

ANNUAL REPORT **SUMMARY** **2018**





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INTRODUCTION FROM THE MAYOR AND CHIEF EXECUTIVE

In reporting back on the 2017/18 financial year, it is clear our community is more engaged and interested in the business of Council than ever before. We consider that positive and something we should all value most about the Waipā district.

An engaged community is a healthy community; one that cares about its people and its facilities. While we have different communities of interest, it is clear to us that people in Waipā, despite leading different lives, have common interests and aspirations for a shared future.

This year, our past and its relationship to our future was front and centre of many of the activities at Council. We began on a mammoth community engagement process more than 12 months ago which culminated in June of this year in the unanimous adoption of our 10-Year Plan.

The adoption of that Plan to deliver \$1.26 billion of capital works and services was informed by formal submissions from more than 800 people and informal feedback from hundreds more. In addition to the 10-Year Plan, we ran 13 formal community engagement programmes during the year, reaching more people and hearing more diverse points of view. We estimate that over the last financial year, our organisation reached around 1.6 million people just on Facebook alone and engaged thousands more in a variety of forums.

Partly because of those efforts, our community continues to hold us stridently to account – as it should. Last year, we took more than 60,000 calls and received ongoing feedback – good and bad. We hope that interest in our activities continues.

Once again, we have ended the year in a strong financial position and with a number of milestones achieved, including making operative our District Plan. Our financial position remains robust with relatively low levels of debt compared to many other local authorities. Financial results

and measurements are outlined clearly in this report and we encourage you to read them.

During the year we continued to invest in core infrastructure – water, wastewater and roads. More than 90 per cent of our budget is spent on infrastructure with a far smaller portion going on community facilities. We completed approximately 80 per cent of our planned capital works programme, excluding vested assets, investing \$42.8 million across the district. We were unable to meet the whole programme mainly because the specialist skills were not always available, at the time we needed them.

Included in this figure was \$16.4 million in renewals, to protect and extend the life of our existing assets.

As part of that investment we began some major projects, including an upgrade of the Parallel Road water treatment plant to service Te Awamutu, an upgrade of the Karapiro water treatment plant and a major wastewater upgrade for Cambridge. All three of these projects have been driven, to an extent, by growth. With good planning, our district continues to meet the ongoing growth challenge while maintaining the values and characteristics that make Waipā such an attractive place to live.

We also completed the installation of water meters during the year and began physical works on the long-awaited Cambridge pool project. Community facilities continue to be important and we are proud that our Council continues to choose to invest in them.

We are lucky to have remarkable community partners like Davies Foods who, in an extraordinarily generous act, funded the new Pop 'n' Good bike skills park at Te Awamutu which now links to the refurbished playground. We also

saw generosity from Cambridge where fundraising efforts continued to help finance the new pool complex. It is this kind of commitment to our district's future which give us confidence and a sense of certainty that Waipā and the Council are heading in the right direction.

While the focus at Council continued to be on our future, this year we also reflected on Waipā's past. We were determined to drive an important conversation about Waipā's heritage, including the role of our district in the New Zealand Land Wars. This conversation was one picked up nationally, led in part by Waipā.

As a result, in June this year, our Council made a substantial commitment to heritage in our district. Over the next 10 years, we have budgeted for a new Waipā Discovery Centre in Te Awamutu. This will be a space where our community and visitors can discover Waipā's diverse and largely unknown social, cultural and natural history.

A Governance Committee has been set up to guide the planning and sign off key decisions for this project. The Committee will be supported by a technical group covering the many work streams involved.

Along with a new Waipā Discovery Centre, we also committed funds for a new museum in Cambridge. We did so with the support of many, many people in our community and we thank you sharing our vision.

We are now entering the first year of our new 2018-28 10-Year Plan. As we move into the next decade, we are thankful to live in Waipā and remain committed to working on behalf of our community. We would like to thank you all for the important contribution you each make to the wider district as we continue to plan with confidence for the future.



Jim Mylchreest JP
MAYOR



Garry Dyet JP
CHIEF EXECUTIVE

FINANCIAL SUMMARY 2017/18

The following summary financial statements were extracted from the full audited financial report of Waipā District Council for 30 June 2018. The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.

This summary and the full annual report were authorised for issue by the Council on 25 September 2018. The full annual report is available from Council offices or can be downloaded at www.waipadc.govt.nz.

An unmodified audit report was issued on the full financial statements.

FINANCIAL SUMMARY STATEMENTS

	2018 Actual \$000's	2018 Budget \$000's	2017 Actual \$000's
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2018			
Operating Income	105,179	83,499	101,917
Operating Expenditure	76,158	70,571	70,889
Finance costs	1,326	934	1,119
Operating Surplus	\$27,695	\$11,994	\$29,909
OTHER COMPREHENSIVE REVENUE AND EXPENSE RECOGNISED DIRECTLY IN EQUITY			
Property Plant and Equipment Revaluation gains / (losses) taken to equity	12,266	22,900	156,330
Intangible gains / (losses) taken to equity	64	-	-11
Investment gains / (losses) taken to equity	324	-	10,409
Cash flow hedges gains / (losses) taken to equity	11	107	444
Total Other Comprehensive Revenue and Expense for the Year	\$12,665	\$23,007	\$167,172
Total Comprehensive Revenue and Expense for the Year	\$40,360	\$35,001	\$197,081
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018			
Balance at 1 July	1,530,827	1,377,058	1,333,746
Total Comprehensive Revenue and Expense for the year	40,360	35,001	197,081
Total Equity at End of the Year	\$1,571,187	\$1,412,059	\$1,530,827
Equity represented by:			
Retained Earnings	463,144	435,900	432,860
Other Reserves	1,108,043	976,159	1,097,967
Total Equity	\$1,571,187	\$1,412,059	\$1,530,827
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018			
Current Assets	26,492	3,936	23,536
Non current Assets	1,576,086	1,453,475	1,535,134
Total Assets	1,602,578	1,457,411	1,558,670
Current Liabilities	21,308	22,242	19,779
Non Current Liabilities	10,083	23,110	8,064
Total Liabilities	31,391	45,352	27,843
Equity and Net Assets	\$1,571,187	\$1,412,059	\$1,530,827
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018			
Net Cash Flows from Operating Activities	36,789	30,777	36,849
Net Cash Flows used in Investing Activities	(34,703)	(44,924)	(42,008)
Net Cash Flows used in Financing Activities	(24)	14,000	(24)
Net Increase/(Decrease) in Cash and Cash Equivalents	2,062	(147)	(5,183)
Cash and Cash Equivalents at the beginning of the year	10,269	1,996	15,452
Cash and Cash Equivalents at the end of the year	\$12,331	\$1,849	\$10,269

NET COSTS

	2018 Actual 000s	2018 Annual Plan Budget 000s
2018 NET MOVEMENT		
Governance	7,191	7,597
Planning and Regulatory	1,668	2,255
Community Services and Facilities	14,329	13,133
Roads and Footpaths	12,293	13,514
Stormwater	2,907	2,943
Wastewater Treatment & Disposal	6,549	6,381
Water Treatment & Supply	5,266	4,008

ADDITIONAL DISCLOSURES AND ACCOUNTING POLICIES

Reporting Entity

Waipa District Council is a territorial local authority governed by the Local Government Act 2002. The group consists of the ultimate parent, Waipa District Council, and the Waipa Community Facilities Trust. The financial statements are for the council and group. The full Financial Statements 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. The full financial statements have been prepared in accordance with Tier 1 PBE accounting standards and comply with PBE standards. This summary complies with FRS 43 and this Standard does not include a requirement to comply with New Zealand GAAP or PBE standards. These summary financial statements are for the year ended 30 June 2018.

Measurement Base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain assets. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Significant Variances Against Budget Include:

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

- Rates revenue is \$3 million higher than budget. This relates to the re-allocation of targeted water supply rates from fees and charges.

- \$3 million of revenue has transferred from Fees and charges to rates which has been offset by additional revenue in Fees and Charges. Additional revenue in Fees and Charges mainly comes from greater than anticipated consent applications of \$755,000, \$252,000 due to the delayed sale of Palmer Street Pensioner housing, \$192,000 in additional revenue from non-core paper road sales, \$188,000 in additional revenue from investment properties, and \$1.3 million of revenue from the Community Facilities Trust on consolidation.
- Development contributions was \$2.9 million higher than budget due to higher than anticipated growth in the district.
- Gain on revaluation of Forestry and Investment Properties was \$2.1 million higher than budget due to current market conditions.
- The value of assets vested from developers was \$12.5 million greater than budget, this relates to higher than anticipated growth in the district and the timing of receiving assets from developers. This also includes vesting of Canoe Racing New Zealand and Perry Community Water Sports Centre.
- Increase in finance revenue of \$1.2 million due to greater than anticipated levels of cash and short term arbitrage arrangements.
- Subsidies and grants are \$352,000 less than budget mainly due to decreased external funding for the Cambridge Pool of \$1.7 million due to delay in timing of construction. This has been offset by a \$1.4 million increase in NZTA funding mainly from an increased subsidy rate for the LED replacement programme.
- Employee benefit expenses are \$844,000 higher than budget due to growth in staff numbers. This has allowed us to decrease reliance on external consultants and contractors.
- Depreciation is \$465,000 higher than budget. This is due to a combination of higher than anticipated asset values from valuations, higher than anticipated vested assets, and the requirement for building components to be split and subsequent adjustment of useful lives.
- Other expenses are \$4.3 million higher than budget. This is made up of:
 - ▶ Loss on disposal of infrastructure assets being \$3 million higher than budget.

- ▶ Transfer and impairment of assets and prior year capital costs for capital projects that are no longer proceeding or the scope has significantly changed of \$1.7 million. These include Te Awa Cycleway \$101,000, Mahoe Street Buildings \$478,000, Miscellaneous Roading Projects \$209,000, Waters source investigation \$746,000, Waste Water investigation \$220,000.
- ▶ These increases have been offset by net savings in other areas.
- ▶ Increase in finance costs due to short term arbitrage arrangements which have increased finance income. This has been offset by lower than anticipated borrowings.
- ▶ Gain on revaluation of Property Plant and Equipment was \$10 million lower than budget. This relates to the Utilities revaluation not programmed this year.

STATEMENT OF FINANCIAL POSITION

- ▶ The higher cash balance at year end is due to the opening balance being considerably higher than anticipated, as well as additional cash received from interest revenue and reserve and development contributions. This is also due to the timing of capital work, particularly development related projects.
- ▶ Other comprehensive income includes investments in CCOs' being \$10.7 million greater than budget due to the revaluation of Council's investment in Waikato Regional Airport Limited to fair value in 2017.
- ▶ The higher property, plant and equipment balance is due to higher than anticipated asset revaluations for land and buildings, roading and utilities.
- ▶ Borrowings at year end are \$13.8 million lower than budget. This is due to the higher than anticipated cash balance at the end of the 2016/17 financial year, additional revenue received and timing of capital works.

Capital commitments

Council has contracts committing it to spend \$39.3 million on future capital works (2017 \$10.6 million).

CONTINGENT LIABILITIES

	2018	2017
2018	Actual	Actual
NET MOVEMENT	\$000	\$000
a) Guarantees	95	405
b) Waipa Community Trust	-	20
c) Waipa Community Facilities Trust	174	199
d) Outstanding legal matters	-	-
	269	624

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

Council is one of 30 local authority shareholders and 14 local authority guarantors of the NZLGFA. 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 2018, NZ LGFA had borrowings totalling \$8,272m (2017 \$7,946m).

Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low.

Carter Holt Harvey

In 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadowclad plywood cladding sheets manufactured and distributed by CHH. The MOE's original claim against CHH was for 833 school buildings, 48 of which are located within the Waipa District.

In 2016, CHH commenced proceedings against 48 Councils, including Waipa District Council, alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates.

During the current year the Councils sought to strike out CHH's claims against them. The High Court declined the strike out of the claim, but struck out proceedings in relation to 28 school buildings (2 in Waipa District) built outside the 10 year long stop contained within the Building Act 2004. Further, CHH applied for trial staging, with proceedings to commence in relation to 20 buildings. MoE opposed the application, seeking a trial on the determination of whether shadowclad is inherently defective. The High Court accepted the MoE proposal. CHH has appealed this decision.

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

CONTINGENT ASSETS

Council is a 2% 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% shareholding.

RELATED PARTIES

Council entered into a lease arrangement with Waipa Community Facilities Trust in 2013, for the Trust to occupy 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.

SENIOR MANAGEMENT AND COUNCILLORS' COMPENSATION

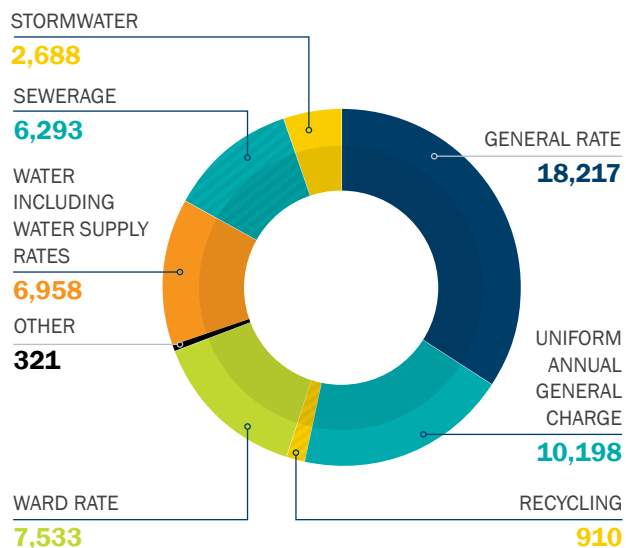
2018	2018	2017
NET MOVEMENT	Actual	Actual
	\$000	\$000
Councillors		
Remuneration	561	546
Full-time equivalent members*	13	13
Executive Team, including Chief Executive		
Remuneration	1,032	994
Full-time equivalent members	4	4
Total key management personnel remuneration	1,593	1,540
Total number of members	17	17

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

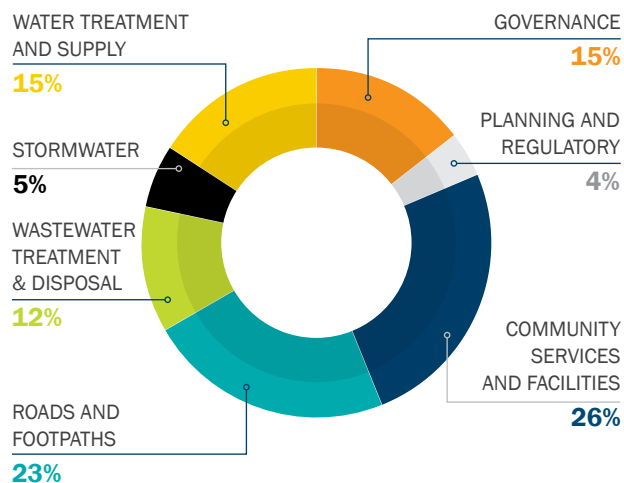
EVENTS AFTER BALANCE DATE

There were no significant events after balance date.

RATES COLLECTED



WHAT WERE THE RATES SPENT ON?



HOW WE DID

Our projects and work programmes are contained in eight groups of activities. This table summarises how we did, where we met expectations and where we need to improve. Our performance measures provide us with targets to meet, such as responsiveness, safety, timeliness, meeting statutory requirements and compliance.

GROUP OF ACTIVITY	ACHIEVED	NOT ACHIEVED
Governance	5	0
Planning and Regulatory	7	3
Community Facilities	14	7
Roads and Footpaths	5	2
Stormwater	8	0
Wastewater	8	0
Water Supply	24	5
Support Services	2	0

COMMUNITY FEEDBACK

Each year we check in with our community to see how satisfied residents and ratepayers are with their Council's performance.

- 1 Residents have maintained their high level of pride in the district (76%). Satisfaction with Council's overall performance (36%) has also been maintained.
- 2 Satisfaction with services, infrastructure and public facilities remains strong (46%). In particular;
 - The performance of regulatory services significantly increased since 2017 (49% up from 37%).
 - Satisfaction with footpaths and cycleways has seen gradual but consistent improvement over the past two years.
 - Satisfaction with public facilities has also consistently increased over the past two years (69%, up from 59% in 2016).
 - Relative to 2017, satisfaction with sports fields, public toilets, libraries and the Te Awamutu museum have all increased

OVERALL PERFORMANCE SUMMARY

SATISFACTION BY WARD (8-10)

	POOR (1-4)	INDIFFERENT (5-7)	SATISFIED (8-10)	2017	2016	Cambridge	Te Awamutu	Don't know
Pride in the Waipā district	22%	76%		73%	71%	81%	70%	2%
Satisfaction with Community Boards	10%	53%	37%	32%	29%	37%	37%	28%
Overall reputation	8%	49%	43%	39%	44%	44%	43%	3%
➤ Leadership	10%	48%	42%	41%	39%	39%	45%	9%
➤ Trust	15%	50%	35%	35%	32%	32%	38%	3%
➤ Financial performance	15%	57%	28%	28%	25%	29%	27%	16%
➤ Service quality	6%	47%	46%	42%	45%	45%	47%	3%
Overall value for money	17%	52%	31%	28%	29%	31%	31%	6%
Service, infrastructure and public facilities	6%	47%	46%	45%	45%	45%	47%	3%
➤ Overall water management	6%	48%	46%	46%	43%	47%	44%	14%
➤ Overall roads and footpaths	7%	45%	48%	45%	41%	49%	47%	0%
➤ Overall public facilities		29%	69%	65%▲	59%▼	66%	73%	6%
➤ Regulatory services	8%	44%	49%▲	37%▼	43%	48%	49%	20%

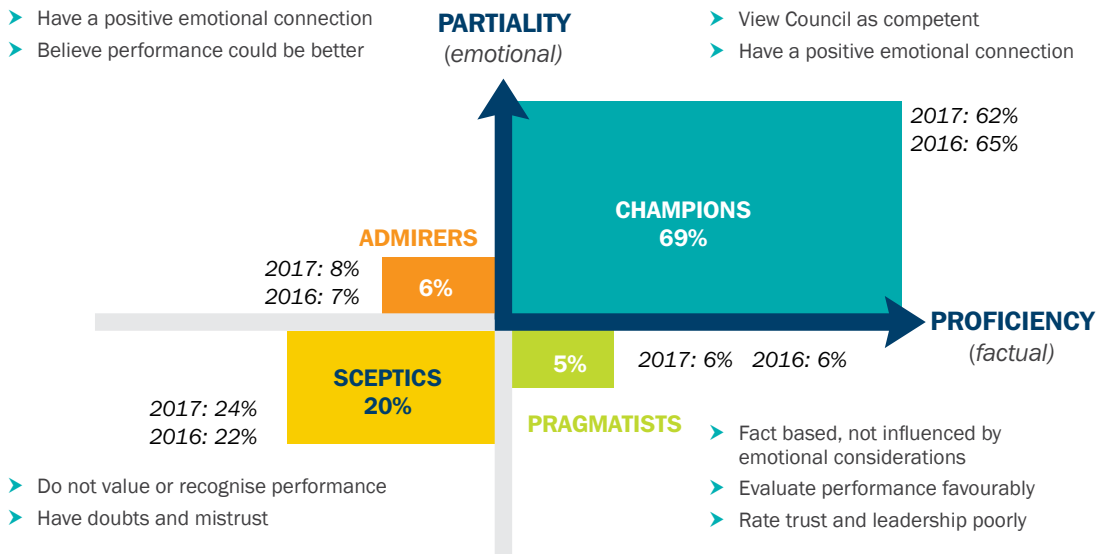
NOTES: 1. Sample: 2016 n=414, 2017 n=401; 2018 n=409 2. Excludes 'Don't know' responses

Source: Waipa District Council Annual Residents Survey Report. Key Research June 2017

▲ Significantly higher
▼ Significantly lower

- 3 We have also maintained our strong reputation with the majority of residents classified as 'Champions' (69%), trusting and supporting our vision and leadership. Our reputation is still considered 'Excellent'.

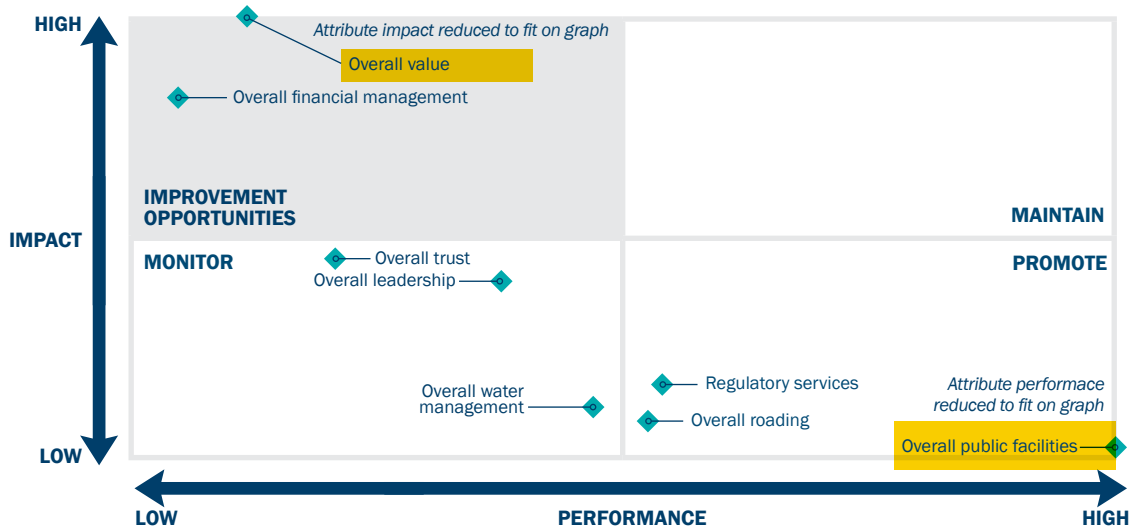
REPUTATION PROFILE



Source: Waipa District Council Annual Residents Survey Report. Key Research June 2018

- 4 Educating residents on how we provide value for money in regards to rates and other fees and demonstrating how we are prudent in our financial management remain areas on which we need to focus.

OVERALL LEVEL PERFORMANCE: IMPROVEMENT OPPORTUNITIES



Source: Waipa District Council Annual Residents Survey Report. Key Research June 2018

- 5 The proportion of residents who believe they know a great deal about Council also increased significantly (25%, up from 16% in 2017). A quarter still however have little knowledge which remains a key challenge.

For a full presentation of the results please see Council's website.

A 12 MONTH SNAPSHOT

JULY 2017

10 YEARS IN THE MAKING

Ten years after work first began, Waipa District Council's District Plan became fully operative.

A District Plan is a cornerstone document for any council because it frames how districts or cities will develop. District Plans provide guidance and rules on development and subdivision and protect important buildings, landscapes and natural areas.

Waipā's District Plan became fully operative following the resolution of two outstanding issues which had held up the process for years.

AUGUST 2017

WATER UPGRADE FOR TE AWAMUTU

Council brought forward a \$500,000 spend to upgrade the Parallel Road water treatment plant, part of a wider plan to upgrade Te Awamutu's water supply.

Te Awamutu's water currently comes from the Mangauika Stream on Mt Pirongia and an underground bore on Frontier Road. Under its resource conditions, Council is restricted as to how much water it can take from the stream and will be further restricted by 2030.

The project was first outlined and budgeted in the Council's 2015-25 10-Year Plan and will meet Te Awamutu's fresh water needs for the next 30 years.



SEPTEMBER 2017

INSTALLATION OF METERS COMPLETE

Contractors completed installing nearly 11,400 new water meters across the district, paving the way for separate water billing to begin in late 2018.

Water meters have been in place at Ōhaupo since 1991 and Pirongia since 1997. Most of Waipā's rural, industrial and commercial users have also had water meters for years.

With meters now installed, most Waipā water consumers connected to the town supply will pay for water largely based on how much they use, rather than paying a one-size-fits-all charge.



OCTOBER 2017

FIRST HERITAGE BUS TOURS OFFERED

Two free bus tours highlighting Waipā's role in the New Zealand Wars of the 1860s were launched, booking out within 48 hours.

The tours were narrated by Council staff to showcase historical events in Waipā, from early human settlement through to the New Zealand Wars. Tours covered the stories of significant inter-tribal and Land Wars battles that took place in Waipā including those at Waiari, Hingakaka, Mātakitaki, Taumatawiwi and Ōrākau.

The tours proved wildly popular and to meet demand 16 tours were eventually provided, directly showcasing Waipā's history to more than 700 people.



NOVEMBER 2017

SHARED CYCLEWAY/WALKWAY OPENS

Te Ara Kihikihi, a new cycleway/walkway between Kihikihi and Te Awamutu, opened.

The shared 4.5km trail, made of concrete or crushed limestone, starts at Te Awamutu's Albert Park and finishes at Herbert St in Kihikihi. Since opening it has won huge community support and is now regularly used by walkers, cyclists and scooters.

Over time we're planning to build a network of cycleways connecting historic places, towns and features of the district.

DECEMBER 2017

WATER COMPANY REJECTED

A single council-owned company to manage water, wastewater and stormwater services was taken off the table.

Waipa District Council rejected a recommendation to form a non-asset owning company alongside Hamilton City Council. Hamilton City had already voted to support forming the company.

At the December 2017 Council meeting, Waipā's elected members rejected the proposal 7-6.



JANUARY 2018

WORK BEGINS ON A CAMBRIDGE WASTEWATER UPGRADE

Work began on a \$7.7 million project to upgrade and future-proof Cambridge's wastewater infrastructure.

Wastewater from residential properties north of the Waikato River is piped across the river to Council's treatment plant on the Leamington side of town. But the existing pipe is not big enough for a growing Cambridge.

Work includes increasing the size of the main pipe, replacing the pipe bridge and stabilising the foundations and river bank to bring the structure up to modern standards.

FEBRUARY 2018

POP 'N' GOOD BIKE PARK OPENS

Te Awamutu's brand new Pop 'n' Good Bike Park and refurbished playground officially opened.

All costs for the park were covered by a Te Awamutu-based company, Davies Foods. Hundreds of families turned out for the opening.

The Pop 'n' Good bike park links to Te Awamutu's destination playground and rose gardens and over time, will become a community focal point for the planned Te Awamutu hub.



MARCH 2018

CONSULTATION ON 10-YEAR PLAN OPENS

We launched formal consultation on six major proposals as part of our 2018-2028 10-Year Plan.

The Plan detailed how more than \$1.26 billion over 10 years would be spent, subject to community consultation. Council specifically sought feedback on six key issues before finalising spending priorities for the next decade.

A plain English consultation document went online at a purpose-built website in mid-March and a range of innovative engagement opportunities were provided. Over the following month, Council engaged with hundreds of residents and ratepayers, eventually receiving more than 800 formal submissions on its proposals.



APRIL 2018

EVENT FUND OPENS

Applications opened for the 2018/19 District Promotion Fund with \$100,000 available to support events in the district.

Funds were eventually allocated to 27 events aimed at driving economic activity and supporting Waipā's growing events reputation.

The largest allocations went to the UCI Track Cycling World Cup event at the Avantidrome in January 2019 and the Waka Ama sprint nationals to be held at Lake Karāpiro in January 2019. Both events were allocated \$10,000 each.

The District Promotion Fund sat at \$100,000 for a number of years but was increased during the 2018-2028 10-Year Plan process. From 2018/19, Council has budgeted \$150,000 each year to support key events in the district.

MAY 2018

DEMOLITION OF THE OLD CAMBRIDGE POOL BEGAN

Demolition work on the old Cambridge pool began in preparation for the new \$16.5 million facility. Work began almost immediately on water, wastewater and stormwater upgrades followed by earth works for the building foundations.

When complete the new Cambridge pool complex will include an upgrade of the existing outdoor pool, a new 10-lane indoor pool and learner's pool, a hydrotherapy pool, spa and sauna and a children's splash pad. There will also be increased seating and a community room as well as car-parking and landscaping.

The new pool complex is due to open in late 2019.



JUNE 2018

WAIPĀ'S 10-YEAR PLAN ADOPTED

Waipa District Council unanimously adopted the Council's 10-Year Plan, approving an average annual rates increase of 1.46% (excluding water charges) for the next decade.

The Plan confirmed support for five of the six major projects the Council outlined in its consultation material. While Council supported the \$500,000 grant to a new Ōhaupō sport and recreation centre, the catchment area for contributing ratepayers is being reviewed.

More than 800 people had their say on Waipā's story and how Council should invest in its community over the next decade. Less formal feedback from hundreds more was provided to elected members before they made the final decisions and adopted the Plan in June 2018.



ONYX 20400

Independent Auditor's Report

To the readers of Waipa District Council and group's summary of the annual report for the year ended 30 June 2018

The summary of the annual report was derived from the annual report of Waipa District Council and group (the District Council) for the year ended 30 June 2018.

The summary of the annual report comprises the following summary statements on pages 5 to 10 and 13:

- the summary statement of financial position as at 30 June 2018;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2018;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the non-financial summary.

Opinion

In our opinion:

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

Summary of the annual report

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

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2018 in our auditor's report dated 25 September 2018.

Council's responsibility for the summary of the annual report

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

Auditor's responsibility

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

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

Other than our audit of Waipa District Council's annual financial statements and performance information, our assignment in the area of the debenture trust deed, and our audit of Waipa District Council's Long Term Plan we have no relationship with or interests in the District Council or its subsidiaries. Other than these engagements we have no relationship with, or interests in the District Council or its subsidiaries.

A handwritten signature in black ink, appearing to read 'D Walker' with '2018' written below it.

David Walker
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand
25 September 2018





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