

2023/24 Annual Report Summary

Riipoata aa tau whakaraapopototanga





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Setting the scene

Message from the Mayor and Chief Executive



Striking the right balance between growth and affordability

As we reflect on the past year, it's clear we have much to celebrate. Nestled in the heart of New Zealand's Golden Triangle, that runs between Auckland, Hamilton and Tauranga, our district is positioned in a region full of opportunities and challenges. This year has been one of progress and learning as we strive to create liveable, thriving and connected communities.

Our district finds itself at the crossroads of growth and development, with half of New Zealand's population living within a couple of hours' drive. We're on the verge of a population surge, expected to reach 142,000 by 2068. This growth is exciting, but requires careful planning to ensure we maintain sustainable, inclusive, and resilient communities.

Our rural sector plays a crucial role in shaping the economic development of our district, and the Rural Economic Advisory Panel (REAP) helps keep Council informed about the needs and priorities of our rural communities. While we have six main centres, it's important to recognise our smaller communities are just as significant in connecting our urban and rural landscapes.



Balancing growth and affordability

One of our most significant challenges is balancing growth with affordability. As our district expands, the demand on infrastructure and services grows. We understand that rapid growth can strain our resources, and it's our responsibility to maintain the quality of life without placing financial pressure on residents.

Affordability is at the forefront of our future decision-making. Every ratepayer is a stakeholder in our district's success, so our goal is to deliver value for money while providing essential services. Through financial management, we have been able to navigate these complexities, ensuring our investments benefit the district long term.



Infrastructure: The backbone of our communities

Infrastructure remains a foundation of our strategic planning. Roads and water systems are vital to our district's success, facilitating connectivity, economic growth, and an improved quality of life for our residents. However, maintaining and improving these systems can be challenging.

This year, we allocated approximately 33% of our budget to our road network, recognising its role in connecting communities and supporting our rural economy. However, our current funding model, which relies heavily on ratepayer contributions, is insufficient to meet growing demands. We are actively seeking innovative funding solutions to address challenges and ensure the longevity of infrastructure.

Our water infrastructure is equally critical. Rising compliance standards and increasing costs make it essential to prioritise upgrades and maintenance. This year, we reached a significant milestone by opening Stage 1 of the Membrane Bioreactor (MBR) wastewater treatment plant in Te Kauwhata, showcasing our commitment to sustainable management and environmental protection.



A year of community engagement and celebration

In December and January, Ngaaruawaahia's Paterson Park and Huntly West Sports Complex unveiled their new glare-free LED lighting systems, designed to meet competition standards. These projects were a collaborative effort with local community groups, showcasing our commitment to community engagement.

Similarly, the Pookeno Tennis and Recreation Hub has been upgraded with new competition-grade lighting, ensuring its service to the community for years to come.

We hosted the inaugural Waikato District Heritage Day in April, celebrating our district's rich history. This free event explored museums, local heritage sites, and displays at Waikato district libraries. It was a chance to reflect, learn, and appreciate our heritage, fostering community identity and mutual respect.

In May, we celebrated the opening of the Whaaingaroa/Raglan Wharf Western Walkway with a karakia ceremony led by Kaumatua Atutahi Riki of Ngaati Maahanga and Tainui. This walkway marks the completion of the Whaaingaroa Wharf and wider harbour redevelopment, creating a safe and accessible precinct.

Our achievements this year highlight the strength of our partnerships and the vibrant spirit of our community. We continue to commit to building connected and thriving communities throughout the Waikato district.



Preparing for future challenges

Looking ahead, we acknowledge ongoing challenges, especially water services. Watercare's decision to withdraw from our contract by June 2028 marks a significant change in our water services provision. We are exploring various options, including partnerships with Hamilton City Council as well as other Councils in the region. We will also investigate the option of forming a Waikato District Council owned Council Controlled Organisation (CCO). Water infrastructure is the key to ongoing growth and community development, and we will continue to provide a high-quality service irrespective of the delivery model in the future.

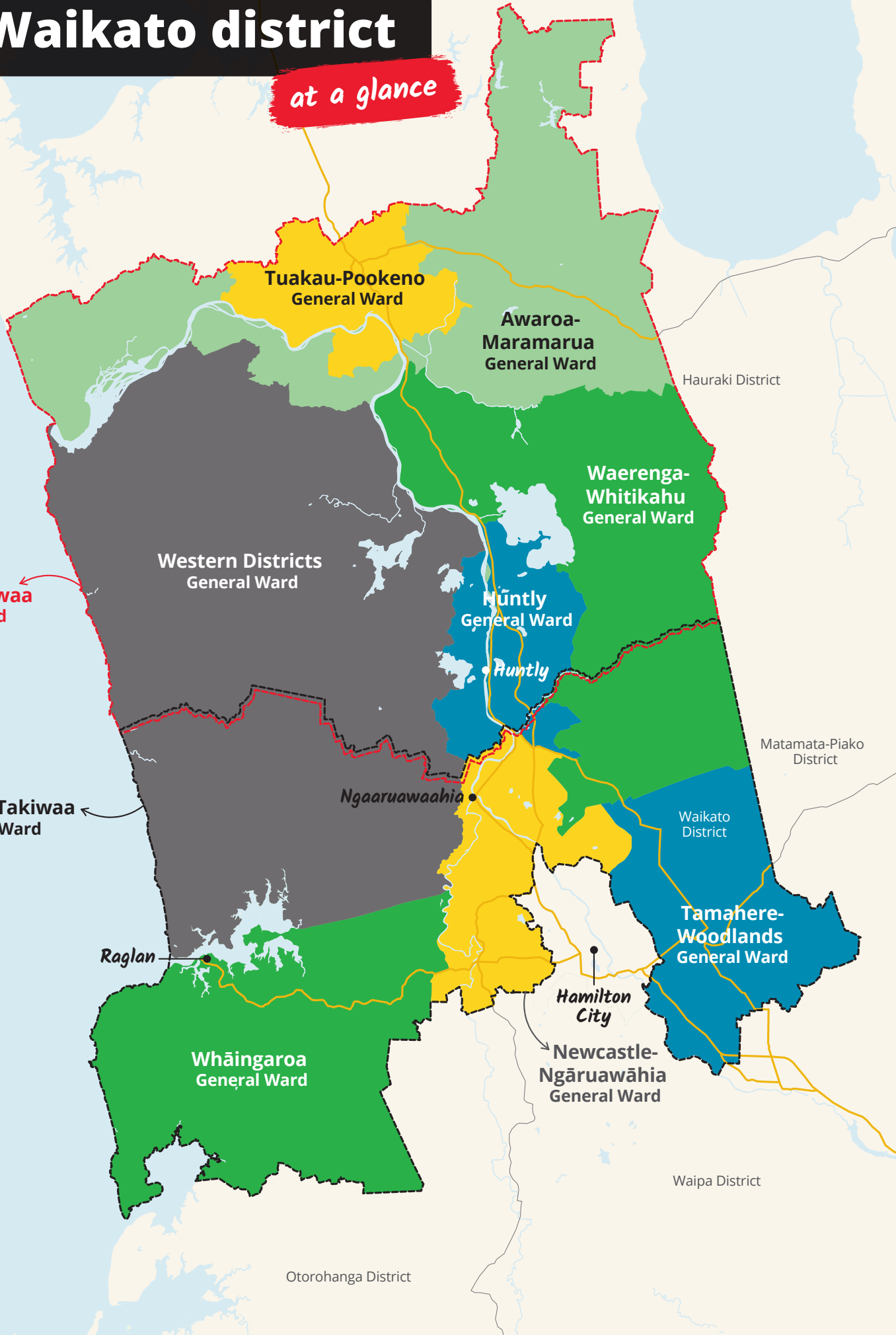
This year, we faced financial planning challenges due to changes in central government policy and uncertainties in funding. In response, we transitioned from the 2024-2034 Long-Term Plan (LTP) process to a 2024/25 Enhanced Annual Plan approach. This change enables us to get some certainty on key issues, such as delivering on essential services, before developing and committing to a new Long Term Plan.

**Her Worship,
Jacqui Church
Mayor**

**Gavin Ion
Chief Executive**

Waikato district

at a glance



Tuakau-Pookeno
General Ward

Awaroa-
Maramarua
General Ward

Waerenga-
Whitikahu
General Ward

Western Districts
General Ward

Nuntly
General Ward

Tai Raro Takiwaa
Maori Ward

Ngaaruawaahia

Tai Runga Takiwaa
Maori Ward

Raglan

Whāingaroa
General Ward

Hamilton
City

Waikato
District

Tamahere-
Woodlands
General Ward

Newcastle-
Ngāruawāhia
General Ward

Waipa District

Otorohanga District

Your Mayor and Councillors

The **Waikato District Council** is an elected body of 14 representatives – the Mayor and 13 Councillors. Council is accountable to the ratepayers and residents of the Waikato district for the planning, direction and management of the resources to meet the present and future needs of the community.



Jacqui Church

Mayor

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Carolyn Eyre

Deputy Mayor

Western Districts General

Ward Councillor

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A snapshot of the **Waikato district**



Our district is home to **90,100¹ people**

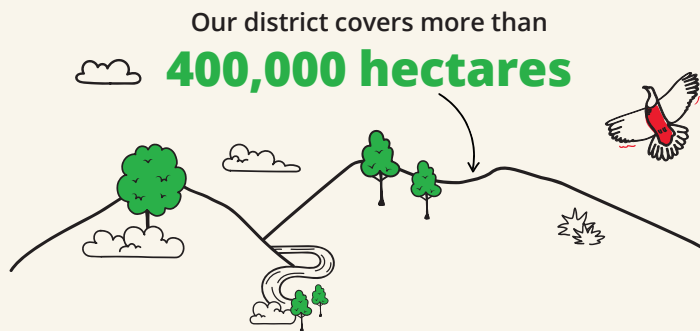
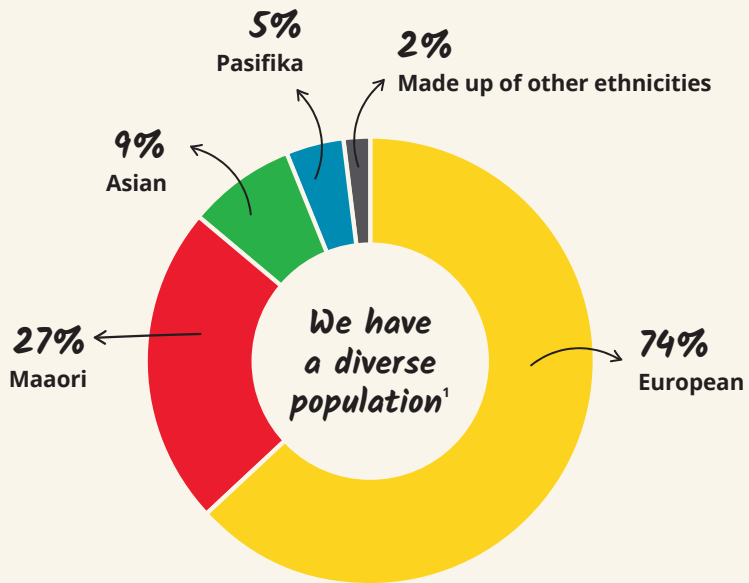
We welcomed **375 new citizens** to the district.



Waikato is the principal iwi in the district, we also have **21 hapuu and 39 marae** within our district.

We own and maintain **229ha of sport and recreation areas** for active communities.

We manage over **2.5 million** individual rubbish and recycling collections per year throughout our district.



Our district covers more than **400,000 hectares**

We have 61 playgrounds where our youngsters can play, learn, and grow.



¹ Source: 2023 Census



We welcomed

248,327 people

into our libraries, which house over

85,000 books.

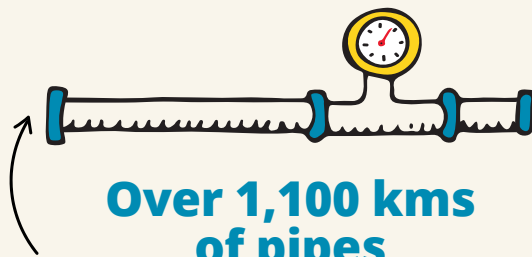


We issued

1,337 building consents

and carried out

9,674 inspections.



Over 1,100 kms of pipes

either supply, drain, or remove water through our residential towns.



42 community centres and town halls

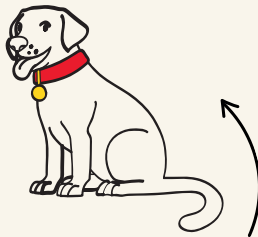
help bring our communities together.

We maintain over

2,500km of sealed and unsealed roads,

approximately 20,000 culverts,

and 16,000 streetlights.



13,939 dogs

were registered and

169 dogs

were rehomed in 2023/24.



Sustainability Snapshot



66% of our vehicles
are hybrid or PHEV.

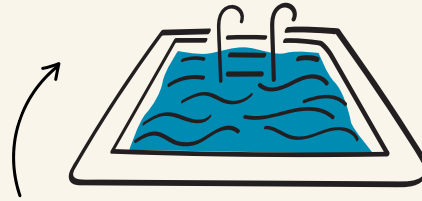


Over 20,000 native plants

were planted across over five planting sites district wide, with partners like Waikato Regional Council, RiverCare, and Enviroschools.



Out of
5,519 streetlights,
92% have LED gear and
78% have LED lamps.

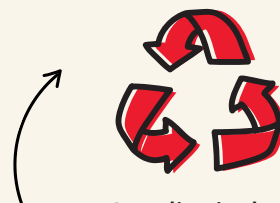


The Huntly Aquatic Centre gas boiler was replaced with a hot water heat pump system, saving more than
\$18,000 per year in costs.

Council received an Energy Efficiency Conservation Authority (EECA) grant of \$158,000 towards this project.



200 IT products
have been recycled.



Our district has
32 ecological
restoration/enhancement sites.

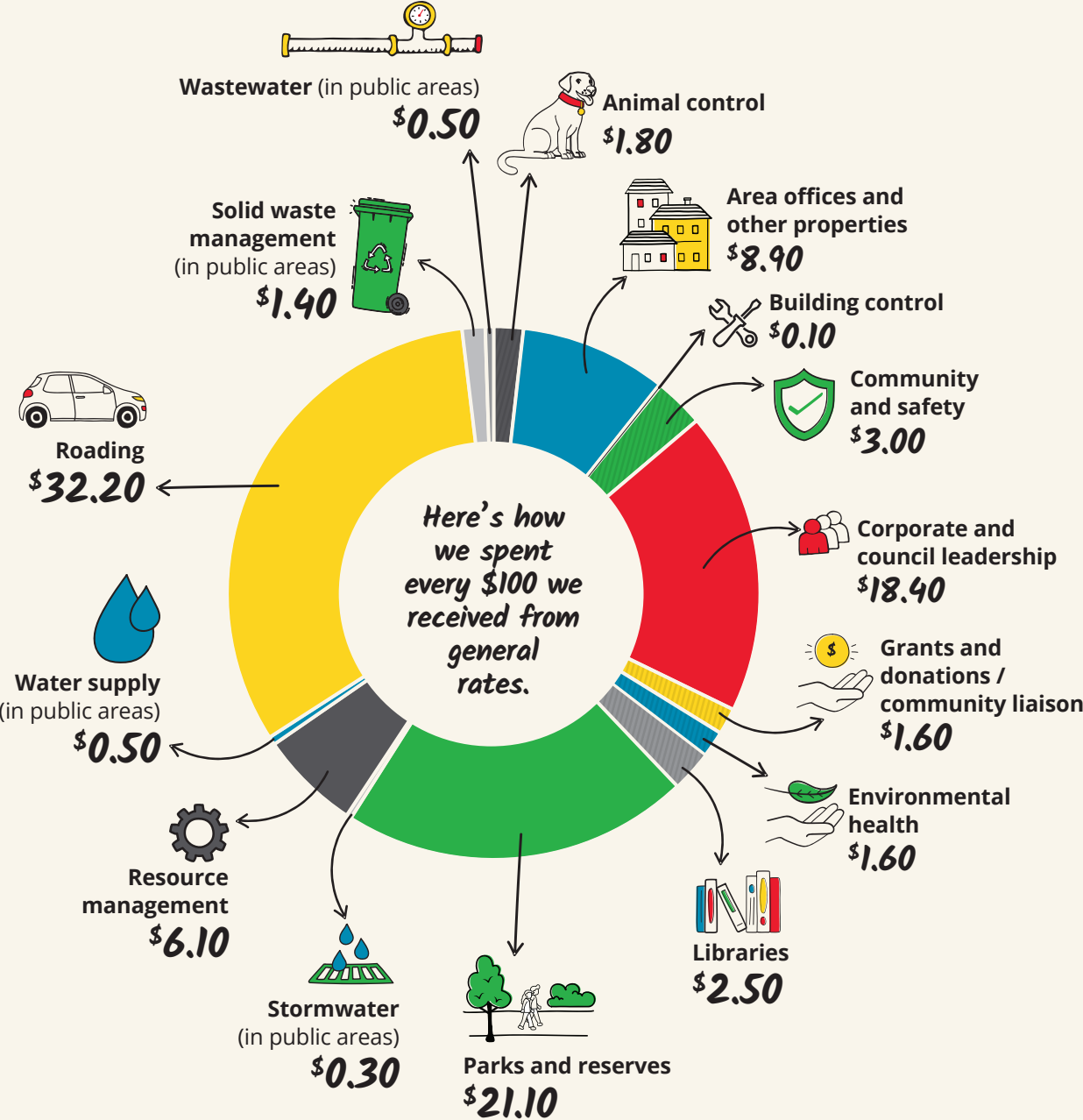


Our glass recycling
is collected and turned into new bottles and jars for New Zealand food companies to use.

What you got for \$100

We deliver a broad range of services to our diverse district of residents, business owners, and visitors.

Here's how we spent every \$100 we received from general rates².



² This does not include targeted rates. A targeted rate funds a specific Council activity or group of activities rather than general Council services. For example, refuse collection is paid for through a targeted rate.

Our vision and community outcomes



Our vision and community outcomes describe our aspirations for the Waikato District.

Our vision

Too maatau whakakitenga

Our vision is that we work together to build:

Liveable, thriving, and connected communities.
He noohanga aahuru, he iwi whai ora, he hapori tuuhono tahi.

By working together, we will ensure that we meet present and future needs, so our district is the kind of place we all want for generations to come.



Community outcomes

Ngaa putanga aa-hapori

We are responsible for improving the wellbeing of our community. Our community outcomes let us define what wellbeing means and how Council and the wider community can contribute to this. They're aspirational statements and recognise that other agencies and the community itself will need to play a part in meeting those goals.



We are required to report on the community outcomes that were included in the 2021-2031 LTP: supporting our communities, building our economy, sustaining our environment, working together with you and providing value for money. This is the last year we will report on these community outcomes as in early 2023, in preparation for the next LTP, Council undertook a review, seeking input directly from our communities about their perceptions of wellbeing and their priorities for the present and future. Based on community feedback, we developed a new set of community outcomes aligned with the four wellbeing pillars: cultural, economic, environmental, and social. We will report against these new community outcomes in the 2024/25 Annual Report.

Below you'll see what work we did in 2023/24 that shows how our community outcomes enable us to make progress towards improving wellbeing.

Supporting our communities

Kia tautoko ki a taatou Haapori

We consider the wellbeing of all of our people in all our planning and activities. We support and plan for the development of complete and connected communities.



In 2023/24, we undertook these key pieces of work to deliver on this community outcome:

- Provision of safety improvements, such as speed limits around schools, intersection upgrades and roadside barrier improvements. We also supported this outcome through funding bus trials, and the Te Huia rail service, including associated infrastructure for those projects.
- We supported the Raahui Pookeka, Huntly Museum through training and funding advice which has increased external investment. This helped secure the move into their new building and to build sustainable funding streams for further development and support.
- A dedicated staff resource was made available to work alongside community boards and committees to lead them in developing their community board/committee plans so that priorities around better community and social outcomes could be achieved. The work of boards and committees has been developed so that local communities are more aware of what community and social outcomes are being driven on their behalf.
- To read about additional work undertaken across the organisation to support our communities, refer to the emergency management, strategic and district planning and community connections (parks and facilities) activities in the *Our activities in depth* section.

Building our economy

Ka hanga a taatou Oohanga

We attract diverse enterprise/business, creating jobs and opportunities for our community. We continue to support our existing industry. We support others who leverage our location to ensure tourism brings benefits to a range of people in our communities.



In 2023/24, we undertook these key pieces of work to deliver on this community outcome:

- Reinstating roads as part of the Cyclone Gabrielle recovery, which enabled communities and industry to use the roading network more efficiently.
- Starting the 'Planning 2 Build 2gether' project, to improve how customers navigate the planning and building consenting processes, which is expected to reduce application and processing timeframes.
- The Rural Economic Advisory Panel met four times during 2023/24 to identify opportunities for rural voices to be heard through policy, regional engagement, and Council business.
- To read more about the work undertaken by our economic and community led development team to build our economy, refer to page 32 of the full Annual Report document.

Sustaining our environment

Kia toituu to taatou Taiao

We are a community that believes in environmental sustainability; we pursue and promote related ideas and manage regulatory processes to safeguard and improve our district.



In 2023/24, we undertook these key pieces of work to deliver on this community outcome:

- Delivering our projects in accordance with Resource Management Act 1991 (RMA) requirements, particularly erosion and sediment control. Everyday maintenance activities, such as street sweeping and sump clearing, also contribute to environmental outcomes relating to stormwater discharges and treatment.
- During 2023/24 Council completed resealing and road marking of both the resource recovery centre in Raglan and the McVie Road transfer station in Huntly. These works make the sites easier to use for our community, supporting waste diversion from landfill.
- Council started scoping a climate risk assessment for the district which will help us understand potential impacts of climate change.
- A targeted rate was initiated to fund the Tamahere gully restoration program following consultation with the community. This project is led by the Tamahere community and the Mangaone Restoration Trust who aim to restore the Tamahere gully network through native planting.

Working together with you

Kia mahi tahi taatou

Our communities work with us so we are collectively focused on the right things at the right time.



In 2023/24, we undertook these key pieces of work to deliver on this community outcome:

- Council partnered with local hapuu, Ngaati Tamainupoo, to formally open the Waharoa to Pukeiaahua Paa site in November 2023.
- Two governance representatives from Waikato-Tainui have been appointed to the Waikato District Resilience Governance Group, to help inform decision making for climate change within our most vulnerable, flood prone communities. Collaborative engagement between mana whenua and the Port Waikato community is taking place to build stormwater resilience where it's most needed. \$2.1 million in government funding has been prioritised to support the restoration of key projects in this community, including stormwater pumpstation upgrades, and increasing stormwater resilience at Ooraeroa Marae.
- We created a new organisation-wide communication and engagement strategy, called Our Waikato – Trust and Confidence Strategy. The strategy aims to address the way council staff and elected members communicate, engage with, and serve people and communities in our district. This strategy encourages new ways of communicating and listening, to enable us all to take greater responsibility to build trust and confidence with people across our district.

Providing value for money

Ka whai painga mo te puatea

Residents and ratepayers get value for money because we find innovative ways to deliver strategic, timely and fit for purpose infrastructure and services at the most effective cost.



In 2023/24, we undertook these key pieces of work to deliver on this community outcome:

- Through three waters better off Funding, Council engaged with mana whenua representatives to provide input into projects that will have a direct benefit to all our communities. The following projects are currently in progress:
 - » **Te Ao Moana Whaaingaroa** - Local waka workshops in Whaaingaroa (Raglan) for rangatahi (youth) to reconnect with ancient, traditional knowledge and practices of ocean voyaging and transportation.
 - » **Te Paina pest eradication project** - A project to eradicate koi carp, rabbits, and possums at Te Paina.
 - » **Te Paina restoration project** - A project to repatriate cultural practices to establish maara kai, paataka kai, and rongoaa Maaori and to carry out riparian planting of native species at Te Paina. This project includes opportunities to learn more about Maatauranga Maaori programs and activities that enhance the cultural and social well-being of the whaanau and the community.
 - » **Te Paina 3 waters programme** - A project to install better wastewater, stormwater, and drinking water facilities and processes at Te Paina to align with Maatauranga Maaori.
 - » **Waka energy resources and papakainga project** - This is a feasibility study in Gordonton to consider a whaanau community-based enterprise model in the energy sector, and potential papakainga housing as an affordable accommodation solution.



Horotiu School Tree Planting

Performance summary

Our projects and work programmes span eight groups of activities. For each group we have performance measures that provide us with targets to meet, such as responsiveness, safety, timeliness, meeting statutory requirements, and compliance. The results on pages 18 to 22 summarise how we did and where we need to improve. Please see the full Annual Report to find out more about all the targets and how we performed against them.

Our colour coding system below indicates how we performed.

Achieved	All components of the performance measure have been met, including meeting or exceeding a stated target for performance.
Achieved in part	One or more but not all, of the components of a measure have been completed. This result is only applicable when the measure can be broken into more than one component.
Not achieved	All components were not achieved.

Over the last 12 months, we have:

- Delivered 139 successful animal control education events.
- Audited for compliance 100% of buildings that provide sleeping care or paid accommodation.
- Supported event organisers by having four information sharing workshops.
- Responded to 166 aggressive dog behaviour complaints within one hour.
- Verified 202 food premises for food safety.
- Held 21 formal hui with iwi, mana whenua, and hapuu groups.
- Ensured drinking water standards were met.
- Issued 1,337 building consents.



Performance results

Performance **results**

Overview

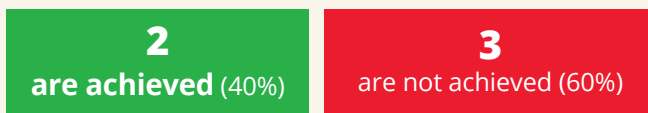
There are 62 performance measures in Council's 2021-2031 Long Term Plan. In 2023/24, 63% (39) of performance targets were achieved, compared to 56% (37) in the previous year. One (2%) additional measure was achieved in part and 35% (22) were not achieved.

We continue to do well in our performance for services, including animal control, environmental health, stormwater, wastewater, and water supply. Results from our customer satisfaction measures suggest there is dissatisfaction from our community in services, including parks and reserves, public toilets, cemeteries, and waste collection. There is also dissatisfaction in interactions and engagement with Council and in contacting councillors. Resource and building consent processing timeframes were also adversely impacted due to staffing availability, contractor capacity, and the requirement to assess against both the operative and proposed district plan.



Governance

Two of our five targets were met. This was for the number of formal hui held with iwi, mana whenua, and hapuu groups and for the percentage of agendas and minutes of all open meetings were made publicly available via Council's website within legislative timeframes. We continue to see a trend in our customer satisfaction measures that suggests there is dissatisfaction, and that people are not getting the information that is relevant to them and their community. It is really important to us that our communities can engage with councillors and staff easily and efficiently. We are looking at ways in which we can improve our service delivery and to support this we have created a new organisation-wide communication and engagement strategy called Our Waikato – Trust and Confidence Strategy. This Strategy aims to address the way council staff and elected members communicate, engage with, and serve people and communities in our district.



Sustainable communities

We continue to see positive results for our library services, with 99% of users likely to recommend our libraries to their friends and family. This year we saw a decrease from 98% to 73.5% in customer satisfaction around the quality of library resources that meets their needs. The reason behind this is due to the survey being updated to include questions around the digital services we offer.

We also saw a trend in customer satisfaction measures that suggests there is dissatisfaction with some of our services, including public toilets, parks and reserves, cemetery presentation, and the level of effort required by customers and businesses when interacting with Council.

This year we carried out emergency management training to increase the number of staff who understand how to work in an emergency operations centre should an event occur. Our performance was assessed by an external consultant and we received a result of 66%, which did not meet the target. However, this is still classified as a good result, indicating Council has a good organisational commitment to practice activation methodologies. Council continues to ensure that there are the required number of staff trained to fulfil core emergency operations centre roles.

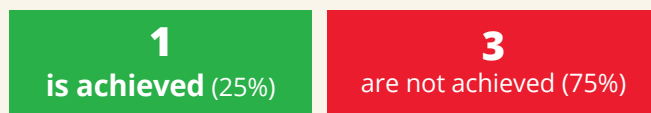
Open spaces and facilities



Community venues and events



Customer and partnership focus



Economic development



Emergency management



Sustainable environment

Animal control-related complaints were responded to quickly, with 98.2% of aggressive dog behaviour and 97% of straying stock complaints having personnel on site within one hour. A total of 139 successful education events relating to animal control were carried out across the region.

Positive results were achieved for environmental health measures relating to food operation verifications, licensed premise inspections, and hazardous land use reporting, with all targets being met. Response times for excessive noise complaints was not met for 2023/24 due to a technical issue impacting communications around complaints for much of the year. This has now been resolved.

Customer satisfaction with waste collection services performance results stayed the same as last year at 68%. Council makes nearly 3 million kerbside collections over a one-year period. Feedback from our community shows dissatisfaction with the cost of rubbish collection, having to purchase stickers for rubbish bags and the desire for our community to have wheelie bins provided that are paid for through the rates.

Resource and building consent processing timeframes were also adversely impacted due to staffing availability, contractor capacity, and the requirement to assess against both the operative and proposed district plans.

Animal control



Building quality



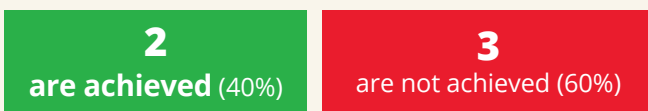
Environmental health



Solid waste



Strategic and district planning



Roading

We achieved two roading performance measures, with 95.9% of footpaths meeting the agreed level of service for condition and 99.7% of customer service requests relating to roads and 100% of footpaths responded to within specified timeframes. The number of fatal and serious crashes remains high, with staff focusing on improving road conditions and securing additional New Zealand Transport Agency (NZTA) funding through the Pothole Prevention Fund to help with resealing, rehabilitation, and drainage maintenance works. The measure relating to average quality of ride on a sealed local road network has not been met due to our inability to fund all the necessary maintenance and renewals required across the 1,800km of sealed roads and the ongoing impacts of weather events. The resealing of roads was also impacted, as due to the rising cost of inflation, our budget didn't go as far, meaning we carried out less road resealing than what was planned.

2
are achieved (40%)

3
are not achieved (60%)



Stormwater

We continued to operate robust stormwater systems and make improvements to our assets. All measures under this activity were achieved this year.

5
are achieved (100%)



Wastewater

We have met all our targets relating to wastewater. We continued to resolve non-compliance incidents and upgrade our wastewater treatment plants to ensure we can deliver our agreed levels of service. Two abatement notices were received during the year relating to wastewater systems, which meant Council was not compliant with our resource consents for stormwater system discharge.

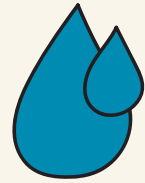
6
are achieved (100%)



Water supply

We have met all our targets relating to drinking water standards, water treatment plants, pump stations, reservoirs, and the reticulation network.

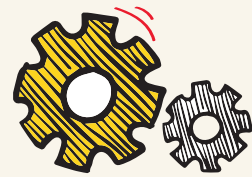
9
are achieved (100%)



Organisational support

We did not meet our target of two or fewer total recordable injuries (TRI), with four TRI happening to Council staff during the year. We continue to implement and monitor critical health and safety risk controls.

1
is not achieved (100%)







Seedy
Sourdough

Cinnamon
Sourdough
Slice - 13.50
Loaf \$15.00

Spiced
& Nuts

A great wine
always brings

Financials



Summary Financial Statements

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2024

	Council and Group		
	2023/24 Actual \$'000	2023/24 Budget \$'000	2022/23 Actual \$'000
Total revenue	224,971	189,922	223,592
Finance costs	(9,839)	(5,950)	(5,179)
Operating expenditure excluding finance costs	(194,855)	(178,441)	(172,782)
Surplus (deficit) before tax	20,277	5,531	45,631
Income tax expense	-	-	-
Surplus (deficit) after tax wholly attributable to Waikato District Council	20,277	5,531	45,631
Other comprehensive revenue and expense			
Gain (loss) on property revaluations	249,582	65,500	53,619
Revaluation reserve - landfill	8	-	49
Gain (loss) on cessation of joint venture	-	-	-
Financial assets at fair value through other comprehensive income	(802)	-	3,591
Total other comprehensive income	248,788	65,500	57,259
Total comprehensive revenue and expense wholly attributable to Waikato District Council	269,065	71,031	102,890

Statement of Financial Position as at 30 June 2024

	Council and Group		
	2023/24 Actual \$'000	2023/24 Budget \$'000	2022/23 Actual \$'000
Current assets	72,156	38,488	53,232
Non-current assets	2,704,614	2,512,975	2,352,659
Total assets	2,776,770	2,551,463	2,405,891
Current liabilities	71,624	64,607	57,376
Non-current liabilities	194,236	165,567	106,671
Total liabilities	265,860	230,174	164,047
Net assets	2,510,910	2,321,289	2,241,844
Total equity	2,510,910	2,321,289	2,241,844

Statement of Changes in Net Assets / Equity for the year ended 30 June 2024

	Council and Group		
	2023/24	2023/24	2022/23
	Actual	Budget	Actual
	\$'000	\$'000	\$'000
Balance at the beginning of the year			
Accumulated funds including share of joint venture	1,270,395	1,351,403	1,214,408
Reserves	971,449	898,855	924,546
Balance at 1 July as previously reported	2,241,844	2,250,258	2,138,954
Total comprehensive income for the year wholly attributable to Waikato District Council	269,066	71,031	102,890
Other reserve movements	-	-	-
Balance at 30 June wholly attributable to Waikato District Council	2,510,910	2,321,289	2,241,844
Represented by equity at the end of the year			
Accumulated funds	1,328,562	1,380,082	1,270,395
Other reserves	1,182,348	941,207	971,449
Balance at 30 June wholly attributable to Waikato District Council	2,510,910	2,321,289	2,241,844

Statement of Cash Flows for the year ended 30 June 2024

	Council and Group		
	2023/24	2023/24	2022/23
	Actual	Budget	Actual
	\$'000	\$'000	\$'000
Net cash from operating activities	59,475	47,506	56,711
Net cash from investing activities	(156,562)	(116,215)	(84,269)
Net cash from financing activities	88,668	68,649	26,966
Net (decrease) increase in cash, cash equivalents and bank overdrafts	(8,419)	(60)	(592)

Summary Accounting Policies

Waikato District Council is a territorial local authority governed by the Local Government Act 2002 (LGA 2002) and is domiciled and operates in New Zealand.

The Group consists of the ultimate parent Waikato District Council (Council), its 100% owned subsidiary Strada Corporation Limited (Strada).

Strada is no longer trading and has been registered as non-active with Inland Revenue.

All the companies in which Council has an interest, directly or through Strada, are incorporated and domiciled in New Zealand.

The principal activity of Council is the provision of local infrastructure, local public services and the performance of regulatory functions to the community. Council does not operate to make a financial return.

Council has designated itself and the Group as a public benefit entity (PBE) for financial reporting purposes.

The full financial statements of Council and Group have been prepared in accordance with Tier 1 PBE accounting standards, the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R) which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). These summary financial statements have been prepared in accordance with and comply with Tier 1 PBE accounting standards as they relate to summary financial statements. These summary financial statements comply with PBE-FRS 43 Summary financial statements.

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

The summary financial statements of Council and Group are for the year ended 30 June 2024. The full annual report was authorised for issue by Council on 31 October 2024 and the summary financial statements were authorised for issue by Council on 31 October 2024.

Summary Additional Disclosures

Contingencies

Contingent liabilities for Council and Group at balance date are \$10,000 (2023: \$10,000). The contingent liabilities are uncalled capital contributions in Waikato Local Authority Shared Services Limited.

Commitments

Council has \$165,822,000 (2023: \$423,734,000) of capital commitments. Strada had no capital commitments at balance date (2023: \$nil).

Events after balance date

Huntly section of SH1

NZ Transport Agency Waka Kotahi is planning to revoke the Huntly section of SH1 when the consultation process is completed. No indication of timing has been provided. NZTA has committed to invest sufficient funds to improve the condition of this road.

Raglan Airfield

10.3ha of the Raglan Airfield land is owned by Waikato District Council and held by the Council in trust as a Reserve under the Reserves Act 1977. The land is classified as a Local Purpose (aerodrome) Reserve. Section 27 of the Act states that the vesting in the reserve may, with the consent of the administering body (Council) be cancelled by the minister. Council will be engaging with Te Arawhiti and other relevant agencies to facilitate the return of the land to its rightful owners following the interest generated by the community. This action would relinquish Council of administration responsibilities and would facilitate the return of the land to the rightful owners. The process to be followed to return the land is likely to be complicated, involve multiple agencies and parties, and will not always be in Council's direct control.

Water services reform

The water services reform legislation, namely the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023, was repealed on 17 February 2024. The Government has recently enacted the Local Government Water Services Preliminary Arrangements Act 2024. The new legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services. Council will not know what the model or arrangements are until the WSDP is approved by the Secretary.

For Council, this means whilst we are waiting to understand how this will impact on our service delivery and infrastructure delivery, Council is continuing on a business-as-usual basis.

Our current position within the 2021-31 Long Term Plan (LTP) will be revisited in the 2024-34 LTP to ensure water services are financially sustainable. This may mean a lessening of infrastructure design whilst still ensuring environmental compliance or deferment of some projects. Council will remain agile to regulatory change whilst ensuring our levels of service and public health obligations are maintained through our resource consent commitments.

Future for Local Government Review Reorganisation

A Ministerial Inquiry into the Future for Local Government has been established. The overall purpose of the review is to identify how our system of local democracy needs to evolve over the next 30 years, to improve the well-being of New Zealand communities and the environment, and actively embody the treaty partnership. The review will focus on the roles, functions, and relationships on local government. Representation and governance, funding and financing. The draft report and recommendations were issued for public consultation on 30 September 2022. The final report was presented to the Minister and Local Government New Zealand on 23 April 2023. Council will continue to pro-actively explore opportunities and participate in shared services to provide such services cost-

effectively. Changes within local government that results in a change to the structure and/or services provided by our organisation. While the review could recommend significant change to what local government is and does, there is no information available on the likely direction for the review at this time.

Adjustments to the comparative year financial statements

There have been no adjustments to the comparative year financial statements for the year ended 30 June 2024.

Explanation of major variances

The major variance explanations are set out below and explain the significant differences between actual results for 2023/24 compared to the budget for 2023/24. Please note that the abbreviations used in this note are \$Xm, millions of dollars; \$Xk, thousands of dollars.

Statement of comprehensive revenue and expense

Overall revenue exceeded budget by \$35m. This favourable outcome was primarily driven by \$21.5m from found and vested assets and an additional \$3.6m from greater growth in General and Targeted Rates. Higher-than-expected subsidies added another \$6.4m to the positive variance. Finance revenue also exceeded budget by \$2.9m, due to benefiting from increased interest rates on higher funds on deposit. These gains were partially offset by a decrease in Development and Financial Contributions, influenced by the timing of the development cycle.

Total expenses for the year amounted to \$204.6m, which is \$20.3m above budget. Other Expenses were \$14m over budget due to heightened activity levels and increased use of external consultants to cover employee vacancies and meet higher demand for services. Finance costs also exceeded budget by \$3.8m due to higher-than-forecasted interest rates. Higher than expected infrastructure asset values led to depreciation and amortisation costs being \$4.5m higher than budget. These increases were partially mitigated by a \$2.2m saving in employee costs.

These changes led to an operating surplus of \$20.2m, exceeding the budgeted surplus of \$5.5m. Additionally, total other comprehensive revenue and expense amounted to \$269m, which is \$198m above budget. This variance is primarily due to the revaluation gain from the annual asset valuation that surpassed budget expectations.

Statement of financial position

The statement of financial position indicates a \$189.6m increase in net assets compared to the budget. The largest variance is in Non-Current Assets, where property, plant, and equipment exceed the budget by \$187m, primarily due to revaluation gains from the annual asset valuation. Investments in CCOs and similar organizations are \$2.8m above budget, driven by a higher-than-expected increase in the value of Waikato Regional Airport Limited.

Current assets are \$33.6m higher than budgeted. This is mainly due to an increase in financial assets, including \$20m placed in fixed-term deposit to pre-finance loan repayments due in April 2025. Receivables are \$13m above budget, largely because of higher NZTA subsidies receivable because of increased capital expenditure and higher than expected rates and water account receivable. Cash and cash equivalents are \$4m over budget, reflecting greater year-end funds on hand than planned.

Total liabilities are \$35.6m higher than budgeted, largely due to increased borrowings to pre-finance the loan repayments in April 2025 and payables resulting from higher levels of activity.

Statement of cash flows

The cash flow statement reveals that net cash flows from operating activities were below expectations for the year, primarily due to higher-than-anticipated operational activity. Conversely, net cash flows from investing activities exceeded plans because of additional unplanned funds placed in fixed-term deposits. Net cash flows from financing activities were also higher than expected due to an increased capital works program, which led to increased borrowings. As a result, cash balances at the end of the year were \$4m above budget.

Funding impact statements

The whole of Council funding impact statement reports cash or soon to be cash items (such as revenue or expenses in receivables or payables) and does not consider non-cash funded items such as asset write-offs or assets vested in Council. The report analyses separately the surplus or deficit for operating funding and capital funding.

This year, the overall operating funding surplus was \$16.8m, compared to a budgeted surplus of \$24.4m. Operating funding was \$5.5m above budget, driven by increased growth in General and Targeted Rates, higher-than-expected grants and subsidies and higher interest received from investments.

Operating expenditure exceeded the budget by \$13m, mainly due to greater payments to suppliers and staff, resulting from higher activity levels, and increased finance costs due to higher-than-planned interest rates.

Capital funding sources were \$29.5m above budget, primarily due to greater-than-anticipated subsidies and increased borrowings resulting from a rise in capital expenditure.

Refer to the full annual report for a complete understanding of the financial performance, financial position, and cash flows of Waikato District Council.

Disclaimer

The specific disclosures included in this summary annual report have been extracted from the full annual report which was authorised for issue on 31 October 2024.

The summary cannot be expected to provide a complete understanding as provided by the full annual report of the financial and service performance, financial position and cash flows of Waikato District Council.

The summary has been examined for consistency with the full annual report and was audited by Audit New Zealand on behalf of the Auditor General. The full annual report and summary received an unmodified audit opinion on 31 October 2024.

The full annual report can be obtained from any of the Council's offices or can be accessed online at www.waikatodc.govt.nz.

Audit report

Independent Auditor's Report

To the readers of Waikato District Council and group's summary of the annual report for the year ended 30 June 2024

The summary of the annual report was derived from the annual report of the Waikato District Council and group (the District Council and group) for the year ended 30 June 2024.

The summary of the annual report comprises the following information on pages 18 to 31:

- the summary statement of financial position as at 30 June 2024;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2024;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2024 in our auditor's report dated 31 October 2024.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph.

Emphasis of matter - *Inherent uncertainties in the measurement of greenhouse gas emissions*

The District Council has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. Without modifying our opinion and considering the public interest in climate change related information, we draw attention to page 35 of the statement of service performance, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's debenture trust deed and assurance engagements in relation to procurement of significant contracts, which are compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand
31 October 2024



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