

2024/25

Summary Annual Report



Te Kaunihera-ā-Rohe o Taratahi

CARTERTON
DISTRICT COUNCIL

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Summary of the Annual Report

This document is a summary of the Council’s annual report for the 2024/25 financial year. It outlines the major matters dealt with in the full annual report, which was adopted by the Council on 30 October, 2025. This summary was authorised for issue by the Mayor and Chief Executive on 14 November, 2025.

This summary has been prepared in accordance with financial reporting standards and has been examined by the Council’s auditors for consistency with the full annual report. The Independent Auditor has expressed an unqualified audit opinion on the Council’s full audited statement of service performance, and an unqualified audit opinion on the Council’s full audited financial statements in their report dated 30 October, 2025.

The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full report. Readers are referred to the full annual report if they require more details.

In its full financial statements, the Council has made an explicit and unreserved statement of compliance with PBE Standards Reduced Disclosure Regime. The full annual report is available from the Carterton District Council Office and Carterton Library, or can be downloaded from the Council’s website cdc.govt.nz/reports.



Cover photo by Alex Barrass, Waiohine Gorge.

Mayor's Report for year ended June 30, 2025

Kia ora koutou,
This year has been one of delivery, reflection, and recalibration. As we close out the final year of this Council term, I'm proud of the work we've done - but equally aware of the opportunities that remain unrealised.

We've made strong progress on infrastructure - completing key upgrades to our water and wastewater networks, commissioning the Gallon Road Solar Farm, and advancing the Waingawa Water Storage Project. These investments are about future-proofing Carterton, ensuring our district remains resilient in the face of climate change and economic uncertainty.

But we've also had to navigate a shifting political landscape. Central government policy changes - particularly around water reform and local government funding - have created uncertainty and placed additional pressure on councils. We've done our best to respond pragmatically, but the pace and complexity of reform has made significant impacts on our ability to create long-term planning.

One of the biggest missed opportunities this term has been the lack of progress on Wairarapa council amalgamation. The case for a unified council remains strong - economically, operationally, and democratically. Yet despite clear

benefits and community interest, we've been unable to move the conversation forward in a meaningful way. I continue to believe that a single Wairarapa Unitary Authority that replaces all four councils in the Wairarapa and which brings all decisions on the management of the Wairarapa's natural resources back to the people of the Wairarapa would far better serve the Wairarapa region, and I urge future leaders to keep this vision alive.

Throughout the year, we've engaged widely with our community - on speed management, climate strategy, water services, and more. Your feedback has shaped our decisions, and your expectations have kept us accountable. We know there's more to do - especially around transparency, town centre revitalisation, and infrastructure delivery - but we remain committed to continuous improvement.

As I prepare to step away from this role, I do so with pride in our achievements and hope for what comes next. Carterton is a district with heart, grit, and potential. Thank you for your trust, your feedback, and your belief in our shared future.

Ngā mihi nui,



Hon. Ron Mark
Mayor at 30 June, 2025
Carterton District Council



Chief Executive's Report

Kia ora,
The 2024/25 year has been one of delivery, adaptation, and momentum. Across the organisation, our teams have worked hard to deliver on the commitments set out in our Annual Plan, while navigating the complexities of a changing operating environment

We completed several major infrastructure projects, including the Lincoln Road sewer renewal and we have advanced the Waingawa Process Water Plant – both of which required technical precision, community coordination, and resilience in the face of unexpected challenges. The Gallons Road Solar Project was another milestone, demonstrating our ability to deliver sustainable solutions that benefit both the environment and our ratepayers.

We also continued to invest in our community assets, with strong performance across our facilities, ongoing improvements to our parks and reserves, and the delivery of essential maintenance and repairs along our 441km roading network.

These achievements are a credit to the dedication of our staff, contractors, and community partners. But we know the work doesn't stop here. The pressures on local government are real – financial constraints, regulatory reform, and climate adaptation all require us to think differently and act decisively.

As we look ahead to the next Long-Term Plan, we remain focused

on delivering value and ensuring Carterton continues to be a place where people and businesses can thrive.

Thank you to everyone who has contributed to this year's progress. We look forward to continuing this important work together.
Ngā mihi,







Geoff Hamilton
Chief Executive
Carterton District Council



2024/25 in numbers


Processed waste

-  **177,865kg** of waste accepted at transfer station
-  **226,480kg** collected for general recycling
-  **289,180kg** of glass collected for recycling
-  **22,870kg** of e-waste collected for recycling

Planning and regulatory




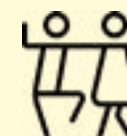
-  **22** food premise inspections carried out
-  **12** hair and beauty premise inspections carried out
-  **13** nuisance complaints investigated
-  **2,627** dogs registered

Carterton Library





-  **119,491** library print items issued and returned
-  **21,365** e-books, **15,466** audiobooks, and **15,998** e-magazines issued through the Libby App
-  **732** new members signed up

-  **214** building consents issued
-  **1,978** building inspections carried out
-  **81** subdivision consents granted

Wairarapa Events Centre

-  **8,330** tickets sold
-  **22% increase** in auditorium use
-  **80%** booking capacity filled at Carterton Community Courthouse
-  **6,600** hours of community, creativity and connection

Roading and water services

-  **758km** of unsealed road grading
-  **100%** of regulatory signs repaired or replaced within 2 days
-  **212** water service requests attended
-  **100% compliance** with household water supply resource consent conditions

Local Government Official Information and Meetings Act

57

Requests received



52 responses provided in under 20 working days

1

Number of LGOIMA's referred to Ombudsman

Finances at a glance

Carterton District Council ends the 2024/25 financial year with **\$27,100,000** debt and **\$170,375,000** in reserves.


The Statement of Comprehensive Revenue and Expenses on page 17 provides a summary of Carterton District Council's position for 2024/25. Including capital income, the 2024/25 operating result was a surplus of **\$3,140,015**.

Council recorded a surplus due to several contributing factors, including higher-than-anticipated interest income, additional grants and subsidies, and variances in the NZTA subsidy. Miscellaneous revenue also exceeded expectations, largely due to an upfront payment for the Wairarapa Organics Feasibility Study and reinvested fund rebates.


Community Survey

726

Responses received



67.9% overall score



Carterton Library #1

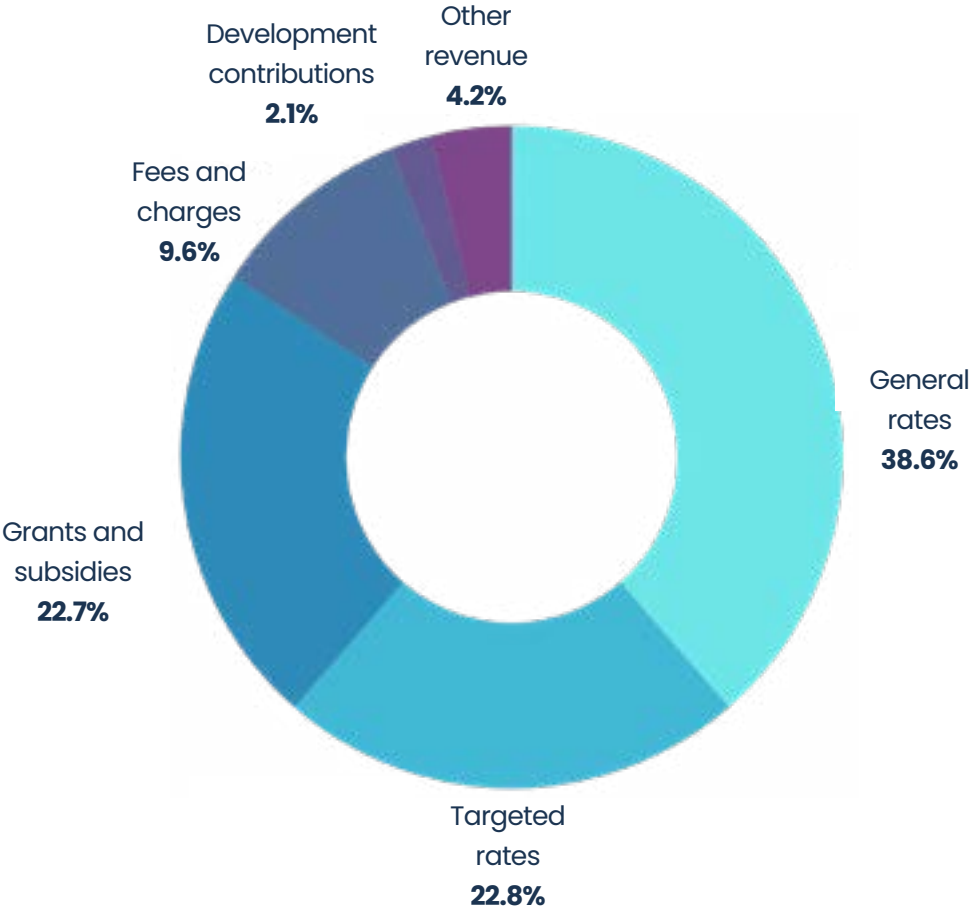
Your rates at work

Carterton District Council provides important services, amenities and facilities to our community each year. This includes capital works to ensure our amenities are future-proofed and resilient.

Below is a summary of where Carterton District Council gets its revenue and how it is spent to ensure the best outcomes for residents.

Where does Carterton District Council get its money?

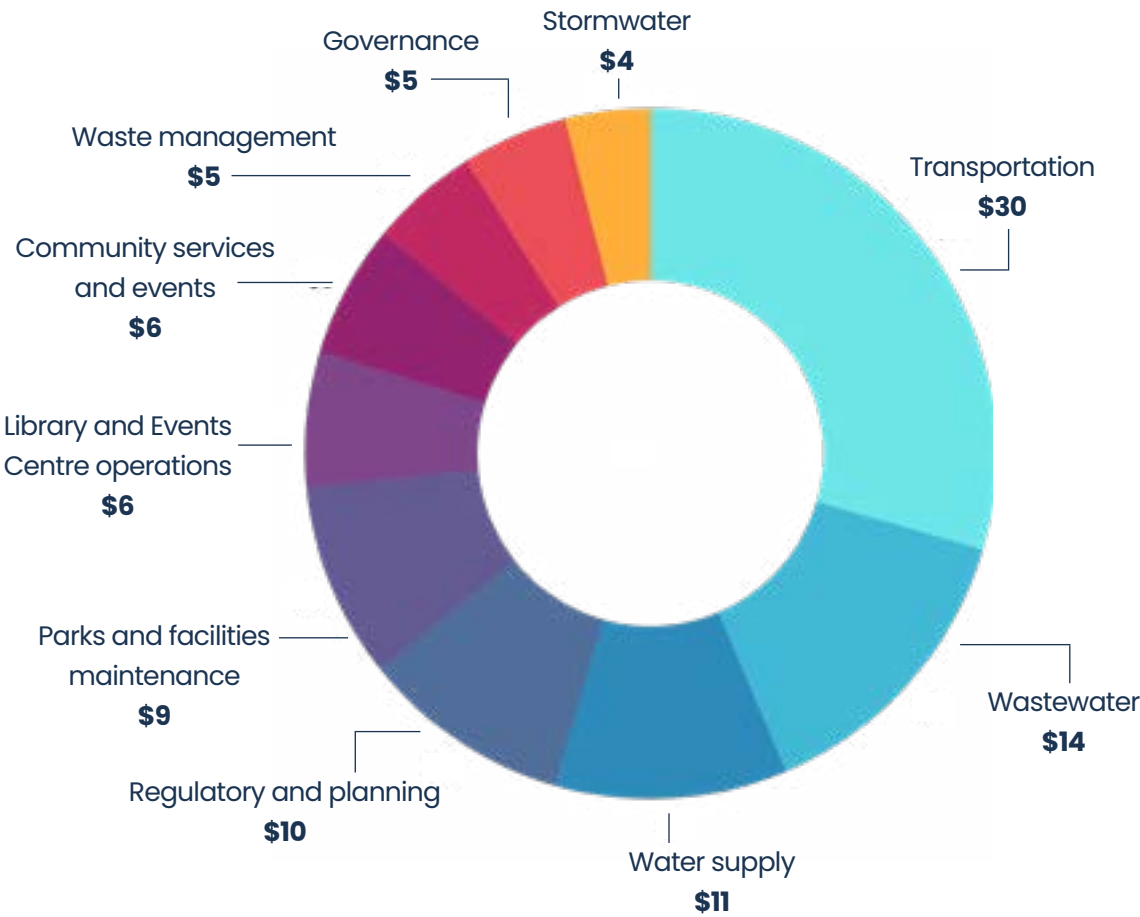
Our total operating revenue for 2024/25 was \$32,217,000 which came from the following sources:



39% of our operating income is sourced outside of rates.

Where does Council spend its money?

In broad terms, here is how \$100 of Council funds are spent across services:



78% of Council funds are spent on delivery of core services.

This 78% includes:

- Operating and upgrading water networks.
- Rubbish and recycling collection and disposal.
- Building and maintaining roads and footpaths.
- Regulating and planning for growth.

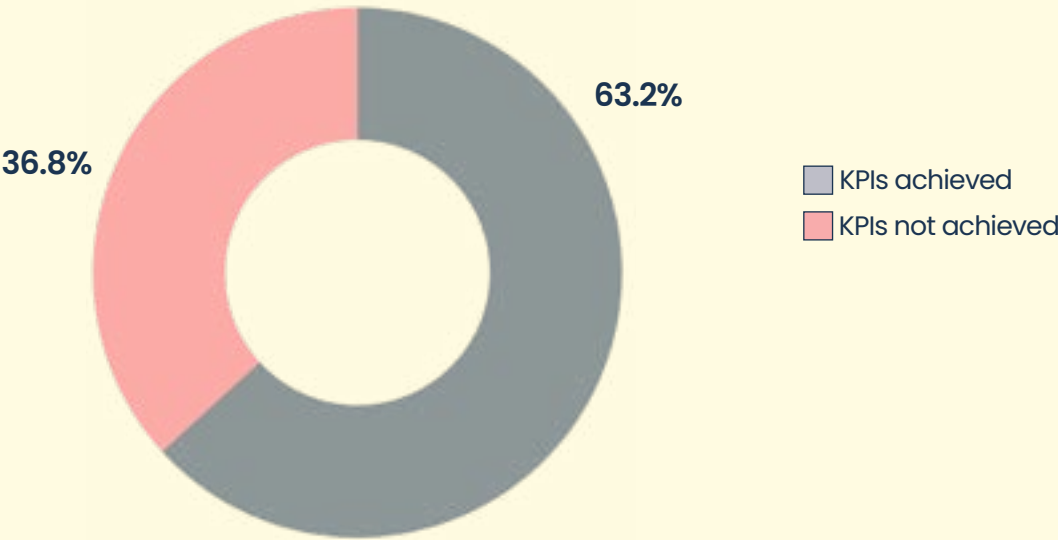
The remaining 22% includes:

- Community services, programs and events.
- Maintenance of community parks, reserves and facilities.
- Operation of Carterton Library and Wairarapa Events Centre.

Activities and services

This is where we outline our non-financial performance in each of our activity and service areas. These are organised into nine different groups and reported on in line with the Key Performance Indicators identified in our 2024-34 Long-Term Plan.

Overall non-financial performance in 2024/25



Our performance broken down by activity groups:



Governance | Te Kāwanatanga

- Our Community Survey was re-introduced in 2025 and delivered in-house to reduce costs, improve accessibility and strengthen engagement. Council recieved an overall satisfaction rating of 67.9%.
- Governance and reputation satisfaction levels did not meet our KPI measure and this is likely due to challenges we experienced during the Long-Term Plan process and a number of significant consultations such as the representation review and rating review.
- We didn't achieve our service request targets however the result remains consistent with 2024.
- Māori representation at Ordinary Council meetings will be a focus for the new Triennium.

Community support | Ngā Tautoko Hapori

- To reduce disruptions during maintenance, Council introduced a weekly closure period at Sparks Park.
- We developed the Community Grants and Funding Framework and Policy – a dedicated resource to improve access to funding information and guidance.
- Wairarapa Arts Festival, Kakano, was launched in March 2025 boasting a program of six events, including free, community showcase, Holloway Hoopla.
- A StoryWalk® was installed at Carrington Park in October. The project displays the pages of a children's book to be progressively read along the Carrington Oval walking route.

Regulatory and planning | Ngā Ture me te Rautaki

- Two new hairdressing premises were established in Carterton over the financial year as well as four new food outlets.
- Our building consent delivery received national media recognition, listed as second in the country in terms of efficient processing times.
- Despite strong performance in consent processing, public perception challenges remain, particularly around building regulation and the appearance of commercial buildings in the town centre, largely due to earthquake-prone properties along High Street.

Transport | Ngā Ture me te Rautaki

- We continue to prioritise timely responses to customer service requests relating to our roading and footpath network. This year, 81% of requests were responded to within 10 working days, exceeding our target of 70%.
- We completed a significant upgrade of Norman Avenue in early 2025, with local firm PCL Contractors awarded the \$1.05 million contract.
- We continue to navigate several challenges in maintaining and improving the district's roading network. Much of the network is aging, and while steady progress is being made, all upgrades must be delivered within the constraints of Long-Term Plan budgets.
- We were unable to achieve our footpath target due to budgetary constraints and other priorities such as severe weather responses.

Wastewater | Te Wai Para

- On 20 December 2024, we completed construction of our Gallons Road Solar Project, fully-funded through the Department of Internal Affairs' Better Off Fund.
- Council continues to take a long-term approach to improving the condition and resilience of the district's stormwater network.
- A level of good performance was not reflected in our Wastewater system fault median attendance and resolution times due to incorrect service request data entry for closure of events.

Stormwater drainage | Wai Āwhā

- Increasingly unpredictable weather events and constrained budgets present challenges in the ongoing management of the district's stormwater network.
- The reinstatement works for the unsealed portion of Te Wharau Road were completed in October, following damage from Cyclone Gabrielle.
- The lower level of resident satisfaction in this area is felt to be reflective of the concerns around flooding reported in our Community Survey and a limited understanding of the function of stormwater in Carterton. The piped network is relatively small.

Waste management | Te Whakahaere Para

- Non-compliance results referenced in reporting relate to historic landfill consent conditions, not the operation of the transfer station itself. The team is currently working through the process of renewing the expired consent to ensure continued oversight.
- Council continues to monitor legacy environmental risks associated with the closed landfill at Dalefield, which now operates solely as a transfer station.
- Our Waste Minimisation team commissioned a feasibility study into kerbside compost collection and the potential for introducing this service to our waste collection schedule. A final report and recommendation will be provided in the 2025/26 financial year.

Water supply | Te Ratonga Wai

- Council began a major upgrade of Brooklyn Road's aging water infrastructure, replacing the asbestos main between High Street South and Lincoln Road with a new 300mm diameter PVC pipe. This long-life pipe is expected to last 100 years.
- As part of the reconsenting process for the Kaipatangata Water Treatment Plant, we are undertaking a detailed review of environmental and operational requirements, including nitrate management.
- While current supply is sufficient to meet projected demand through to 2043, the renewal process must address legacy consent conditions and ensure ongoing compliance with drinking water standards.

Administration and support services | Ngā Whakahaere me ngā Tautoko

- A delay in the adoption of our Long-Term Plan resulted in the rates not being set for residents until September 2024. This saw our quarterly payment schedule amend to three equal rates notices.
- A recent corporate brand colour palette refresh provides a strong foundation for clearer, more cohesive engagement, while lessons from the delayed Long-Term Plan adoption will inform future planning and risk management processes.
- As our organisation continues to evolve, there will be ongoing attention to aligning operational delivery with community expectations and legislative requirements.

Summary financial statements

The specific disclosures included in these summary financial statements have been extracted from the full financial statements adopted by Council on 30 October, 2025.

The full financial statements of Council were prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP), and in accordance with the PBE Standards Reduced Disclosure Regime (RDR).

The summary financial statements comply with PBE Financial Reporting Standard 43 Summary Financial Statements. They are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars.

- The Summary Statements of Financial Performance, Comprehensive Revenue and Expense, and Changes in Equity present the financial performance and equity movements of the Council. These statements summarise operating income and expenditure as well as other financial transactions that have impacted on Council’s net equity.
- The Summary Statement of Financial Position presents the assets we own and the liabilities we owe to other parties.
- The Summary Statement of Cashflows shows how we generated and used cash.

Statement of Comprehensive Revenue and Expenses

Carterton District Council
Statement Of Comprehensive Revenue and Expenses

	Annual Report 30 June 2024 \$000	Annual Report 30 June 2025 \$000	LTP 30 June 2025 \$000
Revenue			
Rates	17,676	19,661	19,540
Fees and charges	2,092	2,070	2,424
Waka Kotahi (NZTA) subsidy	3,010	3,598	3,898
Other revenue	4,192	5,889	5,194
<i>Total Revenue</i>	26,969	31,217	31,057
Expenditure			
Governance	825	808	905
Transportation	6,888	8,317	8,437
Water Supply	4,527	3,757	3,481
Wastewater	3,891	3,972	3,836
Stormwater	402	370	374
Waste Management	1,271	1,439	1,365
Community Services	6,988	6,595	6,699
Regulatory and Planning	1,953	2,780	2,433
Other expenses	134	39	5
<i>Total Expenditure</i>	26,881	28,077	27,536
Operating Surplus	88	3,140	3,521
Fair value gains/(losses)	107	(82)	-
Surplus before tax	195	3,058	3,521
Taxation expense	-	-	-
Surplus after tax	195	3,058	3,521
Gain/(loss) on property, plant & equipment revaluation	(352)	23,891	36,087
Impairment gain/(loss) on revalued property, plant & equipment	1,198	3,272	-
Financial assets at fair value	(1)	-	-
Total comprehensive income for the year	1,041	30,222	39,608
<i>Note: Operating expenditure included:</i>			
Depreciation	6,803	6,669	6,793
Finance costs	943	1,168	1,083
Personnel costs	6,654	6,799	6,897

Statement of Changes in Equity

Carterton District Council
 Statement of Changes in Equity
 For the year ended 30 June 2025

	Annual Report 30 June 2024 \$000	Annual Report 30 June 2025 \$000	LTP 30 June 2025 \$000
Equity at start of year	268,951	269,991	273,095
Total comprehensive revenue and expense	1,041	30,222	39,608
Equity at end of year	269,991	300,212	312,703
Components of equity at end of year			
Public equity	124,914	129,837	128,230
Restricted reserves	6,218	5,485	6,670
Other reserves	7,777	6,631	6,745
Revaluation reserves	131,081	158,259	171,058
Equity at end of year	269,991	300,212	312,703

Statement of Financial Position

Carterton District Council
 Statement of Financial Position
 As at 30 June 2025

	Annual Report 30 June 2024 \$000	Annual Report 30 June 2025 \$000	LTP 30 June 2025 \$000
Current assets	15,977	14,716	16,413
Non-current assets	283,892	318,448	330,556
Total assets	299,869	333,164	346,968
Current liabilities	7,274	7,921	7,520
Non-current liabilities	22,606	25,033	26,744
Total liabilities	29,880	32,954	34,265
Total equity	269,989	300,210	312,704

Statement of Cashflows

Carterton District Council
 Statement of Cash Flows
 For the year ended 30 June 2025

	Annual Report 30 June 2024 \$000	Annual Report 30 June 2025 \$000	LTP 30 June 2025 \$000
Net cash flow from:			
- operating activities	7,641	9,201	10,314
- investing activities	(15,133)	(15,845)	(13,488)
- financing activities	7,200	2,500	4,265
Net cash flows for the year	(292)	(4,144)	1,091
Add cash at start of year	13,454	13,162	3,426
Balance at end of year	13,162	9,017	4,517
Represented by			
Cash, cash equivalents, & bank overdrafts	13,162	9,017	4,517

Contingent liabilities and contingent assets

Local Government Funding Agency (LGFA)

The Council is a guarantor of 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 \$23 billion (2024: \$23 billion), of which the Council has borrowed \$0.027 billion (2024: \$0.025 billion). As a result, the Council’s cross guarantee on LGFA’s loans to other local authorities is \$23 billion (2024: \$23 billion).

Public Benefit Entity (PBE) Accounting Standards require the Council to recognise the guarantee liability at fair value. However, the Council have been unable to determine a sufficiently reliable fair value for the guarantee and therefore has not recognised a liability. The Council consider 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.

Wastewater treatment plant contract

CDC have a contractual dispute with the main contractor of the Wastewater Treatment Plant Reservoir Project, Central Hawkes Bay Earthmovers LTD (CHBE). This includes contractual performance challenges, damage to the three reservoir liners, completion of unfinished works and late delivery of the contracted works.

Council has sought decisions from the Engineer to the Contract on three areas of dispute to progress contract claims. These include the certification by the Engineer that CHBE was neglecting its obligations under the contract, confirmation of the process by which Council took possession of site on 31st August 2021, and the cost incurred by Council to complete the contract works.

The wastewater reservoirs were brought into note service in June 2023. Council has capitalised all costs incurred including the additional cost to repair damage and complete the contract works. These costs are being depreciated in line with our existing policies. While CDC expects to be able to recover some costs relating to the contract, there are uncertainties around the amount, and the timing. As such, no contingent asset has been recognised.

Events after balance date

Riskpool

Carterton District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme (‘Riskpool’). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the Riskpool scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance or where reinsurance is delayed), and to fund the ongoing operation of the scheme. A call of 19k was made in August 2025.

The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, following the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, which addressed the treatment of claims against Riskpool that involved a mixture of non-weathertightness and weathertightness defects (mixed claims), a number of proceedings against Riskpool, which were stayed pending the Supreme Court’s decision in 2023, have since recommenced.

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

Belvedere Hall

Under the Reserves Act 1977, the reserve status of the land has been revoked, and the land is now Crown land available for disposal under the Land Act 1948. This revocation is effective from 11th August 2025 and will result in \$192,300 of Councils Land and Building assets being vested to the Department of Conservation as asset holder on behalf of the Crown.

Water Services Reform

Adoption of Water Services Delivery Plan and Establishment of Regional Water Entity

On 20 August 2025, Carterton District Council formally adopted its Water Services Delivery Plan (WSDP) as required by the Local Government’s water services Act. 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-owned organisation (COO) 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 by 3 September 2025.
- Approval of up to \$1.25 million in unbudgeted expenditure, to be capitalised and borrowed, representing the Council’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 and approval by council resolution.

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. Council will transfer assets, liability and operations of Water, Wastewater, and Stormwater services to the Water Services CCO no later than 1 July 2027. The going concern status remains appropriate as the Council 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.

As at the adoption date of this Annual Report, the Secretary for Local Government has indicated that our Water Services Delivery Plan is still being reviewed, but there is no indication that this will not be accepted. Until there is acceptance, the future delivery of water services remains uncertain beyond 30 June 2027.

Explanation of major variances against budget

Explanations for major variations from the Council’s estimated figures in the 2024/25 Annual Plan are as follows:

Statement of Comprehensive Revenue and Expenses

Operating Revenue

Interest rates on term deposits have exceeded budgeted expectations; Higher interest rates have contributed to an increase in interest income of \$176k.

Budget variances in the Waka Kotahi (NZTA) subsidy can be attributed to timing of works as this is completed over a three-year period.

Grants and subsidies received from central government including the Mayor’s Taskforce for Jobs (MTFJ) and Flat Point Flood Resilience were not included in the budget, contributing to approximately \$946k favourable variance compared to budget.

Miscellaneous revenue was \$397k higher than budgeted, primarily due to a unbudgeted payment from the Ministry for the Environment for the Wairarapa Organics Feasibility Study, and rebates reinvested in managed funds which are not budgeted for.

Operating Expenditure

Water supply

Water supply expenditure is over budget mostly due to additional maintenance required and cost increases, higher than forecast.

Regulatory and Planning

Expenditure appears to be over budget; however, this is reflecting the full costs charged to Carterton District Council and doesn’t reflect the on-charged costs to the Wairarapa councils that off-set this cost and sit within the income section of the Statement of comprehensive revenue and expenses.

Fair value gains are difficult to forecast so are not included in the budgeted numbers, resulting in a lower than budget figure of \$82k.

These variances reflect both challenges and opportunities in managing our financial performance effectively.

Statement of Other Comprehensive Revenue and Expense

Revaluation \$-12.1m

Revaluation gains and losses are difficult to budget due to the nature of these transactions, the budget assumed that the percentage of the value of the increase of these assets would be higher than the actual value.

The impairment to roads of \$3.3m carried into last financial year was charged against the revaluation reserve and we have now fully completed work and restored the asset.

Statement of Financial Position

Cash and cash equivalent is over budget by \$4.5m and current Investments is under budget by \$5.4m - these are due to the timing of investing and maturing of deposits and the variances effectively offset.

Property, plant and equipment is under budget by \$-13m primarily as a result of the lower than forecast revaluation of PPE.

Borrowing \$-1.7m under budget due to capital expenditure that was funded by borrowings not progressing as expected.

Statement of Cashflows

Council has higher than budgeted movement in investments due to increases in short term investments rather than cash held, utilising part of the cash held at start of year which was higher than forecast.



Te Kaunihera-ā-Rohe o Taratahi

CARTERTON
DISTRICT COUNCIL