is subject to revision and therefore the value published herewith and in the Statement of Intent will not reconcile to the latest value published by Marketview for the June 2024 year.

2 Events are typically won more than 12 months in advance of the event date. As business events occur the tentative room nights held are adjusted to reflect actual room nights and therefore the value published herewith and in the Statement of Intent will not reconcile to the latest value in RotoruaNZ business records for the June 2024 year.



Rotorua Museum

BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES LTD (BOPLASS)

BOPLASS (Bay of Plenty Local Authority Shared Services Ltd) is a Council Controlled Organisation (CCO) formed and owned by the nine councils that operate within the Bay of Plenty and Gisborne regions. The Council Controlled Organisation was incorporated in 2007/2008 to investigate, develop and deliver joint procurement and shared services projects where delivery is more effective for any combination of some or all of the councils.

The councils that operate within the Bay of Plenty and Gisborne regions formed a CCO to investigate, develop and deliver joint procurement and shared services projects where delivery is more effective for any combination of some or all councils.

Nature and Scope of Activities

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

Joint Procurement

Being the collective procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.

Shared Services

Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

The principal nature and scope of the activities of BOPLASS Ltd is to:

- Use Joint Procurement to add value to goods and services sourced for its constituent councils
- Establish the underlying technology, framework, platform and policies to enable and support collaboration
- Facilitate initiatives that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value
- Pursue best practice in the management of all activities to obtain best value and minimise risk
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or Government funding where available
- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly
- Actively monitor and engage with Shared Service developments across the public sector to identify opportunities for further development and establishing best practice
- Represent the collective views of its Shareholders in matters with which it is associated

To read the full annual report for BOPLASS and their financial statements visit their website. boplass.govt.nz

PERFORMANCE MEASURES

Target 2024/25	Result	Narration
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils. Manage and/or renegotiate existing contracts. Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.	Achieved	Contracts negotiated and/or renewed for: NAMS+ Subscription (Asset Management) – BOPLASS renewed the collective NAMS+ agreement with discounted rates for BOPLASS councils through a collective agreement. No alternative provider in NZ. IPWEA Membership (Engineering) – The Institute of Public Works Engineering Australasia (IPWEA) agreement was renewed in 2024 to provide a single BOPLASS portal to allow all constituent councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements. No alternative provider in NZ Inter-Council Network (ICN) – BOPLASS renegotiated the network agreement with Kordia for a further 12 months on the same terms. The Kordia service covers the primary connectivity to the ICN for councils. The BOPLASS agreement achieves a reduction in cost of approximately 19% for these services. Additional services were added to the ICN as requested by participating councils. In conjunction with participant councils, BOPLASS will be going to market for network services in the next financial year. Zoom Video Conferencing Services (VC) - The Zoom enterprise agreement was renewed by BOPLASS on behalf of the participating councils. While Microsoft Teams has become the primary VC platform for most councils' internal and external communications, Zoom is still widely used by council governance teams and for public meetings. No alternative provider

Target 2024/25	Result	Narration
continued from previous page	continued from previous page	VertiGIS Studio (GIS) – Contracts were renewed for the VertiGIS Studio products. BOPLASS councils continue to benefit from the collective contract through reduced pricing, collective training, and the utilisation of common software across the councils. No alternative provider in NZ NZ Archaeological Association (NZAA) – BOPLASS has been in negotiations with NZAA to establish a new collective agreement for councils'access to archaeological information and to ensure financial savings and benefits continue to be delivered through the collective agreement. No alternative suppliers Esri Enterprise Licensing Agreement (GIS) – With the expiration of the existing agreement, BOPLASS has negotiated for a new three-year agreement for Esri software used extensively within BOPLASS councils. The agreement includes discounted pricing and supports a common GIS platform across BOPLASS councils. No alternative suppliers. Insurance Brokerage Services – The collective insurance brokerage agreement with Aon reached the end of its term in June 2025, with an option for a further and final two-year extension. After reviewing performance, and consulting member councils, BOPLASS received approval to proceed with the contract extension. This retains alignment with the MW LASS and Co-Lab contracts, allowing for future collective procurement opportunities. Under the contract extension, Aon have committed to maintaining current pricing and service levels. n3 (Procurement) – As a group buying organisation, n3 usually charge individual membership fees. Through BOPLASS a collective purchasing group membership has been negotiated to cover all BOPLASS. Councils achieve significant savings on membership costs and have access to trade pricing through the group scheme. The agreement has been renewed with the same discounted rates. Sole NZ provider.

Target 2024/25	Result	Narration
continued from previous page	continued from previous page	My Everyday Wellbeing (H&S) – BOPLASS renewed the agreement for the staff online wellbeing platform. Discounted pricing is provided to BOPLASS as a single entity, allowing all member councils to benefit from the associated savings. The agreement has been extended to cover MW LASS and Co-Lab councils. Increased participation from MW LASS, Co-Lab and BOPLASS councils this year has resulted in further financial savings for all participating councils. Media Copyright Agency (MCA) – A collective contract providing savings for all BOPLASS councils has been renewed with MCA (originally PMCA) for councils' print and media copyright services. Sole NZ provider of print and media copyright services. Cyber Insurance – All councils have successfully secured full cyber insurance cover through the collective BOPLASS programme, despite increasingly stringent requirements from insurers. Maintaining this cover requires consistently high standards of cyber security across all councils. To support this, BOPLASS facilitated a cyber-crime information session for IT Managers led by a cyber security insurance expert. This was provided at no cost to the councils and provided insights into evolving insurer expectations, emerging cyber threats, and best practices for incident response. Cyber cover is an annual agreement that requires going to market every year. Standards NZ – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils. In addition to the financial savings for councils, the BOPLASS agreement provides full access to all standards and the full standards library for councils. No alternative provider in NZ.

Target 2024/25	Result	Narration
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils. Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration. A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.	Achieved	Procurement initiatives which have been investigated during the year are as follows: Oblique Aerial Imagery – BOPLASS investigated collaborative opportunities for the capture of Oblique Aerial Imagery for the BOPLASS councils. Working with the councils a free trial was negotiated. Group pricing has been investigated but, given the limited number of councils currently able to commit, the benefits are not significant enough at this time. Infrastructure Earthquake Loss Modelling – BOPLASS engaged Aon, as our risk advisor, to provide a collective loss modelling proposal covering all BOPLASS councils. This project was essential for reassessing risk exposure and informing decisions on insurance coverage and risk transfer strategies. Approaching the procurement collectively through BOPLASS resulted in a 39% saving, when compared with if councils were to undertake the risk modelling independently. Risk Management Resourcing – Quality and accuracy of valuation and asset data continues to hold high-importance with insurance underwriters and the quality of this data has a direct impact on councils' premium rates. While these data demands are equally applicable to all councils, some of the smaller councils may not have dedicated risk management resource to deliver on all the requirements. In collaboration with our risk advisors, a specialised service has been established to provide on-demand expert assistance in areas such as risk appetite, maturity assessments, policy and framework reviews, business continuity planning, strategic risk, and organisational risk registers. Not only has this initiative strengthened councils' ability to meet insurance requirements, but it has also helped improve overall risk governance without the need to employ specialist staff. Starlink Management – As a result of the major interruptions to communication technologies during and following Cyclone Gabrielle, BOPLASS IT Managers explored the potential of collective procurement of Starlink satellite WAN services to enhance business continuity and disaster recovery capabilities.

Target 2024/25	Result	Narration
continued from previous page	continued from previous page	While collective procurement options did not yield financial benefits, councils opted to assess and implement Starlink solutions based on individual needs, ranging from disaster recovery to supporting remote operations. The initiative fostered significant knowledge sharing across councils. Additionally, a separate project is underway to evaluate Starlink and alternative technologies for improving connectivity for lone workers in remote areas, led by BOPLASS Health & Safety and IT Managers. Project still underway High Volume Print – BOPLASS is working with councils to investigate a collective approach to high-volume printing in response to rising costs and evolving council requirements. Councils currently operate with a mix of in-house and outsourced services, and there is strong interest in assessing the opportunity for councils to address print requirements as a strategic group. Engagement is underway to evaluate alignment across councils and identify opportunities for coordinated procurement that deliver improved service outcomes and cost efficiencies. Project still underway Office supplies – BOPLASS is leading a collective secondary procurement process to engage All of Government (AoG) panellists for the provision of general office supplies. Coordinating the procurement process collectively offers efficiencies in time and resources and may provide enhanced leverage with suppliers. Project still underway Energy Services – An Eastern Bay consortium of councils has appointed a provider for energy services. BOPLASS has investigated the opportunity for Western Bay councils to participate in the arrangements. Most of the other BOPLASS councils are contracted directly with providers or through the All of Government agreement. Opportunities for savings will continue to be investigated. Project still underway Infrastructure Insurance – Placements for BOPLASS councils' infrastructure insurance are only provided on a 12-month term and all placements need to be procured annually through a process involving multiple underwriters and insurance syndicates. This involves identifying and negotiating with alternative markets every year and considering options to undertake placements through new or different insurers.

Target 2024/25	Result	Narration
continued from previous page	continued from previous page Achieved	Negotiations for councils' infrastructure insurance were undertaken in late 2024 through direct engagement with the international and local markets. The size of the collective BOPLASS account allows us to undertake this direct engagement. Particularly good outcomes were achieved for the 2024-25 infrastructure placements, with an average reduction of approximately 5% on last years rates, and a saving of up to 20% when compared with councils that don't procure through a collective group. The high standard of the information being provided by BOPLASS councils, and our historical relationships with the international markets, have proven to be a strength for us at renewal time. Most insurers demonstrate ongoing support for the BOPLASS programme, however, BOPLASS continues to review alternative risk transfer options and alternative markets. Aerial Imagery – Two tenders for aerial imagery were managed by BOPLASS on behalf of participating councils. Tenders were awarded to Woolpert for urban orthophotography covering Tauranga City, Kawerau, Ōpōtiki, and Whakatāne, with additional capture over Moutohora and Whakaari Islands. Occupational Health Services Tender – Working in conjunction with Co-Lab, a joint tender for the procurement of occupational health services for BOPLASS and Waikato councils has been awarded. While each LASS will be managed independently, the aggregated tender volumes provided greater leverage for securing competitive pricing and enhanced services. Contours from LiDAR – A regional initiative is in progress to generate contour mapping for the entire Bay of Plenty using LiDAR data acquired collectively by BOPLASS councils. This will deliver a comprehensive topographic layer for council mapping systems. The joint procurement approach ensures cost savings and operational efficiency through a streamlined process. Project still underway

Target 2024/25	Result	Narration
Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties. BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration. Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.	Achieved	BOPLASS continues to work closely with MWLASS and Co-Lab with the LASS leads engaging regularly and aiming to meet formally on a quarterly basis. Shared services projects being undertaken by other LASS have been offered to BOPLASS councils. Equally, most BOPLASS projects are offered to the other LASS. Some of the shared service projects offered to BOPLASS councils include: • Wellbeing health and safety training • Debt Management • Archives • Building Consent services BOPLASS is leading or managing, on behalf of other LASS: • Waste Operator and Licensing Data System • Staff wellbeing portal • Regional contractor database • Rates collections • Inter-council secondments • Insurance broker renewal/appointment • Workforce management system Workforce Management System – BOPLASS has engaged with the incumbent supplier on behalf of Co-Lab and BOPLASS councils to address service issues and to negotiate collective pricing. Occupational Health Services – BOPLASS and Co-Lab collectively initiated a joint procurement project for occupational health services across BOPLASS and Waikato councils. NZ Aerial Imagery consortium – BOPLASS engaged with other regions to explore the potential for a national aerial imagery consortium. The concept aimed to improve pricing and coordination of flying schedules through a larger, collective tender. BOPLASS participated in meetings to assess the feasibility and potential benefits of the initiative. After reviewing the proposal against the existing BOPLASS aerial imagery programme, which has consistently delivered strong results through smaller, regionally focused tenders, it was determined that a national approach would not offer additional value to BOPLASS councils. The current model ensures timely delivery, equitable service to smaller councils, and maintains market competitiveness. Engagement with other LG collaborative groups – In addition to the two North Island LASS, BOPLASS continues to offer support to other local government collaborative groups looking to leverage benefits from working collectively.

Target 2024/25	Result	Narration
Further develop and extend theCollaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration. Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to the councils. Number of active users to increase by 5% per year.	Achieved	Collaborative projects continue to be added to the MahiTahi Local Government Collaboration Portal, along with several specific Teams or Channels established for confidential projects outside of the main Portal. There has been continued promotion of the MahiTahi LG Collaboration Portal within local government and this has seen a 5% increase in registered users with numbers increasing from 507 to 539. Induction and training material has been developed for creating smooth on-boarding of any new members. The Te Uru Kahika hub (regional and unitary councils) has continued to grow and is hosted within the same environment as the MahiTahi Collaboration Portal. There are now 3,191 users within the wider portal.
Communicate with each shareholding council at appropriate levels. Actively engage in obtaining political support for identified projects. Information provided to elected members, and feedback sought, on BOPLASS projects, benefits to local communities, and value added to each council.	Achieved	BOPLASS continues to regularly engage with our constituent councils, senior management, and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders. In addition, BOPLASS chairs and coordinates meetings and activities for specific council advisory groups that manage or lead new collaborative initiatives. These groups generally comprise of managers from each council. The BOPLASS Statement of Intent, Annual and Half-Yearly reports are provided to council for comment or feedback and the CEO is available to attend council meetings as requested.
Ensure current funding model is appropriate. Review BOPLASS expenditure and income and review council contributions and other sources of funding. Performance against budgets reviewed quarterly. Company remains financially viable.	Achieved	The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board. Council contributions were levied with annual council contributions CPI adjusted. Contributions were received from activities that are producing savings. An annual contribution from Co-Lab, MW LASS, Regional Software Holdings (RSHL) and BOPLASS councils is received for membership of the MahiTahi Local Government Collaboration Portal. Monthly and quarterly performance reviewed. Financial statements and budget variances reported and reviewed at Board meetings. Financial position year end 30 June 2025: (9,243) deficit.



Hannahs Bay

WAIKATO LOCAL AUTHORITY SHARED SERVICES LTD (CO-LAB)

Co-Lab is the trading name of Waikato Local Authority Shared Services Ltd. Co-Lab was incorporated in December 2005 as a Council Controlled Organisation (CCO) under the Local Government Act.

Co-Lab is owned in equal portion by the 12 Waikato/ Rotorua local authorities and was established as a vehicle through which these councils could collaborate and identify opportunities for undertaking activity on a shared basis.

The board is made up five Council representative directors and an independent chair.

Co-Lab's vision is that council collaboration through Co-Lab maximises community wellbeing. The company's purpose is to achieve this vision by helping councils identify and realise shared opportunities.

Nature and Scope of Activities

Co-Lab has 3 main functions:

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

Co-Lab seeks to develop opportunities that will reduce costs, create value for councils, or enable innovation.

In 2024, Co-Lab Management created a 3-year strategy to see the company:

- Improve the way that it communicates the value it provides to shareholders, and increase that value
- Focus on growing shared services, which may include providing services to councils who are not shareholders, but never at the expense of value to shareholders
- Employ great people with diversity of thought so shareholders receive high-quality services

The strategy builds on the Benefits of Collaboration Framework, which clarifies the value and measures of regional collaboration through Co-Lab into three main outcomes: reducing costs, creating value and enabling innovation and collaboration.

To read the full annual report for Co-Lab and their financial statements visit their website. colabsolutions.govt.nz

PERFORMANCE MEASURES

STRATEGIC GOAL	3 YEAR OBJECTIVE		ANNUAL KPI	
GOAL 1: Shareholding Councils understand we provide them value	We know the value we provide shareholders has improved by 15%, by 30 June 2027* (baseline y/e 30 June 24). *Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration).	Year-on-year increase in the value we provide to councils.	**FY24-25:** $11.4m in value we provide to councils as measured by our benefit analysis.	**FY23-24:** $12.5m in value we provide to councils as measured by our benefit analysis.
	By 30 June 2027, 80% of shareholders agree they get value from Co-Lab.	80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey).	**FY24-25:** 88% of council survey respondents believe those Co-Lab services they received met or exceeded their expectations (evidenced by an annual survey) in FY25. The survey response rate was 41% (350 were invited to participate with 142 responses received).	**FY23-24:** 84% of council survey respondents believed those Co-Lab services they received met or exceeded their expectations (evidenced by an annual survey) in FY24. The survey response rate was 41% (310 were invited to participate with 128 responses received).
GOAL 2: Deliver value by growing the scale of our shared service function	24 new instances of Co-Lab shared services being utilised, by June 2027. (baseline y/e 30 June 24)	Year-on-year increase in the value we provide to councils.	**FY24-25:** New onboardings: • 5 RATA Spaces and Places councils • 1 Smart Water – Watercare joined • 1 ECM – OtoDC joined • 1 Sampling & Analysis Waikato Regional Airport joined • 1 Co-Lab Building Services – WBOP • 1 Professional Services Panel - WBOP	**FY23-24:** There were no new councils onboarded to shared services in FY23-24.
		Year-on-year increase in the number of services available to councils.	**FY24-25:** • Introduced RATA Spaces & Places. • Launched Co-Lab Building Services	**FY23-24:** There were no new shared services introduced inFY23-24.
	All shareholders take up at least one additional shared service.	Year-on-year increase in the utilisation of services we provide to councils.	**FY24-25:** Measured as above.	**FY23-24:** There were no new councils onboarded to shared services in FY23-24.
GOAL 3: Diverse, talented and motivated people work for us	Maintain staff engagement above 85%.	Maintain staff engagement above 85%.	**FY24-25:** The engagement score was 86%. The survey response rate was 45% (49 were invited to participate with 22 responses received).	**FY23-24:** The engagement score was 87%. The survey response rate was 65% (48 were invited to participate with 31 responses received).
	Staff turnover is less than 15%.	Staff turnover is less than 15%.	**FY24-25:** 10.5% staff turnover.	**FY23-24:** 18.2%
	Our vacancies are filled by suitable candidates within 3 months. (baseline y/e 30 June 24)	Vacancies are filled by suitable candidates within 3 months.	**FY24-25:** The 1 position advertised was vacant for 2 months.	**FY23-24:** The positions advertised vacant for the following periods: • Communications Manager 1.5 months • Contracts Administrator – 1 month • Procurement Advisor 1 month • Business Support Specialist 1 month • WRTM Programme Manager 3 months • Quality Systems Lead (WBCG) – 4 months

TE TAUĀKĪ TŪHURATANGA
DISCLOSURE STATEMENTS

ANNUAL REPORT DISCLOSURE STATEMENT FOR THE YEAR ENDING 30 JUNE 2025.

WHAT IS THE PURPOSE OF THIS STATEMENT?

The purpose of this statement is to disclose the Council's actual 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 its Annual Report in accordance with Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

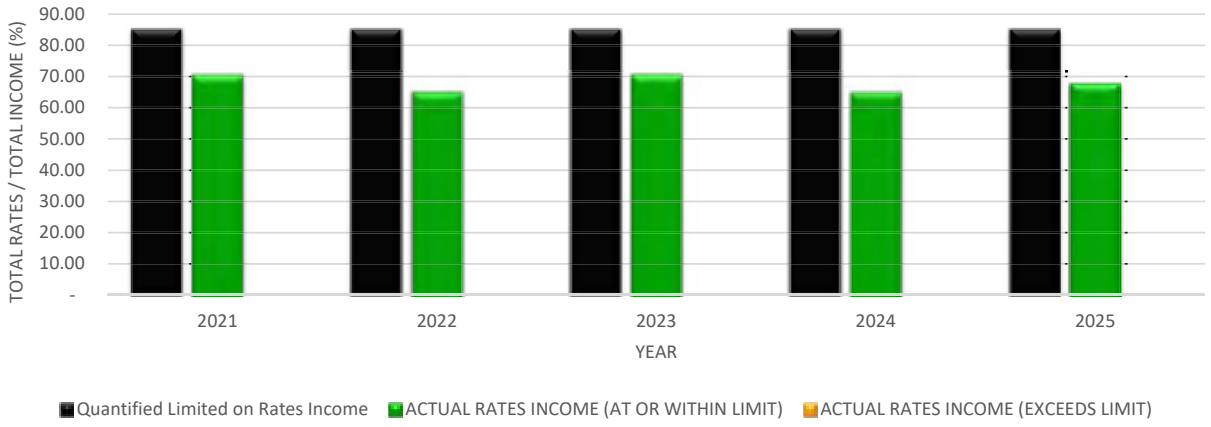
RATES AFFORDABILITY BENCHMARK

The council meets the rates affordability benchmark if:

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

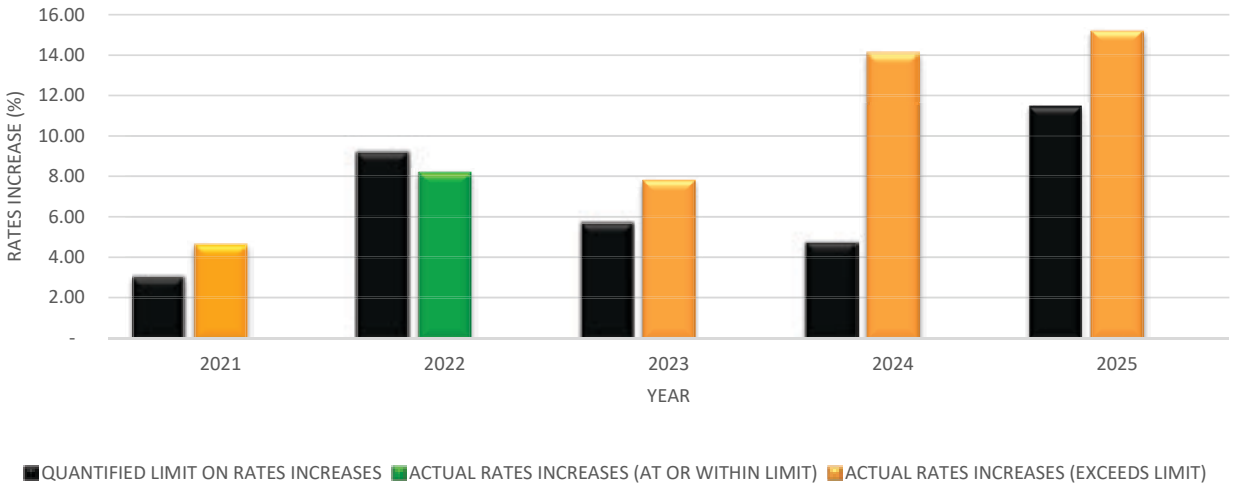
RATES (INCOME) AFFORDABILITY

The following graph compares the Council's actual rates revenue with a quantified limit on rates contained in the financial strategy, included in the Long-Term Plan. The quantified limit is that Council will limit total rates as a proportion of total revenue for 2024/25 to is less than 85%.



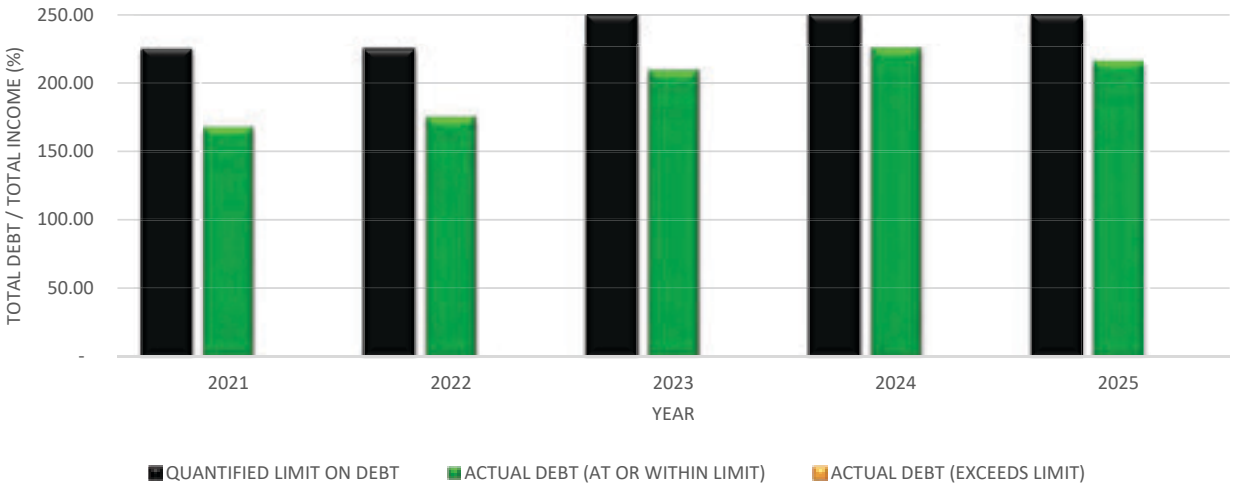
RATES (INCREASES) AFFORDABILITY

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Long-Term Plan. The quantified limited for 2024/25 was set at 11.43%.

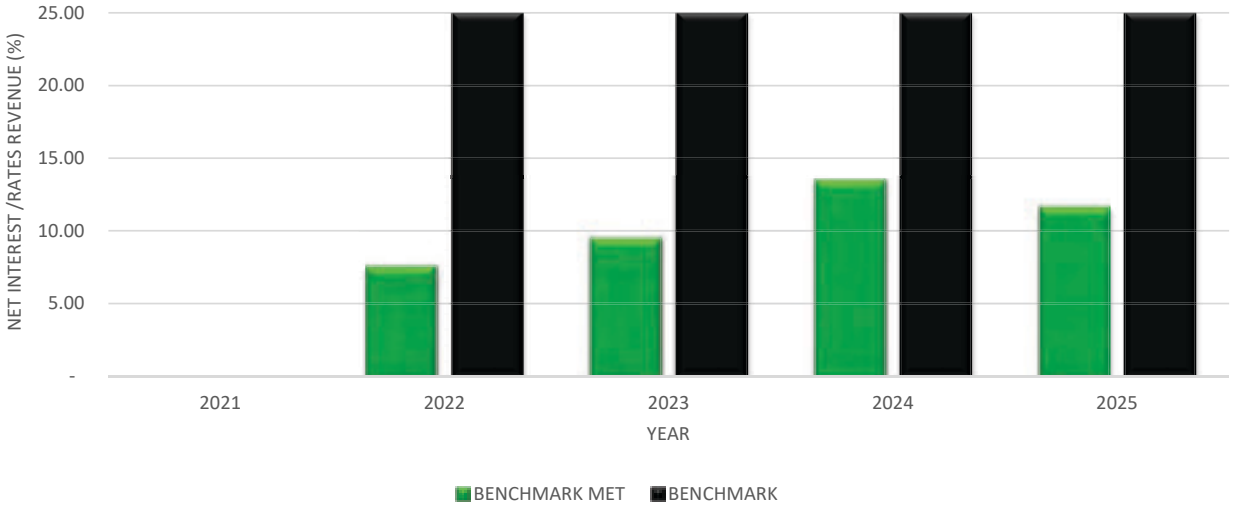


DEBT AFFORDABILITY BENCHMARK

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Long-term Plan. The quantified limit is that total debt will be lower than 250% of total income.

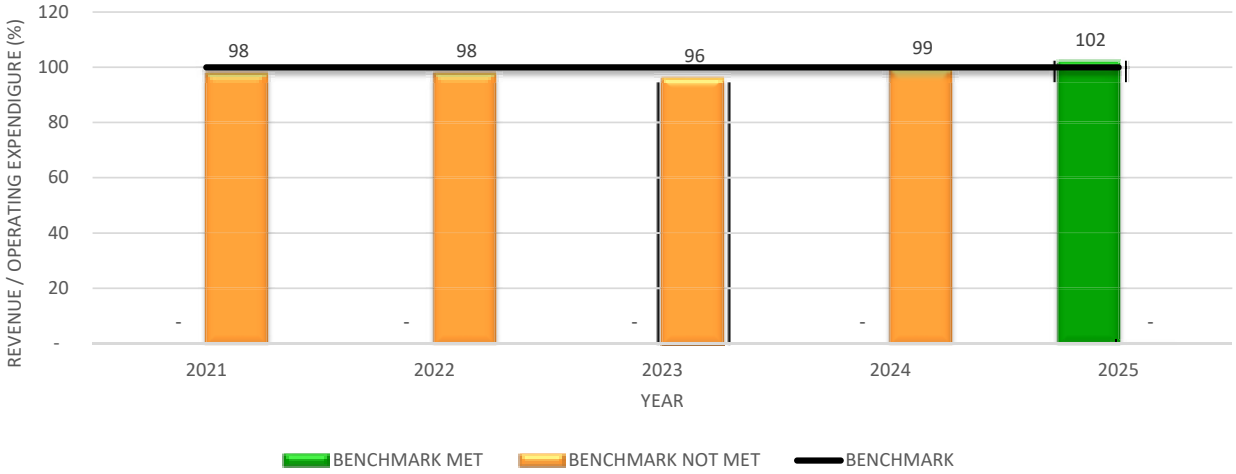


The following graph compares Council's actual debt with a quantified limit on borrowing stated in the financial strategy included in the Council's Long Term Plan. The quantified limit is net interest on external debt as a percenage of annual rates revenue does not exceed 25%. This was a new measure introduced in the 2021-31 Long Term Plan.



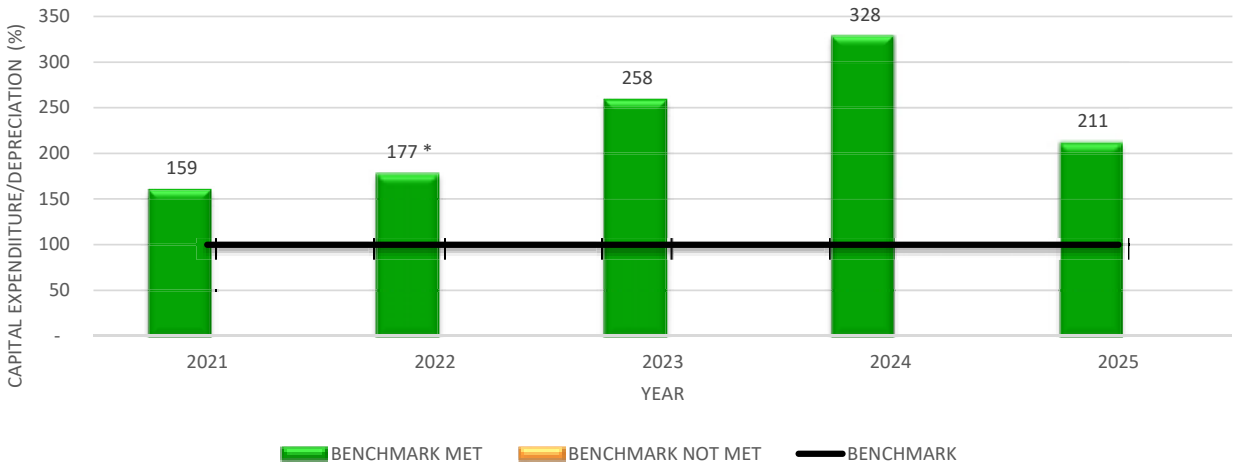
BALANCED BUDGET BENCHMARK

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



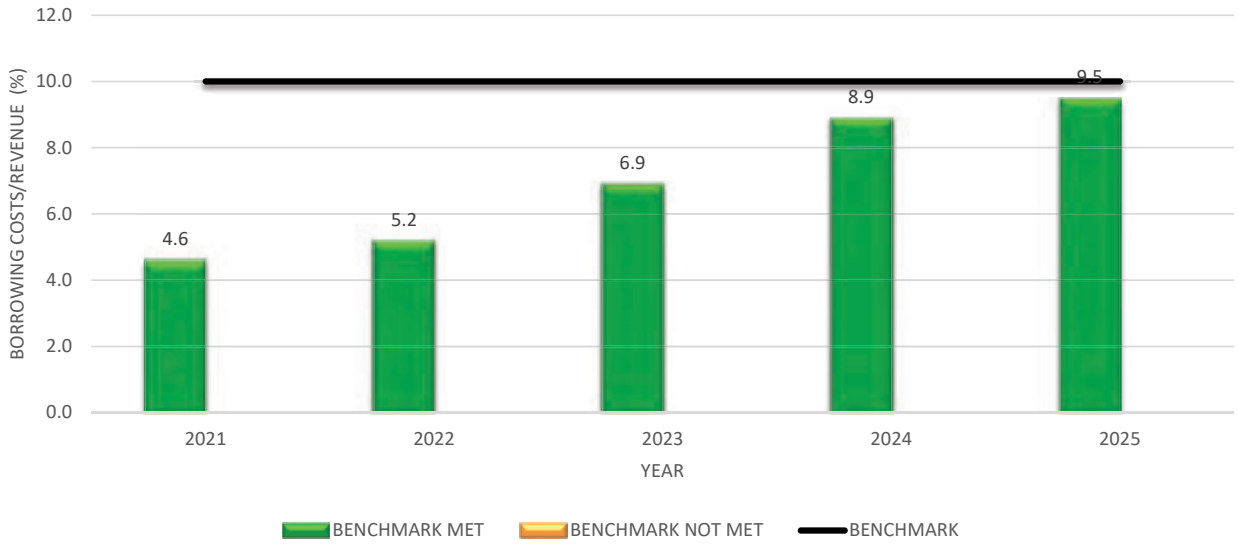
ESSENTIAL SERVICES BENCHMARK

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. *figure inconsistent with previous year annual report due to calculation error, now corrected.



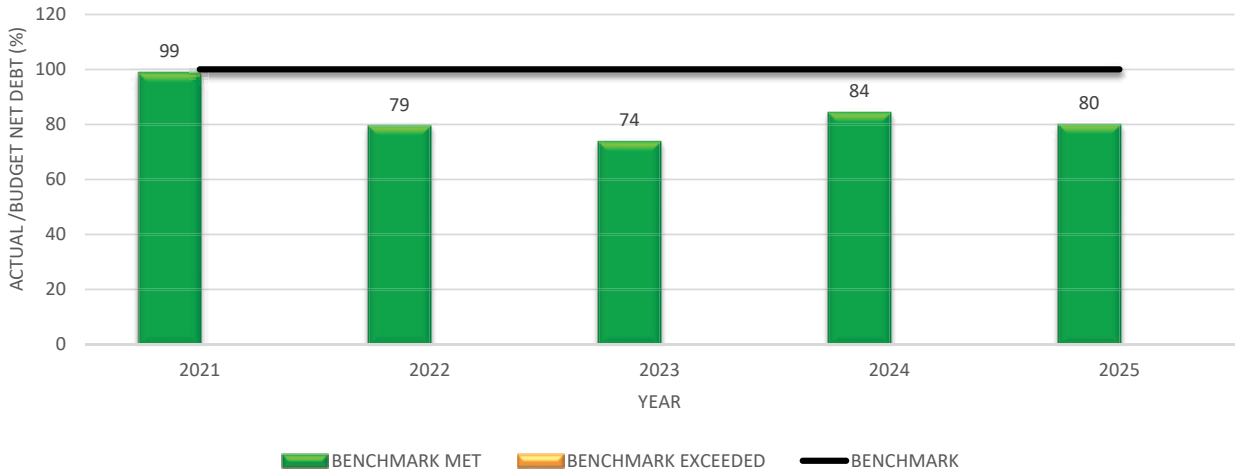
DEBT SERVICING BENCHMARK

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment). Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs are equal to or less than 10% of its revenue.



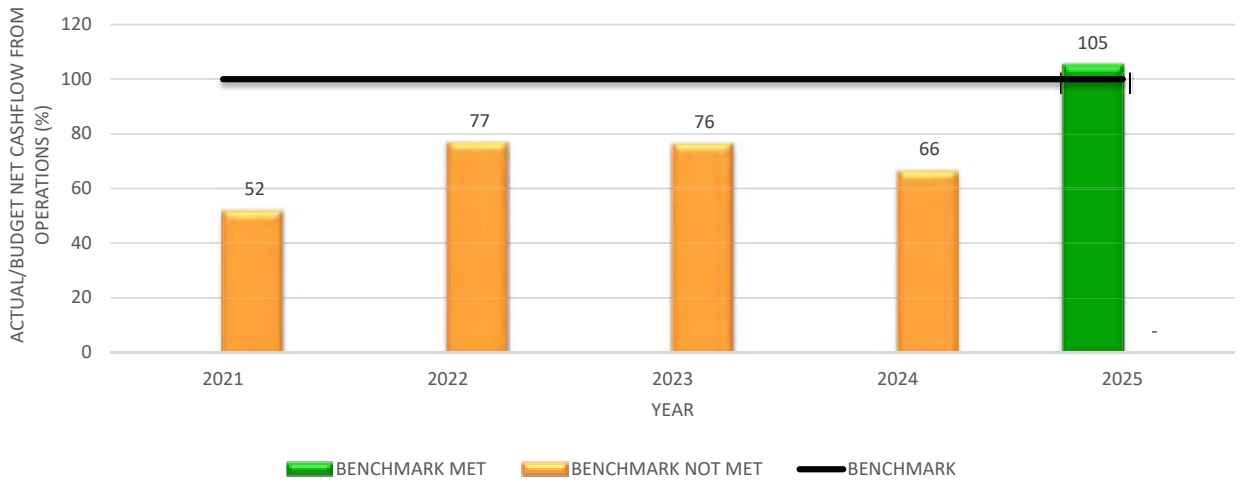
DEBT CONTROL BENCHMARK

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



OPERATIONS CONTROL BENCHMARK

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







ROTORUA
LAKES COUNCIL