



# **Te Pūrongo ā-Tau 2023/2024 Annual Report**

## NAU MAI WELCOME FROM THE MAYOR AND CHIEF EXECUTIVE

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If there was one word to describe the 2023/24 year it would be ‘challenging’.

It was a 12-month period that certainly posed its fair share of uncertainty, not only for us as a council, but for our communities as well.

Like most other councils across New Zealand, we faced financial challenges with interest costs, depreciation, and the cost to deliver services skyrocketing. A change in Government in late 2023, and a change in tack for water services delivery, resulted in us hitting pause on the development of our Long Term Plan in favour of a 12-month budget.

Those challenges are likely to continue for some time yet, and we have had to make some tough calls. Those included putting some major community projects on hold and making significant cuts to discretionary funding.

However, despite the challenges, just under \$130 million of capital work was delivered via 160 projects across five programmes.

Some of the projects completed during the year included:

- Ōhaupō Safety Improvements
- Hamilton Road / Cambridge Road Urbanisation
- Leamington Cemetery Toilet
- Walton Street – Public Toilet Replacement and Street Upgrade
- Watkins Reservoir Pump Station and Supply Pipe
- Victoria Bridge Repaint and Structural Maintenance

We have also maintained a credit rating of AA- stable outlook from international credit rating agency Fitch for the seventh year in a row despite the challenging financial climate.

There was also good news in terms of the results of resident’s’ perception survey with higher satisfaction scores across most measures. This includes satisfaction with services and facilities, as well as value for money. These gradual improvements indicate that residents are slowly building trust in us again, which has been - and will continue to be - a core focus of mine as Mayor.

Our attention has now turned to delivering the 2025-34 Long Term Plan. While we are again faced with some challenges and major decisions, we will continue to seek efficiencies to keep rates as affordable as possible, and will ensure our district’s interests are represented at both a regional and national level. Alongside this important planning work we will have to consider how water services will be delivered in Waipā into the future and respond to ongoing legislative reform.

As always though we will continue to seek input from our residents into our decision making, and most importantly we will strive to deliver on our vision of building connected communities.

One thing that is constant is that we are working in a dynamic environment, and we must continue to seek out, make decisions and act on opportunities that will look after our communities today, and well into the future.



Susan O'Regan JP  
**MAYOR**



Stephanie O'Sullivan  
**CHIEF EXECUTIVE**

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## NGĀ KORERO MO TO TĀTOU TAKIWA / OVERVIEW OF OUR DISTRICT

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### **In this section**

This section includes an overview of the Waipā district, an overview of Council's role, and a 12-month snapshot of our 2023/24 year.

### 3.1 ROHE / OUR DISTRICT

The Waipā District is known for its scenic landscapes, vibrant communities, and a blend of modern amenities with a rich cultural history, making it a unique and dynamic place to live, invest in and visit.

Waipā is home to approximately 61,100 residents, in the heart of the Waikato.

Our 1,447km<sup>2</sup> land area includes some of New Zealand's most fertile land. From our agriculture to our urban hubs of Te Awamutu, Cambridge, Kihikihi, Pirongia, Ōhaupō, and Leamington, we have so much to offer in terms of lifestyle and industry.

Waipā is steeped in a rich history with the first Māori settling to our west, and moving to Pirongia, Te Awamutu and beyond. Our district's excellent growing conditions and river access led to many pā being established throughout, what we know as, the Waipā District. Some sites can still be visited and learned about today, including Lake Ngā Roto, the Pirongia Redoubt, and the shores of Lake Karāpiro.

We continue to reap the rewards of the favourable soils today. From fruit and vegetable production to our dairy industry, sheep, beef and deer farming, and our thoroughbred horses, our whenua is what makes our home unique, and worth caring for.

The Waipā District also lends itself to world-class facilities and events. From the first Empire Games rowing regatta in 1950, just three years after the completion of the Karāpiro hydroelectric dam where 20,000 people lined the banks of Lake Karāpiro, through to the National Agricultural Fieldays running for 56 years in Waipā we have earned a reputation as fantastic hosts. We are also the home of the Grassroots Trust Velodrome and Mighty River Domain Lake Karāpiro, these facilities don't just host hundreds of events every year but provide the optimal environment for our more than 40 Olympic and Paralympic athletes who competed at this year's Paris Olympic Games. It is no surprise that some of New Zealand's highest performing athletes choose to live, train, and compete in our backyard.

Our natural heritage is an important part of Waipā's identity. The three maunga – Pirongia, Maungatautari and Kakepuku - and our vast waterways, from our large hydro lake used extensively for water sports and recreation at Lake Karāpiro, to our Waipā and Waikato rivers flowing through our district, provide many opportunities to explore nature. Our peat lakes are considered some of the best examples of their type in the world.

There is no doubt that Waipā offers a high quality of life for residents, a place for business, industry and our rural sectors to thrive, and opportunities and rich stories to attract visitors and make them want to come back for more.

We are the Home of Champions.

## Population

- 61,100<sup>1</sup>

## Age composition<sup>2</sup>

- 19.8 per cent aged 0-14
- 29.7 per cent aged 15-39
- 31 per cent aged 40-64
- 19.4 per cent aged over 65

## Ethnicity<sup>3</sup>

- 77 per cent NZ European
- 16 per cent Māori
- 5 per cent Asian
- 2 per cent Pacifica
- 0.32 per cent MELAA<sup>4</sup>
- 1.16 per cent Other
- 7.67 per cent Maori/European
- 0.26 per cent Maori/Pacific
- 0.54 per cent Pacific/European
- 0.42 per cent Asian/European
- 0.40 per cent Two groups not elsewhere included
- 0.45 per cent Maori/Pacific/European
- 0.21 per cent Three groups not elsewhere included
- 0.02 per cent Four to six groups

## Economy<sup>5</sup>

- 8,673 business units (2022)
- Average household income \$121,020
- \$129,635 GDP per filled job

<sup>1</sup> Estimated resident population sourced from Infometrics Regional Economic Profile for Waipā District 2023.

<sup>2</sup> Data sourced from StatsNZ subnational population estimates, dated 30 June 2023, released via the [StatsNZ website](#) 25 October 2023.

<sup>3</sup> Data sourced from StatsNZ subnational ethnic population projections (medium growth projection) 2018 (base)- 2048 update (dated March 2022). The minor group affiliations percentages are taken from the Stats NZ 2018 dataset.

<sup>4</sup> Middle Eastern/Latin American/African

<sup>5</sup> Data sourced from Infometrics Regional Economic Profile for Waipā District 2022.



## 3.2 OUR ROLE













**Our role is to support the current and future needs of our communities, ensuring local needs are met and our services are tailored to the unique characteristics of our towns, villages and rural areas.**

Part of our role is to involve and empower our communities to play their part in democratic decision-making.

We are responsible for controlling regulatory activities such as building, land use, noise, food preparation, liquor sales and ownership of dogs and other animals. These services help create safe, healthy and thriving communities, fostering trust and confidence among our residents, neighbourhoods and business community alike.

Day-to-day, we keep our towns connected and ticking by delivering an extensive range of services from water treatment and delivery to roading infrastructure. We support wellbeing through our green spaces, playgrounds and shared pathways, community pools and libraries. Our responsibilities include looking after our whenua with waste minimisation services and recycling. We invest, we plan, and we work alongside our partners to make Waipā what it is today, and what it will be in the future.

### Our key infrastructure includes

	2 Wastewater treatment plants		685km of watermains
	184 Bridges and large culverts		28ha of cemeteries
	6 Water treatment plants		3714ha of open space land
	55 Public toilets		2 Libraries
	223km of rural drains		317km of wastewater pipes
	2 Public swimming pool complexes		1131km of roads and streets

Waipā District Council’s vision is Waipā Home of Champions: Building connected communities, is at the heart of what we do.

All of this contributes to social resilience, culture and heritage, a sustainable environment, supporting a thriving economy and shaping our priorities for the next ten years (2021-2031).

### **The role of elected members**

Councillors are elected every three years and are responsible for setting the overall strategic direction of the district and the budget through Long Term and Annual Plans.

Their role is to:

- Ensure the Council fulfils its responsibilities and follows the principles of Local Government as set out in the Local Government Act 2002.
- Set the policy direction of Council and monitor the performance of Council in terms of meeting its responsibilities and achieving its policies.
- Represent the interests of the district and its people. At the start of the triennium they make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgement.
- Employ the chief executive under the Local Government Act, who in turn employs all other staff on its behalf.
- Create one or more committees of Council. A committee must have a chairperson, who is responsible for presiding over meetings of the committee, ensuring that the committee acts within the powers delegated by Council, and as set out in the Council’s Delegations Register.

### 3.1 12-MONTH SNAPSHOT

Over the past 12 months, 157 media releases have been shared. The monthly highlights include:

#### July 2023

**Waipā launches ‘World Café’:** Council ran its first ever ‘World Café’ engagement event bringing together residents, staff and experts to share knowledge, collaborate and generate ideas on complex issues relating to the development of Ahu Ake, Waipā Community Spatial Plan.

#### August

**Kihikihi cul-de-sacs get green light in ‘evolutionary move’:** In what has been dubbed an ‘evolutionary move’, six cul-de-sacs have been given the green light to advance as part of the development of Te Ara Rimu, Kihikihi pathway.

#### September

**Pathway extension to help kids get to school safely:** Safety improvements for Cambridge tamariki getting to and from school are on the way, and the community could provide their feedback to the proposed pathway extension plans around Clare and Grey Streets.

#### October

**Waipā District Plan goes digital:** A new online tool went live, making it easier for people to navigate Waipā’s District Plan. The Waipā ePlan offers an interactive and entirely digital experience, making it easier to view maps and find property specific information.

#### November

**New process to enhance transparency of meetings and workshops:** Some changes to Council’s meeting and workshop practices further increases openness and transparency with the community.

#### December

**Trio recognised for leadership during emergency response:** Three Council staff have been recognised for their contribution to the emergency response following the devastation caused by Cyclone Gabrielle across the country last year.

#### January 2024

**Demand drives early rezoning of industrial land:** Industrial businesses in Waipā have more land to call home following a decision to rezone additional land for development in Hautapu, earlier than expected.

## February

**New recycling rules across the country from February 1:** A new tool at the fingertips of Waipā residents helped guide them through the central government led changes to kerbside recycling.

## March

**Waipā spatial plan clinches another award:** Ahu Ake – Council’s draft 30-year community spatial plan has clinched another award, this time from the New Zealand Planning Institute for best practice in the use of digital tools.

## April

**New bus timetable a bonus for commuters:** Travelling between the Waipā District and Hamilton City just became that much easier, with a new timetable doubling the number of daily services.

## May

**Trade providers benefit: \$10.8M injection from council panel:** A total of \$10.8M was injected back into local trade service providers over three years to May 2024, through a panel designed to streamline Council’s procurement process.

## June

**Cambridge wastewater treatment plant reaches another milestone:** A key milestone in the construction of Cambridge’s new wastewater treatment plant was achieved, with treated effluent diverted to a new outfall structure for the first time. This project draws from both western science and Mātauranga Matariki framework, serving as the foundation for all decision-making processes throughout the project's lifecycle. The framework, inspired by Matariki and based on into nine Atua (guardian) domains, helped us address environmental issues and work with mana whenua to find solutions.

## **WHAKARĀPOPOTOTANGA O Ā MĀTOU MAHI / OVERVIEW OF OUR PERFORMANCE**

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This section highlights Council's overall non-financial performance as it relates to resident perceptions and levels of service performance measures. It also covers our strategic framework, external and internal strategic priorities which impact the way we work, as well as a summary of our performance and contributing factors.

# 1. OUR STRATEGIC DIRECTION

## Waipā Home of Champions – Building Connected Communities

Every three years we review our strategic direction, revisiting our vision, community outcomes and external strategic priorities, to ensure we remain on track. We completed this review as part of the 2021-2031 Long Term Plan, *What's next, Waipā*, that was adopted by our Council on 30 June 2021.

Our vision is Waipā - Home of Champions, Building Connected Communities, which identifies and celebrates the district and its champion communities, and all things residents love about living and working here. It also highlights 'connection', which was heightened in our communities through the COVID-19 lockdown. Our vision shapes the development of our projects, services, activities, and programmes of work we're planning for the next 10 years.

Social resilience, culture and heritage, a sustainable environment, and supporting a thriving economy continue to shape our strategic priorities. These are being revisited through the development of the 2025-34 Long Term Plan.

We monitor the progress of our community outcomes through a number of indicators. These measures were selected as part of the development of the 2021-31 Long Term Plan and are based on the ability to look at trends over time. Of the 26 we monitor, 53.8 per cent of those measured remained on track. Two had no data available at year end.

Below is a snippet of performance of a smaller subset of the measures against our community outcomes. We look for meaningful change over the longer term.

This is only one part of our strategic framework. The vision and community outcomes provide our strategic direction.

### **Socially Resilient**

He aha te mea nui o te ao? Māku e kī atu he tangata, he tangata, he tangata! – it's all about people

- Waipā is a great place to live, work, play and invest
- We invest in hauora and support the great work community groups do
- Waipā provides a high quality of life for current and future generations

#### **Over the past year:**

- Local contribution remains an important part of Council's procurement strategy and throughout the last financial year, 70 per cent of tenders advertised on GETS included local contribution statements to be provided in tender responses.
- The percentage of residents who perceive Council being committed to creating a district that is a great place to live, learn, work and play has increased from the prior year.
- Engagement with the community on Ahu Ake, Waipā Community Spatial Plan, provided further opportunities for residents to provide feedback.

### **Environment Champions**

Protecting and sustaining our environment

- Environmental awareness and responsibility is promoted within the community
- We support programmes that promote environmental sustainability
- We are responsive to climate change

#### **Over the past year:**

- Council's carbon footprint has increased and continues to be monitored with initiatives underway to reduce Council's emissions profile.
- We continue to provide education to our community in regard to waste minimisation with more than 1,500 face to face participants over the year.
- The number of Waipā schools with EnviroSchools subscription increased by more than 20 per cent.

### **Cultural Champions**

Promoting our culture and heritage

- We champion the unique history of Waipā
- We have a high level of cultural awareness
- We partner with tangata whenua
- We respect the cultural diversity in our district

#### **Over the past year:**

- Usage of Council's Te Ara Wai Journeys website continues to grow with an increase of more than 20 per cent from the prior year.
- Approximately 50 per cent of our workforce have attended tikanga, cultural awareness training.
- Closure of the Cambridge Museum from June to December 2023 for seismic strengthening work has impacted visitor numbers. However, numbers quickly returned to an average of 608 visitors from January to June 2024.
- We have engaged with Mana Whenua and Iwi on the development of Ahu Ake, Waipa Community Spatial Plan through on-line and in-person hui, partner workshops and Joint Management Agreement Governance Committee meetings.

### **Economically Progressive**

Supporting a thriving, sustainable economy

- We have financially sustainable decision making and work programmes
- We provide new infrastructure as an economic stimulus for our district
- Our services provide excellent value for money
- We actively promote our district to enable development, employment and business opportunities
- Waipā is a great place to invest and do business

#### **Over the past year:**

- Annual tourism expenditure and money spent locally grew since last year.
- We continued to comply with the National Policy Statement – Urban Development 2020 requirements.
- Residents' perception of value for money saw a slight reduction of 3 per cent across the year.

## 4.1 EXTERNAL STRATEGIC PRIORITIES

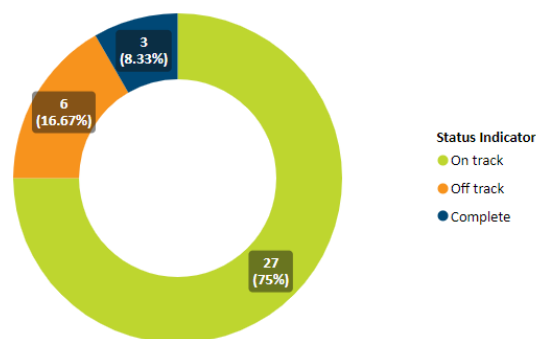
Our external strategic priorities set the direction of Council's Long Term Plan and guide where investment will be made. They support the delivery of Council's vision and community outcomes.

We reset these every 3 years as part of the development of the Long Term Plan in consultation with the community. We track a number of lead and lag indicators to understand how we are performing against the delivery of our external strategic priorities. Out of a total of 33 indicators measured for the 2023/24 year, 19 were completed or on track.

### Highlights over the past year:

- The development of the 2024-34 LTP progressed well. Council endorsed the deferral of the LTP and instead opted to develop and adopt a 2024/25 Enhanced Annual Plan by 30 June 2024, and a 2025-34 LTP by 30 June 2025.
- The Strategic Planning and Policy Committee approved the supporting documentation for Ahu Ake and work progressed with the writing of the Community Spatial Plan and Implementation Plan.
- Ten new pensioner housing units in Cambridge were built.
- The Cambridge Town Hall Community Trust strategic documents were adopted by Council and initial capital development plans determined
- New shared cycle pathways to link to existing paths were created, helping children get to school safely and create safer, greener neighbourhoods for our community.

Internal Strategic Priorities



## 4.3 INTERNAL STRATEGIC PRIORITIES

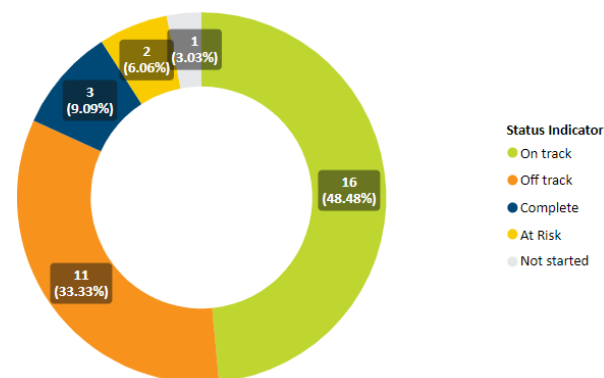
Each year Council's Leadership Team develops a set of internal strategic priorities linked to a set of Organisational KPIs.

These internal priorities are deemed the most appropriate focus areas to sit alongside and assist the delivery of the external strategic priorities. They aim to drive the organisation to continually improve performance over time. We track a number of lead and lag indicators to understand how we are performing against the delivery of our Organisational KPIs. Out of a total of 36 lead and lag indicators measured for the 2023/24 year, 30 were completed or on track.

### Highlights over the past year:

- At least 50 per cent of staff have now attended Council's tikanga learning programme.
- Progression of the internal audit programme continued with ten multi-year improvement programmes underway.
- Council appointed a Sustainability & Climate Change Advisor.
- Work on a number of plans progressed to enhance both external and internal communication.
- Digital capability grew with a number of digital projects delivered.
- Staff engagement levels remained high and on a par with the previous year.
- Adoption of the Anchor Institution Framework and work programme by Council.

External Strategic Priorities





## 4.2 RESIDENT SURVEYING

**Regular resident surveying is an important avenue for Council to engage with our community to gain a better understanding of their thoughts and opinions and identify areas for improvement.**

Council initiated a new annual resident survey in the 2015-16 year to help Council understand how it is tracking against its community outcomes, strategic priorities and levels of service. Carried out by an independent research company, the survey focuses in particular on resident perceptions of the environment and lifestyle associated with the Waipā district, satisfaction with Council services, leadership, financial management and value for money. To help to avoid bias and being influenced by seasonal trends the survey is carried out four times throughout the year with the aggregate results reported at year end.

### Key results

Waipā District Council received higher satisfaction scores across most measures in 2024 when compared to 2023. This includes satisfaction with Services and facilities as well as Value for money. Although this increase does not fully offset the significant decrease observed in 2023 compared to the 2022 results, the gradual improvement indicates that residents are increasingly trusting the Council and appreciating its efforts.

Satisfaction with overall performance increased by 3 per cent points since 2023 (22 per cent compared to 19 per cent). In the general comments, 14 per cent of respondents commended the Council, and 4 per cent stated that they are happy living in the district. Issues with roading infrastructure remain the top concern of residents, with 27 per cent making comments related to roading infrastructure.

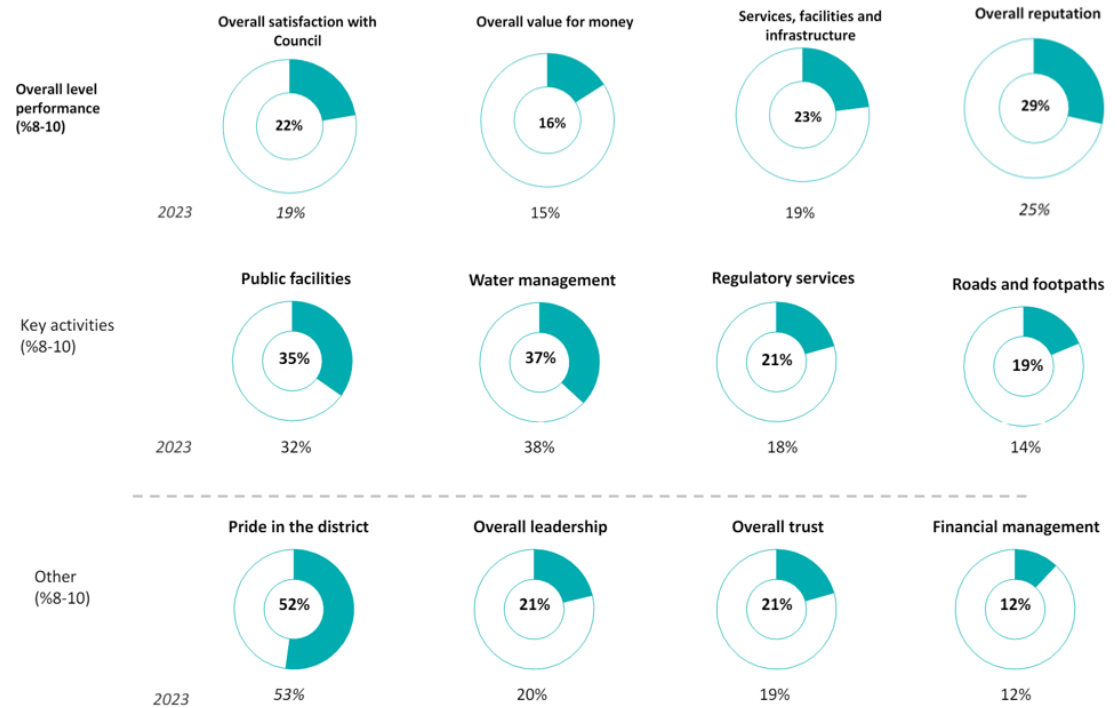
Council's reputation continues to be the most influential factor in overall satisfaction. The gradual improvement in this area has led to an increase in overall satisfaction with the Council. The reputation benchmark has slightly increased year on year from 62 in 2023 to 65 in 2024 and remains at an 'acceptable' level.

Residents identified as 'admirers' and 'pragmatists' have remained at the same level since 2023, while those identified as 'sceptics' have decreased and 'champions' have increased. This indicates a positive shift in residents' perception towards the Council.

The areas identified for priority improvement are related to financial aspects; value for money and financial management, which have relatively low satisfaction scores of 16 per cent and 12 per cent, respectively.

Looking forward Council already has several pieces of work underway and planned which will continue to positively impact performance. Of particular note is the continued development of Ahu Ake, Waipā’s Community Spatial Plan. We are proud of the way our community has taken part in the process to date, with our first use of participatory democracy practises with the award-winning World Café workshops in late 2023. We also adopted and have started implementing the priority areas from the Anchor Institution framework, putting us in good stead to generate more local value and leverage the broader impact council has for greater wellbeing outcomes for our communities. We’ve continued delivery of Council’s External Communication and Engagement Strategy and consideration of feedback through the development of the 2025-34 Long-Term Plan.

The results from the Residents’ Perception Survey help shape our priorities, our risk management practices and Council’s ongoing communication and engagement with the Community. We continue to work both internally and externally to improve our delivery of services and deliver on the vision for Waipā. For full results see Council’s website [waipadc.govt.nz/annual-residents-survey](http://waipadc.govt.nz/annual-residents-survey)



### 4.3 LEVEL OF SERVICE PERFORMANCE MEASURES

Our level of service performance measures set the service standard for our customers across a range of functions within our groups of activities. This was the third year of measurement against the suite of measures implemented as part of the development of the 2021-31 Long Term Plan.

Overall, 85 measures were achieved out of a total of 112 measures, equating to 76.67 per cent. A further 16 measures were within 5 per cent of achieving the target.

Detailed performance results are available under the relevant group of activity in Part 6 of this annual report.

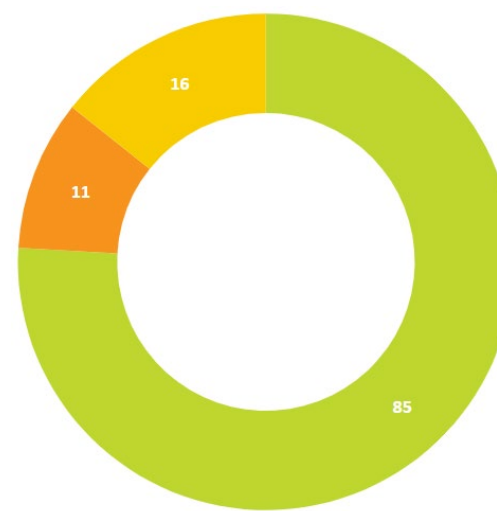
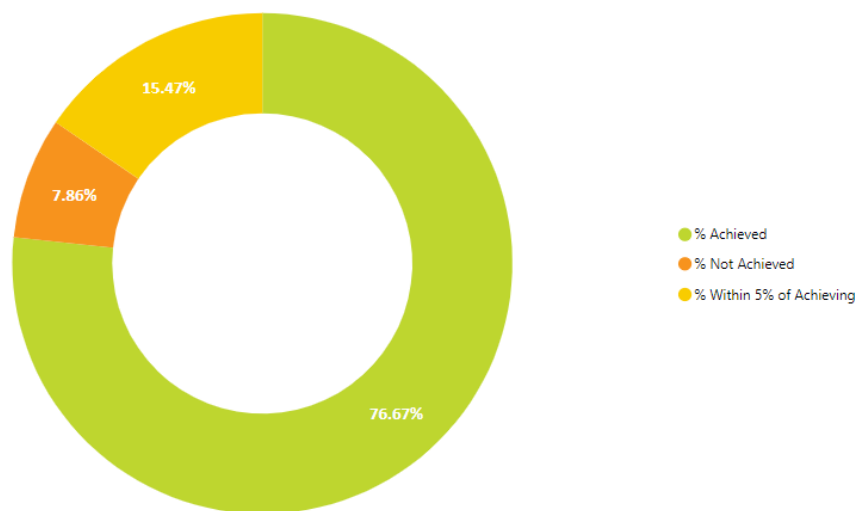
#### Performance Measure Results

One measure has not been assessed this year:

- The Maungatautari water treatment plant is no longer active and therefore is no longer being reported on.

A number of factors have influenced the years results:

- The Cambridge Museum was closed from 6<sup>th</sup> June 2023 to 11<sup>th</sup> December 2023 for seismic strengthening work, the closure impacted visitor numbers. Despite strong numbers following the reopening, the target was unable to be achieved.



## WHAKARĀPOPOTOTANGA PŪTEA / OVERVIEW OF OUR FINANCES

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This section covers the financial outcomes against the 2023/24 year of the Long Term Plan and budget, which sets the direction for the year. It includes our disclosure statement, financial statements relating to revenue and expenses, changes in equity, financial position, cash flows, funding impacts and the notes accompanying these financial statements. It also includes a reconciliation of the funding impact statement to total comprehensive revenue, capital programme variances and details on council-controlled organisations.

## 5.1 FINANCIAL OVERVIEW

Waipā District Council's focus is on the wellbeing of its community, as we provide our community with essential infrastructure and other services that ensure this place remains a great place to live, work and play.

From a financial perspective, we've had plenty of challenges in this over the past year. In recent times we've seen inflation at levels we haven't seen in New Zealand for over 30 years, interest rates have lifted sharply and rapidly to the highest they have been in 15 years, and these factors played a big part in what became an economic recession. These factors have had significant financial impact on Council and the results of this can be seen in the financial statements included in this Annual Report.

While the Statement of Comprehensive Revenue and Expense shows an operating surplus of \$35.5 million, this is considerably lower than the budgeted \$48.2 million; and significant increases can be seen in our finance costs and depreciation expense, with much of the latter driven by the extraordinary inflationary increase in value of our infrastructure network assets, and the flow-on impact of that into depreciation expense. Development contribution income is significantly down on budget, as are resource consent and building consent fees, reflecting the slow-down of growth.

Despite the challenges, our balance sheet (Statement of Financial Position) now reflects a total equity figure of just over \$2.3 billion, with property, plant and equipment now valued at \$2.5 billion. Our Group borrowings now stand at \$326 million, considerably increased from the \$226 million of the prior balance date. We remain in a sound financial position.

Our annual credit rating review by international credit rating agency Fitch confirmed a continued long-term local currency Issuer Default Rating (IDR) of 'AA-', 'Stable Outlook', and short-term local currency IDR of 'F1+'. This is a significant endorsement of the financial strength and stability of the organisation, and the soundness of our financial management, even as we work our way through the headwinds we have experienced.

The disclosure statement presented over the next few pages of this Annual Report shows a Council that is continuing to comfortably and consistently meet the majority of the various benchmark targets and limits required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

Our income from rates remains considerably within our upper limit of 65 percent of total revenue, reflecting the diversity of our income sources including the level of vested assets received and our determination to keep rates as low as possible.

As indicated above, although there was a substantial increase in debt over the year, we remain well below the limits related to debt affordability, debt servicing and the debt control benchmark.

The essential services benchmark graph confirms our continued commitment to investing in core infrastructure, with network services capital spend at a massive 339 percent of the depreciation expense on those assets. This district does not shy away from ensuring that our core infrastructure is in good shape.

The only two benchmark measures not achieved are the operations control benchmark which has proved over a number of years to be a difficult measure to comply with given cash flow timing variations, and the balanced budget benchmark which with its various exclusions is heavily subject to the mix of revenue and expenditure items throughout the year.

The way ahead will continue to be challenging. Council delayed its 2024-34 Long Term Plan a year to enable better focus on planning the financial pathway ahead with the change of central government and its significant change in policy direction for the delivery of water services. That was a 'gamechanger' in its considerable impact on our level

of debt and debt metrics. A number of new tools are being explored as we develop the financial strategy that will take us forward.

Navigating these seas will be difficult, but the Waipā waka is in good shape as we start the voyage.



Ken Morris QSM, CA  
**DEPUTY CHIEF EXECUTIVE AND GROUP MANAGER BUSINESS SUPPORT / CHIEF FINANCIAL OFFICER**

## 5.2 FINANCIAL PRUDENCE

### Disclosure Statement

#### Annual report disclosure statement for year ending 30 June 2024 - What is the purpose of this statement?

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

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

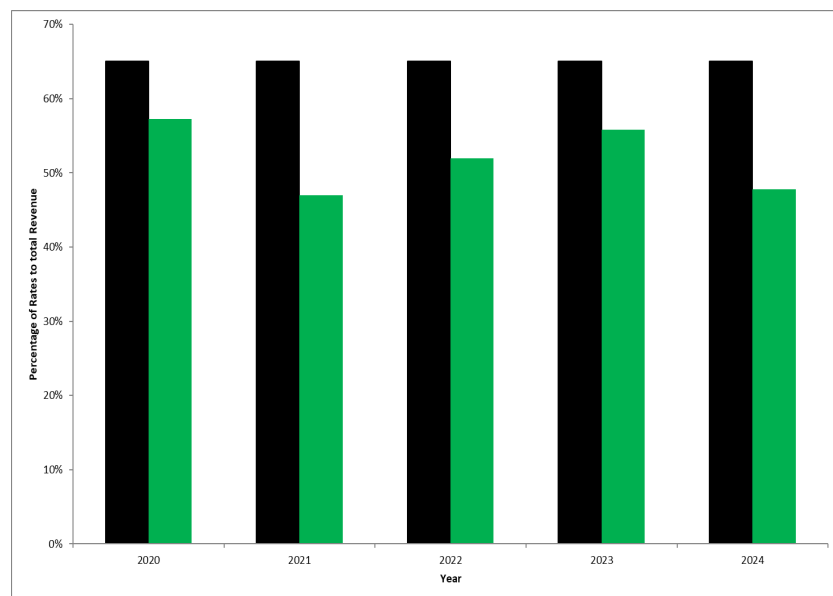
### Rates affordability benchmark

The Council meets the rates affordability benchmark if –

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

### Rates (income) affordability

The following graph compares the Council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the Council’s long term plan. The quantified limit is limiting rates levels to a maximum of 65 percent of our total revenue.



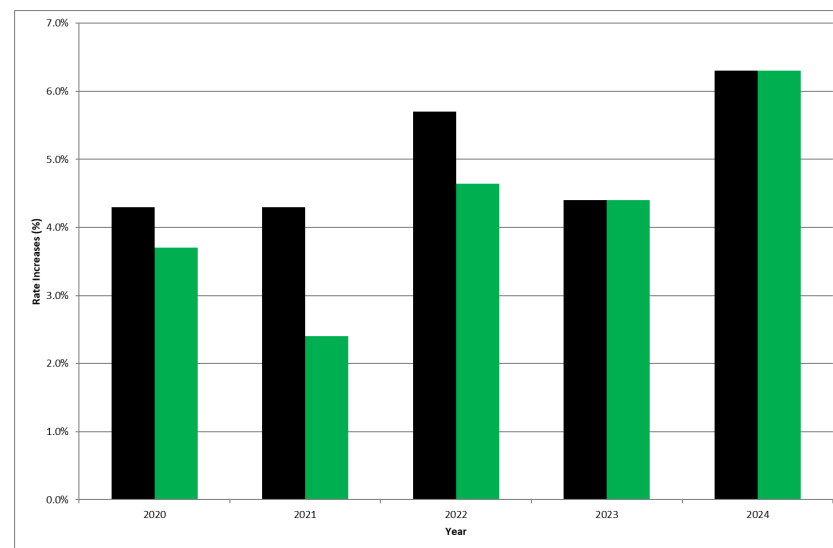
■ Quantified limit on rates income ■ Actual rates income (at or within limit) ■ Actual rates income (exceeds limit)

### Rates (increases) affordability

The following graph compares the Council’s actual rates increases with a quantified limit on rates increases included in the financial strategy, which is included in the Council’s long term plan. The quantified limit is Council will limit annual increases in the average rate requirement (after growth) to no more than the forecast Local Government Cost Index for that year plus 2 percent.

Forecast Local Government Cost Index for a particular year might differ from the forecast as outlined in the relevant Long Term Plan, which would alter the applied rates limit.

At the time of the Annual Plan 2023/24, the rates were set to increase at 6.0%. This, however, included an estimate of the volumetric charges associated with water consumption. The actual performance for the year ending 30 June 2024 includes water charges, rates penalties and some growth in our rating base.



■ Quantified limit on rates income ■ Actual rates income (at or within limit) ■ Actual rates income (exceeds limit)



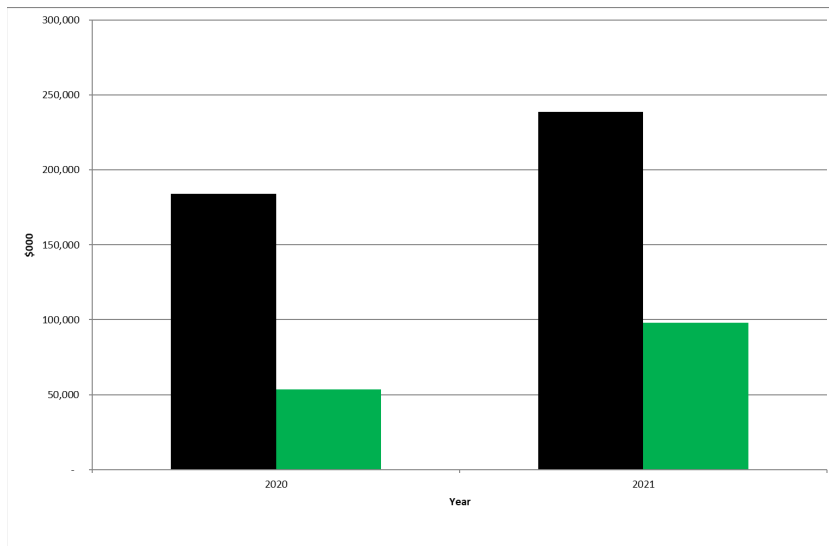
**Debt affordability benchmark**

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

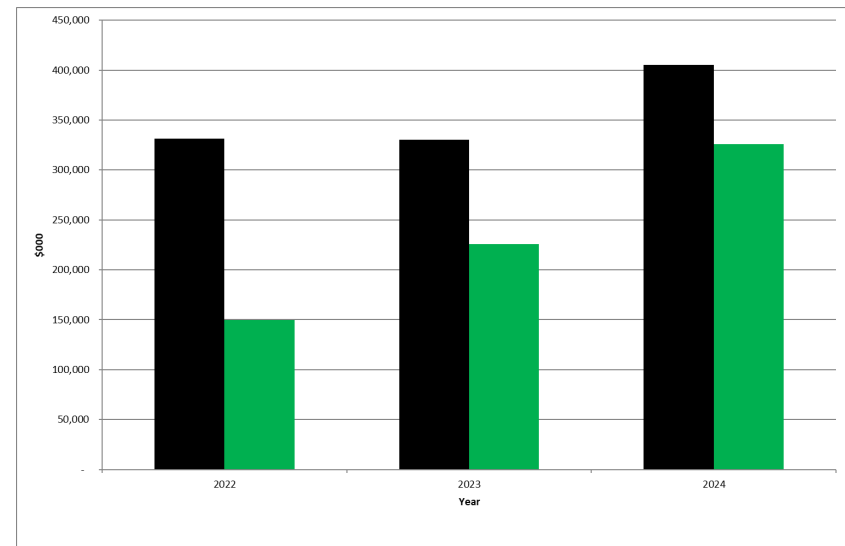
The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council’s long term plan. The quantified limit was the debt profile in Council’s Long Year Plan.

As part of the 2018/28 LTP, the basis for the external debt limit changed from 110 per cent of budgeted debt to a more relevant limit of 175 per cent of total revenue. This change in prudential limits was more in line with what other Councils use, and is portrayed in the graph below.

As part of the 2021/31 LTP, the basis for the external debt limit changed from 175 per cent of total revenue (as portrayed in the graph beside this) to a more relevant limit of 250 per cent of total revenue. This change in methodology is more in line with what other Councils use, and is portrayed in the graph below.



■ Quantified limit on debt ■ Actual debt (at or within limit)  
 ■ Actual debt (exceeds limit)

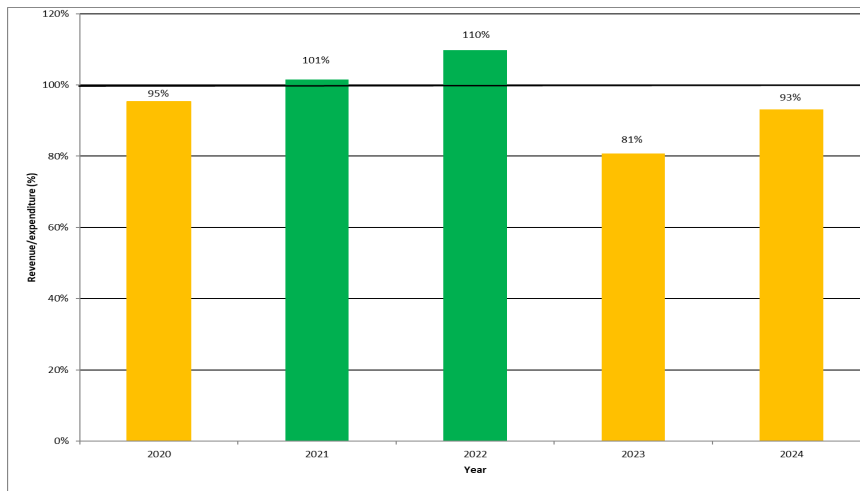


■ Quantified limit on debt ■ Actual debt (at or within limit)  
 ■ Actual debt (exceeds limit)

### Balanced budget benchmark

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

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



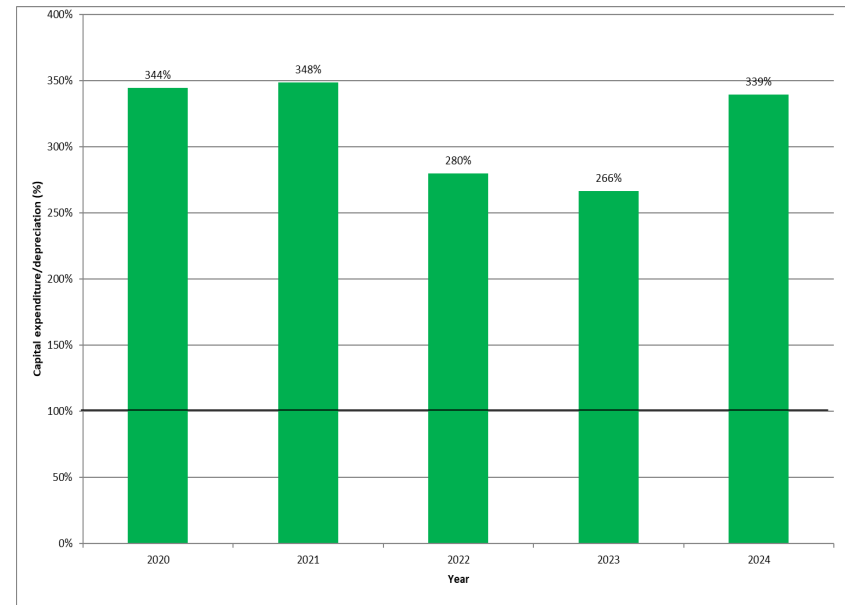
■ Benchmark met ■ Benchmark not met

This is a very difficult benchmark for a high growth Council like Waipā to meet. Council made an operating surplus of \$35.5m.

### Essential services benchmark

The following graph displays the Council’s capital expenditure on network services as a proportion of depreciation on network services.

The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

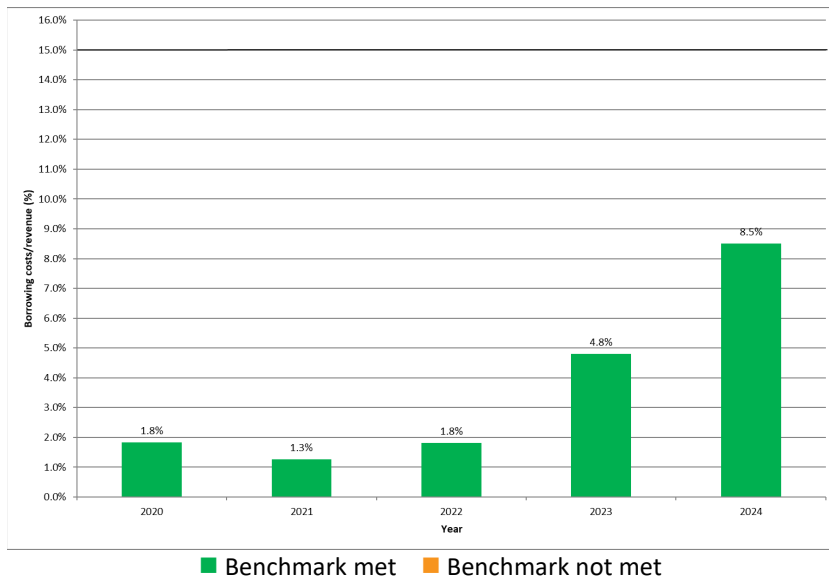


■ Benchmark met ■ Benchmark not met

### Debt servicing benchmark

The following graph displays the Council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, and equipment).

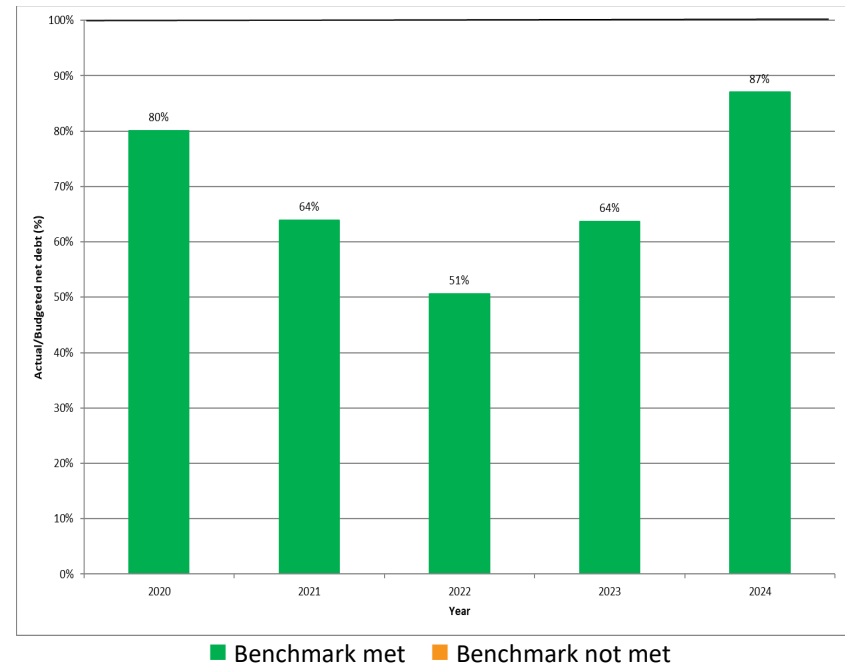
Because Statistics New Zealand projects the Council’s population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15 per cent of its revenue.



### Debt control benchmark

The following graph displays the Council’s actual net debt as a proportion of planned net debt. In this statement, **net debt** means financial liabilities less financial assets (excluding trade and other receivables).

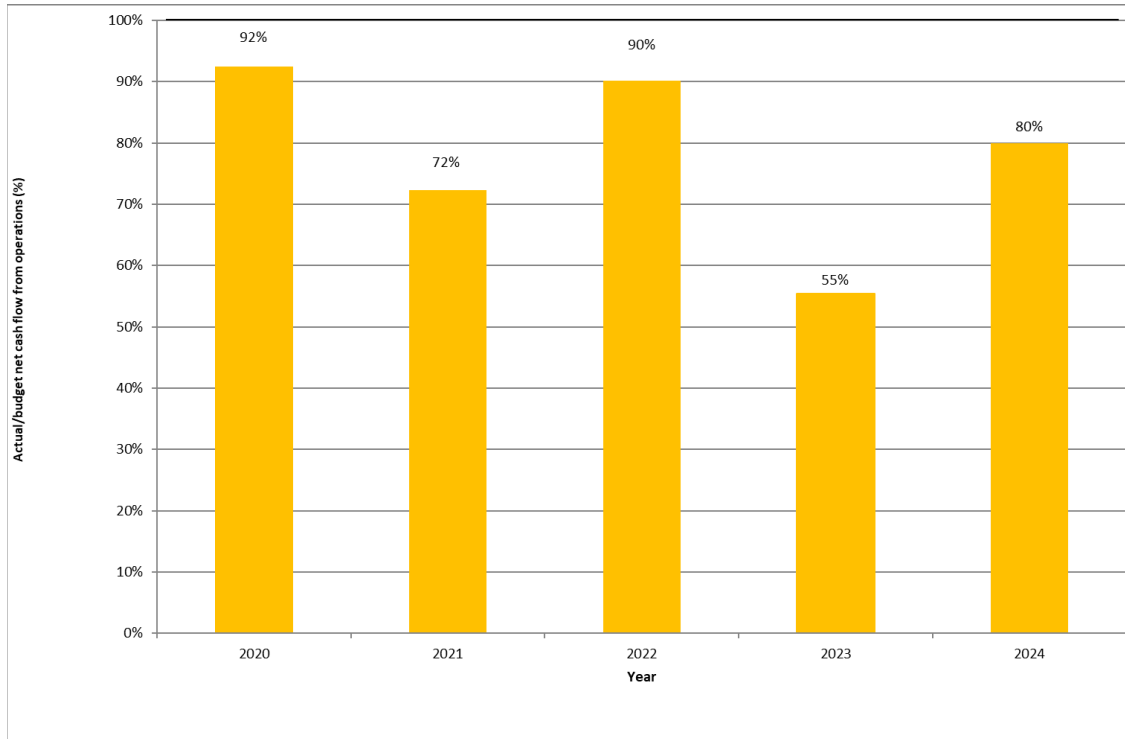
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



### Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



■ Benchmark met ■ Benchmark not met

It is difficult to budget cash flows as various operational factors influence the timing and quantum. Although the operations control benchmark was not met, Council generated cash from operating activities amounting to \$39.7m for the year.

### 5.3 STATEMENT OF COMPLIANCE

The financial statements of the Council and group have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). The Statement of Service Performance has been prepared in accordance with Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period and complies with PBE financial reporting standards.



Susan O'Regan JP  
**MAYOR**



Stephanie O'Sullivan  
**CHIEF EXECUTIVE**

## 5.4 STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE FOR THE YEAR ENDED 30 JUNE 2024

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2024	2024	2023	2024	2023
		\$000	\$000	Restated \$000	Restated \$000	Restated \$000
<b>REVENUE</b>						
Rates	3	81,073	83,796	73,711	81,073	73,711
Fees and charges	3	20,819	16,521	19,064	23,709	21,688
Reserve contributions	3	1,002	2,708	957	1,002	957
Development contributions	3	7,439	27,216	6,674	7,439	6,674
Gain on revaluation	4	-	450	-	-	-
Vested assets	3, 32	30,176	12,464	18,533	30,176	18,533
Discovered assets	3	5,630	-	7,915	5,630	7,915
Dividends	3	85	20	83	85	83
Finance revenue measured using effective interest method	3	991	15	538	1,097	571
Subsidies and grants	3	21,763	11,842	11,432	21,763	11,463
Other revenue	3	1,525	18,244	951	1,578	1,016
<b>Total Revenue</b>	<b>32</b>	<b>170,503</b>	<b>173,276</b>	<b>139,858</b>	<b>173,552</b>	<b>142,611</b>
<b>OPERATING EXPENDITURE</b>						
Employee benefit expenses	5	32,154	34,834	29,321	35,854	32,598
Depreciation & amortisation	13-15	39,309	32,437	33,400	39,390	33,498
Other expenses	6	52,516	46,962	60,643	51,563	59,429
Finance costs	7	10,697	10,876	5,458	10,697	5,458
Loss on revaluation	4	339	-	2,163	339	2,163
<b>Total Operating Expenditure</b>	<b>2</b>	<b>135,015</b>	<b>125,109</b>	<b>130,985</b>	<b>137,843</b>	<b>133,146</b>
<b>OPERATING SURPLUS</b>	<b>32</b>	<b>35,488</b>	<b>48,167</b>	<b>8,873</b>	<b>35,709</b>	<b>9,465</b>
<b>Other Comprehensive Revenue and Expense recognised directly in Equity</b>						
Property Plant and Equipment Revaluation gains / (losses) taken to equity		-	-	259,385	-	259,385
Intangible gains / (losses) taken to equity		153	-	(571)	153	(571)
Investment gains / (losses) taken to equity		(623)	-	3,279	(623)	3,279
Cash flow hedges gains / (losses) taken to equity		5	-	169	5	169
<b>Total Other Comprehensive Revenue and Expense for the Year</b>		<b>(465)</b>	<b>-</b>	<b>262,262</b>	<b>(465)</b>	<b>262,262</b>
<b>Total Comprehensive Revenue for the Year</b>	<b>32</b>	<b>35,023</b>	<b>48,167</b>	<b>271,135</b>	<b>35,244</b>	<b>271,727</b>

### Explanation of operating surplus and total comprehensive revenue:

Council achieved an operating surplus of \$35.5m this year against a budget of \$48.2m. Explanations of the major variations from budget are provided in note 31, page 99. The operating surplus includes a number of items of income that are non-cash in nature including infrastructure vested by developers (\$30.2m) and discovered assets (\$5.6m).

The accompanying notes form part of these financial statements, pages 38-100.

## 5.5 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Note	Council			Group	
		2024 Actual \$000	2024 Budget \$000	Actual 2023 Restated \$000	Actual 2023 Restated \$000	Actual 2023 Restated \$000
Balance at 1 July	32	2,294,876	2,068,414	2,023,741	2,297,553	2,025,827
Total Comprehensive Revenue	32	35,023	48,167	271,135	35,244	271,727
<b>Balance at 30 June</b>	32	2,329,899	2,116,581	2,294,876	2,332,797	2,297,554
<b>Equity represented by:</b>						
Retained earnings	24, 32	675,123	725,191	633,443	678,021	636,120
Other reserves	24	1,654,776	1,391,390	1,661,433	1,654,776	1,661,433
<b>Total Equity</b>	32	2,329,899	2,116,581	2,294,876	2,332,797	2,297,553

The accompanying notes form part of these financial statements, pages 38-100.

## 5.6 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	Council			Group	
		Actual 2024 \$000	Budget 2024 \$000	Actual 2023 Restated \$000	Actual 2024 \$000	Actual 2023 Restated \$000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	8	42,206	5,330	28,013	44,872	30,956
Investments in CCO's	10	-	-	-	-	-
Assets held for sale	12	85	85	85	85	85
Trade and other receivables	9	11,120	6,776	8,889	10,252	8,002
<b>Total Current Assets</b>		<b>53,411</b>	<b>12,191</b>	<b>36,987</b>	<b>55,209</b>	<b>39,043</b>
<b>Non Current Assets</b>						
Property plant and equipment	13, 32	2,541,043	2,346,230	2,420,541	2,541,359	2,420,788
Intangible assets	14	5,375	3,957	4,327	5,375	4,327
Forestry assets	17	2,236	3,428	2,400	2,236	2,400
Investments in CCO's	10	43,882	37,420	41,817	43,882	41,817
Investment property	18	35,686	35,846	35,833	35,686	35,833
Other financial assets	10	-	-	-	915	656
Trade and other receivables	9	9	11	10	9	10
<b>Total Non Current Assets</b>	<b>32</b>	<b>2,628,231</b>	<b>2,426,892</b>	<b>2,504,928</b>	<b>2,629,462</b>	<b>2,505,831</b>
<b>Total Assets</b>	<b>32</b>	<b>2,681,642</b>	<b>2,439,083</b>	<b>2,541,915</b>	<b>2,684,671</b>	<b>2,544,874</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Trade and other payables	19	22,457	12,096	17,663	22,332	17,716
Derivative financial instruments	23	-	-	5	-	5
Provisions	20	151	128	236	151	236
Employee benefit liabilities	21	2,750	2,751	2,636	3,002	2,861
Borrowings	22	52,000	28,600	48,000	52,000	48,000
<b>Total Current Liabilities</b>		<b>77,358</b>	<b>43,575</b>	<b>68,540</b>	<b>77,485</b>	<b>68,818</b>
<b>Non Current Liabilities</b>						
Trade and other payables	19	-	-	-	-	-
Derivative financial instruments	23	-	174	-	-	-
Provisions	20	385	553	500	385	500
Borrowings	22	274,000	278,200	178,000	274,005	178,005
<b>Total Non Current Liabilities</b>		<b>274,385</b>	<b>278,927</b>	<b>178,500</b>	<b>274,390</b>	<b>178,505</b>
<b>Total Liabilities</b>		<b>351,743</b>	<b>322,502</b>	<b>247,040</b>	<b>351,875</b>	<b>247,323</b>
<b>EQUITY</b>						
Retained earnings	24, 32	675,123	725,191	633,443	678,021	636,121
Other reserves	24, 32	1,654,776	1,391,390	1,661,433	1,654,776	1,661,433
<b>Total Equity</b>	<b>32</b>	<b>2,329,899</b>	<b>2,116,581</b>	<b>2,294,876</b>	<b>2,332,797</b>	<b>2,297,554</b>

Explanations of the major variations from budget are provided in note 31, page 99.

The accompanying notes form part of these financial statements, pages 38-100.



## 5.7 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Council			Group	
	Actual 2024	Budget 2024	Actual 2023	Actual 2024	Actual 2023
	Note	\$000	\$000	\$000	\$000
<b>Cash Flows from Operating Activities</b>					
Receipts from rates revenue	80,830	83,796	73,634	80,830	73,641
Interest received	991	15	538	1,097	570
Dividends	85	20	83	85	83
Receipts from other revenue	49,139	58,130	37,773	52,063	41,328
Payments to suppliers and employees	(80,691)	(81,470)	(75,223)	(83,589)	(77,459)
Interest paid	(10,697)	(10,876)	(5,458)	(10,697)	(5,458)
Goods and service tax (net)	-	-	(154)	-	(163)
<b>Net Cash Flow from Operating Activities</b>	<b>39,657</b>	<b>49,615</b>	<b>31,193</b>	<b>39,789</b>	<b>32,542</b>
<b>Cash Flows from Investing Activities</b>					
Proceeds from sale of property, plant and equipment	3,323	17,832	9,740	3,381	9,803
Proceeds from sale of investments	-	-	-	-	-
Purchase of intangible assets	(1,376)	-	(1,074)	(1,376)	(1,074)
Purchase of property, plant and equipment	(124,870)	(140,226)	(101,365)	(125,078)	(101,403)
Purchase & development of investment property	147	-	(2,429)	147	(2,429)
Acquisition of investments	(2,688)	-	(2,230)	(2,688)	(2,230)
<b>Net Cash Flow from Investing Activities</b>	<b>(125,464)</b>	<b>(122,394)</b>	<b>(97,358)</b>	<b>(125,614)</b>	<b>(97,333)</b>
<b>Cash Flows from Financing Activities</b>					
Proceeds from borrowings	148,000	70,800	122,000	148,000	122,000
Repayment of borrowings	(48,000)	-	(45,500)	(48,000)	(45,500)
Cash flows from Other Investing and Financing Activities	-	-	-	(259)	(656)
<b>Net Cash Flow from Financing Activities</b>	<b>100,000</b>	<b>70,800</b>	<b>76,500</b>	<b>99,741</b>	<b>75,844</b>
Net (decrease) / increase in cash, cash equivalents and bank overdrafts	14,193	(1,979)	10,335	13,916	11,053
Cash, cash equivalents and bank overdrafts at the beginning of the year	28,013	7,309	17,678	30,956	19,903
<b>Cash, cash equivalents at the end of the year</b>	<b>8</b>	<b>42,206</b>	<b>5,330</b>	<b>44,872</b>	<b>30,956</b>

Explanations of the major variations from budget are provided in note 31, page 99.

The accompanying notes form part of these financial statements, pages 38-100.

2024	Council	Group
	Debentures & other loans \$000	Debentures & other loans \$000
<b>Reconciliation of movements of liabilities from financing activities</b>		
Balance at 30 June 2023	226,000	226,661
Cash inflows	148,000	148,000
Cash Outflows	(48,000)	(48,000)
<b>Balance at 30 June 2024</b>	<b>326,000</b>	<b>326,661</b>

2023	Council	Group
	Debentures & other loans \$000	Debentures & other loans \$000
<b>Reconciliation of movements of liabilities from financing activities</b>		
Balance at 30 June 2022	149,500	149,505
Cash inflows	122,000	122,656
Cash Outflows	(45,500)	(45,500)
<b>Balance at 30 June 2023</b>	<b>226,000</b>	<b>226,661</b>

**STATEMENT OF CASH FLOWS (CONTINUED) /  
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	Council		Group	
		2024 \$000	2023 Restated \$000	2024 \$000	2023 Restated \$000
Surplus / (deficit) after tax	32	35,488	8,873	35,709	9,465
<i>Add (less) non cash items</i>					
Depreciation and amortisation		39,309	33,400	39,390	33,498
Asset write-downs		69	851	69	851
Vested / discovered assets	32	(35,806)	(26,448)	(35,806)	(26,448)
(Gains) / losses in fair value of investment properties, forestry and intangible assets		499	1,319	270	1,319
Add / (less) items classified as investing or financing activities		(5,448)	(716)	(5,448)	(716)
(Gains) / losses on disposal of assets		3,218	12,473	3,218	12,473
Impairment (Gain) / Loss		79	1,297	79	1,297
<i>Add / (less) movements in working capital items</i>					
Trade and other receivables		(2,231)	(2,435)	(2,249)	(1,608)
Trade and other payables		4,794	2,609	4,616	2,415
Provisions		(200)	55	(200)	55
Employee Benefits		(114)	(85)	141	(59)
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>		<b>39,657</b>	<b>31,193</b>	<b>39,789</b>	<b>32,542</b>

The accompanying notes form part of these financial statements, pages 38-100.

## 5.8 FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2024 (WHOLE OF COUNCIL)

	2022/23 Annual Plan \$000	2022/23 Annual Report \$000	2023/24 Annual Plan \$000	2023/24 Actual \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	40,862	41,088	43,490	44,435
Targeted rates	36,212	32,623	40,306	36,638
Subsidies and grants for operating purposes	3,567	5,113	3,425	7,046
Fees and charges	14,687	21,688	16,522	20,819
Interest and dividends from investments	35	654	35	1,076
Local authorities fuel tax, fines, infringement fees, and other receipts	412	1,016	412	1,525
<b>Total sources of operating funding (A)</b>	<b>95,775</b>	<b>102,182</b>	<b>104,190</b>	<b>111,539</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	72,662	76,374	78,124	79,738
Finance costs	2,892	5,458	10,876	10,697
Other operating funding applications	1,762	1,883	1,515	1,635
<b>Total applications of operating funding (B)</b>	<b>77,316</b>	<b>83,715</b>	<b>90,515</b>	<b>92,070</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>18,459</b>	<b>18,467</b>	<b>13,676</b>	<b>19,469</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	12,419	6,350	8,417	14,717
Development and financial contributions	25,540	7,631	29,924	8,441
Increase (decrease) in debt	105,000	76,500	70,800	100,000
Gross proceeds from sale of assets	10,348	20,302	17,832	6,541
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>153,307</b>	<b>110,783</b>	<b>126,973</b>	<b>129,699</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	118,267	57,771	83,666	70,908
- to improve the level of service	32,971	16,167	30,661	31,551
- to replace existing assets	24,499	21,060	28,062	25,516
Increase (decrease) in reserves	(3,971)	34,252	(1,741)	21,193
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>171,766</b>	<b>129,250</b>	<b>140,648</b>	<b>149,168</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(18,459)</b>	<b>(18,467)</b>	<b>(13,675)</b>	<b>(19,469)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 5.9 RECONCILIATION BETWEEN THE FUNDING IMPACT STATEMENT AND STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The funding impact statement is prepared in compliance with the requirements of clause 15, part 1, schedule 10 of the Local Government Act 2002. Unlike the statement of comprehensive revenue and expense, the funding impact statement is not compliant with generally accepted accounting standards (GAAP).

The funding impact statement is intended to show in a transparent manner how all sources of funding received by Council are applied. It does not include “non-cash” that is classified as income on the statement of revenue and expense (as required by GAAP) such as assets that are vested to Council through the subdivision process, or unrealised gains on assets. The statement of comprehensive revenue and expense also requires “non-cash” expenses such as depreciation, amortisation, and unrealised losses of assets to be reflected, whereas these are excluded from the funding impact statement. The reconciliation below identifies the differences between the two statements.

		2022/23 Annual Plan \$000	2022/23 Annual Report Restated \$000	2023/24 Annual Plan \$000	2023/24 Actual \$000
Total revenue and expense wholly attributable to District Council	32	127,981	271,727	48,167	35,023
Surplus (deficit) of operating funding per prospective whole of council funding impact statements		18,459	18,467	13,675	19,469
<b>Difference</b>	<b>32</b>	<b>109,522</b>	<b>253,260</b>	<b>34,492</b>	<b>15,554</b>
<b>The difference is due to:</b>					
Capital income		48,391	13,981	56,174	23,158
Vested assets	32	12,126	18,533	12,464	30,176
Discovered assets		-	7,915	-	5,630
Revaluation of assets		83,232	260,099	450	(804)
Gain (loss) on sale/disposal of assets & Discounting Charges & Debt Write-offs		(2,379)	(13,770)	(2,159)	(3,297)
Operating income received in advance		-	-	-	-
Depreciation and amortisation		(31,848)	(33,498)	(32,437)	(39,309)
<b>Total explained difference</b>	<b>32</b>	<b>109,522</b>	<b>253,260</b>	<b>34,492</b>	<b>15,554</b>

## 5.10 NOTES TO THE FINANCIAL STATEMENTS

### 1. Statement of accounting policies for the year ended June 2024

#### Reporting entity

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

The group consists of the ultimate parent, Waipa District Council, the Waipa Community Facilities Trust and the Cambridge Town Hall Community Trust.

The primary objective of Council and group is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

These financial statements of the Council and group are for the year ended 30 June 2024, and were authorised for issue by Council on 29 October 2024.

#### Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

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

The financial statements and service performance information have been prepared in accordance with Tier 1 PBE accounting standards.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000), other than part of the remuneration and the severance payment disclosures in Note 5. The remuneration and severance payment disclosures are rounded to the nearest dollar. The functional currency of Council is New Zealand dollars.

#### Changes in accounting policies

The following amendments are applied in this document:

**Disclosure for Fees for Audit Firms' Services** (amendments to PBE IPSAS 1): Requires entities to disclose fees incurred for services received from its audit or review firm, and a description of each service, using the following categories:

- Audit or review of the financial report
- Other non-audit and non-review services:
  - Audit or Review Related Services
  - Other Assurance Services and Other Agreed-Upon Procedures Engagements
  - Other Services

Application of these amendments is required for period beginning or after 1 January 2024 with early adoption permitted. Council has applied this standard in preparing its 30 June 2024 financial statements, where applicable.

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

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

**Insurance Contracts in the Public Sector** (amending standard PE IFRS 17): the standards add public sector modifications to include public sector entities and to ensure this Standard is suitable for this sector. Modifications include:

- Information on how to identify arrangements to which PBE IFRS 17 should apply
- Specific exemptions relating to sub-growing contracts
- An amendment to the initial recognition requirements
- Guidance on coverage periods
- An accounting policy choice on liability measurement when applying the premium allocation approach
- A specific grandfathering transition requirement.

Application of these is required for accounting periods beginning in or after 1 January 2026 with early adoption permitted. Council plans to apply this standard in preparing its 30 June 2026 financial statements.

## Summary of significant accounting policies

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

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

## Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flow of entities in the Group on a line-by-line basis. All intragroup balances, transactions, revenue, and expenses are eliminated on consolidation.

Waipa District Council has retained ownership of the majority of the assets that both Waipa Community Facilities Trust (WCFT) and Cambridge Town Hall Community Trust (CTHCT) use for their operations, and provides a major source of funding for the trusts. The assets that are held within WCFT and CTHCT are not available for access or use by Council and Council is unable to settle liabilities of WCFT and CTHCT.

There is minimal risk for Council with its interest in WCFT and CTHCT due to Council retaining ownership of the majority of the assets that WDC use for their operations, and as a source of funding for the trusts. This risk remains unchanged.

Council is unlikely to lose control of WCFT and CTHCT due to Council being a settlor of the trusts and/or irreversibly pre-determining the material operating and financing policies of the trusts.

Council also owns most of the assets that WCFT and CTHCT use for their operations and provides a major source of funding for the trusts. If Council were to lose control during the reporting period, this would not have a material impact on the Councils performance.

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

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## **Budget figures**

The budget figures are those approved by Council at the beginning of the year in the Annual Plan. Where applicable, other budget figures are those approved as part of the 2021-31 Long Term Plan process. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of these financial statements.

## **Local Waters Done Well**

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 have certainty on what the model or arrangements are until the WSDP is approved by the Secretary.

Waipa 's Three Waters network is currently owned and operated by Waipa District Council.

## **Critical accounting estimates and assumptions**

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

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

- Estimating the fair value of land, buildings, and infrastructural assets – see Note 13.
- Estimating the landfill aftercare provision – see Note 20.
- Estimating the carrying value of certain capital work in progress projects – see Note 13.
- Estimating the fair value of the equity investment in Waikato Regional Airport Limited – see Note 10.



**Income tax**

The Council is tax exempt for income tax purposes.

## 2. Summary cost of service

### Accounting policy

#### *Cost allocation*

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

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

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

#### Breakdown of summary revenue and expenditure for group of activities

	2024 Actual \$000	2023 Actual \$000
<b>INCOME</b>		
Governance	76	107
Planning and Regulatory	5,372	5,986
Community Services and Facilities	11,378	9,534
Roads and Footpaths	20,131	12,013
Stormwater	72	25
Wastewater Treatment and Disposal	1,425	1,299
Water Treatment and Supply	14,121	13,103
Support Services	19,561	16,757
<b>GROSS REVENUE</b>	<b>72,136</b>	<b>58,824</b>
Less Internal Charges	(18,550)	(16,506)
<b>Total Income</b>	<b>53,586</b>	<b>42,318</b>
<b>EXPENDITURE</b>		
Governance	9,452	9,912
Planning and Regulatory	12,120	13,757
Community Services and Facilities	37,964	34,708
Roads and Footpaths	28,064	30,907
Stormwater	7,184	6,336
Wastewater Treatment and Disposal	15,435	16,283
Water Treatment and Supply	19,671	15,544
Support Services	20,124	20,012
<b>GROSS EXPENDITURE</b>	<b>150,014</b>	<b>147,459</b>
Less Internal Charges	(18,550)	(16,506)
Less rates charged to Council properties	(1,675)	(1,489)
<b>NET EXPENDITURE</b>	<b>129,789</b>	<b>129,464</b>
<b>NET COST OF SERVICE - OPERATING</b>	<b>(76,203)</b>	<b>(87,146)</b>

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities (refer Note 3). In order to fairly reflect the total external operations for the Council in the statement of comprehensive revenue and expense, these transactions are eliminated as shown above.

### 3. Revenue

#### **Accounting policy**

Revenue is measured at the fair value of consideration received.

Revenue may be derived from either exchange or non-exchange transactions.

#### **Exchange transactions**

Exchange transactions are transactions where Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange.

Specific accounting policies for major categories of exchange revenue transactions are listed below:

#### ***Interest and dividends***

Interest income is recognised using the effective interest method.

Dividends are recognised when Council's right to receive the payment is established.

#### ***Housing for the Elderly revenue***

Rental revenue arising from tenancy agreements is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of revenue and expenditure due to its operating nature.

#### ***Other gains and losses***

Other gains and losses include fair value gains and losses on financial instruments at fair value through surplus or deficit, unrealised fair value gains and losses on the revaluation of investment properties and realised gains and losses on the sale of Property, Plant and Equipment (PPE) held at cost.

#### ***Sales of goods***

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

#### **Non-exchange transactions**

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange, or where the value given or received is not able to be accurately measured.

An inflow of resources from a non-exchange transaction, whether this be an asset or revenue, is only recognised if a liability is not also recognised for that particular asset or revenue.

A liability is only recognised to the extent that the present obligations have not been satisfied. A liability in respect of a transferred asset is recognised only when the transferred asset is subject to a condition, such as a condition for the asset to be consumed as specified and/or that future economic benefits or service potential must be returned to the owner.

Specific accounting policies for major categories of non-exchange revenue transactions are listed below:

## **Rates revenue**

The following policies for rates have been applied:

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

## **Development contributions**

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

## **Waka Kotahi (New Zealand Transport Agency) transportation subsidies**

Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

## **Other grants received**

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

## **Direct charges**

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council or Group is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as resource consents, building consents, water connections, dog licencing, etc.), and where the shortfall is subsidised by income from other activities, such as rates. Generally, there are no conditions attached to such revenue.

Revenue from such services is recognised when the Council or Group issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council or Group has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council or Group for the service) if the service is not completed.

### ***Building and resource consent revenue***

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

### ***Entrance fees***

Entrance fees are fees charged to users of the Council's local facilities, such as the pools. Revenue from entrance fees is recognised upon entry to such facilities.

### ***Infringement fees and fines***

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

### ***Vested or donated physical assets***

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Assets vested in Council are recognised as revenue when control over the asset is obtained.

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

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

**i) Breakdown of rates and further information**

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

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Rates consist of:				
General rates	29,911	26,021	29,911	26,021
Uniform annual general charge	15,780	16,631	15,780	16,631
Targeted ward rates	6,320	5,195	6,320	5,195
Other targeted rates:				
Metered Water Supply	9,878	8,731	9,878	8,731
Other Water Rates	21	20	21	20
Sewerage	13,416	11,743	13,416	11,743
Stormwater	4,099	4,079	4,099	4,079
Recycling	2,532	2,463	2,532	2,463
Other	532	411	532	411
Add Penalties	479	115	479	115
Less Remissions	(220)	(209)	(220)	(209)
	82,748	75,200	82,748	75,200
Less rates charged to Council properties	(1,675)	(1,489)	(1,675)	(1,489)
<b>Total Rates</b>	<b>81,073</b>	<b>73,711</b>	<b>81,073</b>	<b>73,711</b>

**ii) Rate remissions**

The Council's rate remission policy allows the remission of rates under certain conditions and criteria. The following is a breakdown:

	Council	
	2024 \$000	2023 \$000
Sport / community organisations	127	119
Maori land	-	-
Open space covenanted land	6	6
School waste water	64	66
Other	23	18
Uniform annual general charge	-	-
	<b>220</b>	<b>209</b>

	Council	
	2024	2023
Number of rating units at start of year	25,131	24,562

	Council	
	2024	2023
	\$000	\$000
Total capital value of rating units at start of year	35,605,403	35,117,836
Total land value of rating units at start of year	20,613,586	20,491,853

**iii) Breakdown of subsidies and grants**

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
New Zealand Transport Agency roading subsidies	18,738	10,686	18,738	10,686
Grants and Donations	1,124	67	1,124	98
External funding	1,901	679	1,901	679
<b>Total subsidies and grants</b>	<b>21,763</b>	<b>11,432</b>	<b>21,763</b>	<b>11,463</b>

There are no unfulfilled conditions or other contingencies attached to subsidies and grants recognised (2023 nil).

**iv) Breakdown of fees and charges**

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Rendering of services	1,731	1,692	1,731	1,692
User Charges	8,776	8,379	11,666	11,003
Regulatory revenue	5,293	5,942	5,293	5,942
Rental income from investment properties	407	454	407	454
Other Significant Activity revenue	4,612	2,597	4,612	2,597
<b>Total fees and charges</b>	<b>20,819</b>	<b>19,064</b>	<b>23,709</b>	<b>21,688</b>

**v) Breakdown of other revenue**

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Profit on Sale	255	98	255	98
Insurance recoveries	70	10	70	10
Infringements and fines	78	44	78	44
Petrol tax	377	409	377	409
Miscellaneous Revenue	745	390	798	455
<b>Total other revenue</b>	<b>1,525</b>	<b>951</b>	<b>1,578</b>	<b>1,016</b>

## Operating leases as lessor

Investment property is leased under operating leases. The majority of these are short term leases, however Council also has a small number of non-cancellable long-term leases. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Not later than one year	87	63	87	63
Later than one year and not later than five years	247	141	247	141
Later than five years	1,536	28	1,536	28
<b>Total Non-cancellable Operating Leases</b>	<b>1,870</b>	<b>232</b>	<b>1,870</b>	<b>232</b>

No contingent rents have been recognised during the year.

## 4. Gain / (Loss) on revaluation

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Gain / (Loss) on changes in fair value of investment property	(243)	(2,026)	(243)	(2,026)
Gain / (Loss) on changes in fair value of forestry assets	(96)	(137)	(96)	(137)
	<b>(339)</b>	<b>(2,163)</b>	<b>(339)</b>	<b>(2,163)</b>

## 5. Personnel costs

### Accounting policy

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred. Salaries and wages are recognised as an expense as employees provide a service.

### Breakdown of personnel costs and further information

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Salaries and wages	31,126	28,595	34,799	31,846
Defined contribution plan employer contributions	914	811	914	811
Increase / (decrease) in employee benefit liabilities	114	(85)	141	(59)
<b>Total employee benefit expenses</b>	<b>32,154</b>	<b>29,321</b>	<b>35,854</b>	<b>32,598</b>



### Chief Executive remuneration

The Chief Executive is appointed under section 42 of the Local Government Act 2002. He received a salary of \$358,753 (2023 \$331,124) in terms of his contract. The Chief Executive's total remuneration included other benefits as follows:

	Council	
	2024	2023
	\$	\$
Salary	358,753	331,124
Defined contribution plan employer contributions (KiwiSaver)	10,762	9,934
Vehicle	19,980	22,546
<b>Total Chief Executive remuneration</b>	<b>389,495</b>	<b>363,604</b>

### Elected representatives' remuneration

	Council	
	2024	2023
	\$	\$
<i>Elected representatives received the following remuneration:</i>		
Susan O'Regan, Mayor	145,391	119,587
Jim Mylchreest JP, Mayor	-	40,561
Liz Stolwyk, Deputy Mayor	66,835	58,741
Hazel Barnes JP	-	10,006
Andrew Brown	51,109	47,860
Lou Brown	47,177	43,298
Philip Coles	47,177	43,298
Roger Gordon	41,280	39,612
Marcus Gower	45,212	44,174
Michael Montgomerie	51,109	35,233
Dale-Maree Morgan	46,670	517
Mike Pettit	43,246	40,841
Clare St Pierre	53,075	46,984
Duncan Stirling	-	19,621
Bruce Thomas JP	51,109	45,755
Grahame Webber	-	12,746

### ***Council employees remuneration by band***

Total annual remuneration by band for employees as at 30 June:

	2024 Actual	2023 Actual
Total annual remuneration by band for employees as at 30 June:		
< \$60,000	68	95
\$60,000 - \$79,999	90	83
\$80,000 - \$99,999	77	70
\$100,000 - \$119,999	49	51
\$120,000 - \$139,999	33	20
\$140,000 - \$159,999	13	11
\$160,000 - \$179,999	12	10
\$180,000 - \$339,999	10	8
\$340,000 - \$389,999	1	1
Total Employees	353	349

Total remuneration includes non-financial benefits provided to employees.

At balance date Council employed 295 (2023 288) full-time employees, with the balance of staff representing 37 (2023 35) full-time equivalent employees. A full-time employee is determined on the basis of a 40 hour week.

### ***Severance payments***

For the year ended 30 June 2024 there was \$7,000 of severance payments to employees (2023 \$27,500).

## **6. Other expenses**

### **Accounting policy**

#### ***Grant expenditure***

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria, and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and grants are recognised as expenditure on payment.

#### ***Operating leases***

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

## Breakdown of other expenses and further information

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
<i>Fees to the principal auditor:</i>				
Fees to Audit New Zealand for audit or review of the Parent and Group's financial statements	274	233	274	233
Fees to Audit New Zealand for audit or review of the 2024-34 Long-term Plan	20	-	20	-
Fees to Audit New Zealand for audit or review of the 2022-23 Financial Report	23	28	23	28
Fees to Audit New Zealand for audit or review of the Debenture Trust Deed	10	9	10	9
<b>Total Audit Fees</b>	<b>327</b>	<b>270</b>	<b>327</b>	<b>270</b>
Community grants	1,635	1,883	1,635	1,883
Loss on disposal property, plant and equipment	3,218	12,473	3,218	12,473
Impairment of property, plant and equipment	79	1,297	79	1,297
Direct expenses from investment property	351	299	351	299
Direct expenses from investment property not primarily generating income	827	500	827	500
Lease payments under operating leases	15	116	15	116
Other operating expenditure	46,064	43,805	45,111	42,591
<b>Total Other Expenses</b>	<b>52,516</b>	<b>60,643</b>	<b>51,563</b>	<b>59,429</b>

## Operating lease as lessee

Leases can be renewed at the Council and group's option, with rents set by reference to current market rates for items of equivalent age and condition. There are no restrictions placed on the Council and group by any of the lease arrangements.

The Council leases property in the normal course of its business. The majority of these leases have a non-cancellable term. The properties that Council leases are 77 Daphne Street, Te Awamutu and 33 Wilson Street, Cambridge (depots and carpark); units 64 and 65 at 230 Berquist Drive, Te Awamutu; 244 Arawata Street, Te Awamutu; and 55 Ricket Road, Te Awamutu. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Not later than one year	381	387	381	387
Later than one year and not later than five years	342	283	342	283
Later than five years	-	-	-	-
<b>Total Non-cancellable Operating Leases</b>	<b>723</b>	<b>670</b>	<b>723</b>	<b>670</b>

## 7. Finance costs

### Accounting policy

In accordance with PBE IPSAS 5 Borrowing Costs, all borrowing costs are recognised as an expense in the period in which they are incurred.

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Interest on borrowings	10,884	5,419	10,884	5,419
Discount unwind on provisions (note 20)	(187)	39	(187)	39
<b>Total</b>	<b>10,697</b>	<b>5,458</b>	<b>10,697</b>	<b>5,458</b>

## 8. Cash and cash equivalents

### Accounting policy

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

### Breakdown of cash and cash equivalents and further information

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Cash at bank and in hand	42,206	28,013	44,872	30,956
Term deposits with maturities less than 3 months	-	-	-	-
<b>Total</b>	<b>42,206</b>	<b>28,013</b>	<b>44,872</b>	<b>30,956</b>

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

## 9. Trade and other receivables

### Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council and group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables GST, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are “written-off”:

- when remitted in accordance with the Council’s rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

## Fair Value

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

## Assessment of expected credit loss

The Council does not provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

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

- Section 90A: \$NIL (2023: NIL)
- Section 90B: \$NIL (2023: NIL)

The ageing profile of receivables at year-end is detailed below:

## Breakdown of receivables and further information

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Rates receivables	1,114	800	1,114	800
Community loans	9	10	9	10
Trade Receivables	10,147	8,203	9,279	7,316
less provision for uncollectability	(141)	(114)	(141)	(114)
	11,129	8,899	10,261	8,012
<i>Less non current portion</i>				
Community loans	9	10	9	10
Loans to Other Entities	-	-	-	-
Total Non-current Portion	9	10	9	10
Current Portion	11,120	8,889	10,252	8,002
Total receivables comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	4,174	3,597	4,174	3,597
Receivables from exchange transactions - this includes outstanding amounts for fees and charges that have not been subsidised by rates	6,946	5,292	6,078	4,405

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

The status of the current portion of receivables as at 30 June is detailed below:

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Not past due	9,461	7,712	8,593	6,825
Past due 1 - 60 days	461	586	461	586
Past due 61 - 120 days	464	349	464	349
Past due > 120 days	384	242	384	242
<b>Total</b>	<b>10,770</b>	<b>8,889</b>	<b>9,902</b>	<b>8,002</b>

### Allowance for expected credit losses (ECL)

The ECL allowance has been calculated based on a review of specific overdue receivables together with a collective assessment.

	Council and Group	
	2024	2023
	\$000	\$000
Individual uncollectability	114	90
Collective uncollectability	27	24
<b>Total</b>	<b>141</b>	<b>114</b>

Individually impaired receivables have been determined to be impaired because of the improbability of collection. An analysis of the individually impaired debtors is shown below:

	Council and Group	
	2024	2023
	\$000	\$000
Past due 1 - 60 days	-	-
Past due 61-120 days	-	-
Past due >120 days	114	90
<b>Total</b>	<b>114</b>	<b>90</b>

### Movements in the allowance for credit losses are as follows:

	Council and Group	
	2024	2023
	\$000	\$000
Balance at 1 July	114	88
Additional provision made during the year	27	26
Provisions reversed during the year	-	-
Debts written off during the period	-	-
<b>Total</b>	<b>141</b>	<b>114</b>

## 10. Other financial assets

### Accounting policy

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

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD)

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

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

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

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

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

### ***Subsequent measurement of financial assets at amortised cost***

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

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

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. Debt instruments in this category are the Council and group's listed bonds.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

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

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue. Other than for derivatives, the Council and group has no instruments in this category.

### **Shares in subsidiaries (at cost)**

The investment in subsidiaries is carried at cost in the Council's parent entity financial statements.

### **Breakdown of other financial assets and further information**

#### **Non-current portion**

Other non-current financial assets

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Term deposits with maturities greater than 3 months	-	-	838	600
Other non-current assets	-	-	77	56
<b>Total current portion</b>	-	-	915	656

Summary of other financial assets

	Number of Shares	% Holding	Balance Date	Council	
				2024 \$000	2023 \$000
Waikato Regional Airport Limited	777,110	15.63	30 June	35,870	36,493
Civic Financial Services Limited	149,082	1.35	31 Dec	141	141
Waikato Local Authority Shared Services Limited - called	1	8.33	30 June	1	1
Waikato Regional Transport Model - called	11,250	5	30 June	112	112
LGFA - unlisted shares	200,000	0.4	30 June	100	100
LGFA - borrower notes			30 June	7,658	4,970
<b>Total non current portion of shares and investments in other organisations</b>				<b>43,882</b>	<b>41,817</b>

#### **Fair value**

The carrying amount of term deposits approximates their fair value.

#### **Waikato Regional Airport Limited**

The investment in Waikato Regional Airport Limited (WRAL) is measured at fair value through other comprehensive revenue and expenditure. The fair value of the investment in WRAL has been determined based on Council's proportion of ownership of WRAL's net assets (15.63 per cent). Net assets is considered to provide an appropriate estimate of the WRAL's fair value, this is because WRAL's fair value derives mainly from the underlying fair value of its assets net of liabilities.



### ***Impairment***

There are no impairment expenses or provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.

## **11. Investments in subsidiaries, associates, and joint ventures**

### **Accounting policy**

Further information about the initial adoption of these standards is provided in note 29.

### ***Subsidiaries***

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

### ***Associate***

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the group financial statements using the equity method of accounting.

Investments in associates are measured at cost in the Council's parent financial statements.

### ***Equity method of accounting in group financial statements***

Investments in associates and joint ventures are accounted for in the group financial statements using the equity method of accounting.

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

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

## 12. Assets held for sale

### Accounting policy

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

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

These assets are not depreciated or amortised.

### Breakdown on assets held for sale and further information

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Assets held for sale - Land	85	85	85	85
Assets held for sale - Buildings	-	-	-	-
<b>Total assets held for sale</b>	<b>85</b>	<b>85</b>	<b>85</b>	<b>85</b>

Council is still proposing to sell 263m2 of land being part of the Karapiro Hall site at Karapiro Road to Karapiro Motors (1975) Limited.

## 13. Property, plant and equipment

### Accounting policy

Property, plant and equipment consists of:

- Operational assets which include land, buildings, library books, plant, furniture and equipment, and motor vehicles.
- Infrastructural assets which are the fixed utility systems. Each asset class includes all items that are required for the network to function, for example sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. Additions are generally recognised at cost. Where an asset is acquired through a non-exchange transaction,

it is recognised at its fair value at the date of acquisition. Work in progress is recognised at cost less impairment and is not depreciated.

### ***Disposals***

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

### ***Subsequent costs***

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

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

### ***Depreciation***

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Components	Years
Water Treatment	Structures	25 – 80
	Plant	10 – 200
	Pipes	60
Water Reticulation	Pipes	30 – 100
	Fittings	3 – 100
Sewage Treatment	Structures	25 – 100
	Plant	10 – 100
	Pipes	60
Sewerage Reticulation	Pipes	50 – 100
	Fittings	25 – 100
	Manholes	80
Stormwater	Structures	15 – 150
	Pipes	50 – 135
	Manholes	50 – 80
Formation/carriageway and shoulder		Infinite
Pavement structure		12 – 150
Pavement surface (seal)		6 – 65
Catchpits and culverts		50 – 75
Bridges		50 – 115
Kerb and channel		50 – 75
Lighting		20 – 35
Footpaths		15 – 70
Signs		10 – 35
Railings		20 – 35
Islands		35 - Infinite
Traffic Signals		15 – 50
Buildings – not componentised		0 – 100
Building – structure		35 – 100
Building – fit-out		20 – 40
Building – services		30 – 45
Plant/motor vehicles		4 – 50
Furniture, fittings and equipment		3 – 100
Computer equipment		3 – 10
Intangibles		0 – 10
Library Books		7

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

### **Revaluation**

Infrastructure assets are valued on a two-yearly cycle and Operational Land and Buildings are valued every three years, on the basis described below.

The carrying values of all revalued assets are either revalued on the frequencies noted above, or where not revalued they are assessed each balance date to ensure that the carrying values do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

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

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

### ***Operational land and buildings***

At fair value as determined from market-based evidence where there is a market, or depreciated replacement cost for specialised assets, by an independent valuer. The most recent valuation was performed by Quotable Value Limited Asset and Advisory (registered valuers) and the valuation is effective as at 30 June 2022.

### ***Infrastructural assets***

At fair value determined on a Depreciated Replacement Cost (DRC) basis by an independent valuer. The valuation of the utility assets and roading assets was performed by Beca Valuations Limited (Beca) and is effective as at 30 June 2023.

### ***Land under roads and road reserves***

Valued by Opus International Consultants Limited (registered valuers) using estimates provided by Quotable Value at current market prices (\$/ha) for land use categories through which the roads pass. The valuation is effective as at 1 July 2006. On transition to New Zealand equivalents to International Financial Reporting Standards on 1 July 2006, the Council elected to use the fair value of land under roads as at 1 July 2006 at deemed cost. Land under roads is no longer revalued.

### ***Impairment of property, plant and equipment and intangible assets***

Property, plant, and equipment are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of an impairment loss is also recognised in the surplus or deficit.

### ***Value in use for non-cash-generating assets***

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### ***Value in use for cash-generating assets***

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

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

### ***Critical accounting estimates and assumptions***

#### ***Infrastructural assets***

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets. These include:

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

Experienced independent valuers perform the Council's infrastructural asset revaluations.

The total fair value of infrastructure assets is determined on a DRC basis at 30 June 2023.

### ***Operational land and buildings***

There are a number of assumptions and estimates used when performing market valuations over operational land and buildings assets. These include:

#### *Land (operational)*

- Land is valued as vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage.
- Assumption of an open market “willing buyer willing seller” scenario. This is effectively the price an informed purchaser would have to pay to acquire a similar property.
- Where there is a designation held against the land, adjustments have been made to reflect that designation.

#### *Buildings (operational)*

- All buildings have been valued on either a fair market basis or depreciated replacement cost approach.
- Where the fair value of an asset can be determined by reference to the price in an active market for the same asset or a similar asset, the fair value of the asset is determined using this information. Where fair value of the asset is not able to be reliably determined using market-based evidence, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.
- The highest and best use of the property is considered when formulating which approach to undertake the building valuation. Where market-based evidence exists, structures have been valued on a market basis in relation to market-based net rates per square metre.

Experienced independent valuers perform the Council’s Operational Land and Buildings asset revaluations.

#### **Other**

Work in progress shows the amount of capital projects that are in the course of construction and will be capitalised once completed in future years.

There are no restrictions over the title of Council’s property, plant and equipment assets, nor are property plant and equipment assets pledged as security for liabilities.

The Local Government Act 2002 requires Council to separate treatment from reticulation for water and sewage assets but Council still considers this to be one class of asset.

#### ***Treatment of bore drilling costs***

The outcome for projects such as bore drilling are largely unknown until the project is substantially complete. It is only then that the future economic benefits or service potential of such assets can be determined. Council assesses each borehole in the light of the future economic benefits or service potential to Council. Costs associated with bores that show no evidence of yielding future economic benefits or service potential are treated as impairment losses.

Council has impaired any boreholes that show no evidence of yielding future economic benefits or service potential to Council. Council believes it appropriate for the remaining costs to sit in work in progress until these are put to use and further assessment for capitalisation/impairment at that point.

The total amount of property, plant and equipment as at 30 June 2024 is \$2,541,359,000. This is made up of total operational and infrastructure assets valued at \$589,863,000 and \$1,951,496,000 respectively (2023 \$2,420,820,000, with \$563,295,000 and \$1,857,525,000 respectively).

Council 2024	Land \$000	Buildings \$000	Landfills post closure \$000	Library books \$000	Plant equipment \$000	Furniture and operational assets \$000	Total operational assets \$000
<b>Operational assets</b>							
Balance at 1 July 2023							
Cost/valuation	411,515	114,719	418	2,826	12,470	45,235	587,183
Accumulated depreciation and impairment charges	-	(6,593)	(418)	(1,531)	(5,490)	(10,136)	(24,168)
Opening carrying amount	411,515	108,126	-	1,295	6,980	35,099	563,015
<b>Year Ended 30 June 2024</b>							
Transfers	-	-	-	-	-	-	-
Additions	14,330	2,542	-	727	2,520	5,637	25,756
Additions (vested to Council)	1,125	-	-	-	-	-	1,125
Disposals	(434)	(226)	-	(869)	(736)	(102)	(2,367)
Accumulated depreciation write off on disposal	-	47	-	869	711	99	1,726
Current year depreciation	-	(5,206)	-	(324)	(987)	(1,334)	(7,851)
Accumulated depreciation write off on revaluation	-	-	-	-	-	-	-
Revaluation Surplus / (deficit)	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Loss on Accumulated Impairment on revaluation	-	-	-	-	-	-	-
Work in progress (net transfers)	2,353	5,519	-	(348)	534	84	8,142
Total movement	17,374	2,676	-	55	2,042	4,384	26,531
<b>Balance 30 June 2024</b>							
Cost/valuation	428,889	122,554	418	2,336	14,788	50,854	619,839
Accumulated depreciation and impairment charges	-	(11,752)	(418)	(986)	(5,766)	(11,371)	(30,293)
<b>Council Closing Carrying Amount</b>	<b>428,889</b>	<b>110,802</b>	<b>-</b>	<b>1,350</b>	<b>9,022</b>	<b>39,483</b>	<b>589,546</b>

Impairment losses of \$NIL (2023 NIL) have been recognised for prior year capital costs.



<b>Group 2024</b>	<b>Land</b>	<b>Buildings</b>	<b>Landfills post closure</b>	<b>Library books</b>	<b>Plant</b>	<b>Furniture and equipment</b>	<b>Total operational assets</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Operational assets</b>							
Balance at 1 July 2023							
Cost/valuation	411,515	114,720	418	2,826	13,108	45,575	588,162
Accumulated depreciation and impairment charges	-	(6,593)	(418)	(1,531)	(5,918)	(10,407)	(24,867)
Opening carrying amount	411,515	108,127	-	1,295	7,190	35,168	563,295
<b>Year Ended 30 June 2024</b>							
Transfers	-	-	-	-	-	-	-
Additions	14,330	2,542	-	727	2,678	5,653	25,930
Additions (vested to Council)	1,125	-	-	-	-	-	1,125
Disposals	(434)	(226)	-	(869)	(794)	(102)	(2,425)
Accumulated depreciation write off on disposal	-	47	-	869	713	99	1,728
Current year depreciation	-	(5,206)	-	(324)	(1,045)	(1,357)	(7,932)
Accumulated depreciation write off on revaluation	-	-	-	-	-	-	-
Revaluation Surplus / (deficit)	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Loss on Accumulated Impairment on revaluation	-	-	-	-	-	-	-
Work in progress (net transfers)	2,353	5,519	-	(348)	534	84	8,142
Total movement	17,374	2,676	-	55	2,086	4,377	26,568
<b>Balance 30 June 2024</b>							
Cost/valuation	428,889	122,555	418	2,336	15,526	51,210	620,934
Accumulated depreciation and impairment charges	-	(11,752)	(418)	(986)	(6,250)	(11,665)	(31,071)
<b>Group Closing Carrying Amount</b>	<b>428,889</b>	<b>110,803</b>	<b>-</b>	<b>1,350</b>	<b>9,276</b>	<b>39,545</b>	<b>589,863</b>

Council 2023	Land	Buildings	Landfills post closure	Library books	Plant	Furniture and equipment	Total operational assets
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Operational assets</b>							
Balance at 1 July 2022							
Cost/valuation	387,306	110,989	418	2,480	12,077	43,705	556,975
Accumulated depreciation and impairment charges	-	(1,293)	(418)	(1,216)	(4,916)	(12,476)	(20,319)
Opening carrying amount	387,306	109,696	-	1,264	7,161	31,229	536,656
<b>Year Ended 30 June 2023</b>							
Transfers	-	-	-	-	-	-	-
Additions	21,516	2,877	-	-	868	429	25,690
Additions (vested to Council)	-	-	-	-	-	-	-
Disposals	-	(122)	-	-	(559)	(3,573)	(4,254)
Accumulated depreciation write off on revaluation	-	10	-	-	403	3,477	3,890
Current year depreciation	-	(5,310)	-	(315)	(977)	(1,137)	(7,739)
Accumulated depreciation write off on disposal	-	-	-	-	-	-	-
Revaluation Surplus / (deficit)	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Loss on Accumulated Impairment on revaluation	-	-	-	-	-	-	-
Work in progress (net transfers)	2,693	975	-	346	84	4,674	8,772
Total movement	24,209	(1,570)	-	31	(181)	3,870	26,359
<b>Balance 30 June 2023</b>							
Cost/valuation	411,515	114,719	418	2,826	12,470	45,235	587,183
Accumulated depreciation and impairment charges	-	(6,593)	(418)	(1,531)	(5,490)	(10,136)	(24,168)
<b>Closing Carrying Amount</b>	<b>411,515</b>	<b>108,126</b>	<b>-</b>	<b>1,295</b>	<b>6,980</b>	<b>35,099</b>	<b>563,015</b>

Group 2023	Land \$000	Buildings \$000	Landfills post closure \$000	Library books \$000	Plant \$000	Furniture and equipment \$000	Total operational assets \$000
<b>Operational assets</b>							
Balance at 1 July 2022							
Cost/valuation	387,306	111,021	418	2,480	12,690	44,037	557,952
Accumulated depreciation and impairment charges	-	(1,293)	(418)	(1,216)	(5,282)	(12,712)	(20,921)
Opening carrying amount	387,306	109,728	-	1,264	7,408	31,325	537,031
<b>Year Ended 30 June 2023</b>							
Transfers	-	-	-	-	-	-	-
Additions	21,516	2,877	-	-	925	437	25,755
Additions (vested to Council)	-	-	-	-	-	-	-
Disposals	-	(153)	-	-	(591)	(3,573)	(4,317)
Accumulated depreciation write off on revaluation	-	10	-	-	403	3,477	3,890
Current year depreciation	-	(5,310)	-	(315)	(1,039)	(1,172)	(7,836)
Accumulated depreciation write off on disposal	-	-	-	-	-	-	-
Revaluation Surplus / (deficit)	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Loss on Accumulated Impairment on revaluation	-	-	-	-	-	-	-
Work in progress (net transfers)	2,693	975	-	346	84	4,674	8,772
Total movement	24,209	(1,601)	-	31	(218)	3,843	26,264
<b>Balance 30 June 2023</b>							
Cost/valuation	411,515	114,720	418	2,826	13,108	45,575	588,162
Accumulated depreciation and impairment charges	-	(6,593)	(418)	(1,531)	(5,918)	(10,407)	(24,867)
<b>Group Closing Carrying Amount</b>	<b>411,515</b>	<b>108,127</b>	<b>-</b>	<b>1,295</b>	<b>7,190</b>	<b>35,168</b>	<b>563,295</b>

A valuation of the Roding Network was performed by Beca Valuations Limited (Beca), (registered valuation experts) effective as at 30 June 2023. A valuation of the utility assets was performed by Beca Valuations Limited (Beca), (registered valuation experts) effective as at 30 June 2023.

2024		Sewerage system treatment	Sewerage system reticulation	Water system treatment	Water system reticulation	Drainage network	Roading network	Land under roads	Total infrastructural assets
	Note	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council infrastructural assets</b>									
<b>Balance at 1 July 2023</b>									
Cost/valuation		77,051	151,125	70,210	212,881	183,779	927,841	234,638	1,857,525
Accumulated depreciation and impairment charges		-	-	-	-	-	-	-	-
<b>Opening carrying amount - restated</b>	32	77,051	151,125	70,210	212,881	183,779	927,841	234,638	1,857,525
<b>Year Ended 30 June 2024</b>									
Transfers		-	-	-	-	-	-	-	-
Additions (constructed by Council)		341	1,856	34	6,005	6,540	17,802	-	32,578
Additions (vested to Council)		1,710	5,349	-	4,881	8,225	8,886	-	29,051
Disposals		(19)	(526)	(9)	(1,665)	(1,099)	(856)	-	(4,174)
Accumulated depreciation write off on disposal		1	16	2	74	13	19	-	125
Current year depreciation		(3,154)	(3,202)	(2,150)	(5,305)	(2,803)	(14,198)	-	(30,812)
Accumulated depreciation write off on revaluation		-	-	-	-	-	-	-	-
Revaluation Surplus / (deficit)		-	-	-	-	-	-	-	-
Work in progress (net transfers)		898	19,807	792	6,366	14,434	24,906	-	67,203
Total movement		(223)	23,300	(1,331)	10,356	25,310	36,559	-	93,971
<b>Balance 30 June 2024</b>									
Cost/valuation		79,981	177,611	71,027	228,468	211,879	978,579	234,638	1,982,183
Accumulated depreciation and impairment charges		(3,153)	(3,186)	(2,148)	(5,231)	(2,790)	(14,179)	-	(30,687)
<b>Closing carrying amount</b>		76,828	174,425	68,879	223,237	209,089	964,400	234,638	1,951,496

2023	Note	Sewerage system treatment \$000	Sewerage system reticulation \$000	Water system treatment \$000	Water system reticulation \$000	Drainage network \$000	Roading network \$000	Land under roads \$000	Total infrastructural assets \$000
<b>Council infrastructural assets</b>									
<b>Balance at 1 July 2022</b>									
Cost/valuation - restated		73,075	125,315	65,453	153,633	139,574	783,549	234,638	1,575,237
Accumulated depreciation and impairment charges		(3,149)	(2,597)	(1,767)	(3,363)	(1,958)	(11,147)	-	(23,981)
<b>Opening carrying amount</b>		<b>69,926</b>	<b>122,718</b>	<b>63,686</b>	<b>150,270</b>	<b>137,616</b>	<b>772,402</b>	<b>234,638</b>	<b>1,551,256</b>
<b>Year Ended 30 June 2023</b>									
Transfers		-	-	-	-	-	-	-	-
Additions (constructed by Council) - restated *		15,118	1,347	1,089	9,931	4,089	22,041	-	53,615
Additions (vested to Council) - restated	32	191	4,361	-	3,488	5,142	5,351	-	18,533
Disposals		(3,774)	(814)	(815)	(1,237)	(2,376)	(6,832)	-	(15,848)
Accumulated depreciation write off on disposal		1,984	32	760	85	56	826	-	3,743
Current year depreciation		(3,587)	(2,759)	(2,076)	(3,428)	(2,035)	(11,210)	-	(25,095)
Accumulated depreciation write off on revaluation		4,752	5,324	3,083	6,706	3,937	21,531	-	45,333
Revaluation Surplus / (deficit)		5,281	11,295	5,465	45,181	29,173	117,384	-	213,779
Work in progress (net transfers) - restated *	32	(12,840)	9,621	(982)	1,885	8,177	6,348	-	12,209
<b>Total movement</b>		<b>7,125</b>	<b>28,407</b>	<b>6,524</b>	<b>62,611</b>	<b>46,163</b>	<b>155,439</b>	<b>-</b>	<b>306,269</b>
<b>Balance 30 June 2023</b>									
Cost/valuation - restated	32	77,051	151,125	70,210	212,881	183,779	927,841	234,638	1,857,525
Accumulated depreciation and impairment charges		-	-	-	-	-	-	-	-
<b>Closing carrying amount</b>	<b>32</b>	<b>77,051</b>	<b>151,125</b>	<b>70,210</b>	<b>212,881</b>	<b>183,779</b>	<b>927,841</b>	<b>234,638</b>	<b>1,857,525</b>

\* An amount of \$28.6million was reclassified from work in progress to additions as this best reflects the construction date of the assets.

### Core infrastructure asset disclosure

The table below shows the most recent replacement cost estimate for Council’s revalued infrastructure assets.

	Council	
	2024	2023
	\$000	\$000
Sewerage system - treatment	90,075	90,097
Sewerage system - reticulation	234,823	226,029
Water system - treatment	128,321	128,433
Water system - reticulation	287,977	280,997
Drainage network	246,004	230,891
Roading network	1,196,318	1,181,378
<b>Total</b>	<b>2,183,518</b>	<b>2,137,825</b>

### Work in progress

Property, plant and equipment in the course of construction by class of asset is detailed below:

	Council	
	2024	2023
	\$000	\$000
Land and buildings	15,425	7,534
Plant	740	554
Furniture and equipment	10,654	10,588
Wastewater treatment and disposal	43,737	23,032
Water treatment and supply	27,888	20,730
Drainage network	32,660	18,226
Roading network	56,229	26,361
<b>Total</b>	<b>187,333</b>	<b>107,025</b>

### Capital commitments

The amount of contractual commitments for acquisition of property, plant and equipment is:

	Council	
	2024	2023
	\$000	\$000
<i>Capital Commitments</i>		
Roading network	39,404	33,544
Drainage network	11,550	20,459
Wastewater treatment and disposal	76,911	15,657
Water treatment and supply	10,066	9,476
Community Facilities	3,789	7,204
Information Technology	-	46
Animal Control	-	7
Property development	1,075	574
<b>Total capital commitments</b>	<b>142,795</b>	<b>86,967</b>

## 14. Intangible assets

### Accounting policy

#### *Software acquisition and development*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

#### *Amortisation*

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Revenue and Expense. The useful lives and associated amortisation rates of computer software have been estimated at 3-10 years (33 per cent - 10 per cent).

#### *Impairment of intangible assets*

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite life are reviewed for indicators of impairment and tested annually for impairments each balance date.

For further details, refer to the policy for impairment of property, plant and equipment in Note 13. The same approach applies to the impairment of intangible assets.

#### *Emissions trading scheme*

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the New Zealand Units (NZU). Gains and losses on disposals are reported in the surplus or deficit. If at the end of any financial year there has been some deforestation (such as harvesting) that is yet to be replanted, a contingent liability will be disclosed until such time as replanting has occurred. After initial recognition, Emission Trading Scheme credits are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit. NZUs are not amortised and have an indefinite life.

### Financial risk management strategies

Compensation has been provided to forestry owners, via the allocation of compensation units, known as NZUs in two tranches. Council received the first tranche of 6,256 units in November 2012, and the second tranche of 10,064 units in April 2013. The value of these NZUs as at 30 June 2024 is \$822,202 (2023 \$669,120).

## Breakdown of intangible assets and further information

Movements in the carrying value for each class of intangible asset are as follows:

2024	Computer	Council	Total
	Software	NZ	
	\$000	Units	\$000
Balance at 1 July 2023			
Cost	7,127	670	7,797
Accumulated amortisation and impairment	(3,470)	-	(3,470)
Opening carrying amount	3,657	670	4,327
Year ended 30 June 2024			
Additions	520	-	520
WIP Movement	1,021	-	1,021
Intangible gains / (losses)	-	153	153
Disposals	-	-	-
Accumulated depreciation write off on disposal/revaluation	-	-	-
Amortisation charge	(646)	-	(646)
Closing carrying amount	4,552	823	5,375
Balance at 30 June 2024			
Cost	8,668	823	9,491
Accumulated amortisation and impairment	(4,116)	-	(4,116)
Closing carrying amount	4,552	823	5,375
2023	Computer	Council	Total
	Software	NZ	
	\$000	Units	\$000
Balance at 1 July 2022			
Cost	6,253	1,241	7,494
Accumulated amortisation and impairment	(2,906)	-	(2,906)
Opening carrying amount	3,347	1,241	4,588
Year ended 30 June 2023			
Additions	-	-	-
WIP Movement	1,074	-	1,074
Intangible gains / (losses)	-	(571)	(571)
Disposals	(200)	-	(200)
Accumulated depreciation write off on disposal/revaluation	-	-	-
Amortisation charge	(564)	-	(564)
Closing carrying amount	3,657	670	4,327
Balance at 30 June 2023			
Cost	7,127	670	7,797
Accumulated amortisation and impairment	(3,470)	-	(3,470)
Closing carrying amount	3,657	670	4,327



There are no restrictions over the title of Council’s intangible assets, nor are intangible assets pledged as security for liabilities.

## 15. Depreciation and amortisation expense by group of activity

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Directly attributable depreciation and amortisation expense by group of activity				
Governance	4	5	4	5
Planning and Regulatory	13	14	13	14
Community Services and Facilities	6,133	6,075	6,214	6,173
Roads and Footpaths	14,330	11,342	14,330	11,342
Stormwater	2,803	2,035	2,803	2,035
Water Treatment and Supply	7,466	5,513	7,466	5,513
Wastewater Treatment and Disposal	6,357	6,347	6,357	6,347
Support Services	2,203	2,069	2,203	2,069
<b>Total depreciation and amortisation expense</b>	<b>39,309</b>	<b>33,400</b>	<b>39,390</b>	<b>33,498</b>

## 16. Insurance of assets

The total value of all assets of Council that are covered by insurance contracts is \$1,694,780,415 (2023 \$1,559,689,654) and the maximum amount to which they are insured, on a per loss basis, is \$236,826,491 (2023 \$234,364,181).

Insurance Class	Total Declared Value \$	Policy Limit \$
Infrastructure	1,018,266,666	\$80,000,000 per loss
Material Damage	669,687,258	\$150,000,000 each and every loss and in the annual aggregate (\$30,000,000 any one loss and in the aggregate for the period of insurance for fire)
Motor Vehicle	6,826,491	6,826,491
<b>Total</b>	<b>1,694,780,415</b>	<b>236,826,491</b>

The total value of all assets of Council that are covered by financial risk sharing arrangements is nil, and the maximum amount available to Council under this arrangement is nil.

The total value of all assets of the local authority that are self-insured is nil, and the value of any fund maintained by Council for that purpose is nil.

Council maintains insurance reserves to cover the cost of excesses for both material damage and infrastructure claims. The reserve will also be used to minimise fluctuations in premium costs due to external markets.

## 17. Forestry assets

### Accounting policy

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs, and from a change in fair value less estimated point of sale costs, are recognised in the Statement of Comprehensive Revenue and Expense. The costs to maintain the forestry assets are included in the Statement of Comprehensive Revenue and Expense.

### Breakdown of forestry assets and further information

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Balance at 1 July	2,400	3,388	2,400	3,388
Decrease due to harvest and thinnings	(69)	(851)	(69)	(851)
Gains / (losses) arising from changes in fair value less estimated point of sale costs	(95)	(137)	(95)	(137)
<b>Balance 30 June</b>	<b>2,236</b>	<b>2,400</b>	<b>2,236</b>	<b>2,400</b>

Council owns 284 hectares of forest land with 192.9 hectares of mainly pinus radiata and 4.8 hectares of mixed species. The pinus radiata is at varying stages of maturity ranging from 11 years to 38 years.

There has been 5 hectares harvested since July 2023.

Forestry experts P F Olsen Limited have valued the forestry assets as at 30 June 2024. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- A post-tax discount rate of 7.5 per cent has been used in discounting the present value of expected cash flows.
- Log prices are based on a three year historical rolling average.

A peer review of the P F Olsen Limited's valuation was completed by Interpine Group Limited.

### Financial risk management strategies

Council is exposed to financial risks arising from changes in timber prices. Council is a long-term forestry investor and forestry interests form only a small part of Council's business activity and asset base, therefore, it has not taken any measures to manage the risks of a decline in timber prices

Council had 272 hectares of eligible forest area of pre-1990 forest land at the time of application. This land is subject to the provisions of the New Zealand emissions trading scheme (“ETS”). The implication of this for the financial statements is two-fold:

- Should the land be deforested (that is, the land is changed from forestry to some other purpose), a deforestation penalty will arise; and
- As a result of the deforestation restriction, compensation units are being provided by the Government.

## 18. Investment property

### Accounting policy

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

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are measured at fair value as determined annually by an independent valuer. Gains and losses on revaluation, acquisition and disposal are recognised in the Statement of Comprehensive Revenue and Expense.

### Breakdown of investment property and further information

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Balance at 1 July	35,833	35,436	35,833	35,436
Additions	96	2,429	96	2,429
Disposals	-	(280)	-	(280)
Transfers	-	-	-	-
Gain / (loss) on sale	-	-	-	-
Revaluation loss on Disposal	-	-	-	-
Revaluation loss on Impairment	-	-	-	-
Fair value gains / (losses) on revaluation	(243)	(1,752)	(243)	(1,752)
<b>Balance 30 June</b>	<b>35,686</b>	<b>35,833</b>	<b>35,686</b>	<b>35,833</b>

Investment properties are valued annually at fair value effective 30 June.

The valuation was performed by C Coakley ANZIV MPINZ, registered valuer, Quotable Value Limited. Quotable Value Limited are experienced valuation experts with extensive market knowledge in the types of investment properties owned by Council.

The valuation methodology and assumptions used were:

- All land has been valued on a fair market, highest and best use basis, each site has been individually considered and valued in accordance with current market conditions;
- All buildings are valued with reference to the market where market evidence exists, highest and best use of the property has been considered when formulating the valuation approach;
- Site and other improvements relating to various land assets have been assessed on a fair value market basis, in the absence of conclusive market value evidence, improvement have been valued by the depreciated replacement cost approach; and
- All lease (non Council) improvements have been excluded from the valuation.

The fair value of investment property has been determined by the current market sales within the areas where the properties are located. Where no comparable sales were evident, sales of other types of properties were checked to determine if there had been a shift in market values over the previous twelve months since the properties were last valued. Information about the revenue and expenses in relation to investment property is detailed below:

	Council	
	2024 \$000	2023 \$000
Rental income	849	912
Expenses from investment property generating income	351	299
Expenses from investment property not primarily generating income	827	608

## 19. Trade and other payables

### Accounting policy

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### Breakdown of payables and other information

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Trade payables	5,993	5,617	5,868	5,670
Deposits and bonds	-	-	-	-
Accrued expenses	11,756	5,653	11,756	5,653
Income in advance	4,276	5,769	4,276	5,769
Taxes payable (e.g. GST and FBT)	432	624	432	624
	22,457	17,663	22,332	17,716
<i>Less non current portion</i>				
Income in advance	-	-	-	-
Total Non-current Portion	-	-	-	-
Current Portion	22,457	17,663	22,332	17,716
Total payables comprise:				
Payables under non-exchange transactions -	5,354	5,040	5,354	5,040
Payables under exchange transactions -	17,103	12,623	16,978	12,676

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

## 20. Provisions

### Accounting policy

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs” (see note 7).

### Breakdown of provisions and further information

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
<i>Current provisions are represented by:</i>				
Landfill aftercare provision	151	236	151	236
Total Current Provisions	151	236	151	236
<i>Non current provisions are represented by:</i>				
Landfill aftercare provisions	385	500	385	500
Total Non-current Provisions	385	500	385	500

### Provisions for landfill aftercare costs

Council has operated the Cambridge, Te Awamutu, Kihikihi and Pirongia landfills. Council has the responsibility under the resource consents to provide on-going maintenance and monitoring of the landfills after the sites are closed.

### Capacity of the sites

The Cambridge, Te Awamutu, Kihikihi and Pirongia landfills have all been closed and capped. The cash flows for landfills post-closure are expected to continue as far out as 2039.

The long term nature of the liability means that there are inherent uncertainties in estimating the costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 4.91 per cent (2023 4.81 per cent).

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Opening balance	736	681	736	681
Amounts used	(158)	(247)	(158)	(247)
Unused amounts reversed	144	263	144	263
Discounting changes	(186)	39	(186)	39
Closing Balance	536	736	536	736
<i>Represented by:</i>				
Current portion	151	236	151	236
Term portion	385	500	385	500
	536	736	536	736

## 21. Employee benefit liabilities

### Accounting policy

Employee benefits expected to be settled within twelve months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave. A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it is anticipated it will be used by staff to cover those future absences.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Accrued pay	493	488	493	488
Annual leave	2,143	2,033	2,395	2,258
Sick leave	114	115	114	115
<b>Total Employee Benefit Liabilities</b>	<b>2,750</b>	<b>2,636</b>	<b>3,002</b>	<b>2,861</b>
<i>Comprising:</i>				
Current	2,750	2,636	3,002	2,861
<b>Total Employee Benefit Liabilities</b>	<b>2,750</b>	<b>2,636</b>	<b>3,002</b>	<b>2,861</b>

## 22. Borrowings

### Accounting policy

Borrowings are initially recognised at the amounts borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowing balance. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

### *Internal borrowings*

Information about internal borrowings is provided on pages 111 to 145 of Council's annual report. Internal borrowings are eliminated on consolidation of activities in Council's financial statements.

## Breakdown of borrowings

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
<i>Current</i>				
Secured loans	52,000	48,000	52,000	48,000
Total Current Borrowings	52,000	48,000	52,000	48,000
<i>Non-Current</i>				
Secured loans	274,000	178,000	274,005	178,005
Total Non-current Borrowings	274,000	178,000	274,005	178,005
Total Borrowings	326,000	226,000	326,005	226,005
Consisting of:				
Fixed rate borrowings	272,000	207,000	272,005	207,005
Floating rate borrowings	54,000	19,000	54,000	19,000
Total Borrowings	326,000	226,000	326,005	226,005

\$52m is repayable in full on 15 April 2025, \$42m is repayable in full on 30 September 2025, \$15m is repayable in full on 15 April 2025, \$39m is repayable in full on 15 April 2026, \$53m is repayable in full on 15 April 2027, \$40m is repayable in full on 15 April 2028, \$5m is repayable in full on 15 May 2028, \$19m is repayable in full on 15 April 2029, \$61m is repayable in full on 15 May 2030.

### **Fixed rate debt**

Council currently has \$326m of secured debt issued at fixed and floating rates of interest (2023 \$226m). Council utilises interest rate swap arrangements to provide fixed rate cover on debt. Note 23 provides detail of the interest rate swaps that are in place.

### **Committed cash advance facilities**

Council has the following committed cash advance facilities in place:

- A \$5m revolving committed cash advance facility with ANZ Bank New Zealand Limited, (2023 \$5m)

There was no drawdown of this facility at balance date (2023 no draw down of this facility at balance date).

### **Security**

Council's loans and committed cash advance facilities are secured by a charge on rates by way of security stock issuances under a debenture trust deed.

### **Maturity analysis and effective interest rates**

The following is a maturity analysis of Council's borrowings. There are no finance leases.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Less than one year	52,000	48,000	52,000	48,000
<i>weighted average effective interest rate</i>	<i>0.56%</i>	<i>0.81%</i>	<i>0.56%</i>	<i>0.81%</i>
Later than one year but not more than five years	213,000	144,000	213,000	144,000
<i>weighted average effective interest rate</i>	<i>3.19%</i>	<i>2.46%</i>	<i>3.19%</i>	<i>2.46%</i>
More than five years	61,000	34,000	61,005	34,005
<i>weighted average effective interest rate</i>	<i>1.02%</i>	<i>0.76%</i>	<i>1.02%</i>	<i>0.76%</i>
	326,000	226,000	326,005	226,005

## 23. Derivative financial instruments

### Accounting policy

Council uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. In accordance with the treasury management policy Council does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The gain or loss on re-measurement to fair value is recognised immediately in the Statement of Comprehensive Revenue and Expense. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see Hedging policy).

Derivative assets and derivative liabilities are classified as current when the maturity is 12 months or less from balance date or non-current when the maturity is more than 12 months from balance date.

The fair value of interest rate swaps is the estimated amount that the Council would receive or pay to terminate the swap at the Statement of Financial Position date, taking into account current interest rates and the current credit worthiness of the swap counterparts.

### Hedging

Derivatives are first recognised at fair value on the date a contract is entered into and are subsequently re-measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Council designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction Council documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. Council documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

### Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Comprehensive Revenue and Expense, together with any changes in the fair value of the assets or liability that are attributable to the hedged risk.



### *Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Comprehensive Revenue and Expense.

Amounts accumulated in equity are recycled in the Statement of Comprehensive Revenue and Expense in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of the non-financial assets (for example inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost of carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Comprehensive Revenue and Expense.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Statement of Comprehensive Revenue and Expense.

### *Derivatives that do not qualify for hedge accounting*

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in the Statement of Comprehensive Revenue and Expense.

## Breakdown of derivative financial instruments and further information

	Less than 1 Year	1-2 Years	3-5 Years	Total
<b>Council 2024</b>				
<b>Interest rate swaps - cash flow hedges</b>				
Nominal Amount (in \$000)	-	-	-	-
Average fixed rate	0.00%	-	-	0.00%
Total Derivative Financial Instrument Liabilities	-	-	-	-

	Less than 1 Year	1-2 Years	3-5 Years	Total
<b>Council 2023</b>				
<b>Interest rate swaps - cash flow hedges</b>				
Nominal Amount (in \$000)	5	-	-	5
Average fixed rate	6.01%	-	-	6.01%
Total Derivative Financial Instrument Liabilities	5	-	-	5

### ***Interest rate swaps***

Interest rate swaps are used to hedge the interest rate risk on outstanding borrowings. They may be designated as either Cash Flow Hedges (ie. converting floating rate borrowing into fixed interest rates) or Fair Value Hedges (ie. converting fixed rate borrowing into floating interest rates). Hedge relationships are normally established with a hedge ratio of 1:1 meaning that the risk of each interest rate swap is identical to its related hedged item. Potential sources of hedge ineffectiveness include:

- Different interest rate curves applied to discount the hedged item and hedging instrument.
- Differences in the timing of the cash flows of the hedged items and the hedging instruments.
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The notional principal amounts of the interest rate swap contracts are NIL (2023 \$7,000,000). As at 30 June 2024 the fixed interest rates of cash flow hedge interest rate swaps was 0 per cent (2023 6.01 per cent).

Council deems the hedges held to be effective. Gains and losses are recognised in the hedging reserve in equity (note 24) and will be released to the Statement of Comprehensive Revenue and Expense as interest is paid on the underlying debt.

### ***Fair value***

The fair value of the interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market values. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most mark parameters are implied from instrument prices.

The fair values of forward foreign exchange contracts have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from instrument prices.

## 24. Equity

### Accounting policy

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

- Retained earnings
- Council created reserves
- Revaluation Reserves
- Cash flow hedge reserve

#### ***Council created reserves***

Council created reserves are a component of equity representing a particular use to which various parts of equity have been assigned. Council may alter them without reference to any third party or the Courts. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

#### ***Revaluation reserves***

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

#### ***Cash flow hedge reserves***

This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

## Breakdown of equity and further information

	Council		Group	
	2024	2023 Restated	2024	2023 Restated
<i>Retained earnings</i>				
As at 1 July	633,443	609,568	636,121	611,654
Transfers to:				
Reserves and special funds	(187,709)	(206,407)	(187,709)	(206,407)
Transfers from:				
Asset Revaluation reserve on disposal of property, plant and equipment	2,848	11,297	2,848	11,297
Reserves and special funds	191,053	210,112	191,053	210,112
Surplus / (deficit) for the year	35,488	8,873	35,709	9,465
<b>Total retained earnings as at 30 June</b>	<b>675,123</b>	<b>633,443</b>	<b>678,022</b>	<b>636,121</b>
<i>Council created reserves</i>				
As at 1 July	39,160	42,865	39,160	42,865
Transfers to:				
Retained earnings	(191,053)	(210,112)	(191,053)	(210,112)
Transfers from:				
Retained earnings	187,709	206,407	187,709	206,407
<b>As at 30 June</b>	<b>35,816</b>	<b>39,160</b>	<b>35,816</b>	<b>39,160</b>
<b>Asset Revaluation Reserves</b>				
As at 1 July	1,622,278	1,371,482	1,622,278	1,371,482
Revaluation gain / (losses)	(470)	262,093	(470)	262,093
Transfer of revaluation reserve to retained earnings on disposal of property plant and equipment	(2,848)	(11,297)	(2,848)	(11,297)
<b>As at 30 June</b>	<b>1,618,960</b>	<b>1,622,278</b>	<b>1,618,960</b>	<b>1,622,278</b>
<i>Asset revaluation reserves consist of:</i>				
<b>Operational assets</b>				
Land	322,632	322,632	322,632	322,632
Buildings	62,800	63,058	62,800	63,058
Intangible Assets	822	669	822	669
Investments	32,406	33,029	32,406	33,029
<b>Infrastructural Assets</b>				
Sewerage System	100,294	100,789	100,294	100,789
Water System	143,084	144,668	143,084	144,668
Drainage network	105,940	106,604	105,940	106,604
Roading network	850,982	850,829	850,982	850,829
<b>Total Asset Revaluation Reserves</b>	<b>1,618,960</b>	<b>1,622,278</b>	<b>1,618,960</b>	<b>1,622,278</b>
<i>Cash Flow Hedge Reserves</i>				
Opening balance 1 July	(5)	(174)	(5)	(174)
Fair value gains / (losses) in the year	5	169	5	169
<b>Total Cash Flow Hedge Reserve</b>	<b>-</b>	<b>(5)</b>	<b>-</b>	<b>(5)</b>
<b>Total other reserves as at 30 June</b>	<b>1,654,776</b>	<b>1,661,433</b>	<b>1,654,776</b>	<b>1,661,433</b>

Information about reserve funds held for a specific purpose is provided below:

	Council			
		2023/24	2023/24	2023/24
	Opening Balance	Transfer to Reserve	Transfer From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
<i>Council created reserves consist of:</i>				
<b>Property Reserves</b>				
Asset Sales Cambridge	-	-	-	-
Asset Sales Te Awamutu	162	3	-	165
Asset Sales General	(1)	2,346	(1,077)	1,268
Endowment Land Cambridge	-	-	-	-
Endowment Land Pirongia	3	1	-	4
Endowment Land Te Awamutu	124	2	-	126
Endowment Land Waipā District	14	-	-	14
Residential Housing Reserve	2,962	435	(3,397)	-
<b>Reserve Contributions &amp; Development Contributions</b>				
Cambridge North	-	-	-	-
District Wide Stormwater	640	23,681	(23,824)	497
District Wide Waste Water	2,937	8,614	(8,203)	3,348
District Wide Water Treatment and Supply	3,289	1,479	(1,001)	3,767
District Wide Roding	1,549	19,638	(19,457)	1,730
District Wide Reserve Developments	942	213	(265)	890
District Wide Land Purchase	-	4,055	(4,055)	-
Cambridge Pool	-	-	-	-
Karapiro Reserve Development	-	5	(5)	-
Te Awamutu Library/Museum	99	6	-	105
<b>Special Funds</b>				
Cemetery Paterangi	5	-	-	5
Project Funding Reserve	4,766	-	(3,076)	1,690
General Insurance Reserve	65	-	-	65
Infrastructure Insurance Reserve	576	10	-	586
Te Awamutu 110kv Compensation Reserve	341	6	-	347
Pavement Levies	114	2	-	116
Road Asset Technical Accord (RATA)	53	-	(39)	14
Waste Minimisation Reserve	804	567	-	1,371
<b>Separate Balances</b>				
Roding Reserve	3,980	53,254	(53,240)	3,994
Stormwater Reserve	2,172	7,635	(6,993)	2,814
Water Supply Reserve	4,074	27,501	(29,484)	2,091
Waste Water Reserve	3,995	30,628	(30,432)	4,191
Depreciation Reserve - Long Term Assets	3,477	2,617	(1,836)	4,258
Depreciation Reserve - Medium Term Assets	2,018	5,011	(4,669)	2,360
<b>Total Council Created Reserves</b>	<b>39,160</b>	<b>187,709</b>	<b>(191,053)</b>	<b>35,816</b>

The table below sets out the purpose of the reserves held by Council and the related activities for these reserves.

Reserve	Purpose	Activity
<b>Property reserves</b>		
Asset sales Cambridge	Proceeds from Cambridge asset sales held in reserve to fund future asset purchases	Property
Asset sales Te Awamutu	Proceeds from Te Awamutu asset sales held in reserve to fund future asset purchases	Property
Asset sales general	Proceeds from district wide asset sales held in reserve to fund future asset purchases	Property
Endowment land Cambridge	Proceeds from sale of Cambridge endowment land held in reserve for endowment purposes	Property
Endowment land Pirongia	Proceeds from sale of Pirongia endowment land held in reserve for endowment purposes	Property
Endowment land Te Awamutu	Proceeds from sale of Te Awamutu endowment land held in reserve for endowment purposes	Property
Endowment land Waipa district	Proceeds from sale of district wide endowment land held in reserve for endowment purposes	Property
Forestry reserve	Proceeds from forestry harvesting to fund future forestry activities	Forestry
Residential housing reserve	Proceeds from residential housing rental revenue to fund the operating and capital expenditure of that activity.	Housing for the Elderly & Own Your Own Housing
<b>Reserve contributions and development contributions</b>		
Cambridge North	Proceeds from development contributions to fund growth related expenditure	Transportation / Stormwater / Wastewater Treatment & Disposal / Water Treatment & Supply
District wide stormwater	Proceeds from development contributions to fund growth related expenditure	Stormwater
District wide wastewater	Proceeds from development contributions to fund growth related expenditure	Wastewater Treatment & Disposal
District wide water treatment and supply	Proceeds from development contributions to fund growth related expenditure	Water Treatment & Supply
District wide roading	Proceeds from development contributions to fund growth related expenditure	Transportation
District wide reserve developments	Proceeds from development contributions to fund growth related expenditure	Parks & Reserves

Reserve	Purpose	Activity
District wide land purchase	Proceeds from development contributions to fund growth related expenditure	Parks & Reserves
Te Awamutu library/museum	Proceeds from development contributions to fund growth related expenditure for Te Awamutu Library / Museum	District Libraries / Museums
<b>Special funds</b>		
Cemetery Paterangi	Proceeds held in reserve to fund future capital works	Cemeteries
Project funding reserve	Funding for specific projects to be completed in the following year	All activities
General insurance reserve	Provision to pay call-ups and to fund increase in deductibles of claims as well as to help to pay future premium increases	All activities
Infrastructure insurance reserve	Provision to help cover the insurance deductible if a major event happens in the Waipā district.	Stormwater / Wastewater Treatment & Disposal / Water Treatment & Supply
Te Awamutu 110kv compensation reserve	Proceeds from the granting of easement rights for the Waipā Networks 110kv line, held in reserve for appropriate future utilisation with due regard to the source of these funds.	Properties
Pavement levies	Levies collected from land use consents for future pavement rehabilitation	Transportation
Road Asset Technical Accord (RATA)	Funds held in reserve for future works	Transportation
Waste minimisation	Net funds from waste minimisation levy held for use on waste minimisation activities.	Waste minimisation
<b>Separate balances</b>		
Roading reserve	Funds held in reserve for capital works expenditure	Transportation
Stormwater reserve	Funds held in reserve for capital works expenditure	Stormwater
Water supply reserve	Funds held in reserve for capital works expenditure	Water Treatment & Supply
Wastewater reserve	Funds held in reserve for operating and capital works expenditure	Wastewater Treatment & Disposal
Depreciation reserve long term assets	Funds held in reserve for capital works expenditure	Community Services & Facilities
Depreciation reserve medium term assets	Funds held in reserve for capital works expenditure	Community Services & Facilities
<b>Asset revaluation reserves</b>		
<b>Operational</b>		
Land	Non cash reserve to record appreciation values arising from asset revaluations	Community Services & Facilities

Reserve	Purpose	Activity
Buildings	Non cash reserve to record appreciation values arising from asset revaluations	Community Services & Facilities
<b>Infrastructural assets</b>		
Sewerage system	Non cash reserve to record appreciation values arising from asset revaluations	Wastewater Treatment & Disposal
Water system	Non cash reserve to record appreciation values arising from asset revaluations	Water Treatment & Supply
Drainage network	Non cash reserve to record appreciation values arising from asset revaluations	Stormwater
Roading network	Non cash reserve to record appreciation values arising from asset revaluations	Transportation

## Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets. The LGA requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings. The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance. The LGA requires the Council to make adequate and effective provision in its Long-Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

## 25. Contingencies

### Contingent liabilities

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Guarantees	159	168	159	168
Total	159	168	159	168

Council is listed as sole guarantor for a number of community organisation bank loans or bank overdrafts. The Council is obligated under each guarantee to make payment in the event that the organisation defaults on a financial arrangement.



## Contingent liabilities not able to be quantified

### Local Government Funding Agency

Council is a shareholder of the New Zealand Local Government Funding Agency Limited (NZLGFA) and is party to the guarantee of all borrowings of the entity.

This entity was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and has a local currency rating of AA+ from Fitch Ratings and AAA from Standard and Poor and a foreign currency rating of AA from Fitch Ratings and AA+ from Standard and Poor.

Council is one of 30 local authority shareholders and 54 local authority guarantors of the NZLGFA. The New Zealand Government also has a 20 per cent shareholding in the LGFA. In that regard, the LGFA has total uncalled capital of \$20 million of which Council's portion is \$100,000. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all of the LGFA's borrowings. At 30 June 2024, NZ LGFA had borrowings totalling \$23,030,000,000 (2023 \$17,684,000,000). This figure is made up of the face value of LGFA's bonds on issue of \$21,086,000,000, accrued interest on bonds on issue of \$130,449,000, the face value of bills on issue of \$1,755,052,000 and bonds LGFA lent to counterparties under bond repurchase transactions of \$58,302,000.

PBE Accounting Standards require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

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

- Council is not aware of any local authority debt default events in New Zealand in recent years; and
- Local government legislation enables local authorities to levy a rate to raise sufficient funds to meet any debt obligations if further funds were required

### Legal Proceedings

There is currently one legal proceeding instigated against Council relating to allegations of Council negligence. The plaintiffs seek in total over \$2.5 million in damages plus interest and costs. Council has defended the matter in Court and now awaits the Court's decision.

At present, there is still insufficient information to conclude on potential liability, if any.

### Loan guarantee for New Zealand Sports Hall of Fame

In June 2022, Council confirmed its willingness to assist the New Zealand Sports Hall of Fame in their fundraising endeavours by committing to act as guarantor to its loan facility, should this be required in the future. The timing and amount of the guarantee is uncertain at period end.

### Riskpool

Waipā District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The scheme is winding down, however Council has an ongoing obligation to contribute to the scheme should a call

be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in *Napier City Council v Local Government Mutual Funds Trustee Limited*, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

### **Kodiak Consulting/Jon Hall**

This matter involves fraudulent producer statements provided by Jon Hall/Kodiak Consulting Limited to Waipā District Council (design and construction). Waipā District Council is one of a large number of councils throughout New Zealand affected by this situation. Council is in the process of identifying affected properties, these properties falling into one of three categories. Category 1 is those properties that have applied for building consent not yet granted. Category 2 is where consent has been granted but a Certificate Code Compliance (CCC) is not yet issued and category 3 is those properties where CCC has been issued. Council has notified its insurer on a precautionary basis. There are no claims against Council at this time. This matter was also the subject of a Police investigation that resulted in the conviction and jailing of Jon Hall.

### ***Contingent assets***

Council is a 2 per cent capital beneficiary of the WEL Energy Trust. The life of the Trust ends in 2073 unless terminated earlier if its purpose is completed. Given the uncertainties surrounding the life of the Trust, Council is unable to accurately establish the appropriate value of the 2 per cent shareholding.

## **26. Related party transactions**

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

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

### ***Related party transaction to be disclosed***

Council entered into a lease arrangement with Waipā Community Facilities Trust in 2013, for the Trust to occupy and manage the Trust Waikato Te Awamutu Event Centre and the Cambridge Swimming Pool Complex. The lease covers a term of twenty years and attracts a rental charge of one dollar plus GST per annum, payable on 16 September each year.

Council entered into a lease agreement with Cambridge Town Hall Community Trust in 2022, for the Trust engage in services relating to the promotion, management and preservation of the Cambridge Town Hall. The lease covers a term of 13 years with the provision to extend for another 13 years.

### Senior management and councillors' compensation

	Council	
	2024 \$000	2023 \$000
<i>Councillors</i>		
Remuneration	689	649
Full-time equivalent members*	12	16
<i>Executive Team, including Chief Executive</i>		
Remuneration	1,739	1,630
Full-time equivalent members	7	7
<b>Total key management personnel remuneration</b>	<b>2,428</b>	<b>2,279</b>
<b>Total number of members</b>	<b>19</b>	<b>23</b>

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

## 27. Events after balance date

There were no significant events after balance date.

## 28. Financial instruments

The accounting policies for financial instruments have been applied to the line items below:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
<b>Financial Assets</b>				
<b>Amortised Cost</b>				
Cash and cash equivalents excluding term deposits	42,206	28,013	44,872	30,956
Trade and other receivables	10,006	8,089	9,138	7,202
Other financial assets:				
- term deposits	-	-	838	600
- community loans	9	10	9	10
- loans to other entities	-	-	-	-
<b>Total amortised cost</b>	<b>52,221</b>	<b>36,112</b>	<b>54,857</b>	<b>38,768</b>
<b>Fair value through other comprehensive revenue and expense (FVTOCRE)</b>				
- Borrower notes	7,658	4,970	7,658	4,970
- Investments in CCO's	36,224	36,847	36,224	36,847
<b>Total FVTOCRE</b>	<b>43,882</b>	<b>41,817</b>	<b>43,882</b>	<b>41,817</b>
<b>Financial Liabilities</b>				
<b>FVTSD</b>				
Derivative financial instrument liabilities	-	5	-	5
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	17,749	11,171	17,624	11,947
Borrowings:				
- secured loans	326,000	226,000	326,005	226,005
<b>Total financial liabilities at amortised cost</b>	<b>343,749</b>	<b>237,171</b>	<b>343,629</b>	<b>237,952</b>

### Financial instrument risk

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Liability Management and Investment policies which do not allow any transactions that are speculative in nature.

#### Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in the market prices. Council is not exposed to price risk as it does not enter into widely held equity security transactions.

#### Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. It is rare for Council to enter into foreign currency transactions of any significant value.

#### Interest rate risk

Interest rates on borrowings are disclosed in note 22.

#### Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing at fixed rates exposes Council to fair value interest rate risk and the Liability Management Policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps may be entered into to hedge the fair value interest rate risk arising from borrowing at fixed rates.

Disclosure of these hedging arrangements is made in Note 23. In addition investments at fixed interest rates give an exposure to fair value interest rate risk.

### **Cash flow interest rate risk**

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

Generally, the Council raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Council borrowed at fixed rates directly. Under the interest rate swaps, the Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

### **Credit risk**

Credit risk is the risk that a third party will default on its obligation, causing Council to incur a loss. There are no specific concentrations of credit risk. Council only invests funds in bank deposits and local authority stock and the Investment Policy limits the exposure to any one organisation.

Council is exposed to credit risk as a guarantor of community organisation loans and LGFA borrowings. Information about this exposure is explained in note 25.

#### *Maximum exposure to credit risk*

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

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Cash at bank and term deposits	42,206	28,013	45,710	31,556
Receivables	11,120	8,889	10,252	8,002
Community and related party loans	9	10	9	10
Financial guarantees	159	168	159	168
<b>Total</b>	<b>53,494</b>	<b>37,080</b>	<b>56,130</b>	<b>39,736</b>

## Credit quality of financial assets

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

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
<b>COUNTERPARTIES WITH CREDIT RATINGS</b>				
<b>Cash at bank and term deposits</b>				
AA-	42,206	28,013	45,710	31,556
Total cash at bank and term deposits	42,206	28,013	45,710	31,556
<b>COUNTERPARTIES WITHOUT CREDIT RATINGS</b>				
<b>Community and related party loans</b>				
Existing counterparty with no defaults in the past	9	10	9	10
Total community and related party loans	9	10	9	10

Debtors and other receivables arise mainly from the Council’s statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers. The Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

## Liquidity risk

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

The Council aims to maintain flexibility in funding by keeping committed credit lines available. Council maintains a liquidity buffer of \$1.5 million and has a committed cash advance facility of \$5.0 million. There are no funds drawn as at 30 June 2024.

As part of meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management Policy.

Council is exposed to liquidity risk as a guarantor of all of LGFA’s borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 25.

### *Contractual maturity analysis of financial liabilities excluding derivatives:*

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

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	5+ Years \$000
<b>Council 2024</b>						
Creditors and other payables	17,749	17,749	17,749	-	-	-
Secured loans	326,000	254,480	55,737	43,974	119,467	35,302
Financial guarantees	-	159	159	-	-	-
<b>Total</b>	<b>343,749</b>	<b>272,388</b>	<b>73,645</b>	<b>43,974</b>	<b>119,467</b>	<b>35,302</b>
<b>Group 2024</b>						
Creditors and other payables	17,624	17,624	17,624	-	-	-
Secured loans	326,005	254,480	55,737	43,974	119,467	35,302
Financial guarantees	-	159	159	-	-	-
<b>Total</b>	<b>343,629</b>	<b>272,263</b>	<b>73,520</b>	<b>43,974</b>	<b>119,467</b>	<b>35,302</b>

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	5+ Years \$000
<b>Council 2023</b>						
Creditors and other payables	11,171	11,171	11,171	-	-	-
Secured loans	226,000	254,480	55,737	43,974	119,467	35,302
Financial guarantees	-	18	18	-	-	-
<b>Total</b>	<b>237,171</b>	<b>265,669</b>	<b>66,926</b>	<b>43,974</b>	<b>119,467</b>	<b>35,302</b>
<b>Group 2023</b>						
Creditors and other payables	11,947	11,947	11,947	-	-	-
Secured loans	226,000	254,480	55,737	43,974	119,467	353,302
Financial guarantees	-	18	18	-	-	-
<b>Total</b>	<b>237,947</b>	<b>266,445</b>	<b>67,702</b>	<b>43,974</b>	<b>119,467</b>	<b>353,302</b>

Council has derivative financial instruments in the form of Nil (2023 one) interest rate swap arrangements, with this interest rate swap arrangement maturing in 2023.

### **Contractual maturity analysis of financial assets:**

The table below analyses the Council and group's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	5+ Years \$000
<b>Council 2024</b>						
Cash at bank and term deposits	42,206	42,206	42,206	-	-	-
Debtors and other receivables	11,120	11,120	11,120	-	-	-
Community loans	9	10	1	1	3	8
<b>Total</b>	<b>53,335</b>	<b>53,336</b>	<b>53,327</b>	<b>1</b>	<b>3</b>	<b>8</b>
<b>Group 2024</b>						
Cash at bank and term deposits	44,872	44,872	44,872	-	-	-
Debtors and other receivables	10,252	10,252	10,252	-	-	-
Community loans	9	10	1	1	3	8
<b>Total</b>	<b>55,133</b>	<b>55,134</b>	<b>55,125</b>	<b>1</b>	<b>3</b>	<b>8</b>

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	5+ Years \$000
<b>Council 2023</b>						
Cash at bank and term deposits	28,013	28,013	28,013	-	-	-
Debtors and other receivables	8,889	8,889	8,889	-	-	-
Community loans	10	11	1	1	3	8
<b>Total</b>	<b>36,912</b>	<b>36,913</b>	<b>36,903</b>	<b>1</b>	<b>3</b>	<b>8</b>
<b>Group 2023</b>						
Cash at bank and term deposits	30,956	30,956	30,956	-	-	-
Debtors and other receivables	8,002	8,002	8,002	-	-	-
Community loans	10	11	1	1	3	8
<b>Total</b>	<b>38,968</b>	<b>38,969</b>	<b>38,959</b>	<b>1</b>	<b>3</b>	<b>8</b>

## Sensitivity analysis

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at the balance date.

	Notes	2024 Actual \$000		2023 Actual \$000	
		-100 bps Other Profit	+100 bps Other Equity	-100 bps Other Profit	+100 bps Other Equity
<b>Council</b>					
<b>Interest rate risk</b>					
<i>Financial assets</i>					
Cash and cash equivalents	1	(422)	422	(280)	280
<i>Financial liabilities</i>					
Derivatives-hedge accounted	2	-	-	(12)	12
<b>Total sensitivity on interest rates</b>		<b>(422)</b>	<b>422</b>	<b>(280)</b>	<b>280</b>



### Explanation of sensitivity analysis:

1. Cash and cash equivalents – Cash and cash equivalents include deposits at call totalling \$42,206,000 (2023 \$28,013,000) which are at floating rates. A movement in interest rates of plus or minus 1.0 per cent has an effect on interest income of \$422,200 (2023 \$280,090).
2. Derivatives – hedge accounted – Financial Liabilities – Derivative financial liabilities hedge accounted includes interest rate swap fair value hedges totalling Nil (2023 \$4,804). A movement in interest rates plus 100 bps has an effect of Nil (2023 \$12,000) and minus 100 bps has an effect of Nil (2023 \$12,000).

## 29. Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

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

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

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

	Total \$000	Valuation technique		
		Quoted market price \$000	Observable inputs \$000	Significant non- observable inputs \$000
<b>Council</b>				
<i>30 June 2024</i>				
<b>Financial assets</b>				
Investments in CCO's	43,882	-	7,658	36,224
<b>Financial liabilities</b>				
Derivatives	-	-	-	-
<b>Council</b>				
<i>30 June 2023</i>				
<b>Financial assets</b>				
Investments in CCO's	41,817	-	4,970	36,847
<b>Financial liabilities</b>				
Derivatives	5	-	5	-

### Valuation techniques with significant non-observable inputs (level 3)

The fair value for the investment in Waikato Regional Airport (WRAL) has been determined based on Council’s proportion of ownership of the airport’s net assets. In this case the replacement cost of the service potential embodied in the investment is a proxy to fair value. Given most of WRAL’s assets are carried at fair value, this can easily be derived using Councils shareholding percentage of WRAL’s balance sheet. This approach is supported by the conceptual framework and by analogy of other standards for PBE assets.

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

	Council	
	2024	2023
	\$000	\$000
Balance at 1 July	36,847	33,568
Investment Gain - recognised in other comprehensive revenue and expense	(623)	3,279
Impairment - recognised in comprehensive revenue and expense	-	-
Balance 30 June	36,224	36,847

## 30. Capital management

Council’s capital is its equity (or ratepayers’ funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 [the Act] requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

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

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

Waipā District Council has the following Council created reserves:

- reserves for different areas of benefit;
- insurance reserves; and
- reserves and special funds.

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

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

### 31. Explanation of major variances against budget

Explanations for major variances from the 2023/24 budgeted figures are as follows:

#### Statement of comprehensive revenue and expense

- Fees and charges were \$7.2 million higher than budget mainly due to \$3.9 million of revenue from Fonterra rates being disclosed as a fee and charge (this also explains rates being under budget) and \$2.9 million of revenue from the Waipā Community Facilities Trust and Cambridge Town Hall Community Trust being included on consolidation.
- Development and reserve contributions were \$21.5 million lower than budget due to timing of developments coupled with a general downturn in the economy.
- The value of assets vested from developers was \$19.8 million higher than budget, this mainly relates to the timing of receiving assets from developers.
- Discovered assets were \$5.6 million higher than budget due to database improvement work undertaken.
- Finance revenue was \$1.1 million higher than budget due to increase in interest rates and higher than expected levels of cash holdings.
- Subsidies and grants are \$9.9 million higher than budget mainly due to an increase in NZTA funding of \$10.3 million which includes \$8.7 million of funding for the Cambridge and Kihikihi Pathways, an increase in funding of \$1.3 million for Better off Funding projects and an increase in external funding of \$200,000 for the Cambridge Town Hall Clock repair offset by a decrease in funding of \$3 million for the Te Awamutu/Pirongia Cycleway.
- Other revenue was \$17 million lower than budget mainly due to the timing of property sales.
- Depreciation was \$6.9 million higher than budget. This is due to higher than anticipated asset values from revaluations.
- Other expenses are \$4.6 million higher than budget, this is mainly due to:
  - Increase in recycling costs of \$1.5 million due to higher inflation and ongoing contamination costs.
  - Transfer and impairment of assets and prior year capital costs for capital projects that are no longer proceeding or where the scope has significantly changed (\$1.1 million).
  - Increase in management costs of \$367,000 mainly due to an increase for Karapiro Domain.
  - Increase in insurance costs of \$332,000.
  - Increase in electricity charges of \$217,000.
  - These increases have been offset by net savings in other areas.

#### Statement of financial position

- The higher cash balance at year end is due to the timing of capital work, particularly development related projects.
- Borrowings at year end are \$19.2 million higher than budget. This is mainly due to the timing of capital works.

## 32. Prior year error correction

The Council and Group have adjusted its comparative year financial statements (for the year ended 30 June 2023) to correct prior period error.

Council discovered that \$7.8m of assets vested by 30 June 2023 had not yet been recognised as of that date in accordance with Council's accounting policy. Corresponding corrections were also made to vested assets revenue.

The financial statements for 2023, which are presented as comparative information in the 30 June 2024 financial statements, have been restated to correct this error.

The adjustments are shown below:

	Before adjustment		Adjustment	After adjustment	
	Council	Group	Both	Council	Group
	\$000	\$000	\$000	\$000	\$000
<b>Statement of comprehensive revenue and expense</b>					
Vested asset	10,712	10,712	7,821	18,533	18,533
Total Revenue	132,037	134,790	7,821	139,858	142,611
Operating surplus	1,052	1,644	7,821	8,873	9,465
Total comprehensive revenue and expense	263,314	263,906	7,821	271,135	271,727
<b>Statement of changes in equity</b>					
Balance 1 July	2,023,741	2,025,827	-	2,023,741	2,025,827
Total comprehensive revenue	263,314	263,906	7,821	271,135	271,727
Balance 30 June	2,287,055	2,289,733	7,821	2,294,876	2,297,554
Retained earnings	625,622	628,299	7,821	633,443	636,120
Total equity	2,287,055	2,289,732	7,821	2,294,876	2,297,553
<b>Statement of financial position</b>					
Property, plant and equipment	2,412,720	2,412,967	7,821	2,420,540	2,420,787
Total non current assets	2,497,107	2,498,010	7,821	2,504,927	2,505,830
Total Assets	2,534,094	2,537,053	7,821	2,541,914	2,544,873
Retained earnings	625,622	628,299	7,821	633,443	636,120
Total equity	2,287,055	2,289,732	7,821	2,294,876	2,297,553
<b>Statement of cash flows (reconciliation to surplus/(deficit) after tax)</b>					
Surplus/(deficit) after tax	1,052	1,644	7,821	8,873	9,465
Vested/discovered assets	(18,627)	(18,627)	(7,821)	(26,448)	(26,448)
<b>Note 24 - Breakdown of equity and further information</b>					
As at 1 July	609,568	611,654	-	609,568	611,654
Surplus/(deficit) for the year	1,052	1,644	7,821	8,873	9,465
Total retained earnings as at 30 June	625,622	628,300	7,821	633,443	636,121

**Note 13 Property, Plant and equipment**

	Sewerage system treatment	Sewerage system reticulation	Water system treatment	Water system reticulation	Drainage network	Roading network	Land under roads	Total infrastructural assets
	2023	2023	2023	2023	2023	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Note 13 - Property, plant and equipment</b>								
Movement schedule (infrastructure assets)								
Balance as at 1 July Cost/valuation	69,926	122,718	63,686	150,270	137,616	772,402	234,638	1,551,256
Additions (vested to Council)	191	2,086	-	1,564	3,119	3,752	-	10,712
Adjusted	-	2,275	-	1,924	2,023	1,599	-	7,821
Restated Additions (vested to Council)	191	4,361	-	3,488	5,142	5,351	-	18,533
Balance as at 30 June Cost/valuation	77,051	148,850	70,210	210,957	181,756	926,242	234,638	1,849,704
Adjusted	-	2,275	-	1,924	2,023	1,599	-	7,821
Restated 30 June Cost/valuation	77,051	151,125	70,210	212,881	183,779	927,841	234,638	1,857,525
Closing carrying amount	77,051	148,850	70,210	210,957	181,756	926,242	234,638	1,849,704
Adjusted	-	2,275	-	1,924	2,023	1,599	-	7,821
Restated Closing carrying amount	77,051	151,125	70,210	212,881	183,779	927,841	234,638	1,857,525

	Before adjustment		After adjustment
	Council	Adjustment	Council
	2023	2023	2023
	\$000	\$000	\$000
<b>Reconciliation between FIS and SoCRE</b>			
Total revenue and expense wholly attributable to District Council	263,906	7,821	271,727
Difference	245,439	7,821	253,260
Vested assets	10,712	7,821	18,533
Total explained difference	245,439	7,821	253,260

### 33. INVOLVEMENT IN COUNCIL CONTROLLED ORGANISATIONS AND COUNCIL ORGANISATIONS

The Local Government Act 2002 requires Council to include in the Annual Report information on Council controlled organisations and Council organisations in which it is a stakeholder. In particular, Council must include:

- Its significant policies and objectives regarding ownership and control of the organisation;
- The nature and scope of the activities to be provided by the organisation; and,
- The key performance targets and other measures by which performance may be judged.

We are a shareholder in three organisations that are classified as Council controlled organisations as defined by the Local Government Act 2002. The organisations are:

- Waikato Regional Airport Limited, also known as Hamilton International Airport;
- Local Government Funding Agency Limited; and
- Waikato Local Authority Shared Services Limited (trading as Co-Lab Limited).

Further detail on each of these organisations can be found in our 2021-31 Long Term Plan and on pages 96 to 104 of this Annual Report.

## Waikato Regional Airport Limited

Waikato Regional Airport Limited is jointly owned by five local authorities – Hamilton City Council, Waipa District, Waikato District, Matamata-Piako District and Otorohanga District Councils.

Waipa District Council's shareholding is 15.625 percent.

### Corporate mission

The mission of Waikato Regional Airport Limited is to operate a successful commercial business providing safe, appropriate and efficient services for the transportation of people and freight in and out of Hamilton Airport.

### Goal

The retention of the Airport as a major infrastructural facility is important to the Waikato economy.

### Policies and objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of Waikato Regional Airport.

### Nature and scope of activities to be undertaken as per 2023/24 statement of intent

#### *Operate an efficient and compliant airport*

- Operate a first class safe and compliant regional airport by providing for essential projects for essential projects, together with any compliance expenditure warranted.

#### *Enhance the traveller experience*

- Maximise traveller satisfaction and airport experience through continued investment in passenger facilities and technologies that also assist to drive sustainable outcomes.

#### *Maintain a viable aeronautical business*

- Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
- Identify and activate new development opportunities within the general aviation sector.
- Position and protect the airport as an efficient, cost effective international port.
- Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.

#### *Maximise revenue diversification through non-aeronautical business opportunities*

- Promote and secure tenants for the airline engineering base and flight training academy facilities to secure new aeronautical operators and enhance a vibrant general aviation community.
- Support Pyper Vision to deliver trials of the fog dispersal technology to improve airline efficiency and customer experience, whilst also enhancing value of WRAL's investment in this venture.
- Complete construction of airport infrastructure to support private aeronautical property development.



## **People**

- Implement an organisation-wide strategy that takes a holistic view of employee wellbeing, recognising wellbeing as a measure of our organisation's success.
- Provide training and development to personnel to ensure individually and collectively our personnel remain leaders of best practice in their respective fields.
- Retain a high performing team to build resilience, capability and responsiveness to growth and change opportunities.

## **Sustainability**

- Achieve Level Three certification under the global Airport Carbon Accreditation Program.
- Maintain the Jet Park Hotel's Qualmark Silver Enviro rating.
- Continue to develop and implement a long-term sustainability plan aligned to advancing levels under the global Airport Carbon Accreditation Program.

## ***Develop and optimise the land holdings of the Group to generate a long-term income from a diversified property portfolio***

- Titanium Park Limited will continue marketing for sale, development and optimised investment, all available non-aeronautically strategic land in a planned and co-ordinated approach.
- Support the development of land within the bounds of a sound, strategic approach to long-term planning as defined in the 2022 updated aeronautical master plan.
- Upon notification of the private plan change outcome, complete a detailed master plan for the first stage of Northern Precinct for at least 10ha of land and its enabling infrastructure.

## ***Operate the airport hotel to return to (or exceed) its investment business case growth targets and customer satisfaction targets following the disruptions to its growth strategy from the pandemic***

- Improvement of hotel brand awareness through increased marketing activity.
- Establishment of Propeller Restaurant as a local destination restaurant.
- Complete renovations of guests recreation facilities to improve customer satisfaction.

## ***Assist in the development and marketing of the Hamilton and Waikato region as a visitor destination to domestic and international visitors***

- Implement activities within the Destination Management Plan to assist with the restart and reimagining of the tourism sector in a regenerative/sustainable manner.
- Assist with major event bids and then work with major event promoters to ensure the event is leveraged to activate visitors to the region.
- Maintain and strengthen support for regional tourism through partnerships with local government, the tourism industry and the wider regional community.

## **Dividend policy**

The Directors will review the performance and outlook for the group annually before declaring any dividend.

## Performance results as per 2023/24 Statement of Intent

	Financial year ending		
	30 June 2024	30 June 2025	30 June 2026
EBITDA (excluding land sales)	\$6.0m	\$6.5m	\$7.0m
EBITDA (including land sales)	\$7.5m	\$9.5m	\$18.0m
Net profit before tax (no less than)	\$1.0m	\$3.0m	\$12.5m
Net operating cash flow (excl land sales)	\$6.0m	\$7.0m	\$15.0m
Total debt excluding design-build acquisitions (maximum)	\$35.0m	\$35.0m	\$55.0m
Percentage of non-landing charge revenue	\$60 per cent	60 per cent	60 per cent
Land sales	\$3.0m	\$4.5m	\$40.0m
Interest coverage (at least)	3.0x	4.0x	4.0x

## Performance results as per 2023/24 Annual Report

This information was not available at the time of publication of Waipā District Council's 2023/24 Annual Report. The 2023/24 Annual Report of Waikato Regional Airport Limited is expected to be published on the organisation's website in October 2024.

## New Zealand Local Government Funding Agency Limited

The New Zealand Local Government Funding Agency Limited (LGFA), which is a council controlled trading organisation, has been established by the Local Government sector and the Crown to enable local authorities to borrow at lower interest margins than would otherwise be available.

The main objectives of LGFA will be to:

- Achieve the objectives of the Shareholders (both commercial and non- commercial) as specified in the Statement of Intent. The Shareholders agree that the Company shall carry on its business with a view to making a profit sufficient to pay a dividend in accordance with the Dividend Policy, but that the primary objective of the Shareholders with respect to the Company is that it optimises the terms and conditions of the debt funding it provides to Participating Local Authorities;
- Be a good employer;
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- Conduct its affairs in accordance with sound business practice.

### Policies and objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of LGFA.

### Nature and scope of activities to be undertaken as per 2023/24 Statement of Intent

LGFA raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (participating borrowers).

LGFA may raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency.

LGFA only lends to participating borrowers that have entered into required relevant legal and operational arrangements and comply with the LGFA's lending policies.

In addition, LGFA may undertake any other activities considered by the LGFA Board to be reasonably related, incidentally to, or in connection with, that business.

### Dividend policy

LGFA primary objective is to maximise benefits to participating borrowers rather than shareholders. Consequently, it is intended to pay a limited dividend to shareholders.

The board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA's fixed rate bond cost of funds plus 2.00 per cent over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

## Performance targets as per 2023/24 Statement of Intent

New Zealand Local Government Funding Agency Limited has the following performance targets:

Performance targets:	2023/24 target
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy.	No breaches
Maintain LGFA’s credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign
LGFA’s total operating income for the period to 30 June 2024.	>\$20.6 million
LGFA’s total operating expenses for the period to 30 June 2024.	<\$10.0 million
Comply with the Health and Safety at Work Act 2015.	No breaches
Maintain Toitu Carbon Zero Certificate	Carbon-zero certification maintained
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met
Increase our GSS lending book and Climate Action Loans (CALs).	Two new GSS loans undertaken. Three new borrowers enter into CALs
Ensure Annual Report is prepared in compliance with applicable GRI standards.	100 per cent
Meet all mandatory climate reporting standards.	100 per cent

## Performance results as per 2023/24 Annual Report

This information was not available at the time of publication of Waipā Districts Council’s 2023/24 Annual Report. The 2023/24 Annual Report for Local Government Funding Agency is expected to be published on the organisation’s website on October.

## Waikato Local Authority Shared Services Limited (Trading as Co-Lab Limited)

### Shareholders

Waikato Local Authority Shared Services Limited is jointly owned by 12 local authorities.

- Hamilton City Council
- Hauraki District Council
- Matamata-Piako District Council
- Otorohanga District Council
- Rotorua Lakes Council
- South Waikato District Council
- Thames-Coromandel District Council
- Waikato District Council
- Waikato Region Council
- Waipa District Council
- Waitomo District Council
- Western Bay of Plenty District

### Background

The local authorities within the boundaries of the Waikato region have adopted shared services as a mechanism for providing back office type services in a coordinated manner across the region to leverage opportunities and deliver benefits. Over the period that Waikato Local Authority Shared Services Limited has been operating, the following positive outcomes have been achieved:

- Improved level and quality of service.
- Coordinated approach to the provision of services.
- Reductions in the cost of services.
- Opportunities to develop new initiatives.
- Standardisation of service levels.
- Opportunities for all councils, irrespective of location or size, to benefit from joint initiatives.
- Economies of scale, resulting in cost saving, have been achieved in procurement.

### Council policies and objectives relating to Council Controlled Organisations

The Constitution of Waikato Local Authorities Shared Services Limited sets out the principles and expectations around how the company will be governed and operated. While council has no formal policies and objectives, it has become a shareholder on the basis that the Waikato Local Authority Shared Services Limited will develop products and services of significant benefit to Waipa residents and ratepayers.

The objectives of WLASS are to:

- achieve effectiveness and efficiency gains
- reduce duplication of effort and eliminate waste through repetition
- helping the councils achieve an appropriate balance in risk and return
- promote and contribute to the development of best practice
- make it easier for communities to engage with councils in the Waikato region on a consistent basis
- promote business transformation to improve communities' experiences.

## Policies and objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of Waikato Local Authority Shared Services Limited.

## Benefits of WLASS

Over the period that the company has been operating benefits have been delivered in the form of:

- Improved level and quality of services;
- Co-ordinated approach to the provision of services;
- Reductions in the cost of services;
- Development of new initiatives;
- Opportunities for all councils (irrespective of their location or size) to benefit from joint initiatives; and,
- Economies of scale resulting from a single entity representing all Councils and leveraging procurement opportunities.

Based on feedback from the shareholding Councils and the Mayoral Forum, the WLASS Directors continue to discuss opportunities to develop shared services at Board meetings. The Directors see the continuing investigation of possible future shared services as a key focus of their role.

Waikato Local Authority Shared Services Limited has the following priorities and performance measures:

PRIORITY	PERFORMANCE MEASURE	TARGET
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives.	Business cases will include measurable benefits linked to one or more of the outcomes sought.  Business cases are supported by councils (evidenced by take up of the opportunity).	Projected savings/increased revenue to councils of at least \$300k.  75 per cent of councils.
Develop opportunities and deliver projects within agreed budgets and timelines <sup>1</sup> .	Opportunities/projects are developed/delivered within agreed timeframes.  Opportunities/projects are developed/delivered, within approved budgets.  Overall, Company Management/Support functions will be undertaken within budget, unless additional expenditure has board pre-approval.	80 per cent  90 per cent

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PRIORITY	PERFORMANCE MEASURE	TARGET
Ensure projects realise their expected benefits.	Measurable benefits are actively monitored and reported against. Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised).	Six-monthly.  For 200k+ Projects (based on cost of opportunity development and ongoing investment) Assessment within 15 months. 90 per cent of projected quantifiable benefits are realised.
Ensure existing services are meeting the needs of councils.	The services we provide are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey):	80 per cent of Councils.
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice.	Across these groups, ideas for future consideration and/or initiatives are identified each year.	Four per annum.

1. Budgets and timelines for opportunity development will be those established following discovery and/or opportunity assessment. A business case will refine these parameters with respect to project delivery.
2. Time and cost targets for the development of opportunities and delivery of projects have been initially set based on what, in practical terms, are considered stretch goals, but achievable. However, we aspire to always better, or at least meet, timetables and budgets.

## Performance results as per 2023/24 Annual Report

This information was not available at the time of publication of Waipā District Council's 2023/24 Annual Report. The 2023/24 Annual Report for Co-Lab is expected to be published on the organisation's website in October 2024.

## PART 6 - NGĀ TAIPITOPITO O Ā MĀTOU MAHI / OUR PERFORMANCE IN DETAIL

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### In this section

This section describes in detail how we performed in each of our groups of activities. Each activity area includes an overview of the activities from the year, and a summary of financials and performance measures.

### How to read this section:

What's being reported:

- **Overview of the year:** includes the summary of our financial and non-financial information.
- **Activity information:** outlines what is delivered, contribution to community outcomes and identified effects on community wellbeing.
- **Financial information:** capital expenditure and operational expenditure for each activity area.
- **Performance information:** overview of level of service performance measures. Performance measures cover quality, timeliness, utilisation and satisfaction.

### How we group activities

Our services in this Annual Report are gathered within eight groups, each containing a number of activities.

Seven of the groups of activities are focused on public service delivery, with the contents of four of these set by legislation, while the remaining three have been grouped according to Council's corporate structure of related activities. The remaining group of activities, support services, is internally focused and is not an official group of activities as defined in the Local Government Act 2002. However, it is included in the Annual Report as it contains a significant number of our activities and, together with the other groups, provides a complete picture of the activities Council provides. Support services support the delivery of community services within each group of activities. While the costs of support services are

### How we measure performance

For each group of activities, a range of targets and measures were developed as part of the long-term plan (LTP) 2021-2031 to show the standard of performance expected over the next ten years and the means by which we intend to measure that performance. The measures, when considered collectively, are intended to provide a general view of the overall performance in each area.

included within each group, they are also shown separately at the end of the section to show the total indirect costs.

The accompanying notes form part of the statement of service performance information. The groups of activities covered in this section are:

- |                                     |   |
|-------------------------------------|---|
| ▪ Governance                        | <b>Section 6.1 and Pages 113 to 116</b> |
| ▪ Planning and Regulatory           | <b>Section 6.2 and Pages 117 to 120</b> |
| ▪ Community Services and Facilities | <b>Section 6.3 and Pages 121 to 125</b> |
| ▪ Transportation                    | <b>Section 6.4 and Pages 126 to 129</b> |
| ▪ Stormwater                        | <b>Section 6.5 and Pages 130 to 133</b> |
| ▪ Wastewater Treatment and Disposal | <b>Section 6.6 and Pages 134 to 137</b> |
| ▪ Water Treatment and Supply        | <b>Section 6.7 and Pages 138 to 141</b> |
| ▪ Support Services                  | <b>Section 6.8 and Pages 142 to 144</b> |



## 6.1 GOVERNANCE

### What we do

The Governance group of activities represents the decision-making function of elected officials who are supported by communications specialists, strategy advisors and the governance business unit to manage democratic processes.

Governance activities include performance measures for:

- Representation
- Communications and engagement

Additionally, the Governance group of activities is responsible for ensuring Māori involvement in decision-making, developing strategy and enhancing community relationship.

### The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan (LTP).

### How the Governance group of activities helps deliver our community outcomes

#### Economically progressive

- *We have financially sustainable decision making and work programmes*
- *Our services provide excellent value for money*
- *We actively promote our district to enable development, employment and business opportunities*

#### Socially resilient

- *Waipa is a great place to live, work, play and invest*

#### Cultural champions

- *We have a high level of cultural awareness*
- *We partner with tangata whenua*
- *We respect the cultural diversity in our district*

### Identified effects on community wellbeing

The Governance group of activities is the key area for the democratic processes of Council. A significant amount of work goes into ensuring clear communication is achieved (both to and from Council) via the formal community representative groups – including Council’s Committees and Community Boards.

Council uses community engagement strategies which ensure that the public is able to participate in the consultation and decision-making processes of Council. We will continue to use a large number of engagement channels including social

media as well as traditional methods to reach as many people as possible. This focus on engagement with residents is aimed at both educating people about what Council does as well as gathering feedback to gauge the most acceptable way forward in terms of decision making. This helps Council to achieve the current and future needs of our communities in an effective manner for households, businesses, and Council.

Strategic planning processes are also included in this group of activities. The development, sharing and implementation of effective plans and policies are the foundation of good governance. Of special importance is our participation in the Waikato Mayoral Forum, which works to ensure consistent local government application across communities, cost cutting through sharing of services and the provision of cohesive community leadership. Within this strategic planning role are a number of planning initiatives, including the Waipa 2050 Growth Strategy,

the Future Proof Sub-Regional Strategy, and the development of Ahu Ake, our district-wide Community Spatial Plan. The operative Waipa District Plan is a key document that provides Council with resource management planning controls that give effect to National, Regional, and Sub-regional directives, while enabling appropriate development of the district and helping to protect our highly productive land. Council’s other strategies, policies and bylaws all help to ensure that we successfully deliver on our vision to build connected communities.

**Statement of service performance: Governance**

What to expect from us:

**Representation**

- The Community have access to timely and accurate information.
- We provide opportunities for our communities to engage with Council and participate in decision-making processes.

**Communications and Engagement**

- We provide regular communication to the district enabling community sharing and engagement.
- We showcase how we’re building champion communities.

**Statement of service performance overview**

This Group of Activity is responsible for 5.36 percent of Council’s performance measures.

**Performance Measure Results**



## Internal borrowing statement

	Opening Balance 1 July 2023 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2024 \$000	Interest \$000
Activity Loans	2,107	(389)	293	2,011	86
<b>Total</b>	<b>2,107</b>	<b>(389)</b>	<b>293</b>	<b>2,011</b>	<b>86</b>

**Waipā District Council funding impact statement for year ended 30 June 2024  
for Governance**

	2022/23	2023/24	2023/24
	Long-term	Long-term	
	Plan	Plan	Actual
	\$000	\$000	\$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	7,962	8,384	5,178
Targeted rates	1,030	1,085	1,161
Subsidies and grants for operating purposes	55	57	63
Fees and charges	56	-	14
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total sources of operating funding (A)</b>	<b>9,103</b>	<b>9,526</b>	<b>6,416</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	4,453	4,486	4,216
Finance costs	32	28	85
Internal charges and overheads applied	3,289	3,587	3,924
Other operating funding applications	1,096	1,794	1,223
<b>Total applications of operating funding (B)</b>	<b>8,870</b>	<b>9,895</b>	<b>9,448</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>233</b>	<b>(369)</b>	<b>(3,032)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	233	(369)	(3,032)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>233</b>	<b>(369)</b>	<b>(3,032)</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(233)</b>	<b>369</b>	<b>3,032</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 6.2 PLANNING AND REGULATORY

### What we do

We provide planning and regulatory services to manage the natural and physical resources of the district, and to promote and protect the health and safety of our communities

Planning and Regulatory activities include;

- Animal Control
- Building Compliance
- Development Engineering
- Environmental Health
- Resource consents, enforcement and land information memorandums

As our district continues to experience significant development and population growth, robust planning and regulatory services will be integral to the creation of

liveable communities. Our planning and regulatory activities are governed and directed by national legislation, national directions, and regional and local policies and bylaws. These policies and bylaws are subject to regular reviews and link to other Waikato councils when appropriate. Public health and safety activities are fundamental to the protection of life and property in the community.

We will continue to monitor the various legislative development and review processes, with significant changes considered and responded to as part of future annual and long term plans.

The current and projected growth increases the pressures on: our town character and outstanding landscapes; internationally significant peat lakes; stands of indigenous trees; natural features; rural character; and historically significant sites.

### The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 10-Year Plan.

### How the Governance group of activities helps deliver our community outcomes

#### Environmental champions

- *Environmental awareness and responsibility is promoted within the community*
- *We are responsive to climate change*

#### Cultural champions

- *We champion the unique history of Waipā*
- *We have a high level of cultural awareness*

#### Socially resilient

- *Waipā provides a high quality of life for current and future generations*

**Identified effects on community wellbeing**

The planning and regulatory group of activities guide, enhance and maintain the quality of the district’s natural and physical environment and ensures that communities are safe in a district that is developed in a sustainable way.

Maintaining Public Health and Safety are important components of this group of activities. Complaints about aggressive dogs are investigated and actioned. Dog owner education is undertaken where appropriate. This minimises danger, distress and nuisance to the public, and keeps people safe and educated about their responsibilities.

Environmental services teams operate under the Food Act, Health Act and other legislation where public health is the focus, and the Sale and Supply of Alcohol Act 2012 has reduction of alcohol related harm as its aim.

All buildings that have had a Code Compliance Certificate issued at the completion of the building work will comply with the requirements of the Building Code. These buildings will therefore be safe and sound and provide a secure environment in which to work and live.

**Statement of service performance: Planning and Regulatory**

What to expect from us:

**Animal control**

- Animal control is managed in a way that ensures support is provided to both animals and the community in a timely manner.

**Building compliance**

- We ensure that buildings, including earthquake-prone buildings, are safe and fit for purpose.

**Development engineering**

- We are responsive to enquiries and requests for information.

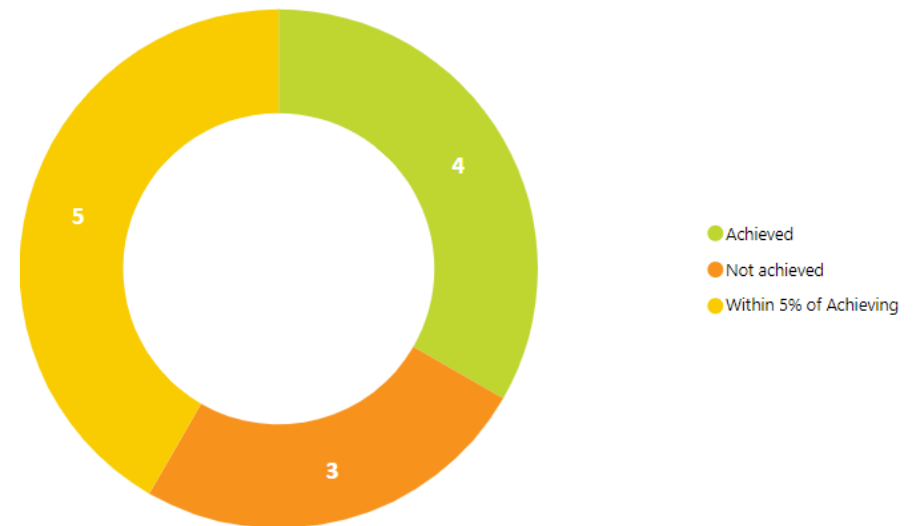
**Environmental health**

- We ensure the public sale and supply of alcohol is undertaken safely and responsibly.
- Noise and smoke control is provided to the community in a timely manner
- Food premises maintain a high level of food safety.

**Resource consents and monitoring, and land information memorandums**

- We achieve community aspirations through the implementation and enforcement of the District Plan

**Performance Measure Results**



**Statement of service performance overview**

This Group of Activity is responsible for 10.71 percent of Council’s performance measures.

### Capital expenditure table

	2022/23 Long-term Plan Notes	2023/24 Long-term Plan	2023/24 Actual
	\$000	\$000	\$000
<b>To Improve Level of Service</b>			
Dog Pound Development	616	-	44
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>616</b>	<b>-</b>	<b>44</b>

### Internal borrowing statement

	Opening Balance 1 July 2023 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2024 \$000	Interest \$000
Activity Loans	4,700	(169)	644	5,175	227
<b>Total</b>	<b>4,700</b>	<b>(169)</b>	<b>644</b>	<b>5,175</b>	<b>227</b>

### Waipā District Council funding impact statement for year ended 30 June 2024 for Planning and Regulatory

	2022/23 Long-term Plan Notes \$000	2023/24 Long-term Plan \$000	2023/24 Actual \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	3,779	4,061	5,127
Targeted rates	-	-	-
Subsidies and grants for operating purposes	1	1	-
Fees and charges	1 5,730	6,073	5,372
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	134
<b>Total sources of operating funding (A)</b>	<b>9,510</b>	<b>10,135</b>	<b>10,633</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2 7,112	7,268	8,384
Finance costs	11	22	227
Internal charges and overheads applied	2,819	3,169	3,496
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>9,942</b>	<b>10,459</b>	<b>12,107</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>(432)</b>	<b>(324)</b>	<b>(1,474)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	616	-	44
- to replace existing assets	-	-	-
Increase (decrease) in reserves	(1,048)	(324)	(1,518)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(432)</b>	<b>(324)</b>	<b>(1,474)</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>432</b>	<b>324</b>	<b>1,474</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Explanation of significant costs of service variances between LTP and Actual

1. A decrease in revenue of \$701,000 mainly due to a reduction in building fees of \$582,000 and a reduction in revenue of \$91,000 for scheme plan fees.
2. Operating expenditure is \$1.1m higher mainly due to an increase of legal fees of \$600,000 for settlement of dispute and \$340,000 additional costs for PC 26 Housing Supply Act.



## 6.3 COMMUNITY SERVICES AND FACILITIES

### What we do

We provide recreational benefits and promote the social and environmental wellbeing of our communities. Community services and facilities activities include;

- Parks & Reserves
  - Open Spaces
  - Playgrounds
  - Public Toilets
  - Cemeteries
- Libraries
- Heritage
  - Property Services
  - Community Land & Buildings
  - Housing for the Elderly
- Public Swimming Pools
- Waste Management and Minimisation
- Emergency Management

### The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

### How the Governance group of activities helps deliver our community outcomes Economically progressive

- *Our services provide excellent value for money*
- *Waipā is a great place to invest and do business*
- *We have financially sustainable decision making and work programmes*

### Environmental champions

- *Environmental awareness and responsibility is promoted within the community*

### Cultural champions

- *We champion the unique history of Waipā*
- *We have a high level of cultural awareness*

### Socially resilient

- *Waipā is a great place to live, work, play & invest*
- *Waipā provides a high quality of life for current and future generations*

### Identified effects on community wellbeing

The community services and facilities group of activities provides recreational benefit and promotes the social and physical wellbeing and engagement of our communities. Parks, sports reserves and swimming pools provide for physical and environmental wellbeing, while libraries, museums and housing for the elderly

cater for social and cultural wellbeing. The Waipā Community Facilities Trust was established to ensure that levels of service for our swimming pool facilities are maintained and enhanced.

## Statement of service performance: Community Services and Facilities

What to expect from us:

### Parks, Reserves & Open Spaces

- Provision of an adequate network of multi-purpose open spaces which provide for passive and active recreation and sporting activities.

### Playgrounds

- Provision of an adequate network of playgrounds which provide for safe and stimulating play.

### Public Toilets

- Provision of an adequate and accessible network of public toilets which meets the needs of the community and visitors while minimising public health risks and environmental impact, in a way that is most cost effective.

### Cemeteries

- Provision of accessible cemeteries and interment services which meets the needs of the community.

### Libraries

- Provision of library facilities with sufficient resources and services which provide the necessary support for the communities' learning and leisure needs.

### Community Land & Buildings

- Council is responsive to community land and building-related service requests.

### Housing for the Elderly

- Council is responsive to service requests relating to housing for the elderly.

### Heritage

- The district's community and visitors are provided with appropriate opportunities to experience the district's heritage through interpretation, education and conservation delivered directly by Council and through partnerships.

### Public swimming pools

- Safe and pleasant aquatic facilities are provided which offer a variety of casual and programmed activities which cater for the needs of the community.

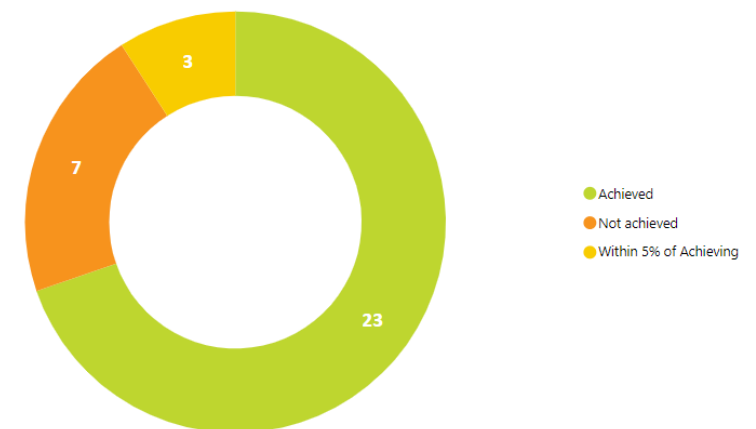
### Waste management & minimisation

- Provision of an effective waste minimisation education programme.
- Provision of a convenient kerbside recycling service.

### Emergency Management

- We remain suitably capable to provide a high-level response in the event of a Civil Defence Emergency.

### Performance Measure Results



### Statement of service performance overview

This Group of Activity is responsible for 29.46 percent of Council's performance measures.

### Capital expenditure table

	Notes	2022/23	2023/24	2023/24
		Long-term		Actual
		Plan	Plan	
		\$000	\$000	\$000
<b>To Meet Additional Demand</b>				
Reserve Purchases - Developments	1	8,286	263	2,345
Playground Reserve Land Cambridge North		-	-	197
Playground Reserve Land CB North LTP Yr3		-	-	163
Cambridge North Land Acquisition and Development		1,285	622	3
C8 Hautapu Industrial Land Acquisition and Development		-	-	1,485
T1 Land Acquisition and Development: Structure Plan Areas		-	-	715
T8 Land Acquisition and Development: Structure Plan Areas		-	-	472
<b>Total Capital Expenditure to Meet Additional Demand</b>		<b>9,571</b>	<b>885</b>	<b>5,380</b>
<b>To Improve Level of Service</b>				
Cambridge Town Belt Development		-	-	15
Reserve Developments		107	207	356
Karapiro Domain Improvements		687	42	-
Peat Lake Programme		15	13	-
Purchase of land for Te Awamutu Western Arterial		-	-	6
Storage Facilities for Climax Engine		-	-	-
Herbert Street Development - Property		-	-	163
Te Rahu Road Development - Property		-	-	45
Pukemako A & B - Planning & Restoration		21	42	-
Cycling - Te Awamutu/Ngaroto/Pirongia Connection	2	1,088	3,276	604
Public Conveniences - New Toilet Blocks		212	55	210
Lake Rotopiko - Heritage Development		31	28	-
Lake Mangakaware - Restoration & Development		8	8	-
Housing for the Elderly- Upgrade and New Buildings	3	-	-	5,204
Mt Pirongia - collaboration with DOC		-	53	54
Erosion Control and Amenity Enhancement		295	482	85
Design and Build Te Ara Wai	4	1,439	6,324	363
District Wide Skateparks		1,778	-	55
Waipuke Reserve Development		167	117	6
Resource Recovery Centre		-	327	100
Purchase of new investment property		-	-	-
Cambridge Water Tower - Upgrade		-	-	67
Purchase of Roche St Leasehold Interest		-	-	291

#### Explanation of capital expenditure variances between LTP and Actual

1. Reduced spend on reserve purchases due to development timing.
2. The spend on the Cycling – Te Awamutu/Ngaroto/Pirongia Connection is lower than the 2021-31 LTP due to timing delays. This has been deferred to future LTPs.
3. Expenditure for housing for the elderly was due to the construction of the Vaile Court units.
4. The design and build Te Ara Wai was \$6 million lower than budget due to its deferral to future LTPs.
5. This budget has been deferred to the 2024/25 year due to timing delays.
6. Play provision outside of structure plans was lower than budget due to timing delays. This has been deferred to the 2024/25 year.
7. This budget is connected with the Te Ara Wai project and has been deferred to future LTPs.

#### Internal borrowing statement

	Opening	Loan		Closing	Interest
	Balance 1	Repayments	Loans Raised	Balance 30	
	July 2023			June 2024	
	\$000	\$000	\$000	\$000	\$000
Activity Loans	52,712	(1,734)	4,728	55,706	2,552
<b>Total</b>	<b>52,712</b>	<b>(1,734)</b>	<b>4,728</b>	<b>55,706</b>	<b>2,552</b>

Cambridge Town Pool Development	-	-	46
Memorial Park	-	865	611
Ngaroto Heritage Restoration	65	44	-
Library RFID Technology	-	-	11
Maintain Retaining Walls - Mighty River Domain	-	-	28
Cambridge Town Hall Upgrades	5	1,748	2,108
LTP Potential Property Development & Sales	216	-	-
Cambridge Town Hall Clock Tower Repairs	180	-	676
Castleton Park	86	-	-
Sports Fields Improvements	617	-	35
Ngahinapouri Land Acquisition and Development	280	287	-
T8 Land Acquisition and Development: Structure Plan Areas	401	-	-
T1 Land Acquisition and Development: Structure Plan Areas	1,429	712	-
Property Sales	-	-	304
Kihikihi Memorial Hall	-	-	16
Lake Te Ko Utu	499	595	39
Cemetery Capacity Developments	486	350	200
Cemetery Structure	-	279	-
Collective Hydro Lakes	51	126	-
Other Minor Assets	-	-	207
Play provision outside of Structure Plans	6	-	1,686
Exhibition Planning, Design, Development and Install	7	-	3,113
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>11,906</b>	<b>21,139</b>	<b>9,874</b>
<b>To Replace Existing Assets</b>			
Karapiro/Arapuni Lakes Programme	154	-	36
Housing for the Elderly Renewals	308	316	16
Playground Equipment & Safety Surfaces Renewal	441	253	197
Parks Structure Renewals	103	-	63
Parks Renewals	310	318	381
Plant Replacement - Mighty River Domain	15	34	18
Parks Plant & Equipment Replacement	328	119	535
Carpark Renewals	62	26	78
Library Books Te Awamutu	182	187	190
Library Books Cambridge	182	187	190
District Pools Plant Renewals	603	217	218
Other Minor Asset Renewals	512	19	171
Public Conveniences Renewals	-	184	340
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>3,200</b>	<b>1,860</b>	<b>2,433</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>24,677</b>	<b>23,884</b>	<b>17,687</b>

**Waipā District Council funding impact statement for year ended 30 June 2024  
for Community Services and Facilities**

	2022/23	2023/24	2023/24
	Long-term	Long-term	Actual
	Plan	Plan	Actual
Notes	\$000	\$000	\$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	16,830	17,898	19,905
Targeted rates	6,166	6,189	7,794
Subsidies and grants for operating purposes	333	22	218
Fees and charges	1 4,421	4,517	6,092
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	326
<b>Total sources of operating funding (A)</b>	<b>27,750</b>	<b>28,626</b>	<b>34,335</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2 19,962	20,337	23,687
Finance costs	3 415	479	2,658
Internal charges and overheads applied	3,819	4,154	4,559
Other operating funding applications	542	298	407
<b>Total applications of operating funding (B)</b>	<b>24,738</b>	<b>25,268</b>	<b>31,311</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>3,012</b>	<b>3,358</b>	<b>3,024</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	2,098	3,424	2,110
Development and financial contributions	1,947	2,254	1,002
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	7,978	2,013	2,346
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>12,023</b>	<b>7,691</b>	<b>5,458</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	9,571	885	5,380
- to improve the level of service	11,906	21,139	9,874
- to replace existing assets	3,200	1,860	2,433
Increase (decrease) in reserves	(9,642)	(12,835)	(9,205)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>15,035</b>	<b>11,049</b>	<b>8,482</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(3,012)</b>	<b>(3,358)</b>	<b>(3,024)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

Explanation of funding impact statement operating variances between LTP and Actual

1. Increase in revenue mainly due to an increase in Mfe revenue.
2. Increase in operating expenditure mainly due to an increase in recycling costs of \$1.5 million, an increase in management contracts of \$923,000 mainly due to the Cambridge Town Hall Community Trust funding, an increase in electricity costs of \$336,000 and an increase in employee related costs of \$227,000.
3. An increase in finance costs due to higher than anticipated interest rates.

## 6.4 TRANSPORTATION

### What we do

The Transportation group is the primary service provider for the provision of the local transport network including roads, footpaths and cycleways, as well as road safety interventions and education.

### The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

### How the Governance group of activities helps deliver our community outcomes

#### Economically progressive

- *We have financially sustainable decision making and work programmes*
- *We provide new infrastructure as an economic stimulus for our district*

#### Environmental champions

- *We support programmes that promote environmental sustainability*

- *We are responsive to climate change*

#### Cultural champions

- *We partner with tangata whenua*

#### Socially resilient

- *Waipa provides a high quality of life for current and future generations*

### Identified effects on community wellbeing

The transportation group of activities provides the means for the transport of goods and people throughout the district and provides major social and economic benefits. It connects communities to many destinations such as work, shopping, leisure, education, and entertainment.

Road and footpath rehabilitation activities are an essential part of the on-going maintenance programme. However, in delivering these services there may be

disruption and nuisance caused to the public through road closures and dust generation. Although staff endeavour to minimise the negative impacts as much as possible and provide regular information about projects, parts of the community will always be inconvenienced in various ways.

Council continues to promote road safety initiatives and more sustainable forms of transport such as cycling.

**Statement of service performance: Transportation**

What to expect from us:

- Roads and road usage is managed to reduce the risk of harm to users.
- Provision of road and footpath networks which support usability and user comfort both now and in the future.
- We are responsive to roading issues raised by the community.
- Alternative transport options are available and user friendly.

**Statement of service performance overview**

This Group of Activity is responsible for 8.93 percent of Council’s performance measures.

**Performance Measure Results**



### Capital expenditure table

Notes	2022/23	2023/24	2023/24
	Long-term Plan \$000	Long-term Plan \$000	Actual \$000
<b>To Meet Additional Demand</b>			
Cambridge North Capital Projects	-	-	-
Cambridge Growth Cells (C1,C2 and C3) incl Land Purchase	1 6,880	-	11,172
Cambridge Growth Cells (C5 C6) Lamb Street	1,033	-	-
Hautapu Structure Plan and Cycleway	2 8,987	4,260	2
St Ledger and Kihikihi Road	-	320	-
Picquet Hill Plan Change Roading	-	-	505
Frontier Road Plan Change	1,209	-	384
Hautapu Transportation Land	-	-	233
Hamilton Rd/Cambridge Rd Urbanisation	3 2,583	2,567	3,347
Ngahinapouri SH39 Intersection & N1/N2 Development	1,054	-	-
T9/T10 New Collector Road and Walkway	1,239	958	241
Kihikihi Brwon Field Roadind Works	-	-	420
C8, C9,C10/ roundabouts and new collector roads	4 -	-	3,590
C4/C11 Cambridge Road Interstction & New Collector Road	-	-	33
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>22,985</b>	<b>8,105</b>	<b>19,927</b>
<b>To Improve Level of Service</b>			
Seal Extensions	-	-	837
New Footpaths	103	107	50
Car Park Improvements	-	-	-
Town Concept Plans Implementation	268	1,902	544
Passenger Transport Infrastructure	103	-	-
Street Light Improvements	155	160	-
Cycling Projects District Wide	5 1,550	1,598	12,292
Associated & Minor Improvements	1,431	1,060	373
Bridge improvements	-	-	182
Major Improvements	-	-	1,576
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>3,610</b>	<b>4,827</b>	<b>15,854</b>
<b>To Replace Existing Assets</b>			
Footpath Renewals	387	399	427
Amenity Lighting Renewals	3	3	213
Car Park Renewals	57	59	-
Drainage Renewals	402	414	-
Sealed Road Resurfacing	6 4,163	4,292	5,379
Unsealed Road Metalling	62	64	-
Pavement Rehabilitation	1,859	1,913	338
Structures Component Renewal	103	320	7
Traffic Services Renewals	41	43	-
Guardrail Renewals	57	59	105
Bridge Renewals	7 2,737	-	2,457
Bus Shelter Renewals	-	11	-
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>9,871</b>	<b>7,577</b>	<b>8,926</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>36,466</b>	<b>20,509</b>	<b>44,707</b>

### Explanation of significant capital variances between LTP and Actual

1. The spend on Cambridge Growth Cells (C1, C2 & C3) was \$11.2 million higher than budget due to development timing. These budgets were carried forward from the 2022/23 year.
2. Hautapu structure plan and cycleway spend was less than budget. This was deferred to future years of the next LTP due to development delays.
3. There has been an increase in expenditure for the Hamilton Road/Cambridge Road urbanisation roading project due to the timing in construction. This budget was brought forward from the 2022/23 year.
4. An increase in expenditure for C8, C9, C10 roundabouts and new collector roads due to development timing.
5. There has been an increase in cycling projects district wide of \$12.3 mainly due to the construction of the Cambridge and Kihikihi cycleways.
6. Sealed road resurfacing costs were higher than budget due to the increase in the cost of materials.
7. Bridge renewals were higher than budget due to timing in the painting of the Victoria bridge which was brought forward from the 2022/23 year.



### Internal borrowing statement

	Opening Balance 1 July 2023 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2024 \$000	Interest \$000
Activity Loans	14,237	(1,164)	5,680	18,753	654
<b>Total</b>	<b>14,237</b>	<b>(1,164)</b>	<b>5,680</b>	<b>18,753</b>	<b>654</b>

#### Explanation of funding impact statement operating variances between LTP and Actual

1. Increase in subsidies and grants of \$10.1 million mainly due to an increase in NZTA funding of \$8.7 million for the Cambridge and Kihikihi cycleways and an increase in NZTA local share funding.
2. Development and financial contributions were lower than budget due to delays in development.

### Waipā District Council funding impact statement for year ended 30 June 2024 for Transportation

	2022/23 Long-term Plan Notes \$000	2023/24 Long-term Plan \$000	2023/24 Actual \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	12,448	13,125	13,587
Targeted rates	272	353	428
Subsidies and grants for operating purposes	1 3,060	3,204	6,353
Fees and charges	1,336	1,374	1,097
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	10
<b>Total sources of operating funding (A)</b>	<b>17,116</b>	<b>18,056</b>	<b>21,475</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	8,935	9,320	10,096
Finance costs	307	334	654
Internal charges and overheads applied	1,704	1,843	2,682
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>10,946</b>	<b>11,497</b>	<b>13,432</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>6,170</b>	<b>6,559</b>	<b>8,043</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	1 6,870	5,607	12,607
Development and financial contributions	2 6,990	7,895	2,657
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>13,860</b>	<b>13,502</b>	<b>15,264</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	22,985	8,105	19,927
- to improve the level of service	3,610	4,827	15,854
- to replace existing assets	9,871	7,577	8,926
Increase (decrease) in reserves	(16,436)	(448)	(21,400)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>20,030</b>	<b>20,061</b>	<b>23,307</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(6,170)</b>	<b>(6,559)</b>	<b>(8,043)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 6.5 STORMWATER

### What we do

We are the primary service provider for managing stormwater in urban areas. Council maintains all public rural drains in Waipa.

### The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

### How the Governance group of activities helps deliver our community outcomes

#### Economically progressive

- *We provide new infrastructure as an economic stimulus for our district*
- *Our services provide excellent value for money*

#### Environmental champions

- *We are responsive to climate change*

#### Cultural champions

- *We partner with tangata whenua*

#### Socially resilient

- *Waipa provides a high quality of life for current and future generations*

### Identified effects on community wellbeing

Effective stormwater systems are important in managing the effects of high intensity rainfall in urban environments to avoid regular flooding. Some of our stormwater systems were designed in the 1950s and are insufficient to deal with the effects of the higher intensity rainfall events expected with climate change. Improvements to these systems are built into Council's Long Term Plans, a District Wide Stormwater Comprehensive Consent application was lodged in 2022.

Stormwater discharges from urban and industrial areas into rivers can also have potentially negative consequences for environmental wellbeing, for example from oil or diesel spills. However, the likelihood of these occurrences are managed by dedicated Trade Waste Officers that work with commercial and industrial entities on a regular basis to ensure there are mechanisms in place to minimise the likelihood of spills reaching the environment. Planning and monitoring is also underway to ensure Council maintains its current stormwater discharge consent.

### Statement of service performance: Stormwater

What to expect from us:

- Provision of a safe and reliable stormwater system which minimises flooding and environmental impact.

**Statement of service performance overview**

This Group of Activity is responsible for 7.14 percent of Council's performance measures.

**Performance Measure Results**



### Capital expenditure table

		2022/23 Long-term Plan Notes	2023/24 Long-term Plan \$000	2023/24 Actual \$000
<b>To Meet Additional Demand</b>				
Cambridge Growth Cells (C1,C2 and C3) incls Land Purchase	1	23,064	20,730	17,599
Cambridge North Stormwater Provision		-	-	196
Hautapu Industrial Stormwater		-	-	166
C8 & C9 Stormwater Reticulation Provision - incls Land Purchase	2	-	-	4,699
Construct Victoria Rd Swale	3	-	-	1,151
Western Catchment Remedial Works		-	-	35
Bond Road Stormwater Culvert		-	-	163
Kihikihi Stormwater Works		671	638	522
<b>Total Capital Expenditure to Meet Additional Demand</b>		<b>23,735</b>	<b>21,368</b>	<b>24,531</b>
<b>To Improve Level of Service</b>				
Stormwater Upgrades		-	-	397
Consent, Remedial and Flood Mitigation Work		1,584	205	168
<b>Total Capital Expenditure to Improve Level of Service</b>		<b>1,584</b>	<b>205</b>	<b>565</b>
<b>To Replace Existing Assets</b>				
Renewals		1,116	1,145	36
<b>Total Capital Expenditure to Replace Existing Assets</b>		<b>1,116</b>	<b>1,145</b>	<b>36</b>
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>26,435</b>	<b>22,718</b>	<b>25,132</b>

#### Explanation of significant capital variances between LTP and Actual

1. The Cambridge Growth Cells (C1, C2 & C3) have been deferred due to developer timing delays, these have been deferred to the 2024/25 year.
2. Increase in budget for C8 & C9 stormwater reticulation provision due to development timing.
3. Expenditure for constructing Victoria Rd swale was higher than budget due to the timing of development.

	Opening Balance 1 July 2023 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2024 \$000	Interest \$000
Activity Loans	-	-	867	867	-
<b>Total</b>	-	-	867	867	-

### Waipā District Council funding impact statement for year ended 30 June 2024 for Stormwater

	2022/23 Long-term Plan Notes \$000	2023/24 Long-term Plan \$000	2023/24 Actual \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	371	404	361
Targeted rates	4,571	4,623	4,099
Subsidies and grants for operating purposes	-	-	-
Fees and charges	4	4	33
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total sources of operating funding (A)</b>	<b>4,946</b>	<b>5,031</b>	<b>4,493</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,814	1,995	2,567
Finance costs	9	15	-
Internal charges and overheads applied	634	693	996
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,457</b>	<b>2,703</b>	<b>3,563</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>2,489</b>	<b>2,328</b>	<b>930</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	1 9,697	10,768	1,727
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>9,697</b>	<b>10,768</b>	<b>1,727</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	23,735	21,368	24,531
- to improve the level of service	1,584	205	565
- to replace existing assets	1,116	1,145	36
Increase (decrease) in reserves	(14,249)	(9,622)	(22,475)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>12,186</b>	<b>13,096</b>	<b>2,657</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(2,489)</b>	<b>(2,328)</b>	<b>(930)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Explanation of funding impact statement operating variances between LTP and Actual

1. Development and financial contributions were lower than budget due to delays in development.

## 6.6 WASTEWATER TREATMENT AND DISPOSAL

### What we do

We provide a safe, effective and reliable system for managing wastewater in urban areas to maintain public health and protect land and waterways from contamination.

The wastewater treatment and disposal activity includes the reticulation network for the collection of sewage and trade waste and its treatment and disposal.

Wastewater treatment and disposal is a core service of Council and is recognised by our Significance and Engagement Policy. The Infrastructure Strategy outlines the strategic intent of this activity and this is supported by the Activity Management Plan.

### The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

### How the Governance group of activities helps deliver our community outcomes

#### Economically progressive

- *We provide new infrastructure as an economic stimulus for our district*
- *Our services provide excellent value for money*

#### Environmental champions

- *We are responsive to climate change*

#### Cultural champions

- *We partner with tangata whenua*

#### Socially resilient

- *Waipa provides a high quality of life for current and future generations*

### Identified effects on community wellbeing

Wastewater treatment and disposal is a cornerstone of public health. Waipa District Council continue to work closely with Waikato Regional Council and Iwi partners to ensure best for river outcomes.

Council have a new 35 year wastewater discharge consent for the Cambridge wastewater treatment plant and construction of a new plant is underway with completion due December 2026. The Cambridge and Te Awamutu plants have been generally compliant over the past 12 months

**Statement of service performance: Wastewater Treatment and Disposal**

What can you expect from us:

- Provision of a safe and reliable system for the treatment and disposal of wastewater which minimises public health risks and environmental impact.

**Statement of service performance overview**

This Group of Activity is responsible for 7.14 percent of Council’s performance measures.

**Performance Measure Results**



### Capital expenditure table

	Notes	2022/23	2023/24	2023/24
		Long-term	Long-term	Actual
		Plan	Plan	\$000
<b>To Meet Additional Demand</b>				
Cambridge Growth Cells (C1,C2 and C3)	1	1,317	-	1,225
Hautapu Industrial Wastewater		1,123	678	497
Cambridge Wastewater Treatment Plant Upgrades	2	1,915	1,380	18,282
Te Awamutu Wastewater Treatment Plant Upgrade		218	-	-
District Wide Wastewater Pump Station Upgrades		52	-	-
District Wide Wastewater Pipe Upgrades	3	-	2,836	727
Te Awamutu Growth Provision (T8)		577	-	-
<b>Total Capital Expenditure to Meet Additional Demand</b>		<b>5,202</b>	<b>4,894</b>	<b>20,731</b>
<b>To Improve Level of Service</b>				
District Wide Waste Water Modeling		-	-	30
Bath Street Wastewater Works		-	-	69
Scada & Telemetry Upgrade		-	-	-
District Wide Modelling and Condition Assessment		36	86	-
Vogel & Alpha St Odour Control		-	-	-
Sub Regional WWTP		-	-	-
<b>Total Capital Expenditure to Improve Level of Service</b>		<b>36</b>	<b>86</b>	<b>99</b>
<b>To Replace Existing Assets</b>				
Renewals		-	-	981
District Wide Sewer Pipe Replacement 20/21		-	-	866
Plant and Pumps	4	3,045	2,010	-
<b>Total Capital Expenditure to Replace Existing Assets</b>		<b>3,045</b>	<b>2,010</b>	<b>1,847</b>
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>8,283</b>	<b>6,990</b>	<b>22,677</b>

#### Explanation of significant capital expenditure variances between LTP and Actual

1. The spend on Cambridge Growth Cells (C1, C2 & C3) was \$1.2 million higher than budget due to development timing. These budgets were carried over from the 2022/23 year.
2. The spend on the Cambridge Wastewater Treatment plant upgrade was higher than budget due to timing of the project. This has been brought forward from future years of the LTP.
3. The District Wide Wastewater pipe upgrades were lower than budget due to development timing and has been deferred to the 2024/25 year.
4. Plant and pumps renewals are lower than budget due to the timing of the capital works program.

### Internal borrowing statement

	Opening	Loan		Closing	Interest
	Balance 1	Repayments	Loans Raised	Balance 30	
	July 2023			June 2024	
	\$000	\$000	\$000	\$000	\$000
Activity Loans	18,153	(699)	8,759	26,213	873
<b>Total</b>	<b>18,153</b>	<b>(699)</b>	<b>8,759</b>	<b>26,213</b>	<b>873</b>



### Waipā District Council funding impact statement for year ended 30 June 2024 for Wastewater Treatment and Disposal

	2022/23 Long-term Plan Notes	2023/24 Long-term Plan	2023/24 Actual
	\$000	\$000	\$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	664	664	670
Targeted rates	11,788	12,571	13,416
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,347	1,382	1,352
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	14
<b>Total sources of operating funding (A)</b>	<b>13,799</b>	<b>14,617</b>	<b>15,452</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	6,883	7,106	6,610
Finance costs	307	272	873
Internal charges and overheads applied	950	1,068	1,234
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>8,140</b>	<b>8,446</b>	<b>8,717</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>5,659</b>	<b>6,171</b>	<b>6,735</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	1 4,672	5,224	1,640
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>4,672</b>	<b>5,224</b>	<b>1,640</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	5,202	4,894	20,731
- to improve the level of service	37	86	99
- to replace existing assets	1,729	2,010	1,847
Increase (decrease) in reserves	3,363	4,405	(14,302)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>10,331</b>	<b>11,395</b>	<b>8,375</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(5,659)</b>	<b>(6,171)</b>	<b>(6,735)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

Explanation of funding impact statement operating variances between LTP and Actual

1. Development and financial contributions were lower than budget due to delays in development timing.

## 6.7 WATER TREATMENT AND SUPPLY

### What we do

The water treatment and supply group of activities includes all the services involved in abstracting, treating, storing and distributing water to users through the reticulation network.

We provide reticulated water supplies to Cambridge, Te Awamutu, Kihikihi, Pirongia, Ōhaupō, Pukerimu and Karāpiro and operate seven water treatment plants. We are responsible for maintaining water supply assets worth \$232.6million including 607km of water pipes plus pump stations, reservoirs and treatment plants. Water infrastructure remains a significant challenge facing our district over the coming decade, particularly given our projected population growth.

Our water supply and treatment challenges are;

- Some of our water infrastructure is old and needs replacing.
- We have water pressure, taste and odour issues to resolve.

- Compliance with new resource consent conditions, including restrictions on how much water we can take from water sources.
- Compliance with new rules to protect the environment.
- Compliance with drinking water standards.

Council has developed a Three Waters Master Plan to inform the work programme for the water treatment and supply activity, along with stormwater and wastewater activities. The Master Plan operates in conjunction with the subregional three waters strategy, which was prepared by the Future Proof partnership to provide an overarching framework for the development and maintenance of the Three Waters network of the Waipā and Waikato districts and Hamilton City. Waipā is continuing to deliver the Smart Water demand management programme.

### The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

### How the Governance group of activities helps deliver our community outcomes

#### Economically progressive

- *We have financially sustainable decision making and work programmes*
- *We provide new infrastructure as an economic stimulus for our district*
- *Our services provide excellent value for money*

#### Environmental champions

- *We are responsive to climate change*

#### Cultural champions

- *We partner with tangata whenua*

#### Socially resilient

- *Waipa provides a high quality of life for current and future generations*

### Identified effects on community wellbeing

Growth within the district continues, and Council has completed significant scheduled infrastructure upgrades aimed at ensuring continuity of supply.

Demand is managed through universal water metering, and water education conservation strategies throughout the year, as well as imposing water alert restrictions across the district and sub-region in conjunction with partners Hamilton City Council.

### Statement of service performance: Water treatment and supply

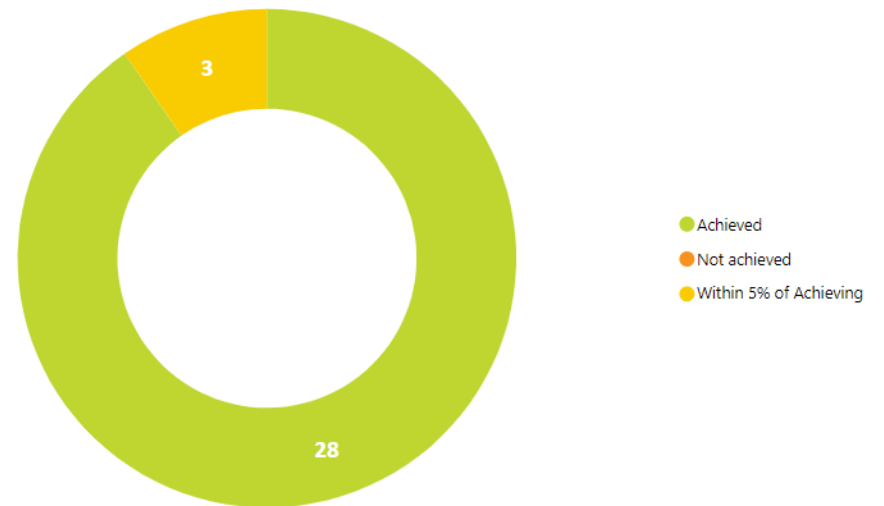
What can you expect from us:

- Provision of potable water within specified areas via a safe and reliable treatment and supply system.
- Water supply and demand is managed to ensure prudent use of water.

### Statement of service performance overview

This Group of Activity is responsible for 27.68 percent of Council’s performance measures.

### Performance Measure Results



### Capital expenditure table

		2022/23	2023/24	2023/24
		Long-term	Long-term	Actual
	Notes	Plan	Plan	\$000
		\$000	\$000	
<b>To Meet Additional Demand</b>				
Dedicated Main Leamington to Hautapu		-	-	-
Cambridge North to Hautapu Pipeline	1	1,657	2,525	2
Cambridge Growth Cells (C1,C2,C3,C4 and C7)		406	-	254
Dedicated Cambridge North Water Main		-	-	-
Te Awamutu Growth Cells		-	-	1
Pukerimu Water Supply	2	83	1,833	-
Water Supply Provision Cambridge (C6)		-	-	-
Cambridge Water Reticulation Active Control		-	-	-
Hautapu East Water Development (C10)		-	-	39
Alpha Street Water Treatment Plant Upgrade		-	298	-
Te Awamutu Internal CBD Rising Main	3	1,082	2,219	43
<b>Total Capital Expenditure to Meet Additional Demand</b>		<b>3,228</b>	<b>6,875</b>	<b>339</b>
<b>To Improve Level of Service</b>				
Te Awamutu Fire & Water LOS Service Upgrades		359	-	366
Cambridge Fire & Water LOS Service Upgrades		1,565	1,069	990
Parallel Rd Water Treatment Plant Upgrade		-	-	353
Parallel Rd to Taylors Hill Pipeline		-	-	1
District Wide Water Modelling		422	57	137
District Wide Zone Identification		248	177	-
Fairview Rd Water Main	4	500	1,027	-
Cambridge Water Supply Fluoridation		-	-	169
Alpha St Water Treatment Plant Upgrade		-	-	411
<b>Total Capital Expenditure to Improve Level of Service</b>		<b>3,094</b>	<b>2,330</b>	<b>2,427</b>
<b>To Replace Existing Assets</b>				
District Wide Water Main Renewals	5	3,613	4,341	7,383
Connection and Meter Renewals		349	358	250
Wtr Telemetry Upgrade Waipa 21/31		-	-	401
TA Water Contn and Meter Renewals		-	-	364
Reservoir Renewals		532	1,512	1,160
Plant & Pumps		887	644	246
<b>Total Capital Expenditure to Replace Existing Assets</b>		<b>5,381</b>	<b>6,855</b>	<b>9,804</b>
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>11,703</b>	<b>16,060</b>	<b>12,570</b>

#### Explanation of significant capital expenditure variances between LTP and Actual

1. The Cambridge North to Hautapu pipeline (C8) cell work has been delayed to align with developers and other planned works.
2. This budget has been deferred to the 2024/25 year due to the revised timing of construction.
3. Te Awamutu internal CBD rising main budget has been deferred to the 2024/25 year due to timing of construction.
4. This budget has been deferred to the 2024/25 year due to the revised timing of construction.
5. Capital expenditure was higher than budget due to timing of capital renewal projects.

### Internal borrowing statement

	Opening Balance 1 July 2023 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2024 \$000	Interest \$000
Activity Loans	28,055	(951)	7,504	34,608	1,355
<b>Total</b>	<b>28,055</b>	<b>(951)</b>	<b>7,504</b>	<b>34,608</b>	<b>1,355</b>

#### Explanation of funding impact statement operating variances between LTP and Actual

1. A reduction in revenue for targeted rates is due to a shift in disclosure for the Fonterra revenue from targeted rates to fees and charges.
2. An increase in expenditure due to an increase in employment benefits of \$593,000, an increase in water treatment reticulation maintenance costs of \$402,000 and an increase in electricity costs of \$332,000.
3. Development and financial contributions were lower than budget due to delays in development.

### Waipā District Council funding impact statement for year ended 30 June 2024 for Water Treatment and Supply

	2022/23 Long-term Plan notes	2023/24 Long-term Plan	2023/24 Actual
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties		560	566
Targeted rates	1	12,365	9,740
Subsidies and grants for operating purposes		-	-
Fees and charges	1	570	4,168
Internal charges and overheads recovered		-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-
<b>Total sources of operating funding (A)</b>		<b>13,495</b>	<b>14,474</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2	6,986	8,699
Finance costs		346	1,355
Internal charges and overheads applied		1,042	1,121
Other operating funding applications		5	5
<b>Total applications of operating funding (B)</b>		<b>8,379</b>	<b>11,180</b>
<b>Surplus (deficit) of operating funding (A - B)</b>		<b>5,116</b>	<b>3,294</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure		-	-
Development and financial contributions	3	3,234	1,415
Increase (decrease) in debt		-	-
Gross proceeds from sale of assets		-	-
Lump sum contributions		-	-
Other dedicated capital funding		-	-
<b>Total sources of capital funding (C)</b>		<b>3,234</b>	<b>1,415</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand		3,228	339
- to improve the level of service		3,094	2,427
- to replace existing assets		5,381	9,804
Increase (decrease) in reserves		(3,353)	(7,861)
Increase (decrease) of investments		-	-
<b>Total applications of capital funding (D)</b>		<b>8,350</b>	<b>4,709</b>
<b>Surplus (deficit) of capital funding (C - D)</b>		<b>(5,116)</b>	<b>(3,294)</b>
<b>Funding balance ((A - B) + (C - D))</b>		<b>-</b>	<b>-</b>

## 6.8 SUPPORT SERVICES

### What we do

This group provides a range of specialist skills and services to support the organisation to efficiently deliver services

Support Services activities include performance measures for;

- Information Services
- Customer Support

Additionally, the Support Services group of activities is responsible for financial management, human resources, legal services, and business improvement and risk management functions which work closely with the other groups of activities to understand our business, community and statutory needs.

### The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

### How the Governance group of activities helps deliver our community outcomes

#### Economically progressive

- *We have financially sustainable decision making and work programmes*
- *Our services provide excellent value for money*

#### Environmental champions

- *We support programmes that promote environmental sustainability*

#### Cultural champions

- *We have a high level of cultural awareness*
- *We respect the cultural diversity in our district*

#### Socially resilient

- *Waipa is a great place to live, work, play and invest*
- *Waipa provides a high quality of life for current and future generations*

### Statement of service performance: Support Services

What to expect from us:

We provide a responsive customer support service to our community.

### Statement of service performance overview

This Group of Activity is responsible for 3.57 percent of Council’s performance measures.

### Performance Measure Results



- Achieved
- Not achieved
- Within 5% of Achieving

### Capital expenditure table

	2022/23 Long-term Plan Notes	2023/24 Long- term Plan \$000	2023/24 Actual \$000
<b>To Improve Level of Service</b>			
Buildings	1,016	761	1,070
Computer Hardware Upgrades	-	-	-
Computer Software Upgrades	969	1,907	1,618
<b>Total to Improve Level of Service</b>	<b>1,985</b>	<b>2,668</b>	<b>2,688</b>
<b>To Replace Existing Assets</b>			
Plant	1 1,888	406	2,135
Buildings	96	-	63
Carparks Renewals	-	-	-
Computer Hardware Renewals	77	79	269
Daphne Depo Renewals	-	-	3
<b>Total to Replace Existing Assets</b>	<b>2,061</b>	<b>485</b>	<b>2,470</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>4,046</b>	<b>3,153</b>	<b>5,158</b>

Explanation of significant capital expenditure variances between LTP and Actual

1. Plant renewals are higher than the LTP budget due to timing, this budget was brought forward from the 2022/23 year.

### Internal borrowing statement

	Opening Balance 1 July 2023 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2024 \$000	Interest \$000
Activity Loans	8,732	(562)	4,093	12,263	411
Development Contribution Loans*	128,793	(223)	55,157	183,727	6,442
<b>Total</b>	<b>137,525</b>	<b>(785)</b>	<b>59,250</b>	<b>195,990</b>	<b>6,853</b>

**Waipā District Council funding impact statement for year ended 30 June 2024 for support services**

	Notes	2022/23 Long-term Plan \$000	2023/24 Long-term Plan \$000	2023/24 Actual \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties		355	310	297
Targeted rates		-	-	
Subsidies and grants for operating purposes		-	-	411
Fees and charges		65	66	345
Internal charges and overheads recovered		15,661	17,115	18,550
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	690
<b>Total sources of operating funding (A)</b>		<b>16,081</b>	<b>17,491</b>	<b>20,293</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1	14,635	15,954	17,510
Finance costs		104	115	411
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
<b>Total applications of operating funding (B)</b>		<b>14,739</b>	<b>16,069</b>	<b>17,921</b>
<b>Surplus (deficit) of operating funding (A - B)</b>		<b>1,342</b>	<b>1,422</b>	<b>2,372</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		-	-	-
Gross proceeds from sale of assets		937	232	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
<b>Total sources of capital funding (C)</b>		<b>937</b>	<b>232</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand		-	-	-
- to improve the level of service		1,985	2,668	2,688
- to replace existing assets		2,061	485	2,470
Increase (decrease) in reserves		(1,767)	(1,499)	(2,786)
Increase (decrease) of investments		-	-	-
<b>Total applications of capital funding (D)</b>		<b>2,279</b>	<b>1,654</b>	<b>2,372</b>
<b>Surplus (deficit) of capital funding (C - D)</b>		<b>(1,342)</b>	<b>(1,422)</b>	<b>(2,372)</b>
<b>Funding balance ((A - B) + (C - D))</b>		<b>-</b>	<b>-</b>	<b>-</b>

**Explanation of funding impact statement operating variances between LTP and Actual**

1. This increase in expenditure of \$1.6 million is mainly due to an increase for SaaS Maintenance of \$753,000 which includes additional Microsoft licenses, an increase in insurance of \$385,000 for Public Liability and Personal Indemnity insurance and an increase in fuel costs of \$61,000.



## 6.9 DETAILED TRACKING AGAINST SERVICE PERFORMANCE MEASURES

This section provides the detailed results and variance explanations for our level of service performance measures.

### Non-Financial Performance Summary

A review of all performance measures was carried out, with a range of new targets and measures being developed as part of the Long Term Plan (LTP) 2021-2031 to show the standard of performance expected over the next ten years and the means by which we intend to measure that performance. Data is sourced from Resident Surveying, external data and our Customer Request Management system to monitor progress against the targets set out in the LTP.

### Resident Perception Survey Methodology

The results of the survey are based on a 10-point satisfaction scale. The survey is a quota sample, designed to cover the important variables within the population. In reporting the results, the 'don't know' responses have been removed. At an

The Maungatautari water treatment plant is no longer active, therefore the performance measure 'The extent to which the local authority's drinking water supply complies with the drinking-water standards – Network Zones – Compliance' for Maungatautari is no longer being reported against for that zone.

aggregate level the survey has an expected 95 percent confidence interval (margin of error) of +/-4.2 percent.

### Key



## Governance | Representation

What you can expect from us	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
The Community have access to timely and accurate information.	The percentage of official information requests responded to within statutory timeframes.	99.42 per cent	100 per cent	98.42 per cent	There were 443 LGOIMA's completed within the 2023/24 year, of which 7 did not achieve the target as they were not correctly captured on receipt. Six were identified and raised as LGOIMAs after the 20-working day timeframe; further training will be delivered to enforce LGOIMA identification. The remaining one was identified earlier, and the response readied on day eleven, however the response was sent out one day late in error.
	Percent of respondents to residents' perception survey <sup>6</sup> who are satisfied with Council "for being transparent and communicating openly."	17 per cent	≥prior year's results	18 per cent	Achieved.
We provide opportunities for our communities to engage with Council and participate in decision-making processes.	Percentage of respondents to residents' perception survey <sup>7</sup> who are satisfied with the opportunities provided to them to participate in Council decision making processes.	13 per cent	≥prior year's results	14 per cent	Achieved.

<sup>6</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied are those percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "How would you rate Council for being transparent and communicating openly?"

<sup>7</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percentage of individuals who scored Council an 8-10 on the ten point survey scale. Full working of question: "How satisfied are you with the opportunities provided to you to participate in Council making decision processes?"

## Governance | Communications and Engagement

What you can expect from us	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
We provide regular communication to the district enabling community sharing and engagement.	Average audience reach through traditional media <sup>8</sup> .	1,340,033 per month	≥200,000 month	683,761 per month	The result has significantly exceeded the target. This is due to Waipā being referenced by 79 Media Outlets nationwide, in comparison to approximately 64 in the 2022/23 year, and less than 20 the year prior.
	Average impression rate <sup>9</sup> of Antenno posts	38 per cent	50 per cent	46 per cent	This measure is potentially impacted by the repetitive nature of messaging, for example Recycling Collection Reminders which accounts for 70 per cent of all outgoing posts throughout the 2022/23 year and in which the content does not change. We have also aligned messaging to best practice which allows the reader to get the key message in the least possible clicks. This means many would understand the message at the notification stage rather than clicking through to create an impression.
We showcase how we're building champion communities.	Overall percent of respondents to residents' perception survey who have pride in their district <sup>10</sup> .	53 per cent	≥75 per cent	52 per cent	The reduction from 53 per cent in the prior year is not considered significantly different by the research provider. Overall, the majority of residents remain proud to live in the district with 52 per cent of residents scoring the question a rating of 8-10.

<sup>8</sup> Traditional Media includes Television, Radio, Print, and Websites

<sup>9</sup> Impression rate is the number of unique devices that have displayed the posts published via Antenno

<sup>10</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council an 8-10 on the ten-point survey scale. Full working of question: "How proud do you feel to be able to say that you live in this district?".

### Planning and Regulatory | Animal Control

What you can expect from us	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
Animal control is managed in a way that ensures support is provided to both animals and the community in a timely manner.	The percentage of urgent dog attack allegations acted upon within one hour of Council being notified. <sup>11</sup>	100 per cent	≥95 per cent	100 per cent	Achieved.

### Planning and Regulatory | Building Compliance

What you can expect from us	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
We ensure that buildings, including earthquake-prone buildings, are safe and fit for purpose.	Building consent applications are processed within statutory timeframes. <sup>12</sup>	99.83 per cent	100 per cent	99.93 per cent	A total of 1,339 building consents were granted throughout the 2023/24 year, of which one application exceeded the statutory timeframe of 20 working days. The building consent was granted on day 21 due to a delay in confirmation of completion of a peer review by an external contractor. The team has since returned to full capacity, enabling peer reviews to be completed internally.

### Planning and Regulatory | Development Engineering

What you can expect from us	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
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<sup>11</sup> Urgent is defined as a dog attack on a human or other animal where the Council has been notified within 12 hours of the event. Acted upon is defined as a phone call or site visit.

<sup>12</sup> The Building Act 2004 states the time limit is “within 20 working days after receipt by the building consent authority of the application”.

We are responsive to enquiries and requests for information.	Enquiries are responded <sup>13</sup> to within 4 working days.	96.28 per cent	≥95 per cent	86.60 per cent	The Development Engineering team implemented improvements in managing enquiries early in 2024 and have achieved the target each month since doing so. This has not managed to sway the overall result for the year. However it is a promising start to the 2024/25 year.
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### Planning and Regulatory | Environmental Health

What you can expect from us	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
We ensure the public sale and supply of alcohol is undertaken safely and responsibly.	All premises that sell alcohol are licensed.	100 per cent	100 per cent	100 per cent	Achieved.
Noise and smoke control is provided to the community in a timely manner.	The percentage of excessive noise complaints investigated within 1 hour.	91.33 per cent	≥95 per cent	92.82 per cent	Contractor performance improved in the second half of the 2023/24 year, however there continued to be issues with the receipt of electronic reports. This appears to have been remedied after notification to the contractor, but jobs with no report are recorded as 'not attended' despite in many cases having been attended.
	The percentage of smoke complaints investigated within 1 hour.	100 per cent	≥95 per cent	89.29 per cent	There has been a total of 28 smoke complaints, of which 25 were investigated within the hour. Due to the small volume of calls received relating to smoke complaints, the overall result is easily swayed.
Food premises maintain a high level of food safety.	All premises that sell food to the public are registered.	100 per cent	100 per cent	98.49 per cent	This result is not uncommon at this time of year and is reflective of the delay which can occur in premises renewing their registration and paying the fee, or new operators completing registration.

<sup>13</sup> Responded to is defined as contact with the requestor (could include phone call or visit).

## Planning and Regulatory | Resource Consents, enforcement and land information memorandums

What you can expect from us	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
We process all applications within agreed timeframes.	The percentage of Resource Consents processed within statutory timeframes.	96.87 per cent	100 per cent	99.76 per cent	There has been a total of 493 resource consents processed year to date, of which 1 did not meet the statutory timeframe. One application exceeded the timeframe due to a change of processing officer; the handover was not adequate, and information was missed which led to delays in processing.
	The percentage of LIMs processed within statutory timeframes.	100 per cent	100 per cent	100 per cent	Achieved.
	The percentage of requests for general resource consent information and planning enquiries responded to within ten working days.	93.23 per cent	100 per cent	91.25 per cent	The Consents team are confident that customers were responded to on time, however this is a data entry issue in that the CRM's have not been updated to reflect the response in a timely manner. The importance of this action has been reinforced with staff.
We ensure we investigate compliance with the District Plan when requested.	We respond <sup>14</sup> to requests to check compliance of the District Plan and land use consents within 4 working days.	100 per cent	100 per cent	98.38 per cent	The results are skewed by the incorrect categorisation of CRMs throughout the year. The Enforcement team are confident that all requests to check compliance of the District Plan and land use consents have been responded to within the four working day timeframe. Classification criteria are being recomunicated to staff.
We complete the required safety inspections of swimming pools and associated barriers.	We will inspect 500 swimming pool fences per annum. <sup>15</sup>	318	500	584	Achieved.

<sup>14</sup> Responded to is defined as contact with the requestor (could include phone call or visit) or e-mail to the accused.

<sup>15</sup> The Building Act 2004 states - All swimming pools in the District must be inspected every 3 years from 1 January 2017.

## Community Services and Facilities | Parks and Reserves

What you can expect from us	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
Provision of an adequate network of multi-purpose open spaces which provide for passive and active recreation and sporting activities.	Percentage of residents who are satisfied with parks, reserves and open spaces <sup>16</sup> .	51 per cent	≥previous year result	53 per cent	Achieved.
	Percentage of residents who have utilised parks, reserves and open spaces in the last year <sup>17</sup> .	83 per cent	≥previous year result	81 per cent	While the result is slightly lower than the previous year the change is not significant, remaining in the 80 per cent - 84 per cent results range seen since 2020.
Provision of an adequate network of playgrounds which provide for safe and stimulating play.	Percentage of residents who are satisfied with playgrounds <sup>18</sup> .	48 per cent	≥previous year result	47 per cent	A number of playgrounds remain older style facilities which have limited appeal to older children. The replacement of these has been limited by reductions in renewal and level of service budgets.
	Percentage of residents who have utilised playgrounds in the last 12 months <sup>19</sup> .	43 per cent	≥previous year result	40 per cent	While the result is slightly lower than the previous year the change is not significant, remaining in the 37 per cent - 43 per cent results range seen since 2020. Additionally, customer expectations continue to sit at a level beyond Council's intended service levels.
Provision of an adequate and accessible network of public toilets which meets the needs of the community and visitors while minimising public health risks and environmental impact, in a way that is most cost effective.	Percentage of residents who are satisfied with public toilets <sup>20</sup> .	24 per cent	≥previous year result	28 per cent	Achieved.



Provision of accessible cemeteries and interment services which meets the needs of the community.	Percentage of residents who are satisfied with cemeteries <sup>21</sup> .	37 per cent	≥previous year result	39 per cent	Achieved.
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What you can expect from us	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment	
Provision of library facilities with sufficient resources and services which provide the necessary support for the communities' learning and leisure needs.	per cent of population who are active <sup>22</sup> library users	64.83 per cent	≥65 per cent	67.36 per cent	Achieved.	
	The number of walk-in library visitors per annum	Cambridge	50,681	102,000	80,351	The counter is a beam which reflects from one gate column to the other, therefore it is not able to provide accurate numbers where a group enters the facility in close proximity and the result obtainable is lower than the actual number of visitors. The gate column's primary purpose is security. Those attending library programme events are recorded separately.
		Te Awamutu	50,254	98,000	80,998	

<sup>16</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "How would you rate your overall satisfaction with each other the following facilities...Parks, reserves and open spaces?"

<sup>17</sup> From Waipā District Council Annual Resident Perception Survey result. Full working of question: "Which of the following facilities have you visited or used within the last year...Parks, reserves and open spaces?"

<sup>18</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "How would you rate your overall satisfaction with each other the following facilities...Playgrounds?"

<sup>19</sup> From Waipā District Council Annual Resident Perception Survey result. Full working of question: "Which of the following facilities have you visited or used within the last year...Playgrounds?"

<sup>20</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "How would you rate your overall satisfaction with each other the following facilities...Public toilets?"

<sup>21</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "How would you rate your overall satisfaction with each other the following facilities...Cemeteries?"

<sup>22</sup> Active – library card used in past 2 years

	Size of the Library collection compared to the LIANZA standard of 3 items per resident.	2.74	2.95 to 3.05	2.83	The number of items withdrawn from the Cambridge Library facility has been increased for health and safety reasons and space restrictions. As a result, it is not possible to safely expand the collection to align with the growing population.
	Percentage of customers who are satisfied with libraries <sup>23</sup> .	51 per cent	≥75 per cent	54 per cent	The most likely driver for not meeting the satisfaction target is the size, age and other limitations of the Cambridge Library facility, which make the library less user-friendly than it once was.
	Number of participants in library programmes.	17,328	≥previous year result	20,922	Achieved.

### Community Services and Facilities | Property Services

What you can expect from us	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
Council is responsive to community land and building-related service requests.	The median response time (hours) for an urgent <sup>24</sup> service request relating to land and buildings to be actioned.	Unable to measure	2 hours	0.67 hours	Achieved.
	The median response time (days) for a non-urgent <sup>25</sup> service request relating to land and buildings to be actioned.	Unable to measure	2 days	1.91 days	Achieved.

<sup>23</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council an 8-10 on the ten-point survey scale. Full working of question: “How would you rate your overall satisfaction with each other the following facilities...The district’s libraries?”.

<sup>24</sup> Urgent service requests defined as a health & safety or public safety issue.

<sup>25</sup> Non-urgent service requests defined as any other service request other than a health & safety or public safety issue.

Council is responsive to service requests relating to housing for the elderly.	The median response time (hours) for an urgent <sup>26</sup> service request relating to housing for the elderly to be actioned.	Unable to measure	2 hours	0.65 hours	Achieved.
	The median response time (days) for a non-urgent <sup>27</sup> service request relating to housing for the elderly to be actioned.	Unable to measure	2 days	0.94 days	Achieved.

### Community Services and Facilities | Heritage

What you can expect from us	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment	
The district's community and visitors are provided with appropriate opportunities to experience the district's heritage through interpretation, education and	The percentage of visitors surveyed who were satisfied with their Heritage Facility visit. <sup>28</sup>	96.3 per cent	95 per cent	98.31 per cent	Achieved.	
	Number of annual visitors to key Heritage sites.	Te Awamutu Museum <sup>29</sup>	2,920	≥5,500	6,058	Achieved.
		Pirongia Visitor Centre	2,580	≥2,500	2,670	Achieved.

<sup>26</sup> Urgent service requests defined as a health & safety or public safety issue.

<sup>27</sup> Non-urgent service requests defined as any other service request other than a health & safety or public safety issue.

<sup>28</sup> As identified through the Museum's survey questionnaire.

<sup>29</sup> Excludes school students visiting the museum as part of the LEOTC programme.

conservation delivered directly by Council and through partnerships.	Cambridge Museum	4,847	≥4,500	4,102	The Cambridge Museum was closed from June 2023 to December 2023 for seismic strengthening work, therefore visitor numbers have been affected.
	Lake Ngā Roto	38,559	≥previous year result	51,372	Achieved.
	Usage of Te Ara Wai Journeys website <sup>30</sup> .	10,842	≥previous year result	12,213	Achieved.
	The number of school students experiencing Heritage based through the LEOTC <sup>31</sup> programme.	1,776	4,400	4,452	Achieved.

### Community Services and Facilities | Public Swimming Pools

What you can expect from us	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
Safe and pleasant aquatic facilities are provided which offer a variety of casual and programmed activities which cater for the needs of the community.	Te Awamutu	77 per cent	≥80 per cent	80 per cent	Achieved.
	Cambridge	77 per cent	≥80 per cent	82 per cent	Achieved.
	Te Awamutu	130,659	120,000	132,409	Achieved.

<sup>30</sup> Number of individual Te Ara Wai Journeys website sessions.

<sup>31</sup> Learning Experience Outside the Classroom.

	The number of admissions per annum. <sup>32</sup>	Cambridge	147,625	130,000	162,331	Achieved.
	The percentage of compliance with water quality standards. (no. of tests compliant).	Te Awamutu	92.48 per cent	≥85 per cent	95.07 per cent	Achieved.
		Cambridge	96.54 per cent	≥85 per cent	94.15 per cent	Achieved.

### Community Services and Facilities | Waste Management and Minimisation

What you can expect from us	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
Provision of an effective waste minimisation education programme.	Number of face-to-face participants in the waste minimisation programme.	3,545	≥previous year result	1,518	The target of greater than prior year is unable to be achieved due to the 2022/23 Waste Management and Minimisation Plan consultation which drove a significant push in waste minimisation events.
Provision of a convenient kerbside recycling service.	Annual average quantity (kg) of recycled material per household. <sup>33</sup>	125.64	170 - 180	150.39	The average quantity (kg) of recycled material per household is below target due to excessive contamination. Temporary reduced contractor capacity has meant that regular audits were unable to be carried out for a period of time.
	Number of residents satisfied with the kerbside recycling service. <sup>34</sup>	35 per cent	≥previous year result	49 per cent	Achieved.

<sup>32</sup> Results previously provided as a combined total, now split by site.

<sup>33</sup> Household defined as: a property rated for recycling.

<sup>34</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale.

## Community Services and Facilities | Emergency Management

What you can expect from us	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
We remain suitably capable to provide a high level <sup>35</sup> response in the event of a Civil Defence Emergency.	Percentage scored in an emergency response annual evaluation exercise <sup>36</sup> .	66 per cent	≥previous year result	68 per cent	Achieved.

## Transportation

The service we provide	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
Roads and road usage is managed to reduce the risk of harm to users.	Number of annual crashes resulting in fatal and serious injuries on Waipā local roads (five-year average).	23.4 <sup>37</sup>	<prior year result	24.4	There is a small increase in the 5-year average fatal and serious crash number. While there may be ups and downs in individual years there is an increasing trend over the last 10 years, this is not unexpected as growth in population and traffic on roads increases exposure to crash risk.
	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. [M]	4 more	<prior year result	3 less	Achieved.

<sup>35</sup> High level is considered to be Advancing or Mature score. Scores are based on the CDEM Capability Scoring Guide & Capability level.

<sup>36</sup> Council will be assessed on the capability shown during the exercise and scored a percentage based on the CDEM Capability Scoring Guide & Capability level: Unsatisfactory = 0-20 per cent, Early Developing = 21-40 per cent, Late Developing = 41-60 per cent, Advancing = 61-80 per cent, Mature = 81-100 per cent.

<sup>37</sup> This differs from the result recorded in the 2022/23 Annual Report, the correction was identified through ongoing data cleansing.

The service we provide	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
Provision of road and footpath networks which support usability and user comfort both now and in the future.	The percentage of the sealed local road network that is resurfaced. <sup>38</sup> [M]	78.75 per cent	75 per cent - 120 per cent	74.09 per cent	Higher construction costs for road renewal works and the fixed budgets which are available has meant less resurfacing work can be completed. Other renewal activities, such as bridge renewals, have also received priority.
	The percentage of footpaths whose condition meets the desired minimum standard for condition. <sup>39</sup> [M]	98.78 per cent	≥95 per cent	99.01 per cent	Achieved.
	Length (km) of network which remains unsealed.	39.08km <sup>40</sup>	<prior year result	39.08km	Due to financial constraints, Council elected not to carry out seal extensions throughout the 2023/24 financial year.
	The percentage of vehicle kilometres travelled on smooth sealed local roads. <sup>41</sup> [M]	93 per cent	≥87 per cent	93 per cent	Achieved.
We are responsive to roading issues raised by the community.	The per cent of customer service requests relating to roads & footpaths within the time frame specified in the Long Term Plan. <sup>42</sup> [M]	92.62 per cent	≥90 per cent	95.86 per cent	Achieved.

<sup>38</sup> As compared to the average annual target set in the Asset Management Plan (82.6 centre line km per year).

<sup>39</sup> Full wording of mandatory measure is: The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan). For Council this is based on a five point scale (excellent, good, average, poor and very poor) the percentage will be the length of footpath recorded as average, good or excellent condition grade.

<sup>40</sup> This differs from the result recorded in the 2022/23 Annual Report, the correction was identified through ongoing data cleansing.

<sup>41</sup> Full wording of mandatory measure is: The average quality of ride on a sealed local road network, measured by smooth travel exposure. Note the road roughness and traffic count surveys were last completed in the 2022/23 financial year and includes updates on arterial and collector roads. Those results are used to determine the 30<sup>th</sup> June 2023 result.

<sup>42</sup> Full wording of mandatory measure is: The percentage of customer service requests relating to roads & footpaths to which the territorial authority responds within the time frame specified in the long term plan – 10 working days.

The service we provide	How we measure success		Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
Alternative transport options are available and user friendly.	Usage of the ratepayer funded passenger transport services	Bus <sup>43</sup>	172,685	>prior year result	203,701	Achieved. The significant increase is a result of the new bus timetable which provides additional services and came into effect April 2024.
		Total Mobility	3,291	>prior year result	5,206	Achieved.
	Length of dedicated cycling facilities within the road corridor <sup>44</sup>		40km	>prior year result	44.37km	Achieved.

## Stormwater

The service we provide	How we measure success		Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
Provision of a safe and reliable stormwater system which minimises flooding and environmental impact.	The number of complaints received about the performance of the stormwater system. <sup>45</sup> [M]		5.35	<10	2.86	Achieved.
	Compliance with the resource consents for discharge from	Number of Abatement notices [M]	0	0	0	Achieved.
		Number of Infringement notices [M]	0	0	0	Achieved.
		Number of Enforcement orders [M]	0	0	0	Achieved.

<sup>43</sup> Te Awamutu and Cambridge services to Hamilton.

<sup>44</sup> Defined as cycleways which are within the road corridor, but which are separate to the actual road, this includes cycleways which are designed to be shared by pedestrians and mobility device users.

<sup>45</sup> Full wording of mandatory measure is: The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.



The service we provide	How we measure success		Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
	the stormwater system. <sup>46</sup>	Number of Convictions [M]	0	0	0	Achieved.
	The number of flooding events in the district. <sup>47</sup> [M]		0	<5	0	Achieved.
	For each flooding event, the number of habitable floors affected. <sup>48</sup> [M]		0	<0.09	0	Achieved.
	The median response time (hours) to attend a flooding event from the time that notification is received. <sup>49</sup> [M]		No flooding events	2 hours	No flooding events.	Achieved.

### Wastewater Treatment and Disposal

The service we provide	How we measure success		Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
Provision of a safe and reliable system for the treatment and disposal of wastewater which	The number of dry weather sewerage overflows. <sup>50</sup> [M]		0.05	≤1	0.21	Achieved.
	Compliance with consents for discharge	Number of Abatement notices [M]	0	0	0	Achieved.

<sup>46</sup> Full wording of mandatory measure is: Compliance with the territorial authority’s resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices; and (b) infringement notices; and (c) enforcement orders; (d) successful prosecutions, received by the territorial authority in relation to those resource consents.

<sup>47</sup> Full wording of mandatory measure is: The number of flooding events that occur in a territorial authority district.

<sup>48</sup> Full wording of mandatory measure is: For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the territorial authority’s stormwater system).

<sup>49</sup> Full wording of mandatory measure is: The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.

<sup>50</sup> Full wording of mandatory measure is: The number of dry weather sewerage overflows from the territorial authority’s sewerage system expressed per 1000 sewerage connections to that sewerage system.

The service we provide	How we measure success		Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
minimises public health risks and environmental impact.	from the sewerage system. <sup>51</sup>	Number of Infringement notices [M]	0	0	0	Achieved.
		Number of Enforcement orders [M]	0	0	0	Achieved.
		Number of Convictions [M]	0	0	0	Achieved.
	The median response time for call-outs in response to a sewerage overflow. <sup>52</sup>	The time (hours) from notification for service personnel to reach the site. [M]	0.58 hours	2 hours	0.58 hours	Achieved.
		The time (hours) from notification that resolution of a blockage or other fault. [M]	2.89 hours	6 hours	1.75 hours	Achieved.
	The number of complaints received about any of the following: odour, system faults, blockages, and the response to any of these issues. <sup>53</sup> [M]		3.03	<10	3.00	Achieved.

<sup>51</sup> Full wording of mandatory measure is: Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (a) abatement notices, (b) infringement notices, (c) enforcement orders, (d) convictions received by the territorial authority in relation to those resource consents.

<sup>52</sup> Full wording of mandatory measure is: Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: (a) Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, (b) Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.

<sup>53</sup> Full wording of mandatory measure is: The total number of complaints received by the territorial authority about any of the following (expressed per 1000 connections to the territorial authority's sewerage system): Sewerage odour, sewerage system faults, sewerage system blockages, territorial authority's response to issues with its sewerage system.

## Water Treatment and Supply

The service we provide	How we measure success			Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
Provision of potable water within specified areas via a safe and reliable treatment and supply system.	The extent to which the local authority's drinking water supply complies with the drinking-water standards. <sup>54 55</sup>	Water Treatment Plants – compliance with bacteriological criteria [M]	Alpha Street	C	C	C	Achieved for months of operation. The plant is intended as a secondary production source to supplement the main sources during months of higher demand and therefore it was not in operation for eight months of the year.
			Frontier Road	C	C	C	Achieved for months of operation. The plant is intended as a secondary production source to supplement the main sources during months of higher demand and therefore it was not in operation for five months of the year.
			Karāpiro	C	C	C	Achieved.
			Parallel Road	C	C	C	Achieved.
			Rolleston Street	C	C	C	Achieved.
			Te Tahi	C	C	C	Achieved.
	Water Treatment Plants –	Alpha Street	C	C	C	Achieved for months of operation. The plant is intended as a secondary production source to supplement the main sources during months of higher	

<sup>54</sup> Full wording of mandatory measure is: The extent to which the local authority's drinking water supply complies with: (a) part 4 of the drinking water standards (bacteria compliance criteria); and (b) part 5 of the drinking water standards (protozoal compliance criteria).

<sup>55</sup> The Drinking Water Standards 2005 (revised 2018) were the operable regulatory rules for drinking water suppliers up until 15 November 2022. At that point, the new Drinking Water Standards 2022, Drinking Water Quality Assurance Rules 2022, and Drinking Water Aesthetic Values 2022 became operable under the new regulatory body, Taumata Arowai. The treatment plants and schemes within Waipā are deemed large supplies and subject to level 3 Bacterial, Protozoal and Distribution Zone reporting – therefore no change to the current reporting criteria has occurred between the change in regulatory rules. It is noted that across both the Drinking Water Standards 2005 (revised 2018) and the Drinking Water Quality Assurance Rules 2022, Council has maintained all schemes as compliant, the result above is reflective of continuous compliance throughout the financial year.

The service we provide	How we measure success		Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
	compliance with protozoal criteria [M]					demand and therefore it was not in operation for eight months of the year.
		Frontier Road	C	C	C	Achieved for months of operation. The plant is intended as a secondary production source to supplement the main sources during months of higher demand and therefore it was not in operation for five months of the year.
		Karāpiro	C	C	C	Achieved.
		Parallel Road (Membrane Plant)	C	C	C	Achieved.
		Rolleston Street	C	C	C	Achieved.
		Te Tahi	C	C	C	Achieved.
	Network zones – compliance [M]	Cambridge	C	C	C	Achieved.
		Kihikihi	C	C	C	Achieved.
		Maungatautari	Not Applicable	C	Not Applicable	No longer active.
		Ōhaupō	C	C	C	Achieved.
		Pirongia	NC	C	C	Achieved.
		Pukerimu Rural	C	C	C	Achieved.
		Te Awamutu	C	C	C	Achieved.

The service we provide	How we measure success		Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
Provision of wholesome potable water within specified areas via a safe and reliable treatment and supply system	Median response time for call-outs in response to a fault or unplanned interruption to the network. <sup>56</sup>	Attendance for urgent call-out from the time of notification. (hours) <sup>57</sup> [M]	0.26 hours	2 hours	0.27 hours	Achieved.
		Resolution of urgent call-outs from the time of notification (hours). <sup>58</sup> [M]	1.14 hours	6 hours	1.20 hours	Achieved.
		Attendance for non-urgent call-outs from the time of notification (days) <sup>59</sup> [M]	0.70 days	2 days	0.88 days	Achieved.
		Resolution of non-urgent call-outs from the time of notification (days) <sup>60</sup> [M]	0.80 days	10 days	0.97 days	Achieved.
	The total number of complaints received about any of the following: Drinking water clarity, taste, odour, pressure or flow, continuity of supply, and the response to any of these issues. <sup>61</sup> [M]		10.78	<15	13.63	Achieved.
Water supply and demand is managed to	The percentage of real water loss from the	Cambridge & Karāpiro	6 per cent	<12 per cent	9 per cent	Achieved.

<sup>56</sup> Full wording of measure is: Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response time measured.

<sup>57</sup> Full wording of mandatory measure is: Attendance for urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

<sup>58</sup> Full wording of mandatory measure is: Resolution of urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.

<sup>59</sup> Full wording of mandatory measure is: Attendance for non-urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

<sup>60</sup> Full wording of mandatory measure is: Resolution of non-urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.

<sup>61</sup> Full wording of the measure is: The total number of complaints received by the local authority about any of the following (expressed per 1000 connections to the local authority's networked reticulation system): Drinking water clarity, drinking water quality, drinking water taste, drinking water odour, drinking water pressure or flow, continuity of supply, the local authority's response to any of these issues.

The service we provide	How we measure success		Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
ensure prudent use of water.	networked reticulation system. <sup>62 63</sup> [M]	Te Awamutu & Pirongia	14 per cent	<12 per cent	8 per cent	Achieved.
		Kihikihi	24 per cent	<20 per cent	8 per cent	Achieved.
		Ōhaupō & Pukerimu	19 per cent	<20 per cent	20 per cent	Due to a fault in the flow meter, the leakage rates may be overestimated in the year end result. The flow meter was replaced in November 2023 to ensure accuracy in the data moving forward.
	The average consumption of drinking water per day per resident. <sup>64</sup> [M]	Cambridge & Karāpiro	175	190	189	Achieved.
		Te Awamutu & Pirongia	175	190	175	Achieved.
		Kihikihi	168	190	194	There have been some large leaks which occurred on private residential properties. The 2023/24 summer reached higher temperatures than the prior year which is also a likely contributor to the increase in consumption.
		Ōhaupō & Pukerimu	171	190	210	Due to a fault in the flow meter, the leakage rates may be overestimated in the year end result. The flow meter was replaced in November 2023 to ensure accuracy in the data moving forward.

<sup>62</sup> Full wording of the mandatory measure is: The percentage of real water loss from the local authority’s networked reticulation system.

<sup>63</sup> Water loss calculations determine any ‘unknown’ water usage, this includes any illegal hydrant takes/theft, or any leakage.

<sup>64</sup> Full wording of the mandatory measure is: The average consumption of drinking water per day per resident within the territorial authority district.

### Support Services | Information services

The service we provide	How we measure success	Actual for 2022/23	Target for 2023/24	Actual for 2023/24	Comment
The online services Council provides are reliable.	The Council website and online forms have an availability uptime of 99 per cent <sup>65</sup> .	100 per cent	≥99 per cent	99.99 per cent	Achieved.

### Support Services | Customer Support

The service we provide	How we measure success	Actual for 2021/22	Target for 2022/23	Actual for 2022/23	Comment
The community has enquiries completed at first resolution provided by Customer Support.	Percentage of query calls received by Customer Support resolved at the time.	92.02 per cent	≥80 per cent	81.93 per cent	Achieved.
	Percentage of walk-in queries received by Customer Support resolved at the time.	98.22 per cent	≥90 per cent	100 per cent	Achieved.
The community has a positive experience when contacting Council.	Percentage of respondents to residents' perception survey who are satisfied with how their enquiry or complaint has been handled <sup>66</sup> .	36 per cent	≥previous year result	41 per cent	Achieved.

<sup>65</sup> www.Waipadc.govt.nz and eservices.Waipadc.govt.nz sites only.

<sup>66</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "Overall, how satisfied are you with how your complaint or query was handled?"

## 6.10 SERVICE PERFORMANCE JUDGEMENTS AND ASSUMPTIONS

In the preparation of the Statement of Service Performance, Waipā District Council has made the following judgements in the selection of our performance measures:

- We have reflected on the extent to which the levels of service we plan to provide to the community were best captured by performance measures.
- Considerations have been given to the views expressed by our residents and ratepayers. This includes feedback relevant to the levels of service and performance measures received throughout the LTP consultation process.
- We have ensured that the performance measures adequately inform progress towards delivering the outcomes in our LTP.

Under the Local Government Act 2002 we are mandated to provide standard performance measures so that the public may compare the level of service provided in relation to the following group of activities: Governance, Planning and Regulatory, Community Services and Facilities, Transportation, Stormwater, Wastewater Treatment and Disposal, Water Treatment and

### Material judgements have been applied as follows:

#### Survey

To measure the quality of our outputs we also use a resident perception survey throughout the year, which enables a comparison across Council of the impacts on residents’ satisfaction with council services, leadership, financial management and value for money.

The survey is designed and supplied by external research experts Key Research, based on best practice in survey design. The survey has been designed to measure changes in perceptions over time. For example, questions are written so they are clearly understood by participants and neutral in tone; and response options are designed so they are balanced, do

not lead participants to respond in a certain way and cover all possible responses a participant may wish to provide. In addition, the questionnaire is regularly reviewed to ensure best practice and fit for purpose

Supply and Support Services. We are also required to demonstrate regulatory compliance for statutory measures, such as percentage of both Building Consent and Resource Consent applications processed within 20 statutory days.

Further to the above judgements being made in the selection of performance measures, we also apply judgements in the measurement, aggregation, and presentation of service performance information. To determine the number of performance measures to monitor and report on we have considered the information needs of our communities, the costs and benefit of these, practical feasibility, and the requirement to provide performance information across the full breadth of services that the council provides.

As part of setting funding levels, the group has considered the impact on services and their related performance measures. The targets for performance measures have been set considering current levels of services and any changes that may occur in levels of service over the duration of the ten years depending on funding levels.

The survey is conducted via mixed method of data collection consisting of a postal invitation to an online survey, with a hard copy survey back up. Sample selection is based on a random selection from the Electoral roll since this conforms most closely with the ideal of each member within the population having an equal probability of selection, thereby minimising the opportunity of bias.



At an aggregate level, the survey has an expected 95 per cent confidence interval (margin of error) of +/-4.2 per cent. Statistical significance testing uses a 95 per cent confidence interval.

**External implications for statements about performance**

There are conditions that affect the service performance results and may result in a variation from the anticipated or forecasted results. These are ones which are outside the control of the group. Examples of this are, but not limited to, changes in government policy in New Zealand, changes in international travel restrictions, global and domestic economic conditions

and international policy that may impact areas such as recruitment, availability of material and supplies (for example, materials required for critical infrastructure), volatility in international financial markets and other unforeseen considerations.

## **PART 7 - TĀ MĀTOU HAUTŪTANGA, Ō TĀTOU TĀNGATA / OUR LEADERSHIP AND PEOPLE**

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### **In this section**

This section describes the Council's democratic and corporate governance arrangements and presents information relating to our elected members, committees, groups and business units, organisational structure and staff.

## 7.1 TE KAUNIHERA O WAIPĀ / OUR COUNCIL

Te Kaunihera o Waipā | Waipa District Council is made up of the Mayor and 11 Councillors, one of whom serves as Deputy Mayor.

Along with all local authorities in New Zealand, the Council is elected every three years. The

Mayor is elected 'at large', meaning by all the district's residents who are eligible to vote. The Councillors are elected by voters from their respective geographical areas (wards). The Deputy Mayor is appointed by the Mayor.

The 2022 local government elections were held on 8 October 2022 and included the introduction of a Māori Ward, a first for Waipa.

## 7.2 HOW DECISIONS ARE MADE

**[Note that this and following sections of the document reflects the governance structure and appointees in place during the 2023/24 financial year]**

### **Strategic Planning & Policy Committee**

Full Council and a Te Kānohi member, Bill Harris

Chair: Deputy Mayor Stolwyk

Deputy Chair: Councillor Montgomerie

Purpose: To oversee the development and implementation of liveable spaces in our communities, with a focus on the promotion of the social, economic, environmental and cultural well-being of communities. To oversee the development and implementation of Council's plans (including long term, annual plans and district plan), bylaws, strategies and policies and where appropriate, with the exception of the district plan, to act as Council's

hearings committee for consultation submissions in relation to these. To oversee the development and monitoring of strategy and policy associated with climate change activity and affordable and/or social housing initiatives.

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### **Finance & Corporate Committee**

Full Council

Chair: Councillor A Brown.

Deputy Chair: Councillor Thomas

Purpose: To undertake Council's corporate and governance functions specifically in relation to financial and non-financial reporting, financial and treasury policies and arrangements, insurance arrangements, property management and Council Controlled Organisations.

### **Service Delivery Committee**

Full Council and a Te Kānohi member, Hinerangi Kara

Chair: Councillor St Pierre

Deputy Chair: Councillor Pettit

Purpose: To have responsibility for overseeing Council's infrastructure work programme, asset management planning and levels of service in relation to the service delivery areas of Transportation and Waste Minimisation and Management, Road Asset Technical Accord, Water Services and Community Services, including the consideration of regional integration of services.

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### **Regulatory Committee**

Councillor Gower, Councillor St Pierre, Deputy Mayor Stolwyk, Councillor L Brown, Councillor Gordon and a Te Kanohi member, Thomas Lord

Chair: Councillor Gower.  
Deputy Chair: Councillor St Pierre

Purpose: To manage the regulatory aspects of Council's business, in particular in relation to the Resource Management Act 1991, and to oversee Council's emergency management functions.

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#### **Audit & Risk Committee**

Mayor O'Regan, Councillor A Brown, Councillor Gordon, Councillor Montgomerie, Councillor L Brown (appointed 28 February 2023) and independent chairperson Bruce Robertson.

Independent Chair: Bruce Robertson.

Purpose: To provide independent assurance and assistance to the Waipa District Council on Council's risk, control and compliance framework, and its external accountability responsibilities.

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#### **Te Ara Wai Governance Committee (discharged 27 March 2024 )**

Mayor O'Regan, Councillor A Brown, Councillor DM Morgan , Deputy Mayor Stolwyk, Lee-Ann

Muntz, Paraone Gloyne, Puawai Cairns (resigned 20 January 2023) and Glenda Taituha.

Chair: Councillor A Brown

Purpose: To provide a governance and strategic overview for the establishment of Te Ara Wai.

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#### **District Licensing Committee**

Ross Murphy, Patsi Davies, Michael Cameron, Roy Johnstone, John Gower, Councillor Gower.

Commissioner (Chair): Sara Grayson  
Commissioner; Alternate Commissioner – Tegan McIntyre.  
Deputy Chairperson: Councillor Gower.

Purpose: To consider and determine applications for licences, managers certificates, renewal of licences and managers certificates, temporary authorities and other matters pursuant to section 187 of the Sale and Supply of Alcohol Act 2012.

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#### **Pirongia Ward Committee**

Councillor Thomas, Councillor St Pierre, Ruth Webb (Pirongia representative) , Alan Rawlings until April 2024 then Elizabeth Eden (Te Pahu representative), Haupai Puke until April 2024 and then Tai Huata (Purekireki Marae representative), Janet Williams (Koromatua representative) , Andrew Reymer (Ohaupo

representative) , Jan Thomas (Ngahinapouri representative)

Chair: Councillor St Pierre.

Purpose: To allocate funds, to consider the draft annual plan and to perform similar representative functions as the community boards, and to manage the three reserves known as Franklin Street, Rangimarie and Te Ngahere reserves.

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#### **Chief Executive Performance Management Committee**

Mayor O'Regan, Deputy Mayor Stolwyk, Councillor St Pierre, Councillor A Brown, Councillor Montgomerie.

Chair: Mayor O'Regan.

Purpose: To conduct the reviews of the performance of Council's Chief Executive and make recommendations to Council.

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#### **Maungatautari Reserve Committee**

Councillor Montgomerie, Councillor Gordon, Councillor Coles, Councillor Morgan, Te Hiiri Taute (Pohara Marae representative), Poto Davies (Maungatautari Marae representative), one representative from Ngāti Haua (vacant), Geoff Canham (consultant), Helen Hughes (Maungatautari Ecological Island Trust

representative), one representative from the Department of Conservation (vacant) and Bruce Clarkson (representative from the Waikato Regional Council), [Landowners to be appointed once available].

Chair: Councillor Montgomerie.

Purpose: To facilitate Council’s role in relation to the administration and management, including co-governance and management of the Maungatautari Reserve in accordance with the requirements of the Reserves Act 1977, reserve management issues as they relate to the reserve and to the ecological island project, and to oversee the services of MEIT for day-to-day management of the enclosures and to oversee the Reserve Management Plan for the reserve.

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**District Promotions Sub-Committee**

Councillor Gower. Deputy Mayor Stolwyk, Councillor St Pierre, Councillor Gordon, Merv Gyde, Kevin Burgess

Chair: Councillor Gower.

Purpose: Make allocation decisions in respect of Council’s District Promotions Fund and Community Event Fund.

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**Housing Sub-Committee**

Mayor O’Regan, Councillor Gordon, Councillor St Pierre, Councillor A Brown, Deputy Mayor Stolwyk

Chair: Deputy Mayor Stolwyk

Purpose: To advise the Strategic Planning & Policy Committee in regard to any matters associated with the Council’s provision of

‘Housing for the Elderly’ and/or any ‘Affordable and Social Housing’ initiatives in Waipā district.

**Sustainability and Climate Change Sub-Committee**

Mayor O’Regan, Councillor Gordon, Councillor St Pierre, Councillor Morgan, Councillor Coles

Chair: Councillor Montgomerie

Purpose: The purpose of the Sustainability and Climate Change Sub-committee of the Strategic Planning and Policy Committee (‘the Committee’) is to oversee, review and report to the Committee on the development, implementation and review of Council’s strategies, policies, plans, programmes, initiatives and indicators for sustainability and climate change mitigation and adaptation.

## 7.3 OPPORTUNITIES FOR COMMUNITY INVOLVEMENT IN DECISION MAKING

### The community had their say

During the 2023/24 year, we ran 13 engagement projects:

- Ahu Ake – World Café
- Lake Ngā Roto Recreation Reserve Management Plan review
- 2024/25 Enhanced Annual Plan
- Proposed Fees and Charges 2024/25
- Gambling in Waipā
- Pirongia halls user survey
- Playground data project
- Dangerous, Affected and Insanitary Buildings Policy review 2023
- Cambridge Connections – our future transport plan
- Leamington Domain Masterplan
- Hiskens Reserve and Kings Garden playground survey
- Waipā's alcohol policy and bylaw's review
- Pirongia skatepark

### 2023/24 Annual Plan

In March, we paused on the Long Term Plan and pursued an Enhanced Annual Plan for the 2024/25 financial year.

Like with many other local authorities, the re-inclusion of three waters had a major impact on the council's level of debt and the debt metrics.

The extra time between then and adopting a Long Term Plan in the 2025/26 year was expected to bring more clarity on the Government's plan for the future of water service delivery, and potentially the further development of other funding and finance options.

A 'back to basics' Enhanced Annual Plan confirming an average rates rise of 14.8 per cent was adopted by Council.

The rates increase is the same as originally signalled in December, despite some changes being made after hearing submissions from the community. We had to dig deep to find savings and to strike a balance between meeting the costs of necessary renewals and maintenance, and planning for the future.

Those challenges are likely to continue for some time yet, and we've had to make some tough calls, which included putting some major community projects on hold and making significant cuts to discretionary funding.

There had been a good level of response during consultation with 292 submissions received and 30 people sharing their views in person during hearings.

### Social media, online and in-person

We have grown our connections and encouraged our people to have their say through our online, customer services and in-person interactions.

Our Council Facebook following is on the rise with an increase of 9.27 per cent for the year, up to 13,986. Our estimated reach (the number of people who saw content from our page or about our page) sat at just over 470,000. A tough call was made to turn comments off on information only posts. We welcome healthy debate but what we have seen is an uprising of disrespect towards staff and, most recently, between the community itself.

We saw an increase in the number of residents downloading the Antenno. The app, that delivers Council messages right to your phone and provides an opportunity for residents to report issues, has grown to 9933 app installations – of which we received 1977 reports.

Our community page, Waipā Home of Champions has an estimated reach of 46,000 with just over 5,000 followers.

Waipā \_NZ has reached 2,024 followers, and with a keen focus on growing our community wellbeing and participatory focus, we will be investing our efforts into this and other platforms into the future. LinkedIn followers have increased by 30.33 percent to 3,712.

With all social media channels, resource and constant investment is key to success.

Now, more than ever, we are connected to our community. Whether it be via in person conversations onsite or in our spare time, over the phone, via email, social media or Antenno – we live in a time where being connected is crucial. It is important for us to keep building and nurturing these connectives positively for everyone involved.

### **New ways to engage and analyse feedback**

Effective and accessible community engagement helps us build trust with our residents. It improves the quality of decision-making, and helps create policies, strategies and projects that better reflect the needs and desires of our people.

Engagement has the ability to also foster a sense of ownership, and responsibility among our communities, encouraging active participation in local governance.

Waipā residents and ratepayers now have a new, easier way to have their say with the launch of our engagement website in November 2023.

The website ([haveyoursay.waipadc.govt.nz](https://haveyoursay.waipadc.govt.nz)) aims to improve the way we connect with the community using engaging tools like easy-to-follow surveys, interactive maps, and project timelines. Getting feedback from our community is incredibly important, and we want to make sure people can have their say in the easiest way possible.

In its first seven months, the site has received more than 21,000 views - the number of times a Visitor views any page on a Site. This led to 1,832 contributions, the total number of responses or feedback.

Along with the front-end experience, a back-end reporting tool is also in place to support staff in collating and analysing the feedback for elected member decision-making.

Residents can still have their say through other channels such as hardcopy submission forms and in person.

## 7.4 MĀORI INVOLVEMENT IN DECISION MAKING

Council fosters the development of Māori capacity to contribute to decision making by working within the 'Policy for liaison with Māori and Joint Management Agreements' and continuing to support the representative structure already put in place through Ngā Iwi Tōpū o Waipā. The Iwi Consultative Committee which was in place in the previous triennium has not yet been reconvened, pending the development of a Tangata Whenua Partnership Framework that is currently underway.

Council's objectives (as captured in the Policy referenced above) are:

- Council is committed to ongoing development of the capacity of Māori to contribute to Council's decision-making processes.
- Council is committed to decision-making processes that are robust, effective and transparent.

Council has an arrangement with Ngā Iwi Tōpū o Waipā, for the purpose of reviewing resource consent applications and considering other matters of significance. This arrangement recognises the mandate Ngā Iwi Tōpū o Waipā has in acting on behalf of most iwi and hapū of the district.

## 7.5 COMMUNITY BOARDS

Waipa has two Community Boards and their role is to act as an advocate for their communities on council matters. The community boards are governed under the provisions of Local Government Act 2002. The community board meetings, held monthly, also have a public forum for members of the public to come and talk to them about concerns or ideas for the community. The

### Cambridge Community Board

The Cambridge Community Board covers the Cambridge and Maungatautari subdivisions.

In May 2021 Council voted to establish a Māori Ward with one member from the 2022 local elections. Cr Dale-Maree Morgan was elected in 2023.

Te Kanohi representatives with voting rights have also been provided for on the Strategic Planning and Policy, Regulatory, and Service Delivery, Committees of Council.

Council also has Joint Management Agreements in place with the Waikato-Tainui Trust Board, Te Nehenehenui Trust (formerly the Maniapoto Māori Trust Board) and the Raukawa Settlement Trust. We also have co-management responsibilities for some reserves through the Ngāti Koroki Kahukura Reserves Joint Management Board now known as Ngā Pae Whenua and with Ngāti Hauā for the Pukemako Reserve.

Council will continue to work together with Mana Whenua and Iwi as we move forward. Council puts priority on maintaining relationships with Mana Whenua and Iwi and other key stakeholders to ensure that we successfully deliver on our vision to build connected Waipā communities.

community boards have delegations from council to carry out duties including sister cities relationships (Cambridge) and to distribute the Waipa Community Discretionary Fund to community groups and organisations that apply for small projects.

### Te Awamutu and Kihikihi Community Board

The Te Awamutu and Kihikihi Community Board covers the Te Awamutu and Kakepuku subdivisions.



## 7.6 OUR ORGANISATION

Our Chief Executive, Garry Dyet (retired July 2024, with Stephanie O’Sullivan commencing in the role August 2024), is appointed by Council to manage Council operations and lead

the Council’s administrative organisation. The Chief Executive is legally responsible for employing the staff required to carry out the responsibilities of Council. The number of staff,

their positions and the organisational structure is determined by the Chief Executive. Our organisational structure is based around six groups led by Group Managers.

Our six business groups are:

- Business Support
- Customer and Community Services
- District Growth and Regulatory Services
- Strategy
- Service Delivery
- Human Resources



**Ken Morris**  
Deputy Chief Executive  
Group Manager Business Support



**Sally Sheedy**  
Group Manager Customer and  
Community Services



**Wayne Allan**  
Group Manager District Growth  
and Regulatory Services



**Kirsty Downey**  
Group Manager Strategy



**Dawn Inglis**  
Group Manager Service Delivery



**Stephanie Shores**  
Group Manager Human Resources

Our Chief Executive is responsible for:

- advising the Mayor and Councillors on policy matters
- making sure that any strategy and policy the Council adopts is correctly carried out
- and ensuring that our organisation is all heading in the same direction in supporting the realisation of Council’s vision and community outcomes.



**Stephanie O’Sullivan**  
Chief Executive - Current



**Garry Dyet**  
Chief Executive

## 7.8 THE WAY WE DO THINGS / OUR VALUES

**Our values and Pou Tātaki - At Waipā District Council we are guided by a set of values that help shape who we are and what we stand for.**

At Waipā our people are guided by a set of values that help shape who we are and what we stand for. Pou Tātaki is our organisational charter based upon our values. It makes the link between the work we do and how we do it. It provides us with clear expectations and tools to help us make good decisions and do the right thing for ourselves, each other and the community we serve.

Pou Tātaki and Our Values help guide our strategic and operational decision-making and set clear standards for how we represent our Council and interact with each other, our community and customers. Together they help us do great work. These values help us do great work so that we can deliver on our vision for Waipa to be the 'Home of Champions – Building Connected Communities'.

## 7.9 MŌ Ō TATOU TĀNGATA / IT'S ALL ABOUT OUR PEOPLE

To achieve our vision to be the 'Home of Champions – Building Connected Communities' we need great people. At Waipā District Council we are a proud and diverse<sup>[1]</sup> workforce who are supported to thrive, grow and succeed.

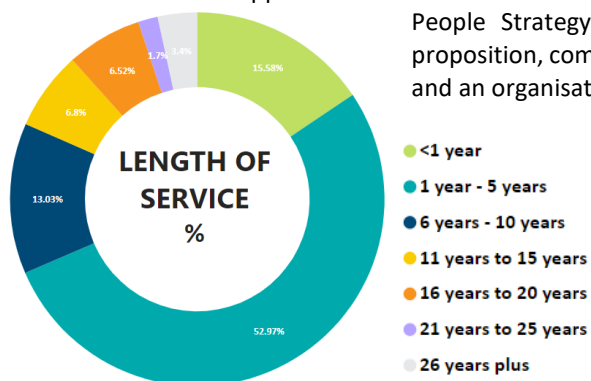
### Health, Safety and Well-being

In order to serve our communities, we need to ensure our people are safe and well. Our value of 'Being Safe and Well Matters' focuses us on having strong health and safety practices in place and ensuring the well-being of our staff both in and out of the workplace. Staff across the organisation are supported by an effective Health and Safety Committee with staff representatives from each business unit. The committee focuses on the continuous improvement of Council's safety practices. Our staff engagement survey shows high staff engagement in Health and Safety. Several initiatives are underway to further elevate our H&S performance.

Wellbeing is supported by a number of initiatives implemented to date including webinars, my everyday wellbeing messaging, and supporting National events. The Mental Health Awareness Week and Pink Shirt Day were well supported across Council and are now annual fixtures in the calendar.

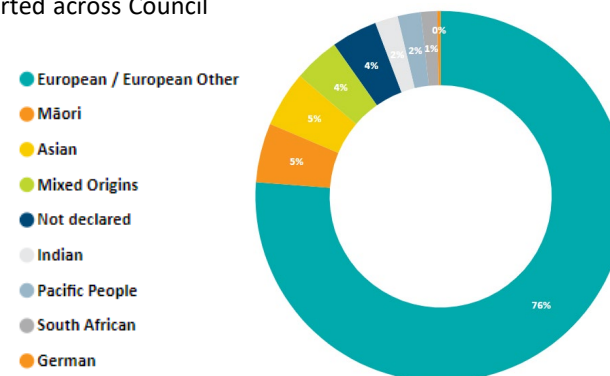
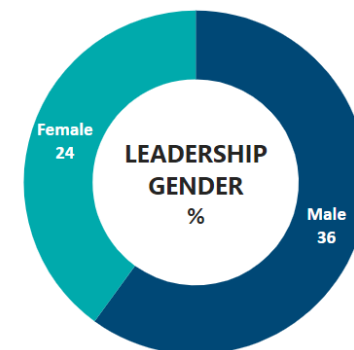
### Staff Engagement

Council's yearly staff engagement survey was completed with the results showing strong engagement across staff, an average organisation score of 74 per cent, well above the industry average. The survey received an amazing 85 percent response rate. The results are used to inform internal strategic priority areas for the forward year and specific team actions are included in yearly business plans. This year's results indicated support for the initiatives that the Human Resources team is focusing on as part of their People Strategy, ensuring Council has a strong employee value proposition, competitive and fit for purpose remuneration framework and an organisation wide wellbeing framework.



### Learning and Development

A priority is on supporting the growth and development of our staff. Council continues to embed the learning management system implemented in 2021 to provide learning opportunities, including e-modules across the workforce. Various e-learning modules have been delivered to date ranging from topics such as our values, risk management and Council's duress processes. Leadership Training continues, building the capability of people leaders across Council. A strong emphasis remains on increasing staff knowledge of Tikanga practices with elements of onsite learning and an offsite marae visit.



<sup>[1]</sup> Ethnicity as identified by employees during recruitment.

## 7.10 MANAGING OUR RISKS

**Council has a strong risk management framework in place with a number of components that provide assurance that Council is managing its risks appropriately.**

### Our top risks

Every year the Audit and Risk Committee, Councillors and the Leadership Team review and agree on a set of top risks, those risks that may stop Council from achieving its key strategic objectives. They also detail where Council will and will not take risk. These are actively managed throughout the year and their status reported to Council’s Audit and Risk Committee on a quarterly basis. These top risks are supported by Council’s risk appetite statement which outlines at a risk portfolio level the amount of risk Council is prepared to accept in pursuit of its objectives.

### Business Resilience

Business Resilience is the ability of an organisation to adapt and respond to risks and new circumstances. It in turn supports community resilience. Business Continuity, Crisis Management and Emergency Management are individual disciplines which interconnect, supporting each other. Combined they provide the basis for Business Resilience here at Council. Council has an established and tested Crisis Management model. The model has been effectively used to manage our internal response to various incidents through the year to ensure the continued delivery of services to the community. All of these disciplines are

underpinned by strong risk management practices.

Council has strengthened its resilience in information technology and response planning for threats in the cybersecurity space with regular exercises and audits to validate these plans.

### Audit and Risk Committee

Council’s Audit and Risk Committee was established in 2015 and meets on a quarterly basis chaired by an independent external appointee. The general objective of the Audit and Risk Committee is to assist and advise Waipā District Council on its responsibility and ownership for enterprise risk management, Council’s control and compliance framework, and its external accountability responsibilities.

### Internal audit programme

Council has a comprehensive internal audit programme in place, managed by the Group Manager Business Support and overseen by the Audit and Risk Committee. A comprehensive plan of strategic internal audits has been completed over a range of functions. The purpose of each audit is to ensure Council has the right balance of internal controls for our key processes and improves its maturity in key business functions over time. Each audit

evaluates the effectiveness of the controls and provides recommendations as to how Council could improve. Follow up audits are also conducted to ensure that the improvements recommended have been successfully implemented and Council has matured in key function areas. In future the strategic audit programme will be complemented by an internal assurance programme delivered in house.

This year Council has moved to a new model of utilising our internal auditors for a reduced strategic audit programme and implementing a new Internal Assurance role to complete review of controls at an operational level. Council has adopted the three lines model to assure appropriate internal controls and audit at each level. The new role has an advisory/education component as well as completing an internal audit programme.

Council currently has ten multi-year programmes underway in various stages including business resilience and risk management, compliance management, activity management planning, project management, building and resource consents and development contributions fees and charges, climate change governance and treasury management.

A follow up audit of legislative compliance management showed considerable improvement in maturity and practices.

## 7.11 STRIVING TO IMPROVE

**Aligned with our values Council is continually looking at ways to improve performance on behalf of the community. Seeking to find new ways to improve both the effectiveness and efficiency of Council remained the focus of a number of internal priorities for the year. Below are several highlights.**

### Digital Capability

Council continued the delivery of its 'Digital Roadmap' with the objectives of enhancing digital capability in response to growing digital customer experience expectations and the objectives of creating efficiencies, lowering the cost of interactions and reducing risk due to business disruption. Highlights included the implementation of Council's Digital District Plan (Waipā e-Plan), a streamlined digital parking enforcement solution, new consultation software, asset management software and an integrated payroll system. Waipā's staff digital literacy program continued to support staff to thrive in a digital based world.

### Council's Carbon Footprint

A comprehensive baseline of Council's carbon footprint continues to be monitored on an annual basis. Staff from across Council are part of a working group to drive the implementation of the Climate Change Governance Improvement Programme Plan. This is supported by a newly established Sustainability and Climate Change Sub Committee. Council's

fleet renewal programme has also resulted in the inclusion of 8 EVs and 21 Hybrid vehicles; 27 per cent of the fleet is now low or no carbon emission vehicles.

### Policy and Bylaws

Council continued its program of reviewing external policies and bylaws. During the 2023/24 year, significant work was progressed on the review of the Local Alcohol Policy, Alcohol Control Bylaw and Alcohol Fees Bylaw. The Gambling Policy and Dangerous, Affected and Insanitary Building Policy reviews were completed.

A number of internal policies were also reviewed including; Managing Our Sensitive Expenditure, Protecting Against Fraud & Corruption, Using our Corporate Credit Card and Acceptable Use for Information Services.

### Staff Engagement

Council's yearly staff engagement survey was completed with the results showing strong and maintained levels of engagement across staff despite another challenging year. The survey

received an 85 percent response rate. The results are used to inform internal priority areas for the forward year; in particular to contribute to the delivery of Council's people strategy.

### Procurement

Council continued to improve its procurement practices and evolve its approach over the last year to ensure that we are addressing the current market issues in a way that will make Council a client of choice. We continue to improve our contract management processes and regularly review our supporting documentation for staff.

We have engaged with our key contractors and include weightings in our evaluations that recognise those contractors who demonstrate how they will contribute to Waipā through employment, training, use of local supply chain and subcontractors.

## Independent Auditor's Report

### To the readers of Waipā District Council's annual report for the year ended 30 June 2024

The Auditor-General is the auditor of Waipā District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, René van Zyl, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

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

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

We completed our work on 29 October 2024. This is the date on which we give our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 30 to 35 and pages 38 to 111:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2024;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 36 to 37, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the

funds were applied as compared to the information included in the District Council's annual plan;

- the statement of service performance information on pages 146 to 169:
  - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 112 to 145, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 112 to 145, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

## **Report on the disclosure requirements**

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 23 to 28, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

## **Basis for our opinion on the audited information**

We carried out our audit 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. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

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

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

## **Responsibilities of the Council for the audited information**

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information, we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

## **Responsibilities of the auditor for the audited information**

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

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

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.



We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance information, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## **Other Information**

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 22, 29, 170, 181 and 187 to 189, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

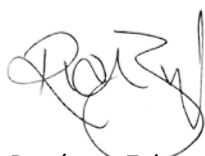
Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

## **Independence**

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of a limited assurance engagement related to the District Council's debenture trust deed and the audit of the long-term plan, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council.



René van Zyl  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand

## GLOSSARY AND ABBREVIATIONS

### Glossary

- **Activity:** Services provided by or on behalf of Council.
- **Amortisation:** The reduction of the value of an asset by prorating its cost over a period of years.
- **Annual Plan:** Contains details of Council’s action plan for the next financial year, the budget and the level of rates required to fund that spending. It also contains details of any variation from the financial statements and funding impact statement that are included in Council’s current 10-Year Plan.
- **Annual report:** Report prepared once a year to assess Council’s performance against its objectives, activities, performance targets and budgets as outlined in the 10-Year Plan.
- **Asset:** A resource; Council’s asset ownership extends over land, buildings, plant, equipment, forestry and infrastructure such as roads, bridges, footpaths, sewerage schemes, water supply and stormwater reticulation.
- **Capital Expenditure:** Money spent to build or buy a new asset, or to improve the standard of any existing asset.
- **Community:** A group of individuals and organisations that are linked together by some common factor, interest, identity or administrative boundary.
- **Community Outcomes:** The outcomes that a local authority aims to achieve for its community and district in the present and for the future.
- **Community Wellbeing:** The overall wellbeing (quality of life) of the community taking into account economic, cultural, social and environmental wellbeing.
- **Council Controlled Organisations:** A company or entity in which one or more local authority has a shareholding of 50 per cent or more, voting rights of 50 per cent or more, or the right to appoint 50 per cent or more of the directors. Section 6(4) of the Local Government Act 2002 details entities which are exceptions.
- **Development Contributions:** Payment from developers to help fund new infrastructure required by growth (as set out in the Local Government Act 2002).
- **District Plan:** Required by the Resource Management Act 1991, it defines how resources and development will be managed by the district. The Plan is based on economic, cultural, social and environmental wellbeing.
- **Equity:** The market value of assets less any liabilities.
- **Funding Impact Statement:** A financial statement that discloses the revenue and financial mechanisms that Council proposes to use.
- **Future Proof:** The term used to refer to the growth strategy that is being prepared for the sub-region. Included in the sub-region are the following authorities – Waipa District Council, Waikato District Council, Waikato Regional Council, Hamilton City Council and Matamata Piako District Council.
- **General Rate:** A charge calculated using the rateable value of property that is paid to Council to fund its general services but not services funded by targeted rate, fees or charges.
- **Governance:** Is how Council engages with the community, oversees the effective and responsible management of resources, delivers services and sets the strategic direction for the district.
- **Hapū:** A cluster of related whānau (extended family), descended from a single ancestor that has collective decision-making rights over its territory.

- **Indicator:** A measure or combination of measures, either qualitative or quantitative, against which performance or progress can be assessed.
- **Interest:** Interest on bank accounts, overdrafts and debt.
- **Iwi:** Larger than the hapū - A cluster of related hapū, descended from a single ancestor, varying in size.
- **Levels of Service (LOS):** The extent of a service provided by Council.
- **Local Authority:** A regional, district or city council.
- **Local Government Act 2002:** The legislation that defines the powers and responsibilities of Local Government organisations (regional, city and district councils).
- **Long Term Plan (LTP):** Refer to 10-Year Plan.
- **Ngā Iwi Tōpū o Waipā:** A representative group of local tangata whenua, made up of mandated hapū representatives appointed by relevant Marae committees.
- **Operating Costs:** These are costs to run Council's services on a day-by-day basis

#### Abbreviations:

- **ETS:** Emissions Trading Scheme
- **GST:** Good and Services Taxation
- **LGA:** Local Government Act 2022
- **LGFA:** Local Government Funding Agency
- **NZ GAAP:** Generally accepted accounting practice in New Zealand

and range from maintenance of infrastructure to staff salaries.

- **Partnership:** This refers to the Council's relationship with groups within the community to achieve outcomes. This does not refer to a legal partnership.
- **Passenger Transport:** Can also be referred to as public transport – includes buses.
- **Rates:** Rates are what each property owner pays for the services provided by councils. The charge is set in accordance to the Local Government (Rating) Act 2002.
- **Renewals:** Activities required to upgrade, refurbish or replace current facilities or assets, with facilities or assets of equivalent capability or service potential.
- **Revenue:** Revenue received by Council to fund the services it provides. Revenue sources include – rates; fees and charges for using a particular service; penalties and fines; and grants and subsidies.
- **Shared service:** Waikato Mayoral Forum initiative to share costs across the region where possible through Local Authority Shared Services Limited.

- **NZTA:** New Zealand Transport Agency
- **PBE:** Public benefit entity
- **PPE:** Property, plant and equipment
- **SVDS:** Shared Valuation Data Service
- **WLASS:** Waikato Local Authority Shared Services Limited

- **Strategy:** A plan of action designed to guide progress towards the long-term vision.
- **Tangata Whenua:** Māori people who belong to a particular area by ancestral connection.
- **Targeted Rate:** A rate that is levied to fund a particular service or facility.
- **Ward:** An administrative and electoral area of the district. There are four wards in our district – Cambridge; Te Awamutu; Pirongia Kakepuku and Maungatautari. There is also a Māori ward for electoral purposes.
- **Vested Assets:** An existing right to the immediate or future possession of property, resources, cash, stock and goodwill.
- **10-Year Plan:** A strategic plan, covering at least 10 years, that describes a local authority's activities and the community outcomes of the authority's district or region. A council's 10-Year Plan is the basis for its accountability to the community.

- **WRAL:** Waikato Regional Airport Limited
- **WRTM:** Waikato Regional Transportation Model



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