

# Annual Report

For the year ended 30 June 2025

Year four of the 2021-31 Long-Term Plan

# Contents

<b>Introduction</b>	<b>2</b>
<i>Purpose and structure of this Annual Report</i>	2
Purpose of this Annual Report	2
Structure of this Annual Report	2
<i>Our district</i>	3
<i>Our council and organisation</i>	4
A message from the Mayor and Chief Executive	4
Statement of Compliance and Responsibility	7
Our representatives and wards	8
<b>Our year</b>	<b>9</b>
A year of progress, partnership and place	9
<i>Our priorities and outcomes</i>	11
<i>Our activities</i>	12
Community Facilities and Services	12
Finance and Corporate Support	21
Governance	27
Land Transport	33
Planning & Regulatory Services	39
Stormwater	47
Wastewater	51
Water Supply	55
<b>Financial information</b>	<b>61</b>
<i>Financial statements</i>	61
Statement of Comprehensive Revenue and Expense for the Year Ended 30 June 2025	61
Statement of Changes in Equity for the Year Ended 30 June 2025	62
Statement of Financial Position as at 30 June 2025	63
Statement of Cashflows for the Year Ended 30 June 2025	64
Funding Impact Statement for the Year Ended 30 June 2025 (Whole of Council)	66
<i>Notes to the financial statements</i>	67
<i>Other Legislative Disclosures</i>	105
Local Government Act 2002 – Financial Disclosures	105
<i>Financial prudence benchmarks</i>	111
<i>Glossary</i>	114
<i>Independent Auditor's Report</i>	115

# Introduction

## Purpose and structure of this Annual Report

### Purpose of this Annual Report

This Annual Report provides a transparent account of how South Wairarapa District Council performed during the financial year from 1 July 2024 to 30 June 2025, measured against the forecasts set out in the 2024-25 Enhanced Annual Plan and performance measures from Year Four of the 2021–2031 Long-Term Plan. It is prepared in accordance with Section 98(1) of the Local Government Act 2002, which requires councils to report annually on their financial and service performance.

The report reflects our commitment to accountability, community engagement and continuous improvement. It shows how we have delivered on our goals, managed public funds and contributed to the wellbeing of our district.

### Structure of this Annual Report

This report is presented in three key sections:

#### Introduction

This section introduces South Wairarapa—our people, places and purpose. It outlines the structure of our Council and organisation and a message from the Mayor and Chief Executive, reflecting on the year.

#### Our Year

A summary of the key events, achievements and challenges across our groups of activities.

This section includes our Statement of Service Performance, which reports on how we've delivered against our planned levels of service and community outcomes.

#### Financial Information

This section contains our audited Financial Statements, supporting notes, performance benchmarks and other statutory disclosures. It also provides a detailed view of our financial position and stewardship of public funds.



## Our district

The South Wairarapa district covers a vast geographic area and has a relatively small population of ratepayers and residents. There are 11,811 people who call South Wairarapa home and the population is growing. The main population centres in the district are Featherston, Greytown and Martinborough townships, with smaller coastal and rural communities dotted across the district. Our district has an area of approximately 248,455 hectares (2,484 square kilometres). Our rural landscape is distinctive with three forest parks, surfing and fishing beaches, vineyards, sheep and dairy farms and our three charming small towns. The South Wairarapa coastline features some of New Zealand's oldest inhabited sites and local tradition has it that the Polynesian explorer, Kupe, once lived here. The southernmost point of the North Island is Cape Palliser, which is known to Māori as Matakītaki a Kupe and other points along the coast also commemorate Polynesia's most famous explorer. We are an hour from the capital city by car or train. Visitors to our district are tempted by countless activities, such as tramping, fishing, camping, cycling, cafes and restaurants, wine tours, olive oil tasting and boutique shopping.

South Wairarapa is nestled between the rugged Remutaka ranges and the wild beauty of the Pacific coast. It continues to thrive as a district defined by dramatic landscapes, its people and its potential. South Wairarapa captivates locals and visitors alike with its globally awarded wine, artisanal food and as home to the only official Booktown in Aotearoa New Zealand. From the large and small wineries across the region to the heritage streets of Greytown and book devotees in Featherston, our district is a vibrant mosaic of creativity, culture and community. Whether it's sipping a glass of Pinot Noir, visiting a local market or exploring our scenic trails, South Wairarapa offers a lifestyle that is both grounded and aspirational.

As we look ahead, we remain committed to building a district that honours its past, embraces its present and boldly shapes its future. Together with our communities, iwi partners and regional collaborators, we are working hard to create a South Wairarapa that is resilient, inclusive and full of the promise of a positive future.

## Our council and organisation

### A message from the Mayor and Chief Executive

*Kia Reretahi Tātou*

*Ko te kōtuitui i ētahi āhuatanga e rua,*

*nui ake rānei,*

*kia ngātahi ai te mahi*

*It is the interlinking of two or more things to work together*

Tena koutou katoa,

Nau mai, haere mai

Welcome

We are pleased to present South Wairarapa District Council's Annual Report, which sets out our work for the 2024 -25 year, comparing our actual performance and spending with what we planned to do. It forms a key part of our accountability to you, the residents of South Wairarapa.

Over the past year, we have focused on delivering essential services while preparing for-change. The deferral of the Long-Term Plan in 2024 allowed us to concentrate on immediate priorities, culminating in the adoption of an Enhanced Annual Plan instead, due to significant shifts within the legislative and economic environment we operate in.

We've celebrated many achievements across our district over the past year. These include securing the contract to develop the Greytown Wheels Park, which will bring a recreational facility to the entire South Wairarapa for residents and visitors alike. We grew our emergency response capabilities significantly, as part of our ongoing desire to build resilience within the community in the event of unforeseen emergencies. Our work in this regard was strengthened through collaboration with Wellington Free Ambulance and the gift of time from many residents within our far-flung rural communities as well as in our townships. This year saw our libraries given a structural refresh to better serve our growing communities. We continue to invest in critical infrastructure, including water services and road safety improvements.

### Key highlights include

#### **Community facilities**

- Opening John Gray Pavilion in Greytown's Soldiers Memorial Park, offering modern clubrooms through work with local sports clubs.
- Progress on the Featherston Playground refurbishment and starting the Joy Cowley Playground upgrade.
- Installing a new pool liner at Martinborough Pool to reduce maintenance.
- Resealing carparks at several community hubs across the district.
- Developing an artificial cricket wicket and practice nets at Coronation Park.
- Refreshing district-wide signage to upgrade old signs and bring consistency.

### ***Infrastructural achievements and work***

- The Featherston Masterplan was adopted after community consultation and engagement.
- Successful desludging of Martinborough Wastewater Treatment Plant carried out during the year led to the lifting of the abatement notice by Greater Wellington Regional Council in July 2025. This will be followed by similar work on the Greytown Wastewater Treatment Plant.
- Greytown Soldiers Memorial Park was confirmed as the site for the town's water supply upgrade, following public consultation.
- The Featherston Wastewater Treatment Plant consent application was publicly notified.
- Over 26 tonnes of illegally dumped waste was cleared from the district's south coast.
- We withdrew the Notice of Requirement for Pain Farm in Martinborough to be used for land-based disposal of wastewater under the Wairarapa Combined District Plan.

### ***Council representation***

- We consulted with the community on an initial proposal for our representation arrangements in the 2025 and 2028 local elections.
- We reaffirmed our commitment to establishing a Māori Ward (Te Karu o Te Ika a Māui) in the 2025 local body elections with a binding poll to be held for future trienniums.

### ***Resiliency achievements***

- We grew the number of Automated External Defibrillators (AEDs) across the district in collaboration with Wellington Free Ambulance.
- We hosted a Funders' Forum to help the community find, apply and source grants.
- Emergency preparedness containers were installed across our rural communities at Lake Ferry, Ngawi and Tora in our work with Wairarapa Recovery Office.
- We gifted Grab & Go Bags to 50 older members of the community in work with Wairarapa's other two councils.

### ***Our environmental work***

- We supported a new trial of food recycling bins to four businesses in our district.
- A trail was launched to address wind-strewn waste blowing across the district.
- We made the disposal of old tyres free by joining a tyre stewardship programme.

### ***Your feedback told us in the 2025 Residents' Survey:***

- Libraries achieved the highest satisfaction rating at 87%, with increased approval of open hours and services.
- Parks and reserves were also widely appreciated with 85% satisfaction.
- Sports fields and playgrounds rated highly at 83% and 80% respectively.
- Street cleanliness and waste collection saw the highest satisfaction levels since monitoring began but feedback from Featherston suggests room for improvement.

### ***Local economic development***

- We support local economic development through partnerships with Business Wairarapa, Destination Wairarapa and the Wairarapa Economic Development Strategy (WEDS) group. These collaborations help promote the district, attract investment and support local businesses.

### ***Our investment in community wellbeing with grants***

We gave 28 groups and individuals grants from the Community Wellbeing Fund.

Our commitment to your wellbeing was further reflected with nearly \$700,000 distributed to local groups and events from:

- Community Wellbeing Fund (Government funded) – \$500,000
- Community and Youth Grant – \$120,000
- Creative Communities Scheme – \$17,220
- Sport NZ Rural Travel Fund – \$6,000

Projects supported by these funds are diverse. They include, among others, solar power initiatives to improve resiliency in the community, free piano lessons for all age groups and support for much loved events, such as the Featherston Booktown Karukatea Festival and the Greytown Festival of Christmas.

We launched Fund Finder to help our community find funding opportunities from further afield than our district.

### ***Water reform***

One of our biggest challenges this year was navigating water reform. We collaborated with three neighbouring councils in Carterton, Masterton and Tararua to establish the Wairarapa - Tararua water entity designed to deliver safe, sustainable water services for our communities.

This Annual Report offers a snapshot of our journey over the past year. It celebrates our achievements, acknowledges our challenges and reaffirms our commitment to playing a key role in supporting our communities to thrive throughout South Wairarapa.

Nga mihi

Mayor Martin Connelly

Chief Executive Janice Smith

## Statement of Compliance and Responsibility

### Compliance

The Council and management of the South Wairarapa District Council confirm that all statutory requirements of the Local Government Act 2002 and Local Government (Financial Reporting and Prudence) Regulations 2014, in relation to the Annual Report have been complied with, other than those areas of non-compliance highlighted in this Annual Report.

### Responsibility

The Council and management of the South Wairarapa District Council accept responsibility for the preparation of the Annual Report and judgements used in it.

They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and service performance reporting.

In the opinion of the Council and management of the South Wairarapa District Council, the Annual Report for the year ended 30 June 2025 fairly reflect the financial position, operations, and service performance of the South Wairarapa District Council.

Martin Connelly

Mayor

Date:

Janice Smith

Chief Executive

Date:



## Our representatives and wards

South Wairarapa District Council is made up of the Mayor and nine Councillors, with three representing each of the Featherston, Greytown and Martinborough Wards. Despite being elected by their Wards, Councillors are sworn into office to focus on the interests of the entire district.

### His Worship, The Mayor

### Community Board Members

In addition, three Community Boards represent and advocate for the interests of each ward.

#### Councillors

Martin Connelly

*Featherston Ward*

Cr Melissa Sadler-Futter (Deputy Mayor)

Cr Rebecca Gray

Cr Colin Olds

*Greytown Ward*

Cr Martin Bosley

Cr Alistair Plimmer

Cr Aaron Woodcock

*Martinborough Ward*

Cr Aidan Ellims

Cr Pip Maynard

Cr Kaye McAulay

*Featherston Ward*

Tui Rutherford (Chair)

John Dennison (Deputy Chair)

Warren Maxwell

Annelise Schroeder

Cr Rebecca Gray

Cr Melissa Sadler-Futter

*Greytown Ward*

Louise Brown (Chair)

Warren Woodgyer (Deputy Chair)

Jo Woodcock

Neil Morison

Cr Aaron Woodcock

Cr Martin Bosley

*Martinborough Ward*

Storm Robertson (Chair)

Angela Brown (Deputy Chair)

Mel Maynard

Karen Krogh

Cr Aidan Ellims

Cr Pip Maynard

#### Senior Staff

Chief Executive Officer

Group Manager Corporate Services

Group Manager Infrastructure & Community Operations

Group Manager Planning and Environment

Janice Smith

Paul Gardner

Stefan Corbett

Russell O'Leary

# Our year

## A year of progress, partnership and place

The 2024–25 year has been one of meaningful progress, deepening partnerships and a renewed commitment to the values that define our district.

To guide our direction this year, we proudly launched our Enhanced Annual Plan (EAP), a forward-looking update of year four of our 2021-31 Long-Term Plan, which reflects both the challenges and opportunities of the changing local government landscape. With the deferral of the Long-Term Plan to 2025–34, the interim EAP allowed us to focus on delivering essential services while preparing for transformational change. In June, Council proudly adopted the 2025–34 Long-Term Plan, concluding an 18-month journey of community consultation, strategic planning and financial stewardship—setting the course for the next nine years of investment in infrastructure, services and wellbeing, with a clear focus on fairness, resilience and future readiness.

Our work with mana whenua has been a focus of this year’s achievements. In partnership with Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa, we have continued to embed Te Tiriti o Waitangi principles into our governance and planning. The endorsement of a Māori ward for the 2025 and 2028 elections marked a significant milestone in our journey toward inclusive representation and shared decision making. As part of legislative changes, we will conduct a poll on Māori wards as part of the 2025 elections. This ensures communities have a direct say in how Māori representation is structured in their district, reinforcing the importance of transparency and democratic participation in local governance.

We have also celebrated breaking ground and securing contracts for work on new assets for the community, which include the new Greytown Wheels Park, refurbishment work on Joy Cowley Playground in Featherston and opening the new Pavilion at Soldiers Memorial Park in Greytown.

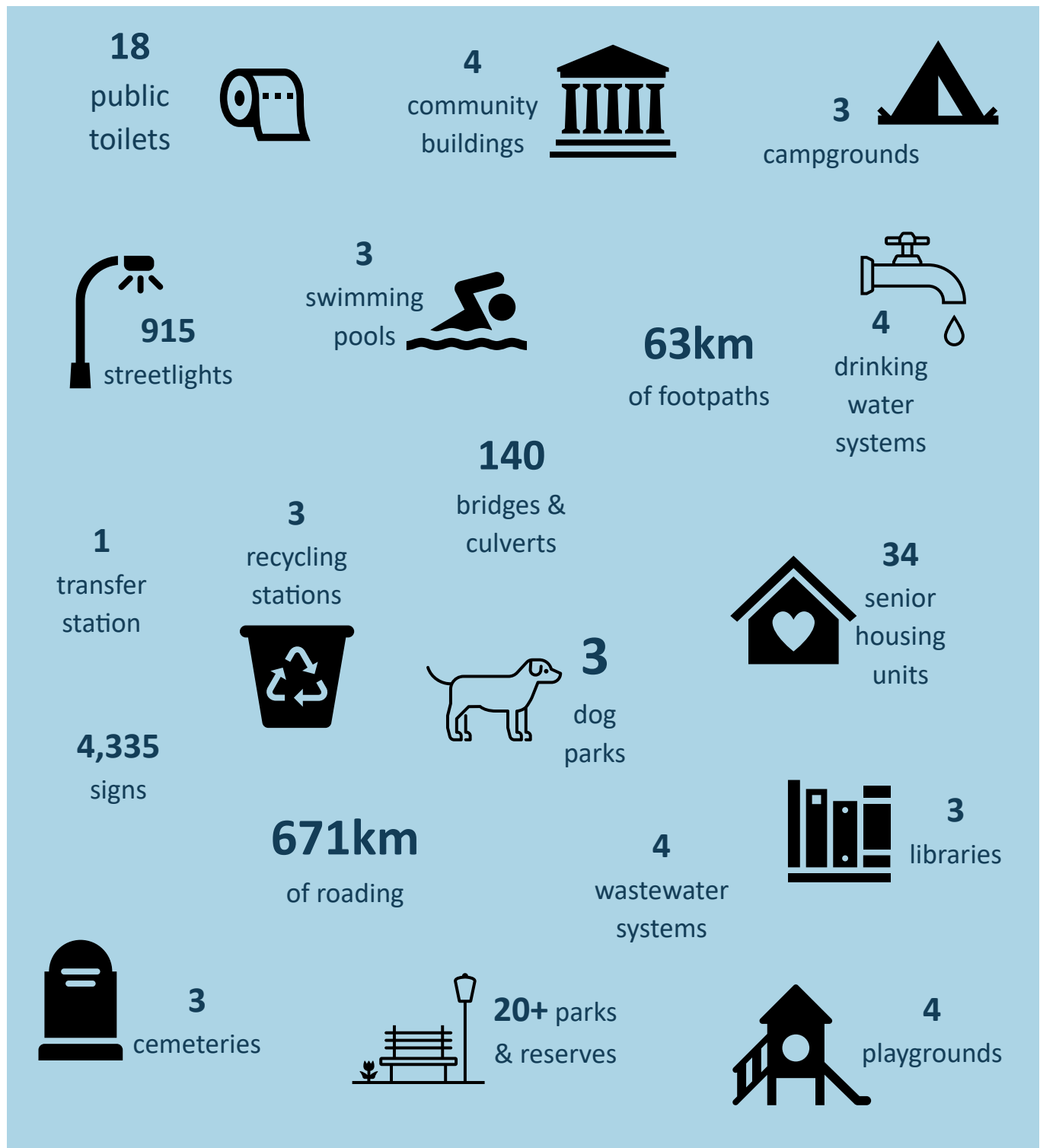
We hosted a community Funders’ Forum for those in need for funds for projects, invited Expressions of Interest on a new South Wairarapa Sports and Recreation Service (for which we have set aside funding in our Long-Term Plan 2025-34) and we strengthened our emergency response capabilities in collaboration with Wellington Free Ambulance. We joined forces with other councils in the region to give Grab & Go Bags to older residents for emergency situations.

Our libraries had a structural refresh to better serve our growing and diverse communities, and we held our second annual Mayor’s Thank You morning tea to acknowledge the vital role that a vast number of volunteers play across our district.

We cleared a significant illegal dumping site of waste on the South Wairarapa coast and joined Tyrewise; a regulated tyre product stewardship scheme to allow residents to dispose of tyres for free while the product is repurposed.

We also completed long-term compliance work on Martinborough Wastewater Treatment Plant and we continue to invest in infrastructure, including critical water services and road safety improvements.

South Wairarapa District Council is responsible for providing a number of services that are essential to keeping our community healthy and safe. Most of these are funded by rates or fees and charges (or a mixture of both). Key services and amenities include:



Plus, Emergency Management, grants, building consents, liquor licensing, dog control, town seating, noise control, food registration, urban kerbside rubbish collection, illegal dumping cleanup, planting, walking and biking tracks, community events and more.

## Our priorities and outcomes

In 2024/25, South Wairarapa District Council focused on delivering core infrastructure, improving community wellbeing, and planning for future growth. A key priority was the development and adoption of the Long-Term Plan, which set the strategic direction for the next decade, and consultation on our delivery model for waters under Local Water Done Well legislation.

Council also prioritised:

- Infrastructure investment, particularly in water, wastewater, and stormwater systems to improve reliability and resilience.
- Community facilities upgrades, including playgrounds, pools, and sports hubs.
- Governance improvements, with a focus on transparency, representation, and community engagement.
- Planning for growth, through the Wairarapa Combined District Plan review and spatial planning work.
- Support for economic development, in partnership with regional agencies.

These priorities reflect Council's focus on delivering essential services, addressing infrastructure challenges, and responding to the expectations of our communities within the limits of available funding and resources.

South Wairarapa District Council's work is guided by four key community outcomes: social wellbeing, economic wellbeing, environmental wellbeing, and cultural wellbeing. These outcomes reflect the aspirations of our communities and help shape how services are planned and delivered. The table below shows how each of Council's eight significant activities contributes to one or more of these outcomes.

Significant Activity	Social Outcomes	Economic Outcomes	Environmental Outcomes	Cultural Outcomes
Community Facilities & Services	✓	✓		✓
Governance	✓	✓		✓
Land Transport	✓	✓	✓	
Finance & Corporate Support	✓	✓		✓
Planning & Regulatory Services	✓	✓	✓	✓
Stormwater	✓		✓	
Wastewater	✓		✓	
Water Supply	✓		✓	

## Our activities

### Performance Measurement Context

For the 2024/25 financial year, South Wairarapa District Council chose to defer its Long-Term Plan and instead adopt an Enhanced Annual Plan. As a result, the performance measures reported this year are based on Year Four of the 2021–31 Long-Term Plan. While this allowed continuity in reporting, some measures could no longer be assessed due to changes in how data is sourced or collected. In a few cases, the original measures were not well designed and could not be reliably measured. Mandatory performance indicators—particularly in roading and water services—have been updated in line with requirements from the Department of Internal Affairs. Looking ahead, Council has developed a new set of performance measures as part of the 2025–34 Long-Term Plan. These new measures are designed to be more practical and measurable, and we expect to report on them consistently in future years.

### Residents' Survey Methodology

To better understand community views, South Wairarapa District Council conducted its annual Residents' Survey between mid-June and the end of July 2025. A total of 3,110 residents were randomly selected from the electoral roll and invited to take part—some received email invitations, while others were contacted by post, depending on their preference in our database. The survey was completed by 843 residents, giving a response rate of 27%. The survey was conducted online using a secure link and unique code for each participant. To ensure fair representation, the results were adjusted to reflect the district's age profile based on the latest census data. The survey asked residents to rate their satisfaction with council services, leadership, communication, and emergency preparedness. The results help guide council planning and decision-making and inform some of our performance measures.

## Community Facilities and Services

### Our Purpose and Goals

Community Facilities and Services are at the heart of everyday life in South Wairarapa. This includes a wide range of services and assets that support community wellbeing, recreation and connection. We aim to provide facilities and services that enhance quality of life and support the needs of our growing and diverse communities. Our goals include:

- Supporting community wellbeing through public amenities
- Maintaining and upgrading essential community infrastructure
- Collaborating with local organisations and clubs
- Contributing to local economic development

### How we deliver this

We manage and maintain a broad portfolio of assets and services, including:

- Libraries
- Community buildings and housing
- Campgrounds
- Cemeteries
- Parks and reserves
- Playgrounds
- Swimming pools
- Public toilets
- Refuse and recycling services

We work in partnership with community groups, sports clubs and regional agencies to deliver improvements and support local initiatives.

## **Achievements and Progress (July 2024 – June 2025)**

### ***Social Housing***

We continued our commitment to providing safe and healthy homes for residents in Council-owned social housing. This year, we:

- Upgraded bathrooms and kitchens
- Completed healthy homes improvements
- Repainted interiors and exteriors
- Refurbished units between tenancies
- Carried out regular maintenance
- Installed new signs for residents

These upgrades ensure our housing stock remains safe, comfortable and fit for purpose.

### ***Playgrounds, Pools, Parks, and Public Amenities***

We made strong progress across several community assets:

- John Gray Pavilion: Opened at Soldiers Memorial Park in Greytown, providing modern clubrooms through a partnership with local sports clubs.
- Joy Cowley Playground in Featherston: Stage one of a refurbishment is nearly complete.
- Martinborough Pool: Installed a new pool liner to reduce ongoing maintenance needs.
- Resealed carparks at Greytown Playground and at the Waihinga Centre.
- New carpark installed at Featherston Swimming Pool and Featherston Sports hub, with accessible parking and ramp included.
- Coronation Park: Developed an artificial cricket wicket and practice nets in collaboration with cricket clubs.
- Greytown Wheels Park: The contract for works was secured.
- District-wide signage: Refreshed amenity signs to improve visibility and consistency, update information, replace unreadable and missing signs.

### ***Cemeteries***

We repaired and repainted the fence at Greytown cemetery and installed new beams in Martinborough's cemetery.

### ***Supporting community groups and events***

*Tangata ako ana i te kāenga, te tūrangā ki te marae, tau ana.*

*A person nurtured in the community contributes strongly to society.*

We supported the community with funding that was earmarked to invest in eligible community groups and projects to benefit the people of South Wairarapa. Projects that received funding support included, among others: Solar power projects to build community resilience; funds to enable free piano lessons for all age groups; funds to revitalise buildings; funds to sustain and grow annual events, such as Featherston Booktown Karukatea Festival and the Greytown Festival of Christmas. We established the Community Wellbeing Fund, using \$500,000 of Better Off funding provided by central Government. This one-off fund came entirely from the Department of Internal Affairs to specifically promote sustainable social, economic, cultural and environmental outcomes across the district. We also distributed funding from the Community and Youth Fund, the Creative Communities

Scheme and the Sport NZ Rural Travel Fund. In total, we provided almost \$700,000 to support local groups and events in South Wairarapa.

#### ***Funding distributed in 2024-25***

- Community Wellbeing Fund - \$500,000
- Community and Youth Grant - \$120,000
- Creative Communities Scheme \$17,220
- Sport NZ Rural Travel Fund - \$6,000

In addition to the grants we provided in this year, we helped our community to find additional sources of funding with the launch of our new online Fund Finder tool. This is free for the South Wairarapa community and is actively helping people to find funding to achieve their aspirations. A total of 137 grants were distributed this year.

#### ***Supporting Local Economic Development***

We continued to support economic development in partnership with regional agencies, including Business Wairarapa, Destination Wairarapa, and the Wairarapa Economic Development Strategy (WEDS) group. These partnerships help promote the district, attract visitors and investment and support local businesses.

#### **Feedback from residents**

The 2025 Residents' Survey showed strong community support for the facilities and services provided under this activity. Key highlights include:

- Libraries received the highest satisfaction rating (87%), with increased approval of opening hours and services.
- Parks and reserves were widely used and appreciated, with 85% satisfaction—an encouraging result, though still below our 90% target, so we continue working to further improve our community's experience.
- Sports fields and playgrounds also rated highly, at 83% and 80% respectively.
- Public toilets remain an area for improvement, with cleanliness and upkeep noted as ongoing concerns.

#### ***Residents shared the following comments:***

- "The library is the heart and soul of the town."
- "We need trees, shade and proper drainage." (At a dog park.)
- "Public toilets need regular servicing — especially for weekend events such as the Featherston Booktown Karukatea Festival."
- "The staff at the Martinborough landfill are lovely."

These insights reinforce the importance of continued investment in facility upgrades, accessibility improvements and responsive service delivery. We will continue work on facility upgrades through the Long-Term Plan as we balance affordability of rates with much needed work after a period of long-term historic under investment.

### How we performed

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Council provides community facilities and spaces that encourage community use.	Residents are satisfied with community buildings, parks and open spaces.	81%	85%	90%	Customer survey	Improved	Not achieved: Although there was a slight increase, this remains relatively unchanged. Work has been scheduled over the next LTP for community buildings, park improvements and open spaces.
	Increase in number of bookings for community facilities.	69%	70%	10% increase	Council records	Improved	Not achieved
	Swimming pools are open at least 15 weeks per year.	100%	93%	100%	Council records	Declined	Not achieved: Pools were open for 14 weeks to better manage public demand for opening hours coupled with health and safety on a fixed budget.
	Residents are satisfied with Council swimming pools.	76%	74%	78%	Council survey	Declined	Not achieved: This year, there was a small decline in respondents satisfaction related to the change in hours.



Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Council provides community facilities and spaces that encourage community use.	Library collection turnover meets or better national averages by 2023-24	87%	77%	100%	Council records	Declined	Not achieved: This year SWDC ended its share service agreement with Carterton Libraries and one of the impacts was a drop in collection turnover which would usually have included additional collection from Carterton
	At least 75% of library programme attendees report a positive impact or application as a result of attendance	At least 75%	N/A	At least 75%	Programme evaluation feedback	Unknown - No longer recorded	Due to a change in Library programmes this information is no longer recorded at SWDC.

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Council promotes the waste management hierarchy “reduce, reuse, recycle, reprocess, treat, dispose”.	Percentage of waste recovered for recycling through the kerbside collection.	Further 5% recovered	61.1%	Further 5% recovered	Council records	Declined	Not achieved: This decrease was due to a changed KPI parameters which were previously for all waste collected including transfer stations.
Refuse collection and disposal meets the needs of the community.	Percentage of customer complaints resolved within 24hrs.	96%	96%	95%	Council records	Unchanged	Achieved
	Percentage of residents satisfied with the level of service.	64%	71%	85%	Customer Survey	Improved	Not achieved: Satisfaction with waste-related services remained generally positive and a small increase on last year. Educational work continues to be undertaken to help meet the needs of the community.

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Council supports community to improve their social, cultural and environmental wellbeing.	Provides appropriate funding to organisations and community groups to help them deliver programmes and services to their communities.	Yes 76 Grants provided	Yes, 137 grants provided	Yes	Council records	Improved	Achieved: Due to central government providing funding, SWDC was able to increase its grant offering this financial year and met the target to improve social, cultural and environmental wellbeing through funding to the arts, sports, environment, community safety and wellbeing.
Council supports economic wellbeing.	Percentage of commercial ratepayers satisfied with the level of service essential for their business operations (information provided, response time, fairness and consistency).	n/a	n/a	80%	Customer survey	Unknown	Current data collection does not allow for a breakdown of commercial ratepayers and level of satisfaction.



## Funding Impact Statement for the Year Ended 30 June 2025 – Community Facilities & Services

30 June 2024 Annual Report \$000		30 June 2024 Long Term Plan \$000	30 June 2025 Long Term Plan \$000	30 June 2025 Annual Report \$000
<b>Sources of Operating Funding</b>				
3,594	General rates, uniform annual general charges, rates penalties	5,738	5,843	6,659
3,907	Targeted rates	836	828	2,174
448	Subsidies and grants for operating purposes	4	4	791
498	Fees and charges	367	377	771
157	Interest and dividends from investments	64	49	117
884	Local authorities fuel tax, fines, infringement fees and other receipts	759	778	985
<b>9,488</b>	<b>Sources of Operating Funding</b>	<b>7,769</b>	<b>7,880</b>	<b>11,497</b>
<b>Applications of Operating Funding</b>				
6,989	Payments to staff and suppliers	5,911	6,055	8,289
144	Finance costs	115	158	137
1,089	Internal charges and overheads applied	860	882	1,419
-	Other operating funding applications	-	-	-
<b>8,222</b>	<b>Applications of Operating Funding</b>	<b>6,887</b>	<b>7,094</b>	<b>9,844</b>
<b>1,266</b>	<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>882</b>	<b>786</b>	<b>1,652</b>
<b>Sources of Capital Funding</b>				
62	Subsidies and grants for capital expenditure	43	44	-
-	Development and financial contributions	-	-	-
(1,105)	Increase (decrease) in debt	-	-	270
-	Gross proceeds from sale of assets	-	-	6
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
<b>(1,043)</b>	<b>Sources of Capital Funding</b>	<b>43</b>	<b>44</b>	<b>276</b>
<b>Application of Capital Funding</b>				
Capital expenditure:				
104	- to meet additional demand	-	1,590	754
177	- to improve the level of service	52	-	1,289
909	- to replace existing assets	604	424	961
(967)	Increase (decrease) in reserves	269	(1,184)	(1,076)
<b>233</b>	<b>Application of Capital Funding</b>	<b>925</b>	<b>830</b>	<b>1,928</b>
<b>(1,266)</b>	<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>(882)</b>	<b>(786)</b>	<b>(1,652)</b>
-	<b>Funding balance (A - B) + (C - D)</b>	-	-	-

## Finance and Corporate Support

### Our Purpose and Goals

Finance and Corporate Support provides the backbone for Council's operations. This activity ensures that the organisation runs smoothly, efficiently and in compliance with legislation. It includes financial management, customer services, information technology, human resources, health and safety, legal support and administrative services.

Our goals are to:

- Deliver accurate and timely financial information
- Provide high-quality customer service
- Support staff wellbeing and development
- Maintain secure and effective IT systems
- Ensure compliance with legal and regulatory obligations
- Enable continuous improvement across Council operations

### How we deliver this

The Corporate Support team works across all departments to provide embedded support in areas such as:

- Finance
- Customer service (face-to-face, phone and digital)
- Information management and technology
- Health, safety and wellbeing
- Legal and compliance
- Emergency management
- Human resources

The team also leads strategic initiatives such as business planning, risk management and performance reporting and plays a key role in enabling Council's long-term planning and operational delivery.

### Achievements and Progress (July 2024 – June 2025)

This year we have improved our support to the organisation that serves our community in the following ways:

- Supported the development and adoption of the Long-Term Plan for 2025-34.
- Implemented improved financial modelling and reporting tools to make planning and reporting more effective and efficient.
- Implemented a new payroll and HR information systems to improve compliance, efficiency, and to enhance the overall employee experience.
- Implemented a new community engagement and consultation platform (Engagement HQ) to support the community feedback experience, improve consistency across our engagements, and enhance reporting and analysis.
- Implemented a MEF - Māori Engagement Framework to support staff and lift cultural capability, increase understanding of council obligations and principles of Te Tiriti o Waitangi and improves relationships with hapū, whānau and iwi.
- Completed network segmentation and server migration, leading to improvements in the resilience and security of our systems

- Led the options work for corporate building to tackle long-term health and safety issues, resulting in agreed path forward, funding and start on site

### **Feedback from residents**

The 2025 Residents' Survey highlighted the importance of customer service and communication:

- Customer engagement: 60% of respondents who interacted with Council were satisfied with how their enquiry was handled and 80% found the process convenient.
- Communication channels: Email and social media remain the most preferred ways to receive information, with increasing use of the SWDC website and quarterly newsletters.
- Information clarity: Residents asked for clearer, more concise updates, especially around rates and infrastructure spending.

### ***Resident comments***

- "Just the facts would be nice."
- "We want clear details on where the money is actually going."
- "Don't assume everyone is on Facebook. We need broader, more inclusive communication — especially for rural ratepayers."

These comments reinforce the need for continued focus on transparency, accessibility and responsiveness in Council communications and service delivery.

### How we performed

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
People are prepared for a civil defence emergency	Rate Payers and residents prepared for an emergency	85%	86%	75%	Customer Survey	Improved	Achieved
	Regional Civil Defence Emergency Annual Plan achieved	Yes	Yes	Yes	WREMO records	Unchanged	Achieved
Council's processes and decision- making is open and transparent	Official information requests are handled within statutory timeframes	90%	99.5%	100%	Council Records	Improved	Not Achieved: Streamlining of internal processes has enabled greater capability in this area. This work will continue.
	Reduction in complaints received about council communications	n/a	n/a	Further 10% reduction	Number of upheld complaints	Unknown	Currently there is no mechanism to define and collect this information.



Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Council website is effective in supporting self-service	Customers use the website	12.6% decrease	23.45% increase	Further 10% increase	Website data for bounce rates and return visitors	Improved	Achieved: There was a large increase in users on the website compared to the previous year. This is part due to a spike of visits from overseas over one weekend in March, which has skewed this figure. This data does not include the users to Council's new engagement platform, launched in January. This user traffic will be incorporated into our analytics platform for future reporting.
	Enquiries via email and phone are reduced	n/a	n/a	Further 10% reduction	Council records	Unknown	Currently there is no mechanism to record this impact. Anecdotally, the enquires team use the website extensively in their work and rely on referring people to information available there.

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Council website is effective in supporting self-service	Customer use of self-service tools	n/a	n/a	Further 10% increase	Website data for rates users	Unknown	Although this information is currently not recorded, we are actively looking at ways to enable our community to self-service Council services where possible.

## Funding Impact Statement for the Year Ended 30 June 2025 – Finance & Corporate Support

30 June 2024 Annual Report \$000		30 June 2024 Long Term Plan \$000	30 June 2025 Long Term Plan \$000	30 June 2025 Annual Report \$000
<b>Sources of Operating Funding</b>				
	- General rates, uniform annual general charges, rates penalties	446	448	-
	- Targeted rates	-	-	-
	- Subsidies and grants for operating purposes	-	-	-
	- Fees and charges	-	-	-
	- Interest and dividends from investments	-	-	-
	- Local authorities fuel tax, fines, infringement fees and other receipts	-	-	73
3,803	Internal charges and overheads recovered	3,330	3,347	4,693
<b>3,803</b>	<b>Sources of Operating Funding</b>	<b>3,776</b>	<b>3,795</b>	<b>4,766</b>
<b>Applications of Operating Funding</b>				
3,593	Payments to staff and suppliers	3,187	3,177	4,510
28	Finance costs	-	-	39
	- Other operating funding applications	-	-	-
<b>3,622</b>	<b>Applications of Operating Funding</b>	<b>3,187</b>	<b>3,177</b>	<b>4,549</b>
<b>181</b>	<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>589</b>	<b>618</b>	<b>218</b>
<b>Sources of Capital Funding</b>				
	- Subsidies and grants for capital expenditure	-	-	-
	- Development and financial contributions	-	-	-
	- Increase (decrease) in debt	-	(1,500)	24
	- Gross proceeds from sale of assets	-	-	-
	- Lump sum contributions	-	-	-
	- Other dedicated capital funding	-	-	-
	<b>Sources of Capital Funding</b>	<b>-</b>	<b>(1,500)</b>	<b>24</b>
<b>Application of Capital Funding</b>				
	Capital expenditure:			
	- to meet additional demand	-	-	-
	- to improve the level of service	-	-	-
132	- to replace existing assets	205	209	214
49	Increase (decrease) in reserves	383	(1,091)	28
<b>181</b>	<b>Application of Capital Funding</b>	<b>589</b>	<b>(882)</b>	<b>242</b>
<b>(181)</b>	<b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>	<b>(589)</b>	<b>(618)</b>	<b>(218)</b>
	<b>Funding balance (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Governance

### Our Purpose and Goals

Governance provides the leadership, advocacy and decision-making framework for Council. It includes the Mayor, elected councillors, three community boards (Greytown, Featherston and Martinborough), the Māori Standing Committee and the Pou Māori role. Through this structure, Council aims to represent the community fairly, make transparent decisions and encourage public participation in shaping the district's future.

### How we deliver this

Council operates through formal meetings, committees and community boards. We engage with residents through consultations, hearings and public forums. Our governance activity also includes policy development, representation reviews, ceremonial functions and collaboration with iwi and hapū through the Māori Standing Committee and Pou Māori.

### Achievements and Progress (July 2024 – June 2025)

#### *Consultation*

This year was one of extensive consultation and review. We asked our residents to provide feedback through consultation on:

- Representation: Finalised by the Local Government Commission, this review confirmed the addition of a Māori Ward (Te Karu o Te Ika a Māui) and the establishment of a Rural & Coastal Advisory Group. These changes strengthen representation and inclusion across the district.
- Long-Term Plan Consultation: Council received over 800 submissions and letters. Key decisions included retaining the current funding model for town-based services, refining rating definitions, maintaining our existing level of water operations and fully funding roading and footpath projects.

#### *Policy Review*

We also continued our review of key policies. Council adopted several new and reviewed key policies including:

- Artificial Intelligence Policy
- Delegations Policy
- Remuneration Policy
- Proactive Release Policy (to improve transparency)
- Revenue and Financing Policy
- Remission of Rates Policy
- Financial Contributions Policy

#### *Community Advocacy*

Our Community Boards successfully secured local improvements, such as:

- Fencing for Waihinga Playground in Martinborough
- Greenspace funding in Featherston
- Arbor Reserve beautification in Greytown

Our Māori Standing Committee and Pou Māori continued to provide cultural leadership, advice and advocacy. Their contributions were central to the Representation Review and to strengthening Council's engagement with tangata whenua.

### **Feedback from residents**

The 2025 Residents' Survey showed mixed but improving perceptions of Council's governance. Key findings include:

- **Accessibility:** 45% of respondents said it was easy to contact elected members and 60% felt their engagement with Council was satisfactory.
- **Participation:** 35% felt they had adequate opportunities to have a say in Council activities, with older residents reporting higher satisfaction.
- **Transparency and Trust:** Only 22% of respondents rated Council's transparency positively, a slight decline from 24% the previous year. This indicates an ongoing need to improve how decisions are communicated and how information is shared with the public.
- **Leadership:** 28% rated Council's leadership and performance as good or excellent, up from 14% in 2024.

These insights reflect both the challenges, and the progress made in building trust and improving governance practices.

## How we performed

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Council supports and enables good decision making resulting in decisions that are transparent, robust, fair and legally compliant	Meetings and committee agendas are made available to the public within statutory timeframes (2 working days prior to meetings)	100%	98%	100%	Council records	Declined	Not Achieved: The decrease in results was from one agenda missing the legislative deadline. Note this KPI does not include extraordinary meetings.
	Meetings and committee agendas made available to the public 3 working days prior to meetings	75%	85%	90%	Council records	Improved	Not Achieved: Use of internal automation tools has helped to streamline processes and create more timely agendas. This work will continue over the next year.
	Residents who agree that there are adequate opportunities to participate in decision-making	27%	30%	80%	Customer Survey	Improved	Not Achieved: Over the last few years there have been small and steady increases, however, this is still far from the target.

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Council provides opportunity for community engagement	Residents who agree that there are adequate opportunities to have their say in Council activities	34%	35%	80%	Customer Survey	Improved	Not Achieved: This year, the proportion of respondents who agreed with this statement has remained similar to that of 2024. Work still needs to be done in this area to reach the target.
The community has confidence in the quality of democracy and representation provided by elected members	Residents are satisfied with the accessibility of the Mayor and Councillors	28%	32%	80%	Customer Survey	Improved	Not Achieved: The results have reversed the decline seen in 2024. This is still far from the target and work continues.
	Residents are satisfied with the advocacy and leadership of the Mayor and Councillors	18%	22%	80%	Customer Survey	Improved	Not Achieved: This year sees a slight increase in overall satisfaction.
	Residents who agree that the community board effectively advocates on behalf of their community	43%	42%	80%	Measured by ward via Customer Survey	Declined	Not Achieved: This result remains consistent.

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Council works in partnership with Māori and mana whenua.	Mana Whenua are satisfied with their relationships with Council	35%	27%	80%	Customer Survey	Declined	Not Achieved: Work is currently underway for formalised mana whenua partners including relationship with PSGE & Moana Statutory Board.
	Residents who feel that Māori Culture and te reo is appropriately recognised and visible in the district.	46%	43%	80%	Customer Survey	Declined	Not Achieved: The result declined slightly from 46% to 43%, indicating a need for Council to strengthen how Māori culture and te reo are recognised and made visible across the district.
	Mana whenua partners agree that the use and protection of the district's resources for the future is appropriate.	n/a	n/a	80%	Customer Survey	Unknown	No question was asked in the survey to enable us to measure this
Council Provides effective planning and monitoring of performance.	The Annual Plan and the Long-Term Plan are adopted within Statutory timeframes	100%	100%	100%	Council Records	Unchanged	Achieved: The Enhanced Annual Plan for 2024/25 and the Long-Term Plan for 2025-34 were both adopted on time..
	Council Strategies, policies and regulatory instruments are current	54%	57%	100%	Council Records	Improved	Not achieved: Slight improvement but still well below target due to resourcing.



## Funding Impact Statement for the Year Ended 30 June 2025 – Governance

30 June 2024 Annual Report \$000		30 June 2024 Long Term Plan \$000	30 June 2025 Long Term Plan \$000	30 June 2025 Annual Report \$000
<b>Sources of Operating Funding</b>				
2,624	General rates, uniform annual general charges, rates penalties	2,356	2,360	2,167
-	- Targeted rates	-	-	-
93	Subsidies and grants for operating purposes	-	-	-
-	- Fees and charges	-	-	-
38	Interest and dividends from investments	16	12	18
29	Local authorities fuel tax, fines, infringement fees and other receipts	7	7	2
<b>2,784</b>	<b>Sources of Operating Funding</b>	<b>2,379</b>	<b>2,379</b>	<b>2,188</b>
<b>Applications of Operating Funding</b>				
1,316	Payments to staff and suppliers	1,358	1,343	1,523
-	- Finance costs	-	-	-
885	Internal charges and overheads applied	805	824	396
-	- Other operating funding applications	-	-	-
<b>2,202</b>	<b>Applications of Operating Funding</b>	<b>2,163</b>	<b>2,166</b>	<b>1,919</b>
<b>582</b>	<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>216</b>	<b>212</b>	<b>269</b>
<b>Sources of Capital Funding</b>				
-	- Subsidies and grants for capital expenditure	-	-	-
-	- Development and financial contributions	-	-	-
(74)	Increase (decrease) in debt	-	-	(19)
-	- Gross proceeds from sale of assets	-	-	-
-	- Lump sum contributions	-	-	-
-	- Other dedicated capital funding	-	-	-
<b>(74)</b>	<b>Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>(19)</b>
<b>Application of Capital Funding</b>				
	Capital expenditure:			
-	- to meet additional demand	-	-	-
-	- to improve the level of service	136	160	2
-	- to replace existing assets	209	-	-
508	Increase (decrease) in reserves	(129)	52	248
<b>508</b>	<b>Application of Capital Funding</b>	<b>216</b>	<b>212</b>	<b>250</b>
<b>(582)</b>	<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>(216)</b>	<b>(212)</b>	<b>(269)</b>
-	<b>Funding balance (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Land Transport

### Our Purpose and Goals

The Land Transport activity ensures the safe and efficient movement of people and goods across the district. It includes the maintenance and renewal of roads, bridges, footpaths, streetlights and associated infrastructure. A reliable transport network is essential for social connection, economic activity and access to services. Council aims to provide a network that meets current needs and is resilient to future demands.

### How we deliver this

South Wairarapa District Council manages a network of over 670 km of roads, including sealed and unsealed surfaces. Maintenance and renewals are delivered through the Ruamāhanga Roads contract, a joint initiative with Carterton District Council. This partnership aims to improve efficiency, consistency and value for money. Funding support is provided through the National Land Transport Programme via Waka Kotahi NZ Transport Agency.

### Achievements and Progress (July 2024 – June 2025)

#### *Network Maintenance and Renewals*

- Annual maintenance spend of approximately \$7.3 million, including co-funding from Waka Kotahi.
- Resurfacing: 22.1 km of sealed roads were resurfaced, representing 5.4% of the sealed network.
- Pavement renewals: 2.56km of pavement upgrades.
- Bridge replacement completed at Pahautea Road.
- Storm recovery: Ongoing repairs following Cyclone Gabrielle are being made at White Rock Road and Lake Ferry. All emergency works funding related to cyclones Hale and Gabrielle were successfully invested in repairs.

#### *Asset Overview*

Council maintains:

- 407.6 km of sealed roads
- 263.6 km of unsealed roads
- 844 sumps and catch pits
- 2,626 culverts (31.828 km length)
- 96.942km of concrete channels
- 658.449km of unlined surface water channels
- 4,335 signs
- 915 streetlights
- 65.156km of footpaths
- 140 bridges and bridge culverts

## Feedback from residents

The 2025 Residents' Survey highlighted both appreciation of and concern for the district's transport network:

- Urban roads: Satisfaction increased to 40% with Martinborough residents reporting the highest approval.
- Footpaths: Satisfaction held steady at 36% with ongoing concerns about safety and accessibility.
- Rural roads: Satisfaction remained low at 28% with frequent comments about potholes, narrow roads and inconsistent maintenance.

### *Resident comments*

"The roads disintegrate easily with early potholes on the rural roads – they get filled then three weeks later are back to being very dangerous."

"Some rural roads with high traffic are too narrow – I already have burst two tyres being forced off and into potholes."

"Cyclists and scooters on footpaths – dangerous. Who is liable when a cyclist crashes into a car moving from a driveway?"

These comments reinforce the need for continued investment in road safety, proactive maintenance, and improved infrastructure planning. In recognition of this, as part of the 2025-34 Long-Term Plan process, Council made the decision to fully fund the Low Cost Low Risk programme, which focuses on targeted improvements to safety, accessibility and resilience across the network. Additional funding was secured for the next two years, enabling Council to accelerate upgrades to footpaths, signage and minor safety works. These investments respond directly to community feedback and will help improve satisfaction with the transport network over time.

## How we performed

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
The roads are maintained to ensure that they are safe and comfortable to travel on.	Using the RAMM measurement system, average smooth travel exposure on urban roads to be 85% and rural roads 95% with maximum variation of 5%	97% overall 94% urban 98% rural	97% overall <sup>1</sup> (92% urban 98% rural)	95% overall	Council records	Relatively unchanged	Achieved
	Ratepayers and residents fairly/very satisfied with the roads.	30% overall 34% urban 25% rural	34% overall 40% urban 28% rural	85% overall	Customer Survey	Improved	Not Achieved: This year's satisfied result is slightly higher than last year's, although well below target. SWDC continues to consult with the community on roading spend and defining the acceptable level of service.
	Change in number of fatalities and serious injury crashes on the local network from previous year	No change (6 incidents in 2023/24 and 6 in 2022/23)	Increased by 4 (10 in 2024/25 and 6 in 2023/24)	Less than 7	NZTA Records	Declined	Achieved: Increase in the number of fatalities and serious injury was within the target. Speed Management review is currently in place to help reduce incidents.

<sup>1</sup> Note: Waka Kotahi NZTA have identified that this measurement is based on best information available at 30 June 2025 but subsequently identified that the calculation included some invalid data. This is not unique to SWDC and the impact on the overall result has been determined to be very minor.

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
The roads are maintained to ensure that they are safe and comfortable to travel on.	5% of sealed roads are resealed each year subject to availability of NZTA subsidy.	4.02% resealed	5.41% resealed	At least 5%	Council records	Improved	Achieved
	The pavement condition index as measured by the NZTA pavement integrity index.	97%	94.5%	95%	NZTA	Declined	Not Achieved: Pavement conditions are just under target. SWDC has had an increase in funding from NZTA that will impact pavement improvements going forward.

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Footpaths can be safely used to get around town.	Ratepayers and residents are satisfied with footpaths in the district.	35%	36%	75%	Customer survey	Improved	Not achieved: The results for 2025 were similar to those from 2024.
	Availability of footpaths on at least one side of the road down the whole street (urban)	76%	82%	90%	Council records	Improved	Not Achieved: Increase, however target still not met. Additional funding has been approved for infill footpaths.
	Footpath condition rating 95% compliant with SWDC AMP standards	98%	98%	95%	Council records	Unchanged	Achieved
	The % of customer service requests relating to roads and footpaths responded to within 48 hours	71%	n/a	95%	Council records	No longer recorded	A change in internal practices means his record is no longer recorded. Work is currently underway to address this issue and improve customer response time in general.
	Meet enhanced annual plan footpath targets.	n/a	Survey completed so target met.	Yes, the target was to complete the survey every two years.	Council records		Achieved: 2 yearly footpath condition survey undertaken August 2024

## Funding Impact Statement for the Year Ended 30 June 2025 – Land Transport

30 June 2024 Annual Report \$000		30 June 2024 Long Term Plan \$000	30 June 2025 Long Term Plan \$000	30 June 2025 Annual Report \$000
<b>Sources of Operating Funding</b>				
5,022	General rates, uniform annual general charges, rates penalties	4,055	4,758	965
-	- Targeted rates	-	-	4,236
3,296	Subsidies and grants for operating purposes	1,631	1,659	4,164
53	Fees and charges	-	-	50
120	Interest and dividends from investments	49	38	79
621	Local authorities fuel tax, fines, infringement fees and other receipts	154	158	930
<b>9,112</b>	<b>Sources of Operating Funding</b>	<b>5,889</b>	<b>6,612</b>	<b>10,423</b>
<b>Applications of Operating Funding</b>				
6,216	Payments to staff and suppliers	3,507	3,989	7,422
66	Finance costs	37	37	62
535	Internal charges and overheads applied	334	339	765
-	- Other operating funding applications	-	-	-
<b>6,818</b>	<b>Applications of Operating Funding</b>	<b>3,878</b>	<b>4,365</b>	<b>8,248</b>
<b>2,294</b>	<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>2,010</b>	<b>2,247</b>	<b>2,175</b>
<b>Sources of Capital Funding</b>				
2,852	Subsidies and grants for capital expenditure	2,118	1,772	1,742
-	- Development and financial contributions	-	-	329
(232)	Increase (decrease) in debt	-	(1,082)	196
-	- Gross proceeds from sale of assets	-	-	-
401	Lump sum contributions	439	452	-
-	- Other dedicated capital funding	-	-	-
<b>3,021</b>	<b>Sources of Capital Funding</b>	<b>2,558</b>	<b>1,142</b>	<b>2,267</b>
<b>Application of Capital Funding</b>				
	Capital expenditure:			
-	- to meet additional demand	419	427	-
1,809	- to improve the level of service	1,164	1,166	546
3,125	- to replace existing assets	2,001	2,622	3,524
381	Increase (decrease) in reserves	984	(825)	371
<b>5,315</b>	<b>Application of Capital Funding</b>	<b>4,568</b>	<b>3,390</b>	<b>4,442</b>
<b>(2,294)</b>	<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>(2,010)</b>	<b>(2,247)</b>	<b>(2,175)</b>
-	<b>Funding balance (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Planning & Regulatory Services

### Our Purpose and Goals

Planning and Regulatory Services promote the sustainable management of South Wairarapa's natural and built environment. This activity ensures that land use and development are well-managed, public health and safety are protected and the district grows in a way that reflects community values and national standards.

Our goals are to:

- Administer the Resource Management Act and the Wairarapa Combined District Plan.
- Support future growth through integrated land use planning.
- Protect public safety and wellbeing through regulatory enforcement.
- Engage with the community and partner agencies to improve outcomes.

### How we deliver this

The team delivers services across planning, building control, alcohol licensing, environmental health, animal control and bylaw enforcement. It also supports strategic planning through the South Wairarapa Spatial Plan and master planning work. Regulatory services are delivered in accordance with national legislation and local bylaws, with a focus on education, compliance and community engagement.

### Achievements and Progress (July 2024 – June 2025)

#### *Wairarapa Combined District Plan Review*

The review of the Wairarapa Combined District Plan (WCDP) progressed significantly this year. Hearings continued through to late May 2025, led by an independent panel chaired by independent chairperson, resource management consultant and planning commissioner David McMahon. The review covered the full scope of the Operative District Plan, as required every 10 years and aligned with the National Planning Standards.

Key focus areas included:

- Provision for future urban zones to support residential growth.
- Updated rules for rural subdivision to protect versatile soils.
- Heritage site and landscape protections.
- Natural hazard and climate resilience provisions.
- Re-zoning requests and designation reviews.

The final hearing was held on 26 May 2025, with decisions expected to be notified by September 2025.

#### *Other Highlights*

- Provided planning input into the Wairarapa Consolidated Bylaw Review, working closely with Governance.
- Strengthened partnerships under the Sale and Supply of Alcohol Act 2012, supporting strategies to reduce alcohol-related harm.



## **Feedback from residents**

While Planning and Regulatory Services were not a specific focus in the 2025 Residents' Survey, related themes emerged in comments about growth, safety and enforcement:

- Residents expressed interest in better planning for growth and infrastructure.
- Concerns were raised about the visibility and enforcement of bylaws, particularly around dogs and alcohol-related behaviour.
- There was support for more proactive communication and education around regulatory responsibilities.

These insights reinforce the importance of transparent planning processes, community engagement and consistent enforcement.

## How we performed

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
All resource consents will be processed efficiently	Consent applications completed within statutory timeframes	99%	99.15%	100%	Council Records	Unchanged	Not achieved: 113 resource consent application were processed this year. All but 1 consent was completed within statutory timeframes.
	s.223* certificates issues within 10 working days	100%	98%	100%	Council Records	Declined	Not achieved. All but one s223 was issued within 10 working days due to staff shortages
	s.224* certificates issues within 15 working days of receiving all required information (note no statutory requirement)	100%	100%	95%	Council Records	Unchanged	Achieved
Council has a District Plan that provides certainty of land-use/environmental outcomes	Ratepayers and residents satisfied with the image of the closest town centre shown as “satisfied”	64%	64%	80%	Customer Survey	Unchanged	Not Achieved: Work on the Featherson Masterplan should help to improve satisfaction over time.
	The District Plan has a monitoring programme that provides information on the achievements of its outcomes (AERs)	Yes	Yes	Yes	Council Records	Unchanged	Achieved: Complaints are filed and can be used to track effective compliance monitoring against legislative requirements.

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
It is easy to purchase information on any property in the district.	LIMs contain all relevant accurate information (no proven complaints).	100%	Yes	100%	Council Records	Unchanged	Achieved: Council has ensured the relevancy of accuracy of LIMs
	Non-urgent LIMs are processed within 10 days.	100%	Yes	100%	Council Records	Unchanged	Achieved: All LIMs have been completed with relevant timeframes
Food services	Premises have appropriate FMP in place and meet the risk-based standards set out in the plan.	100%	100%	100%	Council inspection records	Unchanged	Achieved
	Premises are inspected in accord with regulatory requirements.	100%	100%	100%	Council inspection records	Unchanged	Achieved
The Council will respond when I need some help with noise control	Percentage of calls received by Council that have been responded to within 1.5hrs	100%	100%	100%	Council inspection records	Unchanged	Achieved

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
The sale and supply of alcohol is controlled.	Premises are inspected as part of licence renewals or applications for new licences.	100%	100%	100%	Council inspection records	Unchanged	Achieved. Inspections were conducted at 58 premises prior to the issuance of licences.
	Premises that are high or medium risk are inspected annually, while low risk premises are audited no less than once every three years	100%	100% high risk (annual) 48% medium risk (annual) 100% low risk (triennial)	100%	Council records	Unchanged	Not Achieved: The overall audit target for the financial year was not fully achieved. Of the 40 medium-risk premises identified, 19 were audited during the reporting period.
	Compliance activities are undertaken generally in accord with the Combined Licencing Enforcement Agencies agreement.	0	0	100%	CLEG agreement and Council records. (CLEG no longer exists, so cannot meet this measure)	Unchanged: The KPI for 2024/25 was not met, as it was based on an agreement that is no longer in effect.	Council conducted 34 compliance activities during the year, 19 of which were in collaboration with New Zealand Police and the Ministry of Health, fulfilling its duty to collaborate under Section 295 of the Act.

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Dogs don't wander freely in the street or cause menace to or harm humans or stock.	Undertake public education, school and community visits to promote safe behaviour around dogs and/or responsible dog ownership.	0	67% (2 visits)	100% (3 visits)	Council records	Improved	Achieved: Council staff attended two community events during the reporting period to support public engagement and awareness. Council plans to participate in similar events throughout the 2025/26 year to continue fostering community connections.
	Complaints about roaming and nuisance dogs are responded to within 4 hours	100%	100%	100%	Council records	Unchanged	Achieved
	Complaints about dog attacks on person or stock are responded to within one hour	100%	100%	100%	Council records	Unchanged	Achieved. All 16 complaints of dog attacks were responded to within 1 hour.
Stock don't wander on roads; farmers are aware of their responsibilities	Stock causing a traffic hazard is responded to within one hour	100%	100%	100%	Council records	unchanged	Achieved. All 11 reports of wandering stock were responded to within one hour.

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
The Council processes, inspects and certifies building work in my district	Council maintains its processes so that it meets BCA accreditation every two years.	Yes	Yes	Yes	Building Consent Authority	Unchanged	Achieved
	Council inspects new building works to ensure compliance with the BC issued for the work, BWOFS and swimming pools.	Yes	Yes	Yes	Building Consent Authority	Unchanged	Achieved
	Earthquake prone buildings reports received and actioned	100%	100%	100%	Council records	Unchanged	Achieved No reports required, no reports received
Council certified all consent work complies with the building code – ensuring our communities are safe	Code Compliance Certificate applications are processed within 20 working days	98%	99%	100%	Council records	Improved	Not Achieved - 392 CCC's processed with 389 being within 20 working days
	Building consent applications are processed within 20 working days	98%	98%	100%	Council records	Unchanged	Not Achieved 337 consents processed with 329 being within 20 working days

## Funding Impact Statement for the Year Ended 30 June 2025 – Planning & Regulatory Services

30 June 2024 Annual Report \$000		30 June 2024 Long Term Plan \$000	30 June 2025 Long Term Plan \$000	30 June 2025 Annual Report \$000
<b>Sources of Operating Funding</b>				
2,108	General rates, uniform annual general charges, rates penalties	1,572	1,586	2,390
-	- Targeted rates	-	-	-
1,590	Subsidies and grants for operating purposes	-	-	-
44	Fees and charges	1,773	1,825	1,565
93	Interest and dividends from investments	18	14	31
-	- Local authorities fuel tax, fines, infringement fees and other receipts	43	44	41
<b>3,835</b>	<b>Sources of Operating Funding</b>	<b>3,407</b>	<b>3,469</b>	<b>4,027</b>
<b>Applications of Operating Funding</b>				
3,825	Payments to staff and suppliers	2,812	2,813	3,325
29	Finance costs	6	6	28
636	Internal charges and overheads applied	465	467	1,114
-	- Other operating funding applications	-	-	-
<b>4,491</b>	<b>Applications of Operating Funding</b>	<b>3,282</b>	<b>3,286</b>	<b>4,467</b>
<b>(656)</b>	<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>125</b>	<b>183</b>	<b>(440)</b>
<b>Sources of Capital Funding</b>				
-	- Subsidies and grants for capital expenditure	-	-	-
383	Development and financial contributions	595	608	296
(86)	Increase (decrease) in debt	-	-	(20)
-	- Gross proceeds from sale of assets	-	-	-
-	- Lump sum contributions	-	-	-
-	- Other dedicated capital funding	-	-	-
<b>296</b>	<b>Sources of Capital Funding</b>	<b>595</b>	<b>608</b>	<b>276</b>
<b>Application of Capital Funding</b>				
	Capital expenditure:			
-	- to meet additional demand	-	-	-
(233)	- to improve the level of service	1	-	-
(452)	- to replace existing assets	4	4	-
326	Increase (decrease) in reserves	715	787	(164)
<b>(359)</b>	<b>Application of Capital Funding</b>	<b>720</b>	<b>791</b>	<b>(164)</b>
<b>656</b>	<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>(125)</b>	<b>(183)</b>	<b>440</b>
-	<b>Funding balance (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Stormwater

### Our Purpose and Goals

Stormwater management is essential to protect people, property and the environment from flooding and water contamination. Council is responsible for identifying where public stormwater services are needed and either providing them directly or overseeing their provision by others.

Our goals are to:

- Reduce the risk of flooding in urban areas.
- Protect water quality and public health.
- Maintain and upgrade stormwater infrastructure.
- Plan for future growth and climate resilience.

### How we deliver this

Council owns and maintains stormwater pipes and drains in urban areas. We invest in preventative maintenance, asset condition assessments and hydraulic modelling to inform future upgrades and ensure the network performs effectively during heavy rainfall events.

### Achievements and Progress (July 2024 – June 2025)

Minor maintenance and refurbishment work was carried out on the stormwater system in Greytown. Council also received updated flood hazard modelling advice for Featherston from Greater Wellington Regional Council, which will help inform future planning and investment.

### Feedback from residents

The 2025 Residents' Survey showed that satisfaction with stormwater services remains low, with only 22% of respondents satisfied with how well roads and pavements are kept free from flooding. Key concerns include blocked drains, surface flooding and the impact of heavy rain events on roads and footpaths.

"The flooding around schools and the medical centre must improve."

These comments highlight the importance of proactive maintenance, clear communication and long-term investment in stormwater infrastructure.



## How we performed

Service Level	Key Performance Indicators <sup>2</sup>	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Stormwater drains are well operated and maintained by the Council.	Percentage of ratepayers and residents satisfied with stormwater drains.	24%	22%	60%	Customer Survey	Declined	Not Achieved: Remain relatively unchanged and below target.
	Percentage of urgent (any blockage causing extensive flooding of buildings or other serious flooding) requested for service responded to within 5 hours.	N/A	N/A	95%	Council Records	Unchanged	There were no flooding events
	Number of flooding events	N/A	N/A	0	Council Records	Unchanged	There were no flooding events
	Number of habitable floors affected per flooding event per 1000 properties connected	N/A	N/A	0	Council Records	Unchanged	There were no flooding events
	Median response time to flooding events (notification to personnel reaching site in hrs)	N/A	N/A	<3 hours	Council Records	Unchanged	There were no flooding events
	Number of complaints about stormwater per 1000 properties connected	N/A	1.8 per 1,000	0	Council Records	New measure	There were no flooding events, but 7 issues were referred due to blockages in stormwater.

<sup>2</sup> Note These performance measures are mandatory as directed by the Department of Internal Affairs (DIA) Non-Financial Performance Measures Rules 2004

Service Level	Key Performance Indicators <sup>3</sup>	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Consent compliance	Number of abatements notices	0	0	0	Council Records	Unchanged	SWDC did not have any stormwater consents for the 2024/25 year.
	Number of infringement notices	0	0	0	Council Records	Unchanged	
	Number of enforcement notices	0	0	0	Council Records	Unchanged	
	Number of convictions	0	0	0	Council Records	Unchanged	
	Number of successful prosecutions in relation to the resource consent for discharge from stormwater systems.	0	0	0	Council Records	Unchanged	

<sup>3</sup> Note These performance measures are mandatory as directed by the Department of Internal Affairs (DIA) Non-Financial Performance Measures Rules 2004

## Funding Impact Statement for the Year Ended 30 June 2025 – Stormwater

30 June 2024 Annual Report \$000		30 June 2024 Long Term Plan \$000	30 June 2025 Long Term Plan \$000	30 June 2025 Annual Report \$000
<b>Sources of Operating Funding</b>				
461	General rates, uniform annual general charges, rates penalties	433	522	86
-	Targeted rates	-	-	786
-	Subsidies and grants for operating purposes	-	-	14
-	Fees and charges	-	-	-
10	Interest and dividends from investments	4	3	9
2	Local authorities fuel tax, fines, infringement fees and other receipts	2	2	1
<b>473</b>	<b>Sources of Operating Funding</b>	<b>439</b>	<b>527</b>	<b>897</b>
<b>Applications of Operating Funding</b>				
264	Payments to staff and suppliers	246	255	286
-	Finance costs	26	26	-
49	Internal charges and overheads applied	39	40	75
-	Other operating funding applications	-	-	-
<b>313</b>	<b>Applications of Operating Funding</b>	<b>311</b>	<b>322</b>	<b>360</b>
<b>160</b>	<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>128</b>	<b>206</b>	<b>537</b>
<b>Sources of Capital Funding</b>				
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
(20)	Increase (decrease) in debt	-	-	(5)
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
<b>(20)</b>	<b>Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>(5)</b>
<b>Application of Capital Funding</b>				
	Capital expenditure:			
-	- to meet additional demand	-	12	-
-	- to improve the level of service	1,052	-	-
78	- to replace existing assets	-	-	41
63	Increase (decrease) in reserves	(924)	194	490
<b>140</b>	<b>Application of Capital Funding</b>	<b>128</b>	<b>206</b>	<b>532</b>
<b>(160)</b>	<b>SURPLUS / DEFICIT OF CAPITAL FUNDING</b>	<b>(128)</b>	<b>(206)</b>	<b>(537)</b>
-	<b>Funding balance (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Wastewater

### Our Purpose and Goals

Council provides wastewater services to urban areas in the district, including Featherston, Greytown, Martinborough and Lake Ferry. These services are essential for protecting public health and the environment. Council is responsible for identifying where wastewater services are needed and either providing them directly or overseeing their provision.

Our goals are to:

- Safely collect, treat and dispose of wastewater.
- Protect public health and water quality.
- Maintain and upgrade treatment plants and pipe networks.
- Plan for future growth and environmental compliance.

### How we deliver this

Council owns and operates four wastewater treatment plants and 12 pump stations, supported by underground pipe networks. We work with Wellington Water and other partners to manage operations, ensure compliance with environmental standards and plan for future upgrades.

### Achievements and Progress (July 2024 – June 2025)

We completed desludging work at the Martinborough Wastewater Treatment Plant (MWWTP) with contractors removing over 660 tonnes of sludge, which have been placed in geotextile bags to dry out. When testing confirms they are ready, the dried material will be safely disposed of. The pond will now settle before its new performance is measured. Glasgow Contractors spent four months working on-site and have now packed up to prepare to begin desludging at the Greytown Wastewater Treatment Plant (GWWTP) later this year. Timing has yet to be confirmed.

Greater Wellington Regional Council (GWRC) lifted the abatement notice at the MWWTP in July 2025, following work completed in the 2024/25 year, and both councils will meet to discuss the next steps. Desludging does not increase plant capacity, but it was a crucial step to improve operations, meet compliance requirements and reduce environmental and public health risks. Options are being explored to increase capacity, with funding allocated in the 2025-34 Long-Term Plan.

### Feedback from residents

The 2025 Residents' Survey showed moderate satisfaction with wastewater services:

- Reliability: 73% of respondents were satisfied with the reliability of the wastewater system.
- Overall Satisfaction: 62% were satisfied overall, a slight decline from 65% in the previous year.

### Resident comments

- "The wastewater issues and not being able to have any new connections is a disaster... it's a shame that this isn't fixed yet."
- "We pay a lot of money for not much service... fix the pipes, this is a basic need."

These comments highlight the importance of future-proofing the network and improving communication around service delivery and infrastructure planning. They also reflect ongoing community concern about the impacts of historic underinvestment in core infrastructure.

## How we performed

Service Level	Key Performance Indicators <sup>4</sup>	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Council Provides Wastewater Services that effectively collect and dispose of wastewater	Number of blockages per 1000 connections	15.4	20.7	<10	Council Records	increase	Not Achieved: It is not unusual for sewerage pipes to block because of root intrusion or foreign objects (such as wet wipes) being introduced into the system.
	Ratepayers and residents' satisfaction with wastewater services	68%	62%	70%	Customer Survey	Decrease	Not Achieved
	Number of dry weather sewerage overflows per 1000 connections	1.1	1.5	Less than 10	Breach of consent	Relatively unchanged	Achieved
	Attendance time: from notification to arrival onsite: <ul style="list-style-type: none"> <li>In less than 1 hour</li> <li>Median response time</li> </ul>	39% Median time 65 mins	53% Median time 62 mins	85% Median time under 1 hour	Council records	Increase	Not Achieved: Improvement but still under target. No Wastewater overflow reported in the final quarter of the year.
	Resolution time: from notification to resolution of fault: <ul style="list-style-type: none"> <li>In less than 4 hours</li> <li>Median resolution time</li> </ul>	60% Median time 3.6 hours	45% Median time 4.6hrs	90% Median time under 4 hours	Council records	Decrease	Not Achieved

<sup>4</sup> Note These performance measures are mandatory as directed by the Department of Internal Affairs (DIA) Non-Financial Performance Measures Rules 2004

Service Level	Key Performance Indicators <sup>5</sup>	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Wastewater disposal does not create any smells, spill or health issues and causes minimal impact on the natural environment	Percentage of resource consent conditions complied with to mainly complying or better <sup>6</sup>	66%	91%	90%	Council Record	Improved	Achieved
	Number of abatement notices	3	1	Less than 2	Council records	Improved	Achieved Abatement notice received for Martinborough WWTP
	Number of infringement notices	0	1	0	Council records	Declined	Not Achieved
	Number of enforcement notices	0	0	0	Council records	Unchanged	Achieved
	Number of convictions	0	0	0	Council records	Unchanged	Achieved
	Total number of complaints received about sewerage odour, sewage system faults, sewerage systems blockages and the response to any of these issues; expressed per 1000 connections	21	26.7	<60	Council Records	Declined	Achieved
	Proportion of urgent wastewater service requests responded to within 6 hours of notification	78%	79%	95%	Council Records	Improved	Not Achieved

<sup>5</sup> Note These performance measures are mandatory as directed by the Department of Internal Affairs (DIA) Non-Financial Performance Measures Rules 2004

<sup>6</sup> This allows for a small number of “technical” non-conformances associated with the myriad of resource consent conditions which may be due to short-term, unplanned impacts on operating conditions, equipment failure etc. The indicator should not be read as an intention to plan for non-compliance.

## Funding Impact Statement for the Year Ended 30 June 2025 – Wastewater

30 June 2024 Annual Report \$000		30 June 2024 Long Term Plan \$000	30 June 2025 Long Term Plan \$000	30 June 2025 Annual Report \$000
<b>Sources of Operating Funding</b>				
-	General rates, uniform annual general charges, rates penalties	-	-	-
3,790	Targeted rates	2,894	3,850	4,324
-	Subsidies and grants for operating purposes	-	-	565
26	Fees and charges	-	-	19
143	Interest and dividends from investments	59	45	50
172	Local authorities fuel tax, fines, infringement fees and other receipts	265	272	5
<b>4,132</b>	<b>Sources of Operating Funding</b>	<b>3,218</b>	<b>4,167</b>	<b>4,963</b>
<b>Applications of Operating Funding</b>				
2,261	Payments to staff and suppliers	1,235	1,789	3,110
575	Finance costs	507	718	585
266	Internal charges and overheads applied	120	133	437
-	Other operating funding applications	-	-	-
<b>3,102</b>	<b>Applications of Operating Funding</b>	<b>1,862</b>	<b>2,641</b>	<b>4,132</b>
<b>1,029</b>	<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>1,355</b>	<b>1,526</b>	<b>831</b>
<b>Sources of Capital Funding</b>				
-	Subsidies and grants for capital expenditure	-	-	-
480	Development and financial contributions	216	222	87
(278)	Increase (decrease) in debt	1,052	7,582	592
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
<b>202</b>	<b>Sources of Capital Funding</b>	<b>1,268</b>	<b>7,804</b>	<b>679</b>
<b>Application of Capital Funding</b>				
	Capital expenditure:			
7	- to meet additional demand	-	2,331	-
2,640	- to improve the level of service	1,736	9,321	1,976
1,702	- to replace existing assets	362	377	1,400
(3,117)	Increase (decrease) in reserves	525	(2,700)	(1,866)
<b>1,231</b>	<b>Application of Capital Funding</b>	<b>2,624</b>	<b>9,330</b>	<b>1,510</b>
<b>(1,029)</b>	<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,355)</b>	<b>(1,526)</b>	<b>(831)</b>
-	<b>Funding balance (A - B) + (C - D)</b>	-	-	-

## Water Supply

### Our Purpose and Goals

Council provides reliable and sustainable drinking water to the towns of Featherston, Greytown, Martinborough and the rural community of Pirinoa. We also manage two water race networks that supply stock water to rural properties. Our responsibilities include ensuring water quality meets national standards and that supply is sufficient for daily use, drought resilience and firefighting.

Our goals are to:

- Provide safe and sufficient drinking water.
- Maintain and upgrade water treatment and distribution infrastructure.
- Support water conservation and demand management.
- Plan for future growth and climate resilience.

### How we deliver this

Water services are delivered through Wellington Water Limited, a Council Controlled Organisation (CCO). Wellington Water operates four water treatment plants and manages the district's reticulated water networks and water races. Council oversees strategic planning, investment and compliance with the Water Services Act 2021.

### Achievements and Progress (July 2024 – June 2025)

The sand filter at the Pirinoa water treatment plant was replaced, and an automated backwash system was installed to improve efficiency. The village's water take consent was also successfully renewed for another 30 years.

The consent application for the Moroa water race was processed, and upgrade designs for the Greytown and Waiohine treatment plants were completed. A contract was awarded to replace a fault-prone section of the water supply to Featherston, with work on all these projects expected to begin by December 2025.

### Feedback from residents

The 2025 Residents' Survey showed strong satisfaction with water services:

- Reliability: 76% of respondents were satisfied with the reliability of the water supply.
- Water Quality: 62% were satisfied with the taste, colour and odour of the water.
- Overall Satisfaction: 62% rated their overall water service positively — the highest result since this measure began being recorded in 2021.

### Resident comments

- "My experience is limited about other districts but I consider the council serves the community very well... Wellington Water has been brilliant."
- "We pay a lot of money for not much service... fix the pipes, this is a basic need."

These comments reflect both appreciation for service reliability and a desire for continued investment in infrastructure and transparency around water management. They also highlight ongoing community concern about historic underinvestment, which Council is now actively working to address.



## How we performed

Service Level	Key Performance Indicators <sup>7</sup>	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
The Water provided is safe to drink	Water Supply Systems comply with Ministry of Health Drinking Water Quality Assurance Rules (DWQAR) - Bacteriological*	Martinborough & Pirinoa complied, Greytown & Featherston did not comply	All four schemes complied.	Yes	Council records	Improved	Achieved
	The extent to which the local authority's drinking water supply complies with the following parts of the drinking water quality assurance rules for each water treatment plant:						
	<ul style="list-style-type: none"> <li>T3 Bacterial Rules (GWRC WTPs) Part H</li> <li>T3 Protozoal Rules (GWRC WTPs) Part I</li> <li>D3 Distribution (Microbiological Monitoring) Rules (Part J)</li> </ul>	N/A	100% (Featherston, Greytown, & Martinborough all compliant)	Featherston, Greytown, Martinborough to comply	Council records	New measures for 2024/25 due to Drinking Water Quality Services Legislation.	Achieved
	<ul style="list-style-type: none"> <li>T1 Treatment Rules (Part A)</li> <li>D3 Distribution (Microbiological Monitoring) Rules (Part B)</li> </ul>	N/A	100% (Pirinoa scheme compliant)	Pirinoa to comply			

<sup>7</sup> Note These performance measures are mandatory as directed by the Department of Internal Affairs (DIA) Non-Financial Performance Measures Rules 2004

Service Level	Key Performance Indicators <sup>8</sup>	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Potable water demand*	The average consumption of drinking water per day per resident within the territorial authority*	583 Litres	571 Litres	Less than 400 litres	Council records	Improved	Not Achieved: A reduction in the annual quota from 350m3 to 250m3 of water provided to all users will hopefully see further reduction in consumption.
Meet customer expectations	Number of complaints about the drinking water odour, clarity, pressure, taste, and continuity of supply, expressed per 1000 connections	18.4 per 1000 connections	19 per 1000 connections	Fewer than 60 per connections	Council records	Declined	Achieved
There is adequate water for urban fire fighting	Fire hydrants tested annually that meet NZ Fire Service Code of Practice	20%	20%	20%	Council records	Unchanged	Achieved
Maintenance of the reticulation network*	The % of real water loss from the local authority's network reticulation system*	42%	47%	<25%	Council records	Declined	Not achieved

<sup>8</sup> Note These performance measures are mandatory as directed by the Department of Internal Affairs (DIA) Non-Financial Performance Measures Rules 2004

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Fault response times where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system.	Ratepayers and residents satisfied with level of service for water.	57%	62%	80%	Customer survey	Improved	Not Achieved: Satisfaction of water services is at its highest level since 2021, although still under target.
	Attendance for urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site <sup>9</sup> <ul style="list-style-type: none"> <li>In less than 1 hour</li> <li>Median time measured</li> </ul>	40% Median time 58 minutes	84% Median time 35 minutes	90% Median time under 1 hour	Council records	Improved	Not Achieved: Increase in the number of callouts responded to within target, and median time achieved target.
	Resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption <sup>10</sup> <ul style="list-style-type: none"> <li>In less than 8 hours</li> <li>Median time measured</li> </ul>	78% Median Time 3.4 hours	79% Median time 1.3 hours	90% Median Time under 8 hours	Council records	Improved	Not Achieved: Increase in the number of urgent callouts resolved within target, and median time achieved target.

<sup>9</sup> Note These performance measures are mandatory as directed by the Department of Internal Affairs (DIA) Non-Financial Performance Measures Rules 2004

<sup>10</sup> Note These performance measures are mandatory as directed by the Department of Internal Affairs (DIA) Non-Financial Performance Measures Rules 2004

Service Level	Key Performance Indicators	2023/24 Results	2024/25 Results	2024/25 Targets	How it is measured	Change from 2023/24	Comments
Fault response times where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system.	Attendance for non-urgent callouts: from the time authority receives notification to the time that service personnel reach the site* <ul style="list-style-type: none"> <li>In less than 2 working days</li> <li>Median response time measured</li> </ul>	48% Median time 3 working days	47% Median time 2 working Days	90% Under 2 working days	Council records	Percentage in less than 2 working days declined Median time improved	Not Achieved: Slight decline in the number of urgent callouts resolved within target, but median time achieved target.
	Resolution of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption <ul style="list-style-type: none"> <li>In less than 5 working days</li> <li>Median response time measured</li> </ul>	43% Median time 4 working days	32% Median time 3 working days	90% Median time under 5 working days.	Council records	Percentage in less than 5 working days declined Median time improved	Not Achieved: Decline in the number of urgent callouts resolved within target, but median time achieved target.

## Funding Impact Statement for the Year Ended 30 June 2025 – Water Supply

30 June 2024 Annual Report \$000		30 June 2024 Long Term Plan \$000	30 June 2025 Long Term Plan \$000	30 June 2025 Annual Report \$000
<b>Sources of Operating Funding</b>				
-	General rates, uniform annual general charges, rates penalties	-	-	-
4,373	Targeted rates	3,999	4,364	5,475
183	Subsidies and grants for operating purposes	-	-	333
71	Fees and charges	90	93	10
105	Interest and dividends from investments	43	33	52
24	Local authorities fuel tax, fines, infringement fees and other receipts	19	19	175
<b>4,756</b>	<b>Sources of Operating Funding</b>	<b>4,152</b>	<b>4,509</b>	<b>6,046</b>
<b>Applications of Operating Funding</b>				
3,250	Payments to staff and suppliers	2,518	2,470	4,368
98	Finance costs	202	287	66
342	Internal charges and overheads applied	211	220	488
-	Other operating funding applications	-	-	-
<b>3,691</b>	<b>Applications of Operating Funding</b>	<b>2,932</b>	<b>2,977</b>	<b>4,922</b>
<b>1,066</b>	<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>1,220</b>	<b>1,532</b>	<b>1,124</b>
<b>Sources of Capital Funding</b>				
-	Subsidies and grants for capital expenditure	-	-	-
239	Development and financial contributions	162	167	65
(205)	Increase (decrease) in debt	3,892	3,418	560
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
<b>34</b>	<b>Sources of Capital Funding</b>	<b>4,055</b>	<b>3,585</b>	<b>625</b>
<b>Application of Capital Funding</b>				
Capital expenditure:				
-	- to meet additional demand	2,840	3,114	-
-	- to improve the level of service	1,150	1,260	275
1,182	- to replace existing assets	393	989	1,152
(82)	Increase (decrease) in reserves	891	(246)	322
<b>1,100</b>	<b>Application of Capital Funding</b>	<b>5,275</b>	<b>5,117</b>	<b>1,749</b>
<b>(1,066)</b>	<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,220)</b>	<b>(1,532)</b>	<b>(1,124)</b>
-	<b>Funding balance (A - B) + (C - D)</b>	-	-	-

# Financial information

## Financial statements

### Statement of Comprehensive Revenue and Expense for the Year Ended 30 June 2025

Restated <sup>11</sup> Actual 2023/2024 \$000		Note	Actual 2024/2025 \$000	Budget 2024/2025 \$000
<b>Revenue</b>				
25,966	Rates and rates penalties	2	29,262	29,749
6,148	Waka Kotahi subsidy		5,906	6,041
786	Grants, subsidies and donations	4	1,704	1,847
618	Interest revenue	3	356	-
2,355	Fees, licences and user charges		2,415	2,485
1,502	Contributions		777	1,506
1,647	Other revenue	5	2,212	1,078
<b>39,022</b>	<b>Total revenue</b>		<b>42,631</b>	<b>42,702</b>
<b>Expenses</b>				
6,598	Personnel costs	7	7,955	8,103
941	Finance costs	3	916	1,213
5,938	Depreciation and amortisation	9	8,345	6,448
21,126	Other expenses	10	24,949	24,650
<b>34,603</b>	<b>Total expenses</b>		<b>42,165</b>	<b>40,415</b>
<b>4,393</b>	<b>Total operating surplus</b>		<b>466</b>	<b>2,291</b>
1,192	Assets vesting in Council	4	12	-
26	Other gains and (losses)	6	25	454
<b>5,611</b>	<b>Total surplus</b>		<b>503</b>	<b>2,746</b>
49,322	Increase/(decrease) in revaluation reserves	6	(8,775)	2,160
<b>54,933</b>	<b>Total other comprehensive revenue and expense</b>		<b>(8,272)</b>	<b>4,906</b>

<sup>11</sup> Please see Note 15 Investment properties for information regarding a prior year adjustment

## Statement of Changes in Equity for the Year Ended 30 June 2025

Restated <sup>12</sup> Actual 2023/2024 \$000		Actual 2024/2025 \$000	Budget 2024/2025 \$000
<b>Equity at 1 July</b>			
166,683	Public equity	173,814	169,327
31,001	Special separate and trust funds	29,480	25,574
368,378	Asset revaluation reserve	417,700	401,737
<b>566,061</b>	<b>Total equity at 1 July</b>	<b>620,994</b>	<b>596,637</b>
<b>Changes during the year</b>			
5,611	Operating surplus	503	2,746
-	Net transfer to/(from) special separate and trust funds	(884)	-
49,322	Asset revaluation	(8,775)	2,160
<b>54,933</b>	<b>Total comprehensive revenue and expense/(deficit) for the year</b>	<b>(9,155)</b>	<b>4,905</b>
<b>Equity at 30 June</b>			
173,814	Public equity	173,433	183,152
29,480	Special separate and trust funds	30,385	14,495
417,700	Asset revaluation reserve	408,925	403,896
<b>620,994</b>	<b>Total equity at 30 June</b>	<b>612,744</b>	<b>601,543</b>

<sup>12</sup> Please see Note 15 Investment properties for information regarding a prior year adjustment

## Statement of Financial Position as at 30 June 2025

Restated <sup>13</sup> Actual 2023/2024 \$000		Note	Actual 2024/2025 \$000	Budget 2024/2025 \$000
<b>Assets</b>				
<b>Current assets</b>				
3,912	Cash and cash equivalents	11	7,556	916
3,183	Debtors and other receivables	12	3,080	2,969
5,891	Investments – current	13	539	120
26	Inventories		62	35
<b>13,012</b>	<b>Total current assets</b>		<b>11,237</b>	<b>4,039</b>
<b>Non-current assets</b>				
297	Investments - non-current	13	177	1,008
<b>Other financial assets</b>				
131	<i>Investments in CCOs and similar entities</i>	13	131	131
153	<i>Investments in other entities</i>	13	172	146
<b>284</b>	<b>Total other financial assets</b>		<b>303</b>	<b>278</b>
-	Investment properties	15	-	15,274
346	Intangible assets	16	304	337
640,342	Property, plant and equipment	17	635,360	630,697
<b>641,269</b>	<b>Total non-current assets</b>		<b>636,145</b>	<b>647,593</b>
<b>654,281</b>	<b>Total assets</b>		<b>647,382</b>	<b>651,633</b>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
5,385	Creditors and other payables	18	5,116	2,429
669	Employee benefit liabilities	19	687	548
15,400	Borrowings	21	21,800	3,600
33	Other current liabilities	20	33	34
<b>14,440</b>	<b>Total current liabilities</b>		<b>27,637</b>	<b>6,610</b>
<b>Non-current liabilities</b>				
299	Provisions	20	302	280
11,500	Borrowings	19	6,700	43,200
<b>11,799</b>	<b>Total non-current liabilities</b>		<b>7,002</b>	<b>43,480</b>
<b>Equity</b>				
173,814	Public equity	22	173,433	183,152
29,480	Restricted reserves and trust funds	22	30,384	14,495
417,700	Asset revaluation reserves	22	408,926	403,896
<b>620,994</b>	<b>Equity</b>		<b>612,744</b>	<b>601,543</b>
<b>654,281</b>	<b>Total liabilities and equity</b>		<b>647,382</b>	<b>651,633</b>

<sup>13</sup> Please see Note 15 Investment properties for information regarding a prior year adjustment



## Statement of Cashflows for the Year Ended 30 June 2025

Actual 2023/2024 \$000		Actual 2024/2025 \$000	Budget 2024/2025 \$000
<b>Cashflows from operating activities</b>			
<b>Cash was provided from:</b>			
26,172	Rates revenue	29,087	29,749
2,355	Fees, charges, and other receipts	2,147	2,485
547	Interest Received	580	-
6,617	Regional Council rates received	7,681	6,694
6,853	Grants and subsidies	7,649	7,803
2,785	Other revenue	2,989	1,163
<b>45,328</b>	<b>Total cash provided from operating activities</b>	<b>50,133</b>	<b>47,894</b>
<b>Cash was applied to:</b>			
30,112	Payment Staff & Suppliers	32,837	36,543
854	Interest paid	916	1,213
6,617	Regional Council rates paid	7,681	6,694
<b>37,583</b>	<b>Total cash applied to operating activities</b>	<b>41,434</b>	<b>44,451</b>
<b>7,746</b>	<b>Net cashflows from operating activities</b>	<b>8,699</b>	<b>3,443</b>
<b>Cashflows from investment activities</b>			
<b>Cash was provided from:</b>			
8,843	Proceeds from Investments realised	5,473	6,301
-	Proceeds sale of property, plant and equipment	8	-
<b>8,843</b>	<b>Total cash provided from investing activities</b>	<b>5,481</b>	<b>6,301</b>
<b>Cash was applied to:</b>			
11,173	Purchase of property, plant and equipment	12,137	29,189
-	Purchase of intangibles	-	935
6,226	Purchase of Investments	-	-
<b>17,398</b>	<b>Total cash applied to investing activities</b>	<b>12,137</b>	<b>30,124</b>
<b>(8,556)</b>	<b>Net cashflows from investing activities</b>	<b>(6,656)</b>	<b>(23,823)</b>
<b>Cashflows from finance activities</b>			
<b>Cash was provided from:</b>			
-	Proceeds from borrowings	1,600	37,400
-	Capital works loan repayments	-	-
-	<b>Total cash provided from financing activities</b>	<b>1,600</b>	<b>37,400</b>
<b>Cash was applied to:</b>			
2,000	Repayment of public debt	-	17,400
<b>2,000</b>	<b>Total cash applied to financing activities</b>	<b>-</b>	<b>17,400</b>
<b>(2,000)</b>	<b>Net cashflows from financing activities</b>	<b>1,600</b>	<b>20,000</b>
(2,810)	Net (decrease)/increase in cash and cash equivalents	3,644	(380)
6,722	Cash and cash equivalents at start of the year	3,912	1,416
<b>3,912</b>	<b>Cash and cash equivalents at end of the year</b>	<b>7,556</b>	<b>1,036</b>

**Reconciliation of Net Operating Surplus/(Deficit) to  
Net Cash Flows from Operating Activities**

	Actual 2024/2025 \$000	Actual (Restated) 2023/2024 \$000
<b>Total surplus</b>	<b>503</b>	<b>5,611</b>
<b>Add/(remove) non-cash items</b>		
Depreciation and amortisation expense	8,345	5,938
Assets vesting in Council	(12)	(1,192)
Other gains and (losses)	(25)	(26)
Loss on sale of assets	72	-
<b>Add/(remove) non-cash items</b>	<b>8,380</b>	<b>4,719</b>
<b>Add/(less) movements in working capital items</b>		
(Increase)/decrease in receivables	109	873
(Increase)/decrease in prepayments	(6)	(48)
(Increase)/decrease in inventory	(36)	19
Increase/(decrease) in payables	(269)	(3,472)
Increase/(decrease) in provisions	-	(1)
Increase/(decrease) in employee entitlement	18	44
<b>Add/(less) movements in working capital items</b>	<b>(184)</b>	<b>(2,585)</b>
<b>Reconciliation of net surplus to net cash flows from operating activities</b>	<b>8,699</b>	<b>7,746</b>

## Funding Impact Statement for the Year Ended 30 June 2025 (Whole of Council)

	30 June 2024 Annual Plan \$000	30 June 2024 Annual Report \$000	30 June 2025 Annual Plan \$000	30 June 2025 Annual Report \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	13,497	13,809	12,457	12,267
Targeted rates	12,047	12,070	17,292	16,995
Subsidies and grants for operating purposes	2,191	4,020	4,142	5,868
Fees and charges	2,473	2,238	2,291	2,415
Interest and dividends from investments	431	618	-	356
Local authorities fuel tax, fines, infringement fees, and other receipts	1,336	1,824	1,272	2,212
<b>Sources of operating funding</b>	<b>31,975</b>	<b>34,580</b>	<b>37,454</b>	<b>40,113</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	26,523	27,716	32,860	32,832
Finance costs	945	941	1,213	916
<b>Applications of operating funding</b>	<b>27,468</b>	<b>28,658</b>	<b>34,074</b>	<b>33,748</b>
<b>Surplus/(deficit) of operating funding</b>	<b>4,507</b>	<b>5,922</b>	<b>3,380</b>	<b>6,365</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,911	2,914	3,746	1,742
Development and financial contributions	1,013	1,101	1,036	777
Increase (decrease) in debt	1,967	(2,000)	20,000	1,600
Gross proceeds from sale of assets	-	-	-	6
Lump sum contributions	470	401	470	-
<b>Sources of capital funding</b>	<b>5,360</b>	<b>2,416</b>	<b>25,252</b>	<b>4,119</b>
<b>Application of capital funding</b>				
Capital expenditure:				
- to meet additional demand	555	111	4,709	754
- to improve the level of service	5,264	4,393	12,413	4,088
- to replace existing assets	5,386	6,676	12,068	7,292
Increase/(decrease) in reserves	(1,337)	(2,841)	(557)	(1,646)
<b>Application of capital funding</b>	<b>9,868</b>	<b>8,339</b>	<b>28,632</b>	<b>10,489</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(4,507)</b>	<b>(5,922)</b>	<b>(3,380)</b>	<b>(6,365)</b>
<b>Funding balance (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements

### He kōrero mō ngā pūrongo pūtea

#### Note 1: Summary of significant accounting policies for the year ended 30 June 2025

##### *Reporting entity*

South Wairarapa District Council (referred to as SWDC or Council) is a territorial local authority established 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 (LG(R)A). SWDC is a separate legal entity and does not have any subsidiaries.

SWDC provides local infrastructure, local public services, and regulatory functions to the community. SWDC does not operate to make a financial return. SWDC has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice (GAAP).

On 26 September 2019, SWDC became a shareholder of Wellington Water Limited (WWL). WWL issued 150 Class A Shares and 25 Class B Shares to SWDC for a total consideration of \$50,000.00, being a 12.50% shareholding. As this is a minority shareholding, the financial results of WWL are not consolidated into the accounts. Instead, the shareholding is held as an investment (included in Note 13). SWDC works with WWL to carry out the maintenance and development of the waters infrastructure on its behalf.

The reporting date of SWDC is 30 June. The financial statements of SWDC are for the year ended 30 June 2025. The financial statements were authorised for issue by Council on 8 October 2025.

##### *Basis of preparation*

The financial reports have been prepared on a going concern basis and accounting policies have been applied consistently throughout the period. Considerations relating to water reform have been assessed. Council has concluded that these developments do not affect the validity of the going concern assumption. Further detail is provided in Note 30.

##### *Statement of compliance*

The financial statements and service performance information of SWDC have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) in New Zealand. These financial statements have been prepared in accordance with, and comply with, Public Benefit Entity (PBE) Accounting Standards.

##### *Measurement base*

The financial statements have been prepared on a historical cost basis, except for adjustments made through revaluation of land and buildings, certain infrastructure assets, playgrounds and certain financial instruments.

##### *Currency and rounding*

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

### ***Goods and services tax (GST)***

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, are classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### ***Budget figures***

The budget figures are those approved by the Council in its 2024/25 Enhanced Annual Plan.

The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

### ***Critical Accounting Estimates and Assumptions***

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

#### ***Infrastructural Assets***

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

These include:

- The physical deterioration and condition of an asset. For example, SWDC could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimized by SWDC performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimates are made when determining the remaining useful lives over which the assets will be depreciated. These estimates can be impacted 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 SWDC could be over- and under-estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense.
- To minimise this risk, SWDC's infrastructural assets' useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of SWDC asset management planning activities, which gives SWDC further assurance over its useful life estimates.
- Experienced independent valuers perform the Council's infrastructural asset revaluations.

## ***Critical Judgments in Applying SWDC's Accounting Policies***

Management has exercised the following critical judgments in applying SWDC's accounting policies for the year ended 30 June 2025.

### ***Classification of Property***

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

### ***Statement of Cash Flows***

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which SWDC invests as part of its day-to-day cash management. GST is disclosed net as disclosing gross amounts does not provide any further meaningful information.

Operating activities include cash received from all revenue sources and cash payments made for the supply of goods and services. Agency transactions (the collection of Regional Council rates) are recognised as receipts and payments in the statement of cash flows because they flow through SWDC's main bank account.

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

Financing activities comprise the change in equity and debt structure.

## ***Changes in accounting policies and standards***

### ***Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)***

Amended disclosure of audit and taxation services has been adopted in the preparation of these financial statements. The amendment changes the required disclosures for fees for services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. This new disclosure is included in Note 10: Other Expenses.

## ***Standards issued and not yet effective, and not early adopted***

Standards and amendments issued but not yet effective that have not been early adopted and that are relevant to the Council and group are:

### ***2024 Omnibus Amendments to PBE Standards (amendments to PBE IPSAS 1)***

This amendment clarifies the principles for classifying a liability as current or noncurrent, particularly in relation to loan covenants. The amendment is effective for the year ended 30 June 2027. These amendments are not expected to have a significant impact.

### ***PBE IFRS 17 Insurance Contracts***

PBE IFRS 17 establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts and will replace PBE IFRS 4. This standard is effective for the year ended 30 June 2027. This standard is not expected to have a significant impact.

Specific accounting policies are included within the relevant notes to the financial statements. This approach is intended to improve readability and usability, allowing readers to access the applicable policy alongside the related financial information without needing to cross-reference

These policies are clearly formatted and labelled within each note.

## Note 2: Rates revenue

	30 June 2025 \$000	30 June 2024 \$000
General rates	12,040	13,662
<b>Targeted rates attributable to groups of activities</b>		
Water	5,010	4,220
Wastewater	4,324	3,790
Community Facilities & Services*	-	2,785
Refuse and Recycling*	2,174	1,122
Water Races	182	153
Stormwater*	786	-
Roading & Footpaths*	4,236	-
<b>Total targeted rates</b>	<b>16,712</b>	<b>12,070</b>
<b>Total rates, excluding targeted rates for water by meter</b>	<b>28,751</b>	<b>25,733</b>
Targeted rates for water by meter	283	61
Rates penalties	227	173
<b>Total revenue from rates and penalties</b>	<b>29,262</b>	<b>25,966</b>

\* Note: A review of our rating system was carried out between 2022 and 2024, with changes taking effect from 1 July 2024. As a result:

- Community Facilities and Services activities that were previously funded through targeted rates are now funded through general rates.
- Prior to the rating system review 40% of the rates related to Refuse & Recycling were funded through general rates, whereas the activity is now fully funded through targeted rates.
- New targeted rates have been introduced for Stormwater, Roothing and Footpaths, which were previously funded through general rates.

### **Rates remission**

Rates revenue is shown net of rates remissions. Under the Council's rate remission policies, the Council allowed remissions of \$180,014 (2024 \$25,811).

### **Non-rateable land**

In accordance with the Local Government (Rating) Act 2002 certain properties are non-rateable. This includes schools, places of religious worship, public gardens and certain land vested in the Crown. These non-rateable properties, where applicable, may be subject to targeted rates in respect of wastewater, water and refuse. Non-rateable land does not constitute a remission under Council's rates remission and postponement policies.

### **Relevant accounting policies**

Rates are set annually by Council resolution, following the requirements of the Local Government Act and the Local Government (Rating) Act 2002. Rates apply to a specific financial year and all ratepayers receive their invoices within that same year. Rates revenue is recognised when rates instalment notices are sent to ratepayers.

Rates are a tax, as they are payable under the Local Government Ratings Act 2002, and therefore meet the definition of non-exchange transactions.

Rates arising from late payment penalties are recognised as revenue when rates become overdue.

Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Revenue from water-by-meter rates is recognised on an accrual basis. Unbilled usage, resulting from unread meters at year end, is accrued on an average usage basis.

Rates collected on behalf of the Greater Wellington Regional Council (GWRC) are not recognised in the financial statements, apart from the Statement of Cash Flows, as SWDC is acting as an agent for GWRC.

### Note 3: Finance revenue and costs

	30 June 2025 \$000	30 June 2024 \$000
<b>Finance revenue</b>		
Interest revenue:		
Term deposits	356	618
<b>Finance revenue</b>	<b>356</b>	<b>618</b>
<b>Finance costs</b>		
Interest expense:		
Interest on borrowings	916	941
<b>Finance Costs</b>	<b>916</b>	<b>941</b>

### Relevant accounting policies

Interest revenue and expense are recognised using the effective interest rate method, which spreads interest revenue, or cost of borrowing, over the life of the financial instrument in a way that reflects the actual economic return or cost.

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



#### Note 4: Grants, subsidies and donations income

	30 June 2025 \$000	30 June 2024 \$000
<b>Grants and subsidies</b>		
Community Buildings	-	3
Welcoming Communities	55	50
Community Development - Better off funding	584	66
Community Development - Te Whatu Ora	39	-
Mayor's Task Force for Jobs	-	54
Provincial Growth Fund - Infrastructure	20	250
Water Reform Transition - Support	144	183
Waste Minimisation Levy	88	62
Local Water Done well	268	-
Desludging - Better of funding	500	-
Miscellaneous	5	118
<b>Total income from grants, subsidies and donations</b>	<b>1,704</b>	<b>786</b>

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

#### *Assets vested in Council*

Vested Infrastructure from property development is valued at \$11,818 (2024: \$94,631). There were no other vested assets the year (2024: \$1,097,122 for the Tauwharenikau Cycle Bridge).

#### **Relevant accounting policies**

SWDC receives government grants from the New Zealand Transport Agency Waka Kotahi, which subsidises part of SWDC's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Other grants are recognised as revenue when they are received 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 grants are satisfied.

## Note 5: Other revenue

	30 June 2025 \$000	30 June 2024 \$000
Commissions	78	79
Other recoveries	1,116	676
Petrol tax	84	79
Rental income	934	811
<b>Total other revenue</b>	<b>2,212</b>	<b>1,647</b>

### Relevant accounting policies

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

Sales of goods is recognised when a product is sold to the customer. Sales are in cash. The recorded revenue is the gross amount of the sale.

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

Development contributions 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 contributions and financial contributions are recognised as liabilities until such time as SWDC provides, or is able to provide, the service.

## Note 6: Gains/(losses)

	30 June 2025 \$000	30 June 2024 (Restated <sup>14</sup> ) \$000
Gain/(loss) in fair value of investment property	-	-
Gain/(loss) in fair value of carbon credits	19	26
Gain/(loss) in asset disposal	6	-
Gain/(loss) in fair value of plant, property & equipment	(8,775)	49,322
<b>Total gains/(losses)</b>	<b>(8,750)</b>	<b>49,349</b>

### Relevant accounting policies

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

<sup>14</sup> Please see Note 15 Investment properties for information regarding a prior year adjustment

## Note 7: Personnel costs

	30 June 2025 \$000	30 June 2024 \$000
Salaries and wages	7,248	5,974
Defined contribution plan employer contributions	197	162
Honorariums	455	435
Other personnel costs	55	27
<b>Total personnel costs</b>	<b>7,955</b>	<b>6,598</b>

Salaries and wages include any amounts payable as termination benefits, including contractual and non-contractual payments. For further information on severance payments please refer to Note 8: Remuneration.

Honorarium costs relate to the remuneration made to all elected members, comprising the Mayor, Councillors, and Community Board members.

Other personnel costs are allowances and reimbursements for staff and elected members, and recruitment costs.

In 2024/25 \$375,760 of salaries & wages were funded through government grants or recoveries from partner organisations (2024: \$207,409).

## Note 8: Remuneration

### Key management personnel (KMP)

Key management personnel include the Mayor, Councillors and senior leadership team, including the Chief Executive.

	30 June 2025	30 June 2024
<b>Councillors, including the Mayor</b>		
Remuneration	\$ 364,151	\$ 346,101
Members*	10.0	10.0
<b>Senior leadership team, including Chief Executive</b>		
Remuneration	\$ 890,122	\$ 1,033,259
Full-time equivalent members	4.0	5.1
<b>Total key management personnel compensation</b>	<b>\$ 1,254,273</b>	<b>\$ 1,379,360</b>

\* Due to the difficulty in determining the full-time equivalent (FTE) for Councillors we record the number of Councillors, including the Mayor, rather than FTE.

### Chief Executive

The Chief Executive of SWDC is appointed under section 42 of the Local Government Act 2002. Janice Smith was appointed as Chief Executive on the 13<sup>th</sup> of November 2023. Mrs Smith's remuneration during the 2024/25 year was \$289,938.

For the prior year of 2024 Mrs Smith's remuneration was \$173,401 and Mr Gardner's remuneration for the period acting as Interim Chief Executive was \$126,739, with the two totalling \$300,140.

## Council employees

	30 June 2025	30 June 2024
<b>Council employees' salary brackets</b>		
<\$60,000	22	20
\$60,000 - \$79,999	22	24
\$80,000 - \$99,999	20	14
\$100,000 - \$119,000	8	4
\$120,000 - \$159,999	4	7
\$160,000 - \$299,999	5	4
<b>Total employee count</b>	<b>81</b>	<b>73</b>
Remuneration	59	58
Full-time equivalent employees	15	11
<b>Total full-time and full-time equivalent count</b>	<b>74</b>	<b>69</b>

Total remuneration includes non-financial benefits provided to employees. A full-time employee is determined based on a 37.5-hour working week.

Council employee numbers include members of senior leadership team but not elected members.

As per reporting standards the numbers of staff are a snapshot of those employed on 30<sup>th</sup> of June, not a reflection of averages throughout the year.

## Severance payments

No severance payments were made over and above contractual obligations in the year to 30 June 2025 (2024: One payment totalling \$14,500).

The term severance payment includes non-monetary benefits but excludes accrued salary, holiday pay, superannuation contributions and any other contractual entitlements.

## Elected Representatives

### Councillors and the Mayor

	30 June 2025	30 June 2024
	\$	\$
<b>Councillors and the Mayor</b>		
M Connelly (Mayor) *	109,048	90,224
M Saddler-Futter (Deputy Mayor) *	37,255	45,805
A Ellims	27,231	26,259
A Plimmer	27,231	26,259
A Woodcock	27,231	26,259
C Olds	27,231	26,259
K McAulay	27,231	26,259
M Bosley	27,231	26,259
P Maynard	27,231	26,259
R Gray	27,231	26,259
<b>Total remuneration Councillors and the Mayor</b>	<b>364,151</b>	<b>346,101</b>

\* Note: In 2023/24, the Mayor took a period of unpaid leave. During this time, the Deputy Mayor assumed the Mayoral duties and was remunerated at the Mayoral rate for the duration of that acting period.

### *Community Boards*

	30 June 2025 \$	30 June 2024 \$
<b>Featherston Community Board</b>		
T Rutherford (Chair)	7,222	6,965
A Schroeder	3,611	3,482
P Dennison	3,611	3,426
W Maxwell	3,611	3,482
<b>Greytown Community Board</b>		
L Brown (Chair)	7,222	6,965
J Woodcock	3,611	3,482
N Morrison	3,611	3,482
W Woodgyer	3,611	3,482
<b>Martinborough Community Board</b>		
S Roberston (Chair)	7,222	6,965
A Brown	3,611	3,482
K Krogh	3,611	3,482
M Maynard	3,611	3,482
<b>Total remuneration Community Board members</b>	<b>54,165</b>	<b>52,177</b>

### *Māori Standing Committee*

	30 June 2025 \$	30 June 2024 \$
<b>Māori Standing Committee</b>		
A Rutene (Chair)	7,222	6,965
D Whittaker	3,611	4,352
J Smith	3,611	3,482
K Mikaera	3,611	3,482
L Edwards	3,611	4,353
M Fenwick	3,611	238
V Edwards-Hina	3,611	3,482
W Karauna	3,611	2,321
M Roera*	2,407	
T Kaiwai***	1,806	2,531
G Baker**	-	2,321
N Hooper**	-	2,902
<b>Total remuneration Māori Standing Committee</b>	<b>36,712</b>	<b>36,430</b>

\* Joined during 2024/25

\*\* Resigned during 2023/24

\*\*\* Resigned during 2024/25

The Remuneration Authority is responsible for setting the remuneration levels for elected members (Clause 6, Schedule 7 of the LGA 2002). The Council's monetary remuneration (salary) detailed above was determined by the Remuneration Authority.

## Note 9: Depreciation and amortisation

	30 June 2025 \$000	30 June 2024 \$000
<b>Depreciation and amortisation</b>		
Roads	3,262	1,995
Water systems	1,236	1,041
Wastewater systems	1,291	719
Bridges	665	588
Furniture and equipment	349	368
Stormwater systems	487	325
Buildings	403	321
Heritage assets	208	208
Library collections	205	191
Parks and reserves	134	94
Motor vehicles	67	68
Amortisation	39	20
<b>Total depreciation and amortisation</b>	<b>8,345</b>	<b>5,938</b>

### Relevant accounting policies

Depreciation is provided on all property, plant and equipment except for land and assets under construction (work in progress). Depreciation is calculated on a straight-line basis, at rates which allocate the cost (or residual valuation) of the assets over their remaining useful lives.

The estimated useful economic lives of major classes of assets have been estimated as shown in the following table.

Asset	Estimated life	Percentage
Buildings and improvements*	20 to 100 years	1% to 5%
Heritage assets	50 to 120 years	0.80% to 3.0%
Furniture and equipment	5 to 22 years	4.5% to 20%
Motor vehicles	5 years	20%
Library collections	7 years	14.3%
Roading*	1 to 100 years	1% to 100%
Bridges*	30 to 100 years	1% to 3.3%
Water infrastructure*	15 to 103 years	0.97% to 3.3%
Sewer infrastructure*	14 to 123 years	0.81% to 10%
Stormwater infrastructure*	25 to 100 years	1.0% to 6.0%
Parks and reserves	10 to 32 years	3.1% to 13.5%
Playground equipment*	5 to 20 years	5% to 20%
Computer software	5 to 10 years	13.5% to 30%
Computer hardware	3 to 5 years	20% to 33%

In relation to infrastructural assets marked \* (above), depreciation has been calculated at a componentry level based on the estimated remaining useful lives as assessed by Council's engineers and independent registered valuers.

Land under roads and formation is not depreciated. A summary of these lives is detailed above.

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

#### Note 10: Other expenses

	30 June 2025 \$000	30 June 2024 \$000
Works costs	15,487	11,687
Consultants and legal	1,773	1,151
Insurance premiums	908	729
Audit and assurance (see below table for breakdown)	307	154
Other operating expenses	6,474	7,415
<b>Total other expenses</b>	<b>24,949</b>	<b>21,136</b>

#### Audit and assurance

	Audit or assurance organisation	30 June 2025 \$000	30 June 2024 \$000
<b>Annual audit of financial reports &amp; service performance</b>			
Audit or review of the financial reports	Audit NZ	168	149
<b>Total annual audit of financial reports &amp; service performance</b>		<b>168</b>	<b>149</b>
<b>Audit or review related services</b>			
Audit of the Long-Term Plan for 2025-2034	Audit NZ	82	-
Audit of the debt covenant calculations for 30 June	Audit NZ	6	6
<b>Total audit or review related services</b>		<b>88</b>	<b>6</b>
<b>Other assurance services and procedures engagements</b>			
Other assurance services and procedures engagements		-	-
<b>Total other assurance services and procedures engagements</b>		<b>-</b>	<b>-</b>
<b>Taxation services</b>			
Taxation services	PWC	13	-
<b>Total taxation services</b>		<b>13</b>	<b>-</b>
<b>Other services</b>			
Disbursements - Audit of the financial reports	Audit NZ	18	-
Disbursements - Audit of the Long-Term Plan for 2025-34	Audit NZ	21	-
<b>Total other services</b>		<b>39</b>	<b>-</b>
<b>Total audit &amp; assurance costs</b>		<b>307</b>	<b>154</b>

#### Taxation services

In the year ended 30 June 2025, the Council engaged PwC to conduct an independent review of its tax processes. This engagement was not for tax advice or review of taxes paid and filed, but rather a procedural assessment aimed at improving the robustness and efficiency of the Council's tax compliance systems. The Council will implement the recommendations from this review during the 2025/26 financial year.

## Note 11: Cash and cash equivalents

	30 June 2025 \$000	30 June 2024 \$000
Cash at bank and in hand	7,556	3,912
Term deposits with maturities of less than 90 days at acquisition	-	-
<b>Total cash and cash equivalents</b>	<b>7,556</b>	<b>3,912</b>

Cash and cash equivalents include the above for the purposes of the cash flow statement.

## Note 12: Debtors and receivables

	30 June 2025 \$000	30 June 2024 \$000
Rates receivables	910	703
Other receivables	1,641	1,755
Goods and services tax	327	528
Prepayments	297	291
	<b>3,175</b>	<b>3,278</b>
Less allowance for credit losses	(95)	(95)
<b>Total Debtors and Other Receivables</b>	<b>3,080</b>	<b>3,183</b>

### *Debtors and other receivables*

Debtors and other receivables are recorded at amount due, less an allowance for Expected Credit Losses (ECL). The Council applies the simplified model of recognising lifetime ECL's for receivables. In measuring ECL's short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. Short-term receivables are written off when there is no reasonable expectation of recovery, i.e. when the debtor is uncontactable, and debt recovery and legal action has been exhausted. In practice Council currently has very low write-offs due to a history of high recovery of receivables. The Council does not provide for ECL on rates receivables, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts.

### *Fair value*

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

### *Impairment and expected credit losses*

The Council has assessed the value of expected credit losses (ECL) in accordance with PBE IPSAS 41. Council intends to assess data on historical averages for credit loss averages and apply these as impairments in future years. This data currently does not exist for prior years; therefore, the Council has allocated a nominal sum of \$95,000 for impairment of receivables, excluding rates receivable. Expected credit losses are not considered material for the Council for the reasons outlined below.

### *Non-exchange transactions*

Receivables from non-exchange transactions include outstanding amounts for rates, grants, infringements and fees and charges, which are partly subsidised by rates. With respect to Rates Receivable, including metered water, the Council has not allowed for any impairment, as the Local



Government (Rating) Act 2002 provides a range of powers to recover outstanding debts, including approaching mortgage holders and legal proceedings, which can lead to the sale of the property to recover rates. Ratepayers can apply for payment plan options to allow them to catch up. The extent of those debts is not considered significant enough to calculate any provision for credit losses.

### *Exchange transactions*

The level of ECL for exchange transactions at Council is minimal, as services and/or goods are not provided for most transactions until payment has been made. For example, building consents are not issued until they have been paid, water tanks and rubbish bags are paid for when they are issued, and rents are invoiced fortnightly in advance, with a four-week bond held by MBIE.

	30 June 2025 \$000	30 June 2024 \$000
Expected Credit Losses	95	95
<b>Total Provision for Impairment</b>	<b>95</b>	<b>95</b>

### **Note 13: Investments**

	30 June 2025 \$000	30 June 2024 \$000
<b>Current Portion</b>		
Term deposits	419	5,551
LGFA borrower notes	120	340
<b>Current Portion</b>	<b>539</b>	<b>5,891</b>
<b>Non-Current Portion</b>		
Held to maturity		
Term deposits	-	-
LGFA borrower notes	168	288
Other investments	9	9
<b>Non-Current Portion</b>	<b>177</b>	<b>297</b>

There were no impairment provisions for other financial assets.

### *Maturity analysis and effective interest rates*

The maturity analysis for all other financial assets except for equity investments are as follows:

Weighted average effective interest rates (%)	30 June 2025	30 June 2024
Term deposits	5.15%	6.19%
LGFA borrower notes	2.92%	3.14%

### Other financial assets

	30 June 2025 \$000	30 June 2024 \$000
<b>Investment in CCOs and Other Similar Entities</b>		
Civic Financial Services Limited	81	81
Wellington Water	50	50
<b>Total Investment in CCOs and Other Similar Entities</b>	<b>131</b>	<b>131</b>
<b>Investment in Other Entities</b>		
Carbon Credits	171	151
Farmlands Trading Society Ltd	1	1
<b>Total Investment in Other Entities</b>	<b>172</b>	<b>153</b>
<b>Total Other Financial Assets</b>	<b>303</b>	<b>284</b>

### Unlisted shares – valuation

The fair value of the unlisted shares of Farmlands Trading Limited and Wellington Water Limited have been revalued to market value, based on advice supplied by the respective companies as there is no active market to determine the value of the shares.

The Civic Financial Services Limited (formerly New Zealand Local Government Insurance Corporation Limited) shares have been revalued to market value on an annual basis, using the net asset backing per share value, as at 30 June.

Carbon credits have been revalued to market value on an annual basis using the per unit value as at 30 June.

### Impairment

There were no impairment provisions for other financial assets. None of the financial assets are either past due or impaired.

### Note 14: Non-current assets held for sale

At 30 June 2025 SWDC does not currently hold any properties with the intention of sale (2024: Nil).

#### Relevant accounting policies

Non-current Assets held for sale are classified as held for sale if their carrying amount will be recovered through a sale transaction, rather than through continuing use. Non-current Assets held for sale 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 statement of Comprehensive Revenue and Expense.

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

Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

## Note 15: Investment properties

	30 June 2025	30 June 2024 (Restated)
	\$000	\$000
Balance at 1 July	-	-
Disposals	-	-
Additions	-	-
Depreciation	-	-
Fair value gains/(losses) on valuation	-	-
Transfers	-	-
<b>Total property, plant and equipment and movements</b>	<b>-</b>	<b>-</b>

### *Prior year adjustment – reclassification of investment properties*

During the 2024/25 financial year, the Council reclassified certain assets previously recognised as investment properties to Property, Plant & Equipment (PPE). This change was made to better reflect the use of these assets and ensure alignment with applicable accounting standards.

Assets with a carrying value of \$14.711 million as at 30 June 2024 were reclassified from investment property to PPE. Comparative figures for the 2023/24 financial year have been restated accordingly to reflect this change.

As a result of this reclassification, a prior year adjustment has been made to the following financial statements:

- Statement of Comprehensive Revenue and Expense
- Statement of Changes in Equity
- Statement of Financial Position

There were no consequential impacts to the Statement of Cash Flows or Financial Prudence Benchmarks.

This adjustment does not impact the Council's overall net asset position but ensures more accurate classification and reporting of asset categories in line with their operational purpose.

Correction of the classification in the 30 June 2025 financial statements has resulted in the below restatements to comparative numbers for the year ended 30 June 2024. Consequential changes have been made to the following notes to the financial statements:

- Reconciliation of Net Operating Surplus/(Deficit) to Net Cash Flows from Operating Activities
- Note 6 Other gains/(losses)
- Note 15 Investment properties
- Note 17 Property, plant, and equipment
- Note 22 Equity

The opening balances at 1 July 2023 for asset revaluation reserve and public equity have not been restated as the error was corrected as at 30 June 2024. It was not practical to restate the prior year comparatives as historical information regarding the properties is no longer available due to the ages of the properties.

## Statement of Comprehensive Revenue and Expense for the Year Ended 30 June 2024

	2023/2024 Before Adjustment \$000	Adjustment	2023/2024 Restated \$000
<b>Total Operating Surplus/(Deficit)</b>	<b>4,393</b>		<b>4,393</b>
Other gains and (losses)	461	(435)	26
<b>Total Surplus/(Deficit)</b>	<b>6,046</b>	<b>(435)</b>	<b>5,611</b>
Increase/(decrease) in revaluation reserves	48,888	435	49,322
<b>Total Other Comprehensive Revenue and Expense</b>	<b>54,933</b>	<b>435</b>	<b>54,933</b>

## Statement of Financial Position as at 30 June 2024

	2023/2024 Before Adjustment \$000	Adjustment	2023/2024 Restated \$000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	14,711	(14,711)	-
Property, plant, and equipment	625,631	14,711	640,342
<b>Total non-current assets</b>	<b>641,269</b>	<b>-</b>	<b>641,269</b>
<b>TOTAL ASSETS</b>	<b>654,281</b>	<b>-</b>	<b>654,281</b>
<b>Equity</b>			
Public equity	174,249	(435)	173,814
Asset revaluation reserve	417,266	435	417,700
<b>Total equity</b>	<b>620,994</b>	<b>-</b>	<b>620,994</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>654,281</b>	<b>-</b>	<b>654,281</b>

### Relevant accounting policies

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 cost, including transaction costs. After initial recognition, SWDC measures all investment property at fair value as determined annually by an independent valuer. The most recent valuation was performed by Jaime Benoit (B.App Sci (VFM, AG), MPINZ) of QV Asset and Advisory, and the valuation is effective as at 30 June 2024 prior to completing the above mentioned adjustment.

Gains and losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

## Note 16: Intangible assets

	30 June 2025 \$000	30 June 2024 \$000
<b>Cost</b>		
Balance at 1 July	694	438
Additions	-	257
Disposals	(24)	-
Balance at 30 June	670	694
<b>Accumulated amortisation and impairment</b>		
Balance at 1 July	348	328
Amortisation charge	18	20
Disposals	-	-
Accumulated amortisation and impairment	366	348
<b>Carrying amount</b>		
Total intangible assets	304	346

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

### Relevant accounting policies

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

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 an 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 statement of Comprehensive Revenue and Expense.

See Note 9: Depreciation and amortisation for the policy description and useful lives for property, plant, and equipment assets.

**Note 17: Property, plant, and equipment <sup>15</sup>**

	Cost/ Revaluation 30 June 2024 \$000	Accumulated Depreciation 30 June 2024 \$000	Carrying Amount 30 June 2024 \$000	Current Year Additions \$000	Current Year Disposals \$000	Current Year Transfers \$000	Current Year Gain/(Loss) on Sale \$000	Current Year Depreciation \$000	Revaluation, Impairment, Depreciation Recovered \$000	Cost/ Revaluation 30 June 2025 \$000	Accumulated Depreciation 30 June 2025 \$000	Carrying Amount 30 June 2025 \$000
<b>Current Year 30 June 2025</b>	<b>2024 \$000</b>	<b>2024 \$000</b>	<b>2024 \$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Infrastructural assets</b>												
Roads	362,401	(13)	362,388	4,305	-	-	-	(3,262)	-	366,706	(3,275)	363,431
Bridges	23,098	(20)	23,078	143	-	-	-	(665)	(144)	23,097	(684)	22,413
Water systems	49,132	-	49,132	706	-	-	-	(1,236)	-	49,838	(1,236)	48,603
Wastewater systems	50,593	-	50,593	1,349	-	-	-	(1,291)	-	51,942	(1,291)	50,651
Stormwater systems	26,797	(1)	26,796	212	-	-	-	(487)	-	27,009	(488)	26,522
<b>Total infrastructural assets</b>	<b>512,020</b>	<b>(34)</b>	<b>511,987</b>	<b>6,717</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,940)</b>	<b>(144)</b>	<b>518,593</b>	<b>(6,974)</b>	<b>511,619</b>
<b>Operational assets</b>												
Land	82,552	-	82,552	48	-	-	-	-	(9,488)	73,111	-	73,111
Buildings	14,985	(808)	14,177	1,793	(73)	-	-	(403)	(574)	16,131	(5)	16,126
Furniture & equipment	4,182	(2,964)	1,217	344	(716)	-	-	(349)	-	3,810	(2,598)	1,212
Library collections	1,289	(616)	674	116	-	-	-	(205)	(879)	526	(8)	518
Motor vehicles	634	(473)	161	-	(23)	-	6	(67)	-	612	(518)	94
Parks and reserves	774	(353)	421	1	-	-	-	(26)	-	775	(378)	397
Playgrounds	768	-	768	248	-	-	-	(108)	-	1,016	(108)	908
<b>Total operational assets</b>	<b>105,184</b>	<b>(5,214)</b>	<b>99,970</b>	<b>2,549</b>	<b>(811)</b>	<b>-</b>	<b>6</b>	<b>(1,158)</b>	<b>(10,941)</b>	<b>95,981</b>	<b>(3,614)</b>	<b>92,367</b>
<b>Other Assets</b>												
Heritage assets	17,777	(419)	17,358	82	-	-	-	(208)	(399)	17,459	-	17,459
Work in progress	11,028	-	11,028	2,888	-	-	-	-	-	13,916	-	13,916
<b>Total other assets</b>	<b>28,805</b>	<b>(419)</b>	<b>28,386</b>	<b>2,970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(208)</b>	<b>(399)</b>	<b>31,375</b>	<b>-</b>	<b>31,375</b>
<b>Total assets</b>	<b>646,009</b>	<b>(5,667)</b>	<b>640,342</b>	<b>12,236</b>	<b>(811)</b>	<b>-</b>	<b>6</b>	<b>(8,306)</b>	<b>(11,485)</b>	<b>645,949</b>	<b>(10,589)</b>	<b>635,360</b>

<sup>15</sup> Note: There are no restrictions over the title of SWDC's property, plant, and equipment assets, nor are any of these assets pledged as security for liabilities.

Restated <sup>16</sup> Previous Year 30 June 2024	Cost/ Revaluation 30 June 2023 \$000	Accumulated Depreciation 30 June 2023 \$000	Carrying Amount 30 June 2023 \$000	Current Year Additions \$000	Current Year Disposals \$000	Current Year Transfers \$000	Current Year Gain/(Loss) on Sale \$000	Current Year Depreciation \$000	Revaluation, Impairment, Depreciation Recovered \$000	Cost/ Revaluation 30 June 2024 \$000	Accumulated Depreciation 30 June 2024 \$000	Carrying Amount 30 June 2024 \$000
<b>Infrastructural assets</b>												
Roads	347,544	(1,918)	345,626	3,789	-	-	-	(1,995)	14,968	362,401	(13)	362,388
Bridges	20,946	(566)	20,380	1,324	-	-	-	(588)	1,962	23,098	(20)	23,078
Water systems	44,224	(989)	43,235	722	-	-	-	(1,041)	6,215	49,132	-	49,132
Wastewater systems	28,091	(680)	27,412	3,503	-	-	-	(719)	20,397	50,593	-	50,593
Stormwater systems	22,179	(315)	21,863	60	-	-	-	(325)	5,198	26,797	(1)	26,796
<b>Total infrastructural assets</b>	<b>462,984</b>	<b>(4,467)</b>	<b>458,516</b>	<b>9,398</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,668)</b>	<b>48,740</b>	<b>512,020</b>	<b>(34)</b>	<b>511,987</b>
<b>Operational assets</b>												
Land	81,002	(14)	80,988	1,324	-	(276)	-	-	502	82,552	-	82,552
Buildings	14,605	(487)	14,117	448	-	-	-	(321)	(67)	14,985	(808)	14,177
Furniture & equipment	3,872	(2,604)	1,268	324	(6)	-	(6)	(368)	-	4,182	(2,964)	1,217
Library collections	1,191	(425)	766	98	-	-	-	(191)	-	1,289	(616)	674
Motor vehicles	634	(405)	230	-	-	-	-	(68)	-	634	(473)	161
Parks and reserves	498	(308)	189	-	-	276	-	(31)	-	774	(353)	421
Playgrounds	770	(121)	648	35	-	-	-	(63)	148	768	-	768
<b>Total operational assets</b>	<b>102,571</b>	<b>(4,364)</b>	<b>98,207</b>	<b>2,229</b>	<b>(6)</b>	<b>-</b>	<b>(6)</b>	<b>(1,041)</b>	<b>582</b>	<b>105,184</b>	<b>(5,214)</b>	<b>99,970</b>
<b>Other Assets</b>												
Heritage assets	17,679	(211)	17,468	98	-	-	-	(208)	-	17,777	(419)	17,358
Work in progress	10,639	-	10,639	389	-	-	-	-	-	11,028	-	11,028
<b>Total other assets</b>	<b>28,318</b>	<b>(211)</b>	<b>28,107</b>	<b>487</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(208)</b>	<b>-</b>	<b>28,805</b>	<b>(419)</b>	<b>28,386</b>
<b>Total assets</b>	<b>594,058</b>	<b>(9,043)</b>	<b>585,016</b>	<b>12,087</b>	<b>(6)</b>	<b>-</b>	<b>(6)</b>	<b>(5,918)</b>	<b>48,888</b>	<b>646,009</b>	<b>(5,667)</b>	<b>640,342</b>

<sup>16</sup> Please see Note 15 Investment properties for information regarding a prior year adjustment

## **Relevant accounting policies**

Property, plant and equipment consist of:

### ***Operational Assets***

Operational assets include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.

### ***Restricted Assets***

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

### ***Infrastructure Assets***

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

### ***Heritage Assets***

Heritage assets are assets owned by SWDC which are of cultural or historical significance to the community and cannot be replaced due to the nature of the assets. Buildings recorded under the Historic Places Act 1993 have been recorded as heritage assets. Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

### **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 SWDC and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or for nominal cost, it is recognised at fair value as at the date of acquisition.

### **Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

### **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 SWDC and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

### **Depreciation**

See Note 9: Depreciation and amortisation for the policy description and useful lives for property, plant, and equipment assets.



## **Revaluation**

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

SWDC assesses the carrying values of its revalued assets 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.

SWDC accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Revenue and Expense. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed and then credited to the revaluation reserve for that class of asset.

Those asset classes that are revalued are valued on a three-yearly cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

### ***Land and Buildings***

An independent valuation is carried out to ascertain fair value as determined from market-based evidence. The most recent valuation was performed by Jaime Benoit (B.App Sci (VFM, AG), MPINZ) of QV Asset and Advisory, and the valuation is effective as at 30 June 2025.

Heritage assets are also included in this category.

In the years where a full revaluation is not conducted, SWDC carries out an assessment of the fair value of land and operational building assets using indexed movements in asset classes. Where the change in fair value is considered material, an adjustment will be made to reflect the change. In the 2023-24 year there was no adjustment made to fair value of land and operational building assets as value changes are not considered material enough to require changes.

### ***Infrastructure Assets***

Infrastructure asset classes are roads, bridges and footpaths, water systems, wastewater (sewerage) systems, stormwater systems.

At fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date SWDC assesses the carrying values of its infrastructure assets 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 most recent valuation was performed by Jaimie Cable (B App Econ, Dip of Engineering (Civil), AMPINZ) of WSP New Zealand on 30 June 2024.

In the years where a full revaluation is not conducted, SWDC carries out an assessment of the fair value of infrastructure assets using indexed movements in asset classes. Where the change in fair value is considered material, an adjustment will be made to reflect the change.

### ***Playground Equipment***

At fair value determined on a depreciated replacement costs basis by an independent valuer. At balance date SWDC assesses the carrying values of its playground equipment 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 most recent valuation was performed by Jaimie Cable (B App Econ, Dip of Engineering (Civil), AMPINZ) of WSP New Zealand on 30 June 2024.

### ***Vested Assets***

Original recognition is at the actual cost or the current cost of providing identical services. Following revaluations of vested infrastructure assets are conducted as part of the overall infrastructure asset process above.

### **Impairment of Property, Plant, Equipment and Intangible Assets**

Assets that have an indefinite useful life or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recovered. When there is an indicator of impairment, the asset recoverable amount is estimated. 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.

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

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

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

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. 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 Statement of Comprehensive Revenue and Expense.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the statement of financial performance, a reversal of the impairment loss is also recognised in the Statement of Comprehensive Revenue and Expense.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

## Note 18: Creditors and payables

	30 June 2025 \$000	30 June 2024 \$000
Trade payables	3,725	3,607
Accrued expenses	522	878
Revenue in advance	360	468
Rates in advance	510	432
<b>Total payables and deferred revenue</b>	<b>5,116</b>	<b>5,385</b>

Except for rates in advance, all creditors and payables are assessed as exchange as these balances are from transactions carried at normal business terms.

### Relevant accounting policies

Creditors and other payables are recorded at their face value.

## Note 19: Employee entitlements

	30 June 2025 \$000	30 June 2024 \$000
Accrued pay	156	199
Annual leave	531	470
<b>Total Employee Entitlements</b>	<b>687</b>	<b>669</b>
Comprising:		
Current portion	687	669
Non-current portion	-	-
<b>Total employee entitlements</b>	<b>687</b>	<b>669</b>

### Relevant accounting policies

#### *Short-term Employee Entitlements*

Employee benefits that SWDC expects to be settled within twelve 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, long service leave entitlements expected to be settled within twelve months, and sick leave.

SWDC recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earning 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 that SWDC anticipates it will be used by staff to cover those future absences.

SWDC recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

### **Long-term Employee Entitlements**

Obligations for contributions to Kiwi Saver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the statement of financial performance as incurred. 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.

## **Note 20: Provisions**

### **Provision for landfill aftercare costs**

SWDC gained resource consent to operate the landfill. SWDC has responsibility under the resource consent to provide on-going maintenance and monitoring of the landfill after the site has closed until February 2035.

The cash outflows for landfill post-closure are not expected to occur until 2035. The long-term nature of the liability means there are inherent uncertainties in estimating the costs that will be incurred.

The provision has been estimated taking into account existing technology and using a discount rate of 4.68% (2024: 4.82%).

	30 June 2025 \$000	30 June 2024 \$000
<b>Landfill aftercare provision</b>		
Comprising:		
Current portion	33	33
Non-current portion	302	299
<b>Total employee entitlements</b>	<b>335</b>	<b>333</b>

### **Relevant accounting policies**

SWDC 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 not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost expense.

## Note 21: Borrowings

	30 June 2025 \$000	30 June 2024 \$000
<b>Current</b>		
Secured loans	21,800	15,400
<b>Total current borrowings</b>	<b>21,800</b>	<b>15,400</b>
<b>Non-current</b>		
Secured loans	6,700	11,500
<b>Total con-current borrowings</b>	<b>6,700</b>	<b>11,500</b>
<b>Total borrowings</b>	<b>28,500</b>	<b>26,900</b>

### *Fixed-rate debt*

SWDC's secured debt of \$6,700,000 (2024: \$11,500,000) is issued at fixed rates of interest.

The weighted average interest rate of SWDC's debt is 3.40% (2024: 3.27%)

### *Security*

SWDC's loans are secured over either separate or general rates of the District, and no assets have borrowings secured against them.

SWDC 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 SWDC's Long Term Plan.

### **Relevant accounting policies**

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

Borrowings are classified as current liabilities unless SWDC has an unconditional right to defer settlement of the liability for at least 12 months after the balance date or if the borrowings are expected to be settled after 12 months of balance date.

## Note 22: Equity

	30 June 2025	30 June 2024 (Restated <sup>17</sup> )
	\$'000	\$'000
<b>Public equity</b>		
Balance at 1 July	173,814	166,683
Net transfer (to)/from reserves	(884)	1,521
Total surplus/(deficit) for the year	503	5,611
<b>Balance at 30 June</b>	<b>173,483</b>	<b>173,814</b>
<b>Restricted reserves and trust funds</b>		
Balance at 1 July	29,480	31,000
Transfers to fund	10,665	11,693
Transfers from fund	(9,761)	(13,213)
<b>Balance at 30 June</b>	<b>30,384</b>	<b>29,480</b>
Restricted reserves and trust funds consist of:		
Discretionary reserves	466	445
Community board reserves	79	113
Restricted reserves	3,543	3,345
Water race reserves	397	385
Council loan redemption reserves	9,533	9,533
Other reserves	15,864	15,232
Trusts	502	426
<b>Total restricted reserves and trust funds</b>	<b>30,384</b>	<b>29,480</b>
<b>Asset revaluation reserve</b>		
Balance at 1 July	417,700	368,378
Transfers to reserve	(8,775)	49,322
Transfers from reserve	-	-
<b>Balance at 30 June</b>	<b>408,925</b>	<b>417,700</b>
Asset revaluation reserves consists of:		
Asset revaluation reserve	406,489	415,264
Investment property revaluation reserve transfer to income and expense	617	617
Asset revaluation reserve transfer to income & expense	1,819	1,819
<b>Total asset revaluation reserve</b>	<b>408,926</b>	<b>417,700</b>
<b>Total equity</b>	<b>612,744</b>	<b>620,994</b>

<sup>17</sup> Please see Note 15 Investment properties for information regarding a prior year adjustment

### **Relevant accounting policies**

Equity is the community's interest in SWDC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. The components of equity are:

- Public equity – accumulated funds
- Special reserves and trust funds
- Asset revaluation reserves

### ***Restricted and Council Created 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 SWDC.

Restricted reserves are those subject to specific conditions accepted as binding by SWDC and which may not be revised by SWDC 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 a Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

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

Fair value through other comprehensive revenue and expense reserves comprises the net cumulative change in the fair value through other comprehensive revenue and expense instruments.

## Note 23: Statement of capital commitments and operating leases

### Capital commitments

	30 June 2025 \$000	30 June 2024 \$000
<b>Capital commitments</b>		
Parks & reserves	270	801
<b>Total capital commitments</b>	<b>270</b>	<b>801</b>

### Relevant accounting policies

#### Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, SWDC recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the statement of financial performance over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether SWDC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### Operating Leases

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

### Operating leases as lessor

Council property is leased under operating leases. The leases have remaining non-cancellable terms ranging from 3 months to 334 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows.

	30 June 2025 \$000	30 June 2024 \$000
<b>Operating leases as lessor</b>		
Not later than one year	442	162
Later than one year and not later than five years	624	519
Later than five years	64	68
<b>Total non-cancellable operating leases</b>	<b>1,130</b>	<b>749</b>

### Operating leases as lessee

Council lease buildings and plant and equipment in the normal course of its business. The leases have remaining non-cancellable terms ranging from 2 months to 17 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows.



	30 June 2025 \$000	30 June 2024 \$000
<b>Operating leases as lessee</b>		
Not later than one year	51	52
Later than one year and not later than five years	-	21
<b>Total non-cancellable operating leases</b>	<b>51</b>	<b>73</b>

#### **Note 24: Contingencies**

Contingent liability for 2025 is \$Nil (2024: \$30,000 - \$80,000 relating to legal cases that were open at the time).

There are no contingent assets for 2025 (2024: \$Nil).

No contingent rents have been recognised during the period.

There are no unfulfilled conditions and other contingencies attached to New Zealand Transport Agency subsidies recognised.

#### ***New Zealand Mutual Liability Riskpool Scheme***

Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however, the Council has an ongoing obligation to contribute to the scheme, should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme.

The likelihood of any historical claim call reduces with each year that passes since access to new cover was closed in July 2017. See Note 27 for details of a call paid out in August 2025. At the date of publishing, Council has not been informed of any further specific upcoming calls beyond this one.

#### ***Local Government Funding Agency (LGFA)***

The Council is a guarantor of the LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. It has a current credit rating from Standard and Poor's of AA+.

As at 30 June 2025, the Council is one of several local authority borrowers and guarantors of the LGFA. The LGFA's loans to local authorities are \$26.4 billion (2024: \$23.9 billion), of which the Council has borrowed \$0.028 billion (2024: \$0.027 billion). As a result, the Council's cross guarantee on the LGFA's loans to other local authorities is \$26.3 billion (2024: \$23.8 billion).

Public Benefit Entity (PBE) Accounting Standards require the Council to recognise the guaranteed liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee and, therefore, has not recognised a liability. The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- The 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 obligations, if further funds were required.

#### ***Lease negotiations***

The Council is currently engaged in informal mediation regarding a lease agreement. As at 30 June 2025, no formal claim has been made, and no reliable estimate of any potential liability can be determined. The matter remains under negotiation and will be monitored for further developments.

## **Note 25: Related party transactions**

During the year, councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as the payment of rates and purchase of rubbish bags). All payments were made on a cash basis and no payments were delayed. No interest was charged and there are no outstanding balances as at 30 June 2025 (2024: Nil).

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

## **Note 26: Events after balance date – water services reform**

### ***Adoption of Water Services Delivery Plan and establishment of regional water entity***

On 20 August 2025, South Wairarapa District Council formally adopted its Water Services Delivery Plan (WSDP) as part of the Government's Local Water Done Well reform programme. This plan outlines the Council's commitment to a joint regional model for water services delivery through a proposed Wairarapa-Tararua Water Services Organisation, a council-controlled organisation (CCO) involving Carterton, Masterton, Tararua, and South Wairarapa District Councils.

Key decisions made at the meeting include:

- Submission of the WSDP and Commitment Agreement to the Department of Internal Affairs (DIA), confirming Council's intent to participate in the regional water entity.
- Approval of \$1.25 million in unbudgeted expenditure, to be capitalised and borrowed, representing SWDC's share of establishment costs for the new entity. This amount will be transferred to the Water Services Organisation at its operational commencement.
- Delegation to the Chief Executive to finalise the WSDP and prepare the Constitution and Shareholders' Agreement for the new entity.

Importantly, the WSDP must be approved by the Department of Internal Affairs (DIA) before it becomes formally actionable. This approval process ensures alignment with national water reform objectives and confirms the viability of the proposed delivery model.

These decisions follow the enactment of the Local Government (Water Services) Act 2025, which received Royal Assent on 19 August 2025. This Act establishes the enduring framework for water services delivery in New Zealand, including:

- Mandatory adoption of WSDPs by 3 September 2025.
- Creation of Water CCOs with borrowing capacity up to 500% of operating revenue, subject to LGFA credit criteria.
- Economic regulation by the Commerce Commission, ensuring ring-fencing of water revenues.
- Regulatory flexibility for Taumata Arowai, including exemptions for small supplies and a national wastewater standard.

While these developments do not affect the financial or service performance disclosures for the year ended 30 June 2025, they represent significant strategic and financial implications for future years.

Following the transition to the CCO on 30 June 2027:

- Council will no longer receive rates revenue for Water, Wastewater, or Stormwater services, which will reduce total operating revenue. This change has been incorporated into the Council's 2025–34 Long-Term Plan (LTP), with rates revenue decreasing by \$10.2million (31%) in the first year following transition. However, this reduction in revenue will be offset by an approximately equivalent saving in the associated costs of providing water services (\$9.5million) and Council will explore opportunities for further savings whilst developing the Long-Term Plan for 2027-37.

- Council's debt capacity will improve, as water-related debt, which makes up the majority of Council's debt, will be transferred to the new entity. The partial offset caused by the reduction in revenue, which is a key input into debt affordability and prudence benchmarks is significantly outweighed by the reduction in net debt, resulting in a significantly improved debt ceiling. The impacts of transition on debt ceiling were already anticipated and modelled in the LTP, and Council's debt ceiling position improves, remaining comfortably compliant with benchmarks & covenants for the remainder of the plan period.
- Several financial prudence benchmarks will be impacted, including the balanced budget and debt servicing benchmarks. These impacts were anticipated and modelled in the LTP, and the Council remains compliant with the benchmarks over the life of the plan.

Although Council will no longer deliver Water, Wastewater, or Stormwater services following the transition, the going concern status remains appropriate as SWDC will continue to deliver its other services as the district's local authority. We will continue to assess the impact of reforms on our operations and financial planning. More detail on how the prospective financial position of South Wairarapa District Council will change following transition of water services can be viewed in our Long-Term Plan for 2025-34.

#### **Note 27: Events after balance date – other**

Subsequent to 30 June 2025, the following material events occurred:

##### ***Claim under Building Act (2004)***

On 22 September 2025, the Council reached a mediated settlement agreement in relation to a matter under the Building Act. The resolution was achieved through a formal mediation process. The Council will be lodging a claim under its insurance policy in respect of this matter. The Council's financial exposure is limited to the insurance deductible of \$100,000.

##### ***Riskpool***

South Wairarapa District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ("Riskpool"). Although the scheme is in wind-down, the Council retains an obligation to contribute to Riskpool should a call be made in respect of historical claims (to the extent not covered by reinsurance or where reinsurance is delayed), and to fund the ongoing operation of the scheme.

Following the Supreme Court decision in *Napier City Council v Local Government Mutual Funds Trustee Ltd* (August 2023), several mixed claims against Riskpool have recommenced. Two of these are scheduled for trial in September 2025. These proceedings may clarify the scope of Riskpool's historical obligations. The total potential liability of outstanding claims is currently unquantifiable.

In August 2025, Riskpool issued a formal funding call to members totalling \$3.7 million across the membership. This call is intended to fund operational costs for FY2025/26 and legal/advisory fees related to reinsurance recovery and litigation. South Wairarapa District Council's confirmed contribution is \$19,197.53 (excluding GST), payable by 20 September 2025.

SWDC continues to monitor developments in Riskpool's litigation and governance processes, including proposed amendments to the Trust Deed. Future calls may be made depending on the outcome of outstanding claims and reinsurance recoveries.

##### ***Other events***

There have been no other events after balance date.

## Note 28: Financial Assets

PBE IPSAS 41 requires debt instruments to be subsequently measured at fair value through operating surplus and deficit (FVTOSD), amortised cost, or fair value through other comprehensive revenue and expense (FVTOCRE). This classification is based on the business model for managing the debt instruments and whether the payment are solely payments of principal or interest or interest on the principal amount outstanding.

Council assessed the business model for its classes of financial assets at the date of initial application. Debt instruments are held mainly to collect, except for the Council's listed portfolio, which are held to collect and sell in accordance with the Council's Treasury Management Policy to meet capital requirements.

Council's debt instruments are solely comprised of contractual cash flows solely for payments of principal and interest, in line with basic lending arrangements. This assessment was based on the facts and circumstances as at the initial recognition of the assets.

PBE IPSAS 41 requires equity instruments to be classified at FVTSD. However, it permits entities to make an irrevocable election on transition to PBE IPSAS 41 to subsequently measure at FVTOCRE if the shares are not held for trading.

### Relevant accounting policies

#### Financial Assets

Financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- 1) Amortised Cost
- 2) Fair value through surplus or deficit (FVTSD), or
- 3) Fair value through other comprehensive revenue and expenses (FVTOCRE).

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

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

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

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

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

## **Subsequent measurement of financial assets at FVTOCRE**

### ***Unlisted Shares and Listed Bonds***

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, there is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Financial Assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in the other comprehensive revenue and expense is transferred to accumulated funds within equity.

### ***Expected credit loss allowance (ECL)***

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

ECL's are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL). When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and included forward-looking information. The Council consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

### Financial assets

	30 June 2025 \$000	30 June 2024 \$000
<b>Amortised cost</b>		
Cash and cash equivalents	7,556	3,912
Debtors and other receivables	3,080	3,183
Investments	539	5,551
<b>Total at Amortised Cost</b>	<b>11,175</b>	<b>12,646</b>
<b>Fair value through surplus and deficit</b>		
Investments	288	628
Unlisted shares	303	284
<b>Total at fair value through surplus and deficit</b>	<b>591</b>	<b>912</b>

### Financial liabilities

	30 June 2025 \$000	30 June 2024 \$000
<b>Amortised cost</b>		
Creditors	5,116	5,385
Secured loans	28,500	26,900
<b>Total at Amortised Cost</b>	<b>33,616</b>	<b>32,285</b>

### Significant accounting policies

#### Financial instrument risks

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. Council's Treasury Management Policy outlines strategies to manage the risks associated with financial instruments, and seeks to minimise exposure from its treasury activities, and does not allow any transactions of a speculative nature. Treasury reports are submitted quarterly to Council's Assurance, Risk and Finance Committee to ensure transparency and oversight of related risks.

#### Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Equity securities price risk arises on listed share investments, which are classified as financial assets held at fair value through other comprehensive revenue and expense. This price risk arises due to market movements in listed shares. Council does not manage price risk as its unlisted shares are held for strategic reasons.

***Currency risk***

The Council has limited foreign exchange risk through the occasional purchase of foreign exchange denominated plant and equipment. All foreign exchange exposures greater than NZD50,000 must be hedged using forward exchange contracts. The Council does not borrow or enter into incidental arrangements within or outside New Zealand in any foreign currency, other than New Zealand dollars.

***Interest rate risk***

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Investments issued at fixed rates of interest expose the Council to fair value interest rate risk. Council does not actively manage interest rate risk as investments are short-term in nature and used for management of cashflow rather than for the purpose of gaining revenue. Council also seeks to have a diversified maturity profile for external borrowing but, in any case, no more than \$30.0 million or 50% of outstanding debt (whichever is the greater, can mature over the next 12 months or any subsequent 12 month period, on a rolling basis.

***Liquidity risk***

A key factor in the management of funding risk is to spread and control the risk to reduce the concentration of risk at any point so that the overall borrowing cost is not increased unnecessarily and / or the desired maturity profile compromised due to market conditions. Council's ability to readily attract cost effective borrowing is largely driven by its ability to maintain a strong balance sheet, levy rates and manage its relationships with the LGFA and the banking sector.

To manage liquidity risk, the Council will ensure that external debt plus committed but unutilised loan facilities, and / or available liquid investments will be maintained at an amount of 110% of projected external debt over the ensuing 12-month period.

***Credit risk***

Credit risk is the potential for a person or organisation to fail to pay amounts due to Council, leading to Council being out of pocket for the services provided. As referred to in Note 10 of this report, the risk of credit losses for Council are minimal, due to the legislative tools for collection of rates and funds for infringements. Additionally, the majority of services are only delivered once payment has been received, further reducing exposure to credit risk. These measures provide strong assurance of the authority's financial stability and its ability to manage outstanding receivables effectively.

**Note 29: Internal borrowing**

As at 30 June 2025 there were no internal borrowings (2024: Nil)



### **Note 30: Explanation of major variances against budget**

Explanations for major variations from SWDC's estimated figures in the 2024/25 Annual Plan are as follows.

#### ***Statement of Comprehensive Revenue and Expense***

The operating surplus for the year was \$1.8 million below expectations, primarily due to operating expenses exceeding budget by \$1.7 million. Total revenue remained broadly on target, coming in just \$75,000 under budget.

##### ***Revenue***

- Rates revenue is lower than the budget by \$0.5 million. This being the first time that uniform rates were based on Separately Used or Inhabited Parts (SUIPs) the amount of remissions on SUIPs was higher than expected. This is because there is no historical data on how many SUIPs would be eligible for remission.
- Contributions were \$0.7 million below budget, reflecting a general downturn in development activity and a slowdown in consenting. This was further impacted by developers delaying projects in anticipation of the adoption of the new combined district plan.
- Other revenue is higher than the budget by \$1.1 million mainly due improved recovery of costs from other councils and central government, mostly related to joint reform projects.
- Higher interest revenue of \$0.4 million, thanks to increased interest rates on short term investments and cash holdings.

The revenue for the year also includes grant funds from central government initiatives, which were matched by increases in expenses in the related activities:

- \$0.1 million for Water Reform Transition Support across the three water activities.
- \$0.3 million for Local Water Done Well.
- \$0.5 million for Community Wellbeing
- \$0.5 million for Better Off Grant income

##### ***Expense***

- Finance costs are lower than the budget by \$0.3 million due to delay in borrowings related to capital projects being delayed. These projects will take place in coming year(s) and the borrowing will occur at time of spend.
- Depreciation and amortisation are higher than the budget by \$1.9 million due to revaluation of the roading network resulting in an increase in the asset values, and decreases in the useful life of the network, which has increased the depreciation rate on those assets.

#### ***Statement of Financial Position***

The Council holds \$21.8 million in short-term loans, which are expected to be refinanced into longer-term debt within the next 12 months. These loans were intentionally kept short-term during the year to take advantage of anticipated interest rate reductions. The new long-term borrowing will be structured to align with the Council's infrastructure funding strategy and upcoming water reform, helping to ease short-term repayment pressure and address the current negative working capital position.

Despite this, the Council continues to maintain sufficient cash reserves and has access to credit facilities to meet its day-to-day operational requirements and short-term financial commitments.

Investment properties were reclassified to Property, Plant & Equipment to better reflect their use and align with accounting standards.



In line with the scheduled valuation cycle, the Council's operational buildings and land were revalued this year to reflect their fair value and updated asset lifespans. This revaluation resulted in an \$8.3 million reduction in the asset revaluation reserve. However, this is an unrealised accounting adjustment and does not represent a cash loss unless the assets are sold.

### ***Statement of Cashflows***

Net cash flow from operating activities was favourable by \$5.3 million due to additional revenue received of \$2.2 million, and lower than expected (\$3.0 million) expense payments made to staff and suppliers.

Net cash outflow from investing activities was lower than budgeted due to delays in capital projects for the three water and community facilities activities.

Net cash flow from financing activities was lower than budget because some capital projects were delayed.

## Other Legislative Disclosures

### Local Government Act 2002 – Financial Disclosures

The Local Government Act 2002 sets out disclosure requirements for Councils over and above the generally accepted accounting practice (GAPP) information. New disclosures were added in legislative changes and additions to the Local Government (Financial Reporting and Prudence) Regulations 2014.

#### Insurance of Assets

	30 June 2025 \$000	30 June 2024 \$000
Total value of property, plant, and equipment (excluding land)	562,249	555,217
Value of assets covered by risk share arrangements	120,569	511,975
Value of assets covered by insurance contracts	123,741	117,699

The value of assets covered by insurance excludes land and land under roads. In addition to Council's insurance, in the event of natural disaster it is assumed that Central Government will contribute 60% towards the restoration of Council owned underground drainage, waste and water assets and the New Zealand Transport Agency will contribute between 49-59% towards the restoration of Roothing assets.

#### Reporting Format

These financial statements incorporate applicable amendments to legislation governing financial reporting requirements.

#### Rating Base Information

The Local Government Act (Amendment No. 3) includes a clause 30A in for this current financial year	30 June 2025	30 June 2024
<b>Rating Base Information</b>		
Number of rating units	7,546	7,404
	<b>\$Million</b>	<b>\$Million</b>
Capital Value of rating units	8,213	6,598
Land value of rating units	4,910	3,910

## Network Assets

Current Year 30 June 2025	Acquisitions/ Constructed by SWDC \$000	Transferred to SWDC \$000	Closing Book Value \$000	Replacement Cost \$000
<b>Water Supply</b>				
Treatment plants and facilities	420	-	20,716	20,716
Land	-	-	1,862	1,862
Other assets	276	10	27,887	27,887
<b>Wastewater</b>				
Treatment plants and facilities	-	-	838	838
Land	15	-	17,245	17,245
Other assets	1,333	2	49,813	49,813
<b>Stormwater Drainage</b>				
Stormwater systems	212	-	26,522	26,522
<b>Land Transport</b>				
Roads and footpaths	4,448	-	385,843	385,843

Previous Year 30 June 2024	Acquisitions/ Constructed by SWDC \$000	Transferred to SWDC \$000	Closing Book Value \$000	Replacement Cost \$000
<b>Water Supply</b>				
Treatment plants and facilities	665	-	20,937	20,937
Land	-	-	2,307	2,307
Other assets	41	16	28,195	28,195
<b>Wastewater</b>				
Treatment plants and facilities	100	-	883	883
Land	-	-	18,058	18,058
Other assets	3,389	14	49,710	49,710
<b>Stormwater Drainage</b>				
Stormwater systems	47	13	26,796	26,796
<b>Land Transport</b>				
Roads and footpaths	5,060	52	385,466	385,466

## Statement of Special and Separate Funds for the Year Ended 30 June 2025

Current Year	Activities to which reserve relates	Opening Balance \$000	Transfers In \$000	Transfers Out \$000	Closing Balance \$000
District Property					
To be used for town centre development	All activities	170	454	(414)	210
Asset Realisation					
Realised capital gains from the sale of Council assets.	All activities	298	-	-	298
Plantation Reserve					
For road protection schemes and seal extensions in the future.	All activities	(190)	-	(30)	(220)
Disaster Recovery Reserve					
To be used for strengthening Council's business continuity	All activities	30	10	-	40
Wairarapa Moana Reserve					
To be used to establish and support the board that will lead guardianship and management of the moana and its surrounds	All activities	137	-	-	137
Community Board Reserves					
Community Board funds carried over:					
Featherston	Governance	28	15	(33)	10
Greytown	Governance	35	15	(22)	28
Martinborough	Governance	11	16	(23)	3
Te Māngai O Ngā Hapori Māori (Māori Standing Committee)	Governance	24	15	(16)	23
Martinborough Swimming Pool	Governance	15	-	-	15
Restricted Reserves					
To provide for the acquisition and development of reserves and open spaces in response to the needs arising from subdivision and development, to protect conservation values.	All activities	3,345	296	(99)	3,543
To provide opportunities for public access to and along water bodies, to provide recreational opportunities near water bodies					
Water Race Reserves					
Featherston/Longwood Water race	Water	56	87	(58)	86
Moroa	Water	329	95	(113)	311
Trusts					
Campground Memorial: Pain Farm	Amenities	7	-	-	7
Maintaining and improving the Borough's parks, sports grounds, camping ground, swimming baths, providing and maintaining sports facilities and a children's playground.	Amenities	419	137	(61)	495
Infrastructure Contributions					
To provide a potable water supply, to safeguard the health of inhabitants and protect the natural environment for inappropriate disposal of sewage, to prevent damage to property or amenity from the indiscriminate and uncontrolled runoff of Stormwater, to ensure sufficient water is available for firefighting purposes.	All activities	3,371	481	(493)	3,360
To provide for the safe and convenient movement on roads of vehicular, bicycles and pedestrians within and through the Wairarapa.					
Planning Reserves					
To spread the costs of the Combined District Plan over the life of the plan	Resource Management	(552)	916	(363)	0
To spread the costs of the Spatial Plan over the life of the plan	Resource Management	52	(28)	(24)	0
Loan Redemption Reserve					
To cover loan principal repayments	All activities	9,533	-	-	9,533
Depreciation Reserves					
To fund new capital projects	All activities	11,742	6,760	(6,217)	12,285
Martinborough Town Hall Reserve					
Waihinga Centre Project	Amenities	10	-	-	10

<b>Infrastructure Resilience Reserves</b>					
Infrastructure Resilience Reserves	Roading	529	300	(674)	154
<b>Housing Reserve</b>					
Housing	Amenities	(384)	477	(536)	(443)
<b>Maintenance Reserve</b>					
To cover maintenance to buildings	Amenities	(80)		(54)	(135)
<b>WWL Unexpected Events</b>					
Water Supply	Water Supply	98	78		175
Wastewater	Wastewater	86	93	(86)	93
Stormwater	Stormwater	11	9		20
<b>Wastewater desludging</b>					
Desludging of sewerage ponds	Wastewater	351	439	(444)	345
<b>Total Special and Separate Funds</b>		<b>29,480</b>	<b>10,665</b>	<b>(9,761)</b>	<b>30,384</b>

## Statement of Special and Separate Funds for the Year Ended 30 June 2024

	Activities to which reserve relates	Opening Balance \$000	Transfers In \$000	Transfers Out \$000	Closing Balance \$000
Previous Year					
District Property					
To be used for town centre development	All activities	236	238	(304)	170
Asset Realisation					
Capital gains from the sale of Council assets that have been realised over time.	All activities	298	-	-	298
Plantation Reserve					
For road protection schemes and seal extensions in the future.	All activities	(147)	-	(43)	(190)
Disaster Recovery Reserve					
To be used for strengthening Council's business continuity	All activities	20	10	-	30
Wairarapa Moana Reserve					
To be used to establish and support the board that will lead guardianship and management of the moana and its surrounds	All activities	137	-	-	137
Community Board Reserves					
Community Board funds carried over:					
Featherston	Governance	29	16	(17)	28
Greytown	Governance	38	16	(19)	35
Martinborough	Governance	27	16	(32)	11
Te Māngai O Ngā Hapori Māori (Māori Standing Committee)	Governance	25	21	(22)	24
Martinborough Swimming Pool	Governance	15	-	-	15
Restricted Reserves					
To provide for the acquisition and development of reserves and open spaces in response to the needs arising from subdivision and development, to protect conservation values.	All activities	3,176	383	(213)	3,345
To provide opportunities for public access to and along water bodies, to provide recreational opportunities near water bodies					
Water Race Reserves					
Featherston/Longwood Water race	Water	52	73	(69)	56
Moroa	Water	314	80	(64)	329
Trusts					
Campground Memorial: Pain Farm	Amenities	7	-	-	7
Maintaining and improving the Borough's parks, sports grounds, camping ground, swimming baths, providing and maintaining sports facilities and a children's playground.	Amenities	155	432	(168)	419
Infrastructure Contributions					
To provide a potable water supply, to safeguard the health of inhabitants and protect the natural environment for inappropriate disposal of sewage, to prevent damage to property or amenity from the indiscriminate and uncontrolled runoff of Stormwater, to ensure sufficient water is available for firefighting purposes.	All activities	3,598	1,120	(1,346)	3,371
To provide for the safe and convenient movement on roads of vehicular, bicycles and pedestrians within and through the Wairarapa.					
Planning Reserves					
To spread the costs of the Combined District Plan over the life of the plan	Resource Management	(338)	60	(274)	(552)
To spread the costs of the Spatial Plan over the life of the plan	Resource Management	11	133	(93)	52
Loan Redemption Reserve					
To cover loan principal repayments	All activities	10,854	679	(2,000)	9,533
Depreciation Reserves					
To fund new capital projects	All activities	11,492	7,093	(6,842)	11,742
Martinborough Town Hall Reserve					
Waihinga Centre Project	Amenities	10	-	-	10

<b>Infrastructure Resilience Reserves</b>					
Infrastructure Resilience Reserves	Roading	1,268	300	(1,039)	529
<b>Housing Reserve</b>					
Housing	Amenities	(287)	295	(392)	(384)
<b>Maintenance Reserve</b>					
To cover maintenance to buildings	Amenities	12	33	(125)	(80)
<b>WWL Unexpected Events</b>					
Water Supply	Water Supply	-	98	-	98
Wastewater	Wastewater	-	11	-	11
Stormwater	Stormwater	-	86	-	86
<b>Wastewater desludging</b>					
Desludging of sewerage ponds	Wastewater	-	500	(149)	351
<b>Total Special and Separate Funds</b>		<b>31,000</b>	<b>11,693</b>	<b>(13,213)</b>	<b>29,480</b>

## Financial prudence benchmarks

### Financial Prudence Disclosure Statement

#### *What is the purpose of this statement?*

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

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

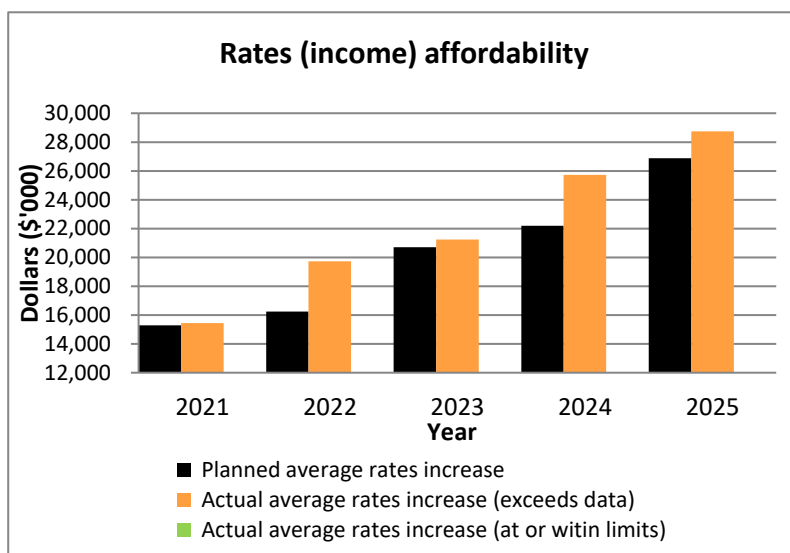
#### *Rates affordability benchmarks*

The Council meets the rates affordability benchmark if:

- Its actual rates income equals, or is less than, each quantified limit on rates; and
- Its actual rates increase equal, or are less than, each quantified limit on rates increases

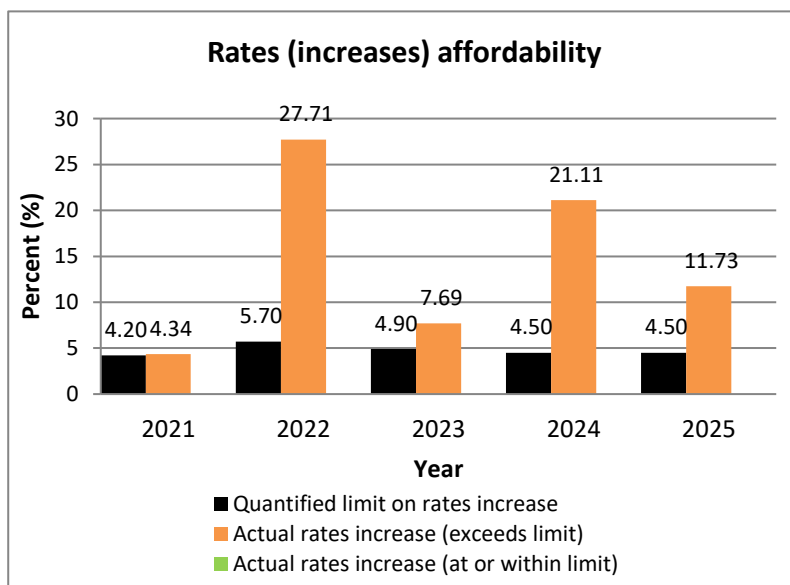
#### *Rates (income) affordability*

This graph compares the Council's actual rates income with the quantified limit on rates set in the financial strategy included in the Council's long-term plan. Actual rates increases were slightly above the quantified limits set.



#### *Rates (increases) affordability*

This graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy of the Council's long-term plan. The quantified limit is the percentage change in average rates and should not exceed the increase in the opening BER local government cost index plus 2 percent.

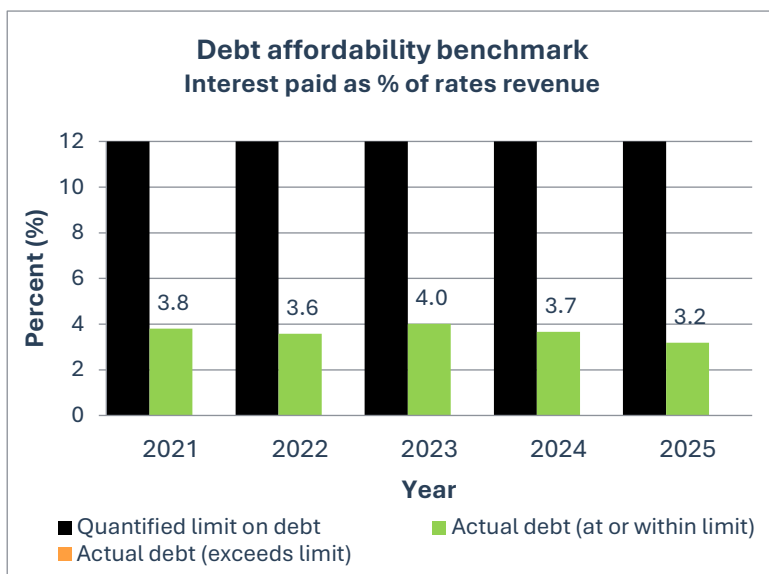




### Debt affordability benchmark

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

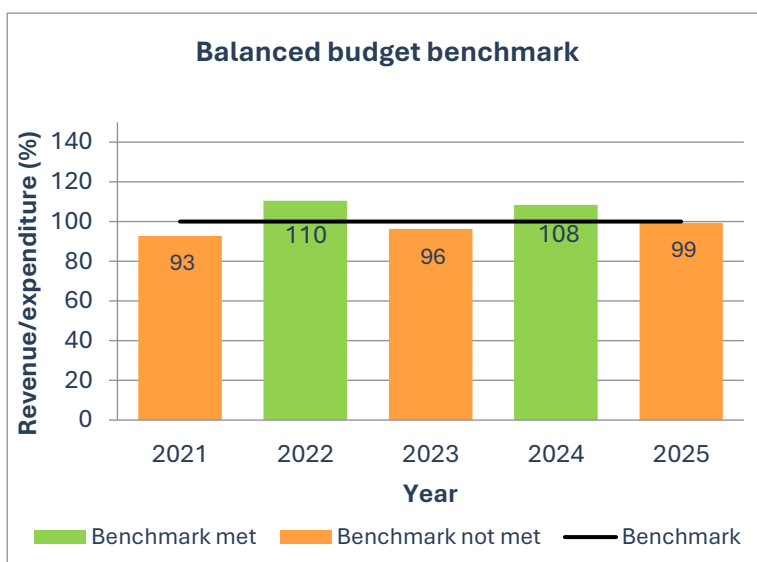
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is that gross interest paid on term debt must not exceed 12 percent of rates revenue.



### Balanced budget benchmark

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

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

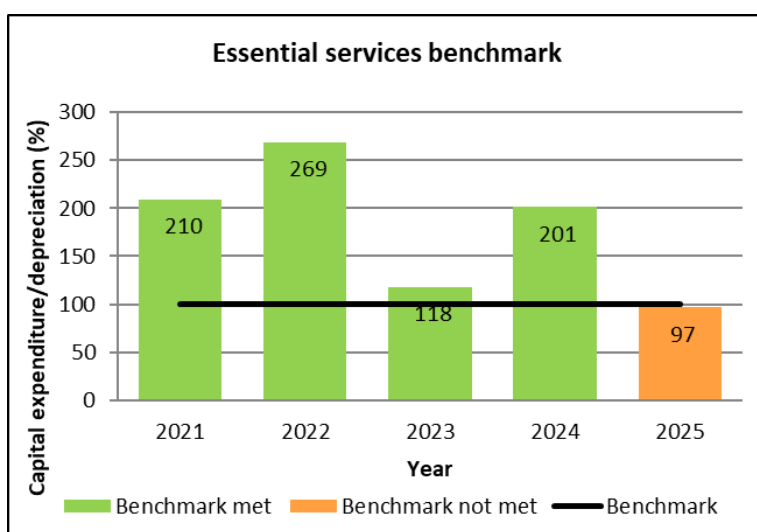


### Essential services benchmark

This 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.

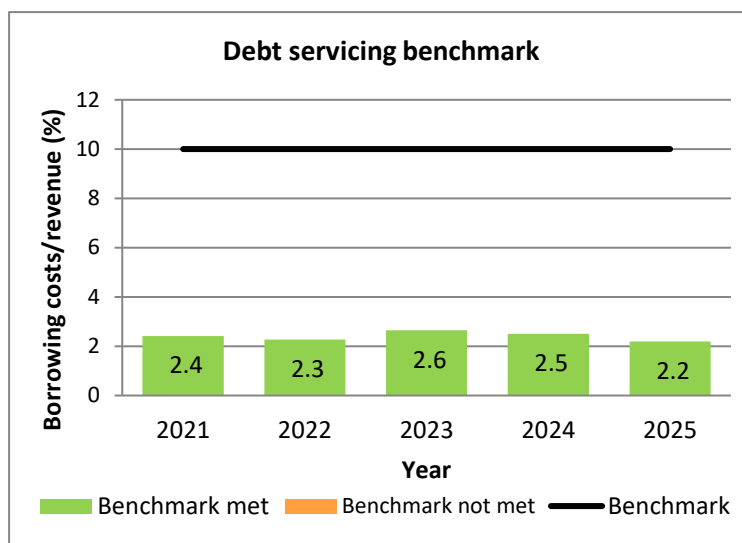
Council plans its network expenditure to ensure assets are maintained for the very long term, and on an as needed basis. Expenditure is based on maintenance need. Unspent funds are held in reserve until required.



### Debt servicing benchmark

This 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).

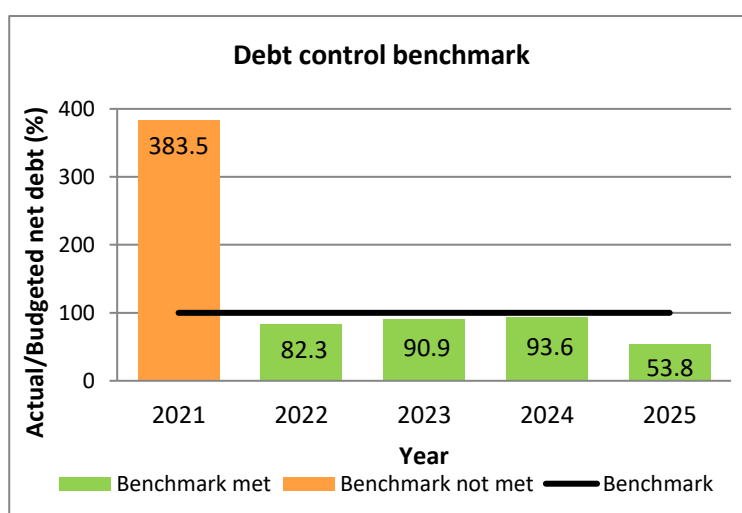
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



### 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).

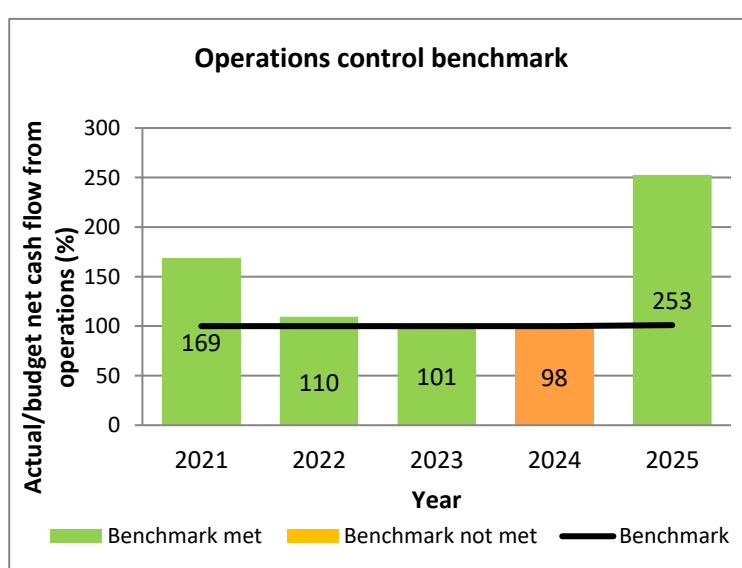
Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



### Operations control benchmark

The following 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.



## Glossary

Abbreviation	Full Wording
LGA	Local Government Act 2002
LGFA	Local Government Funding Agency
LG(FRP)R	Local Government (Financial Reporting and Prudence) Regulations 2014
LG(R)A	Local Government (Rating) Act 2002
LTP	Long-Term Plan
LWDW	Local Water Done Well
NZ GAAP	New Zealand Generally Accepted Accounting Practice
PBE	Public Benefit Entity
SWDC	South Wairarapa District Council

## **Independent Auditor's Report**