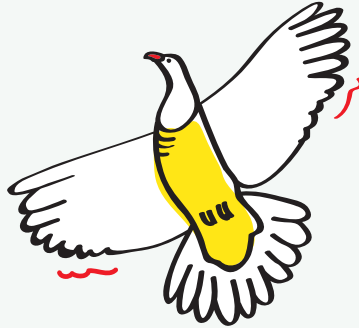


# **Annual Report Summary Riipoata aa tau whakaraapopototanga 2022/23**







### What is an annual report?

Every three years, we produce a Long Term Plan (LTP), which sets the direction of Council for the next 10 years. During the years in between, an annual plan is adopted which sets out the budget and funding sources for the year ahead.

Annual reports, like this one, show you the progress we've made towards meeting the goals and intentions set in both plans. It's our way of letting you know about our financial position after the 2022/23 year, and highlights the work done in year two of the 2021-2031 LTP. You'll see the work we've done, along with financial statements detailing how we paid for it.

For more information, including details about our levels of service and our key financial policies, please refer to the LTP. This can be found on Council's website.

# Setting the scene

## Message from the Mayor and Chief Executive

### Building connections and powering positive change

The past year has been memorable, to say the least. In October 2022, the district elected a new Mayor and nine new Councillors – that's a big change at the governance table. The new Council immediately spent a considerable amount of time and effort in induction to understand the complexities of Council as well as began our planning and governance. We started the new year with great optimism for the journey ahead, but the weather events of early 2023 threw us a significant curve ball and left us dealing with the aftermath on many of our communities and roads, with the North Waikato particularly hard hit.

Despite the challenging start, the year has also seen positivity and growth, and we continue to focus on delivering programmes and initiatives across the Waikato District that support your communities to be Liveable, Thriving and Connected.

### A busy year for a new Council

With a new Mayor, nine new elected members including the establishment of two Māori Wards, it has been an exciting time setting out our vision for the district. Our focus is on sustainability, resilience, enhancing the wellbeing of all our communities, and addressing the growth-related challenges and opportunities that affect us.

In May 2023, we unveiled new portraits in Council Chambers of the Māori King, Kiingi Tuheitia Potatau Te Wherowhero VII, and King Charles III. We're proud to be the first council to honour Kiingi Tuheitia in this way, showing our respect for the district's Kīngitanga, iwi and mana whenua.

This gesture is part of our ongoing commitment to the principles of Te Tiriti o Waitangi. As part of that commitment, we're also partnering with iwi to develop a mana whenua forum framework for the further engagement with marae and other Māori stakeholders.



Throughout the year we initiated improved communication and engagement with various community groups and sectors. This includes the creation of a Rural Economic Advisory Panel with influential rural leaders, and stronger relationships with local halls, resident groups, and community boards. This collaborative approach aims to enhance council outcomes and support community prosperity, including our rural and lifestyle communities and businesses.

### Weathering storms together

Early in February, Cyclone Gabrielle struck the North Island with unprecedented force, causing widespread flooding and damage across the Waikato District, particularly in Port Waikato. While the scale of devastation was a shock, Council was able to respond effectively to emergencies as they happened, providing immediate assistance and support to affected communities impacted by landslides and fallen trees which cut key road access to many residents. We worked to fix damaged infrastructure as quickly as possible with our roading alliance partners. Six months on, government support and the newly established Mayoral Relief Fund continues to provide financial

support to people and businesses affected by the storm and to build our resilience in preparation for any future events.

## Enhancing our natural spaces

Work finished on some exciting projects this year, all aimed at celebrating the open spaces and natural features that make our region unique.

The Te Awa River ride, which opened earlier in the year, exemplifies that celebratory spirit. The 65km concrete track takes residents and visitors on a scenic route along the mighty Waikato River from Ngaaruawaahia to Lake Karaapiro.

In Raglan, this past year saw the completion of the Whaangaroa Wharf Upgrade project. This project was supported by funding from Kanoa Regional Economic Development and Investment Unit, and iwi partners. It features the addition of a pontoon, kayak ramp, walkway and structural wharf repairs to help more people use and enjoy the town's beautiful waterfront area.

Tuakau's Skate Park is another community success story and it's already proving popular with young people in the region. Developing the park involved several community groups and funding bodies, including the Tuakau Youth Sports Trust, the Waikato District Community Wellbeing Trust, the New Zealand Community Trust, Lotteries NZ, and the Onewhero-Tuakau Community Board.

## Improving transport infrastructure

The Waikato district is one of the largest in New Zealand, covering 400,000 hectares, with 11 towns and several smaller settlements. With people scattered across such a wide area, roading and transport infrastructure are essential, particularly to those in remote rural areas.

As always, Council has been working hard to maintain and improve roads in the district, ensuring that they're safe, secure, and open for use. While the damage caused by Cyclone Gabrielle and other weather events is a setback, we're seeing it as an opportunity to strengthen, reinforce and, in some cases, relocate roading that is no longer fit for purpose, particularly as extreme weather events increase. Ongoing repair and replacement work will take some years, but support from Waka Kotahi will reduce the impact on ratepayers.

Traffic Bylaw, and beginning work on a Speed Management plan. These improvements are designed to create safer speed zones, particularly around schools, marae, and community facilities. It's all part of the Government's 'Road to Zero' initiative, a commitment to work towards zero harm on our roads.

## Committed to community inclusion and supporting resilience

The challenges of the past year have made it clear that community connection, resilience, and strength are more important than ever. Council continues to be committed to fostering community inclusion and greater resilience, and supporting communities to achieve their goals and aspirations.

This work includes engaging with community groups and marae, creating a rural strategic advisory group, and offering training and development opportunities to community groups.

## Unlocking funding and focusing on efficiency

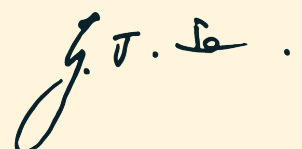
In precarious economic times, Council must balance high-quality services and infrastructure with budget constraints. Our goal is to deliver value for money by finding innovative, cost-effective ways to deliver those services and amenities.

This year, we've done this through accessing grants and other funding streams, pulling in support from central government, the Lotteries Commission, local trusts, and regional funding bodies. This funding has let us complete key community projects that help drive our district's growth and development.

As always, it's about moving forward, identifying opportunities to innovate, delivering what's planned and committed to, and getting the job done. We're proud of our tough, resilient people, and we're looking forward to another year of growth, positive action and tireless work from our Council and our community.



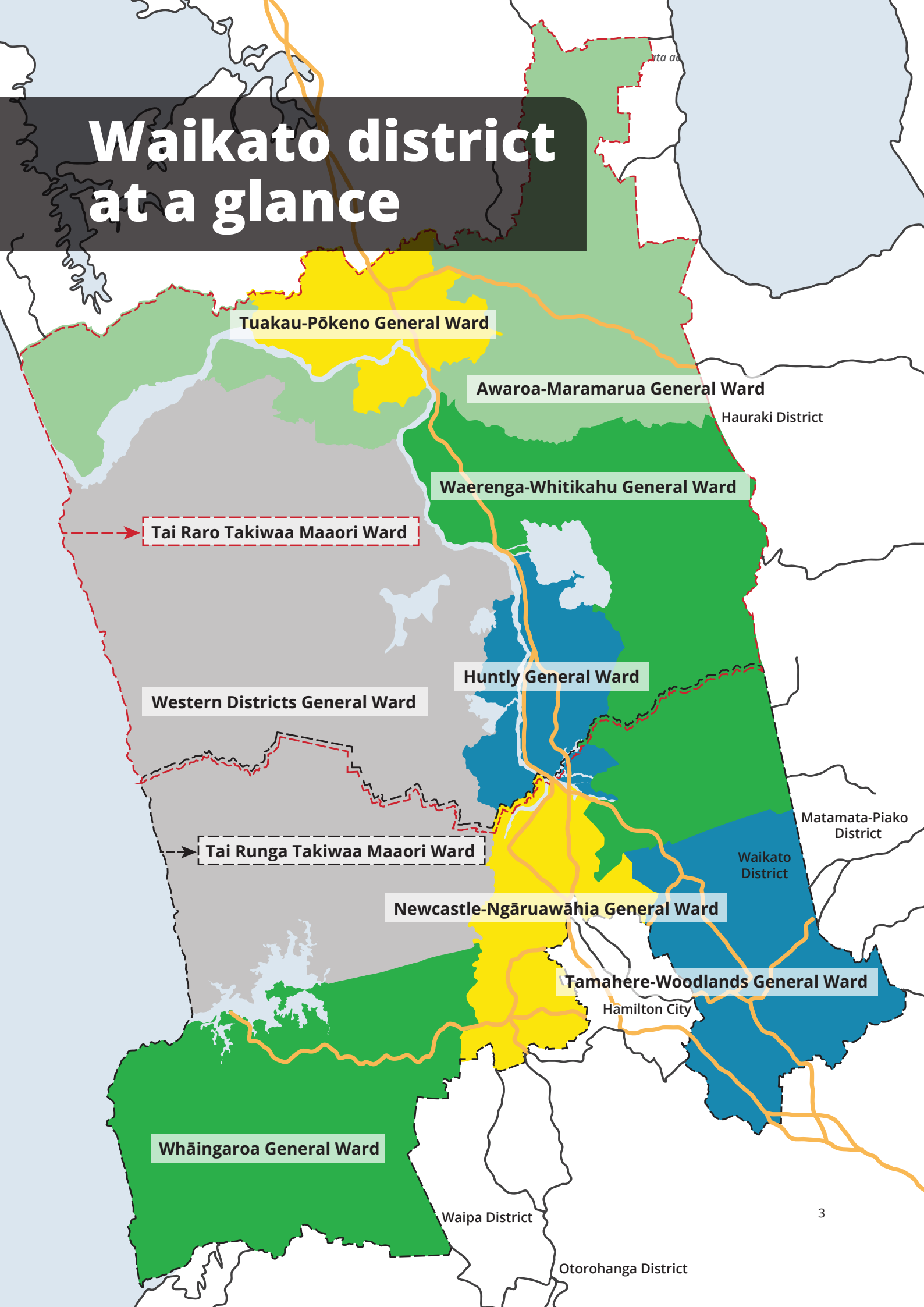
Her Worship, Jacqui Church  
Mayor



Gavin Ion  
Chief Executive



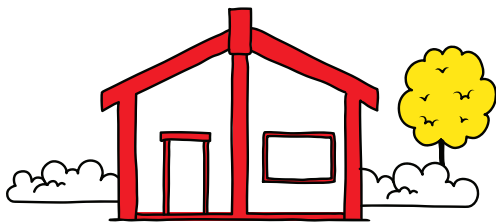
# Waikato district at a glance



Our district is home to **88,900**

**PEOPLE**<sup>1</sup>

The **average age is 37**. There are **25,514 urban, rural or residential properties, 3,519 business properties and 3,569 farm properties**.



There are around **20,000** **MAAORI**<sup>2</sup> living in our District.

The Waikato **DISTRICT** covers **more than 400,000 hectares** (418,893 ha).

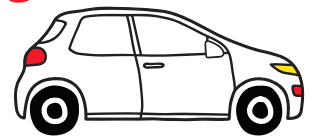
<sup>1</sup> Information source: Subnational population estimates (TA, Community Board), by age and sex, at 30 June 2018-2022 (provisional 2023 boundaries)

<sup>2</sup> Information source: Stats NZ

If we join all of our

**ROADS**

together from end to end **we'd be able to drive 2,148 km; that's from Port Waikato to Sydney**. Our **unsealed roading network is the same distance as Auckland to Wellington** (600 km).



We have **20,898** **SIGNS**, **5,786** **STREETLIGHTS**, **62,657 km** of **KERB** and **CHANNEL**, and **308 km** of **FOOTPATHS**, **292 km** of which are concrete.



We have **42 community centres** to help bring our

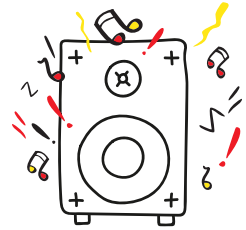
**COMMUNITIES** together.



We have **8,605 small CULVERTS** that run across the road and **11,694 side culverts** that run on the side of the road normally under driveways/entrance ways in a rural area.



We issued **1,750 BUILDING consent applications** in 2022/23.

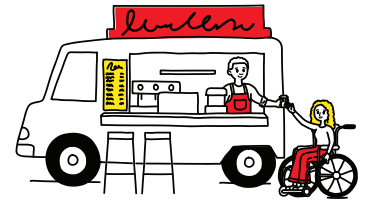


**1,134 noise COMPLAINTS** were received in 2022/23.

**INNOVATION initiatives** delivered during the year contributed to one-off **savings of \$350k, efficiency time savings of 3,466 hours** and **ongoing efficiency savings of 13,496 hours per year.**



**186 environmental health service REQUESTS** were processed in 2022/23.



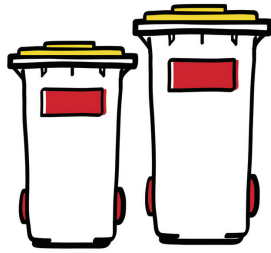
**230 FOOD premises were verified** in 2022/23.

**14,089 DOGS** registered in 2022/2023 and **209 dogs were rehomed** in 2022/23. There are **16,016 known dogs** in the district. **884 dogs were impounded** in 2022/23.



**339 ALCOHOL applications** were processed and followed up in 2022/23. **107 Alcohol Manager's Certificate applicants were interviewed** in 2022/23.

There have been almost **3 million**



## **RUBBISH & RECYCLING**

collections over the 2022/23 financial year throughout our district (**2,937,584 collections over 28,246 households**).

The **District Plan page** on the Council

## **WEBSITE**

was **visited 281,471 times during 2022/23**.

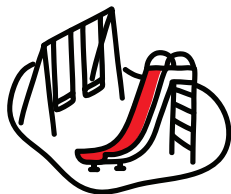


There are **6 Council**

## **LIBRARIES**

with over **85,277 books**.

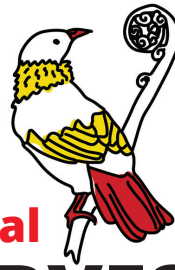
We have **61 playgrounds** for our



## **YOUNGSTERS**

to enjoy, learn and grow.

We have **1,289ha of natural**

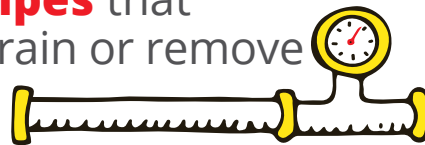


## **RESERVES**

that are home to thousands of species.

We have over **1,100 km of stormwater pipes** that either supply, drain or remove

## **WATER**



through our residential towns.

Approximately **50 per cent of rateable properties** in the district are connected to a Council water supply scheme. **1,543 water-related service requests** were received in 2022/23. **3,784 water billing queries** were received in 2022/23. **40 overflows/blockages were responded to** with a medium response time of 42 minutes and a medium completion time of 111 minutes in 2022/23.

We own and maintain **229ha of sport and**



## **RECREATION**

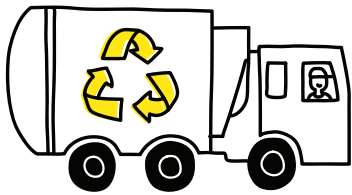
**areas** for active communities - that's around 229 rugby fields.



## 2022 Sustainability Snapshots\*

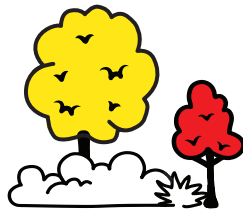


**40 per cent of our vehicle fleet is HYBRID & PHEV.**



**36 per cent of WASTE** collected was **diverted from landfill.**

We have **5,596 lights** in our roading network and **88 per cent of them are LED LIGHTS.**

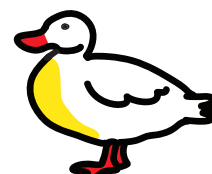


We planted more than **31,500 NATIVE PLANTS,** across the district.

We have **30 ECOLOGICAL ENHANCEMENT sites, and 25 RIPARIAN RESTORATION sites.**

**Ecological enhancement** increases and improves the habitat for flora and fauna. These sites are being restored with various native plantings, as well as pest and weed control, to enhance the ecosystem and improve habitats.

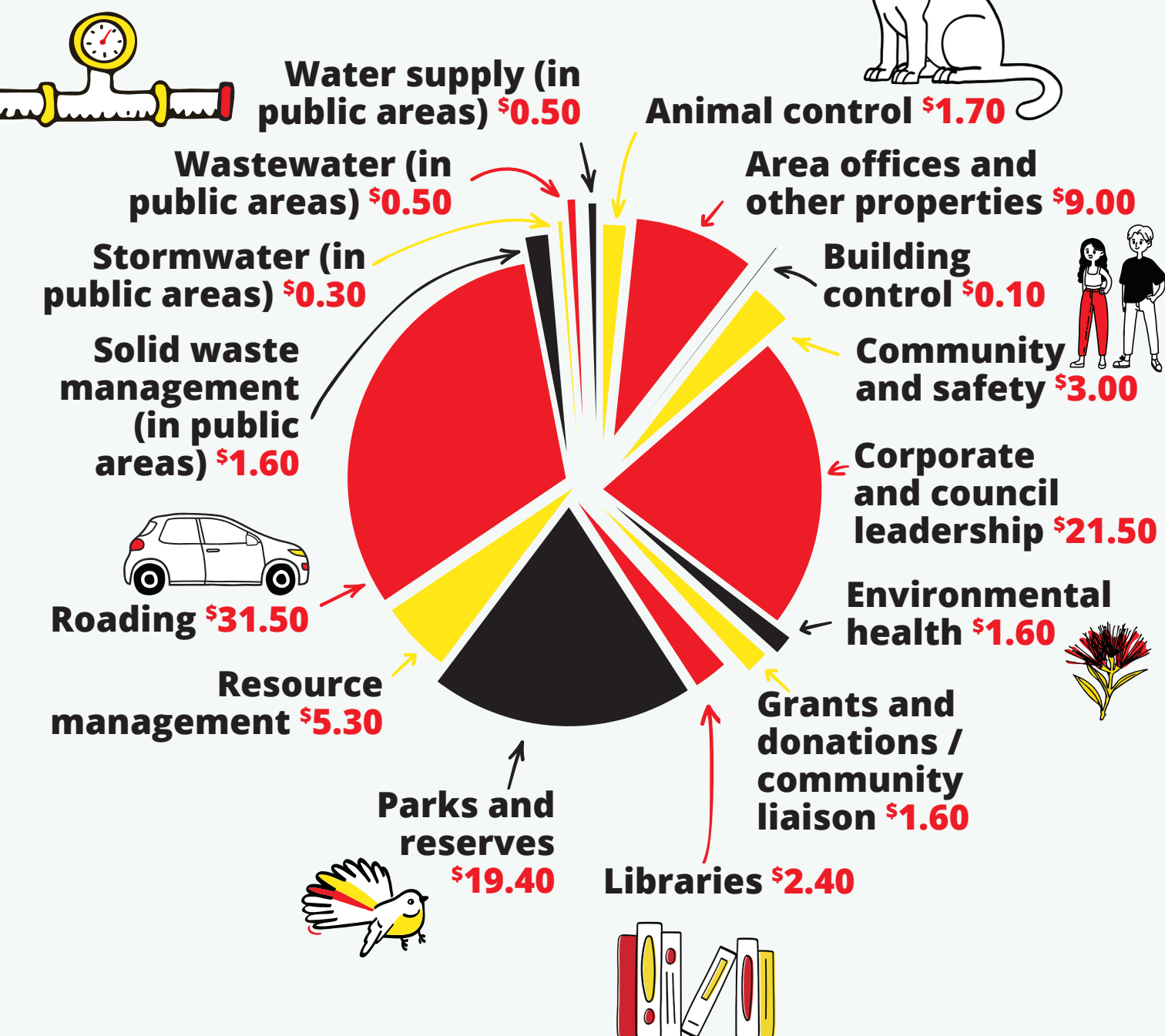
**Riparian restoration** is the ecological restoration alongside streams, rivers, lakes (and any other body of water). The riparian area (or zone) is the interface between land and the waterbody. The work includes new native plantings, pest control and weed control to improve water quality, reduce flooding and increase biodiversity.



\*These statistics are for the 2022 calendar year, not the 2022/23 financial year.

# What you got for **\$100**

We deliver a **broad range of services** to our diverse district of **residents, business owners and visitors**. Here's how we spent every **\$100** we received from general rates\*.





# Our Vision and Community Outcomes

Our Vision and Community Outcomes describes our aspirations for the Waikato district – we want to achieve in everything we do.

## Our vision – Liveable, Thriving and Connected Communities

We are responsible for improving the wellbeing of our community. Our community outcomes let us define what ‘wellbeing’ means and how Council and the wider community can contribute to this. They’re aspirational statements and recognise that other agencies and the community itself will need to be part of meeting those goals. We set the community outcomes in the 2021-2031 Long Term Plan – below you’ll see what work we did in 2022/23 to live up to those aspirations.



**Supporting our communities** | **Kia tautoko ki a taatou Haapori**  
**Building our economy** | **Ka hanga a taatou Oohanga**  
**Sustaining our environment** | **Kia toituu to taatou Taiao**  
**Working together with you** | **Kia mahi tahi taatou**  
**Providing value for money** | **Ka whai painga mo te puutea**

## Supporting our communities Kia tautoko ki a taatou Haapori

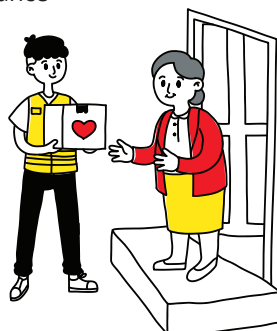
We consider the well-being of all of our people in all our planning and activities. We support and plan for the development of complete and connected communities.

In 2022/23, we undertook these key pieces of work to deliver on this community outcome:

- Delivered services and support to our communities through the significant weather events of early 2023. This included opening our contact centre 24/7 during Cyclone Gabrielle, working with affected homeowners to assess their properties and providing ongoing guidance on remedial actions they could take. Our roading teams responded immediately to ensure lifeline routes were cleared as soon as possible. Led by our resilience team, businesses could stay open by following continuity and incident management processes.

- Purchased the old Waipa Tavern site. This will allow us to support the revitalisation of Ngaaruawaahia town centre and develop a community hub. The Waipa Tavern, which burned down last year, will be redeveloped into welcoming spaces for learning, creativity, engagement and connection. We’ll engage with mana whenua and the wider community in the early planning stages.
- Almost completed Raglan’s Town2Surf cycleway. The two-metre wide Town2Surf cycleway will connect Raglan town centre with the main beach and provide locals and visitors a safe place to walk, run and cycle between other community sites. We received funding of just under \$1

million for the cycleway from the Government’s Tourism Infrastructure Fund. This was set up to develop tourism-related infrastructure for regions with tourism growth.





## Building our economy **Ka hanga a taatou Oohanga**

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

### **In 2022/23, we undertook these key pieces of work to deliver on this community outcome:**

- Continued to work with both regional and national partners to support and advise businesses to ensure effective investment takes place and local communities and iwi receive the benefits.
- Held business network events in Tuakau, Pokeno and Raahui Pookeka Huntly. These were designed as a platform for Waikato district business operators to connect with each other, explore opportunities to work together and take advantage of the growing economy in the district.
- Supported Hamilton and Waikato Tourism to encourage the community to promote our district by participating in the Waikato Ambassador Programme workshops. Attendees got the chance to build community connections, discover new attractions, learn how to enhance visitor experiences, ask questions, and network with peers from across the motu. The Mayor hosted members of the district's hall committees, smaller ratepayer associations, community committees and Community Boards, aiming to connect effectively with these influential voices in our rural areas and small towns. Representatives attended from Naike, Maatangi, Glen Afton, Gordonton, Pukemiro, Port Waikato, Puketaha, Tamahere, Karioitahi, Mangatangi and Te Akau.



## Sustaining our environment **Kia toituu to taatou Taiao**

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

### **In 2022/23, we undertook these key pieces of work to deliver on this community outcome:**

- Reduced our operational emissions by 3.9 per cent. We reduced our district emissions by approximately 8 per cent. Half of our vehicle fleet is hybrid or plug-in hybrid electric vehicles (PHEV), and we will look to increase this over time. 88 per cent of our road lighting is LED, and we planted over 31,500 native plants across the district.
- Provided training to community advisors to support non-government organisations, charities and small businesses to measure and set action and targets on climate change. We also developed a Climate Response and Resilience Strategy.
- Upgraded the Te Mata and Te Uku recycling drop-off centres to improve access and increase the ability for these communities to recycle. The sites now have dedicated areas for the different types of recycling, and the Te Uku site now has a covered roof.
- Planted more than 1,000 native trees at Les Batkin Reserve in Tuakau. This was in collaboration with Tuakau Primary School, Enviroschools, Citycare and Waikato Regional Council. The planting helped promote a healthy biodiverse environment to encourage partnerships with local communities and teach them the benefits of creating and maintaining spaces dominated by native species.



## Working together with you Kia mahi tahi taatou

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

### In 2022/23, we undertook these key pieces of work to deliver on this community outcome:

- Launched the Raahui Pookeka Huntly Arts Strategy in March 2023. It aims to help creative arts flourish in Raahui Pookeka Huntly over the next five years. The strategy is a starting point. It creates pathways for local authorities, community groups, iwi, education providers and locals to support each other and grow arts and culture in the wider Huntly area.
- Provided \$413,847 to over 50 groups through funding and discretionary grants.
- Surveyed Community Boards and Committees to gather feedback about future Blueprint initiatives. We received responses from nearly all 17 communities with Local Area Blueprints, and Council's Sustainability and Wellbeing Committee will consider these in September 2023.
- Received \$1,925,000 from Government's Climate Emergency Response Fund for micro-mobility transport improvements in Raahui Pookeka | Huntly. This funding will focus on improving the pedestrian link between the town centre and Huntly West and further extending the shared path linking Ohinewai with Huntly.



## Providing value for money Ka whai painga mo te puutea

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

### In 2022/23, we undertook these key pieces of work to deliver on this community outcome:

- Completed the Raglan pontoon and gateway project in June 2023. This includes a newly constructed pontoon, kayak ramp and eastern walkway. This collaborative project transformed the wharf and wider harbour and was funded by Kanoa Regional Economic Development and Investment Unit and partnerships with Raglan Community Board and our iwi partners, including Ngaati Maahanga and Ngaati Hourua, Tainui o Tainui, Ngaati Tahinga and Ngaati Tamainupoo. There will be ongoing work to construct the eastern and western walkways at the wharf to improve pedestrian access for all ages and abilities. This is being part-funded by the Government's Better Off Funding.
- Developed the Tuakau Skate Park in partnership with Tuakau Youth Sports Trust. Extra funding for the project came from Council's Waikato District Community Wellbeing Trust, New Zealand Community Trust, Lotteries NZ and Onewhero Tuakau Community Board.
- Launched a new account-based online system. This lets residents use a single email address to access online accounts for rates, water, dog registration details and more. This is the first of many online services that will enable making and managing payments even easier for residents.
- Switched from gas to electricity to heat swimming pools at the Huntly Aquatic Centre. Council received \$158,000 of funding from the Energy Efficiency and Conservation Authority's Technology Demonstration fund. The work replaces a gas boiler with a new electric heat pump for indoor spaces, hot water, and pools. We expect this to reduce the Council's Corporate emissions by approximately 14 per cent each year, or 153 tonnes of CO<sub>2</sub>-e emissions annually, taking effect in 2024. This change aligns with Council's Climate Resilience and Response Plan and commitment to reducing greenhouse gas emissions.



# Our Performance



## Performance summary

Our projects and work programmes span eight groups of activities. For each group we have performance measures that provide us with targets to meet, such as responsiveness, safety, timeliness, meeting statutory requirements and compliance. The results on pages 7 to 9 summarise how we did and where we need to improve. Please see the full Annual Report to find out more about all the targets and how we performed against them.

- We've achieved the target
- One or more but not all of the components of a measure have been completed. This result is only applicable when the measure can be broken into more than one component
- We've not met the target

**In the past 12 months, we have:**

- **Delivered 150 successful animal control education events.**
- **Recorded customer satisfaction levels of 98 per cent at our libraries.**
- **Supported event organisers by having four information sharing workshops.**
- **Trained 70 staff to fulfil core roles in an emergency event.**
- **Verified 230 food premises for food safety.**
- **Held nine formal hui with iwi, mana whenua and hapuu groups.**
- **Ensured drinking water standards were met.**
- **Issued 1,750 building consent applications.**
- **Responded to 1,543 water-related service requests.**

## Overview

There are 61 performance measures in Council's 2021-2031 Long Term Plan. In 2022/23, 59 per cent (36) of performance targets were achieved, compared to 65 per cent (41) in the previous year. An additional two per cent (1) were achieved in part and 39 per cent (24) were not achieved.

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

**37 are 'achieved' (56%)**

**1 is 'achieved in part' (2%)**

**24 are 'not achieved' (42%)**

## Governance

We met one of our five targets for the number of formal hui held with iwi, mana whenua and hapuu groups. We continue to see a trend in our customer satisfaction measures that suggests there is dissatisfaction and that people are not getting the information that is relevant to them and their community. It is really important to us that our communities can engage with councillors and staff easily and efficiently. We are looking at ways in which we can improve our service delivery including developing a new communications and engagement strategy.

**1 is 'achieved' (20%)**

**4 are 'not achieved' (80%)**



## Sustainable communities

We continue to see positive results for our library services, with 97 per cent of users likely to recommend our libraries to their friends and family and 98 per cent happy with the resources provided. We also see a trend in customer satisfaction measures that suggests there is dissatisfaction with some of our services, including public toilets, parks and reserves, cemetery presentation, and customers and businesses interacting with Council. While our Emergency Management activity did not complete an annual training exercise, we did assess our response to Cyclone Gabrielle and continued to have staff trained to fulfil core emergency operations centre roles.

### Community Connections (parks and facilities)

**1 is 'achieved' (20%)**

**4 are 'not achieved' (80%)**

### Customer and Partnership focus

**2 are 'achieved' (50%)**

**2 are 'not achieved' (50%)**

### Economic Development

**1 is 'achieved' (100%)**

### Emergency Management

**1 is 'achieved' (50%)**

**1 is 'not achieved' (50%)**



## Sustainable environment

Animal control-related complaints were responded to quickly, with 96.8 per cent of aggressive dog behaviour and 97.65 per cent of straying stock complaints having personnel on site within one hour. A total of 150 successful education events relating to animal control were carried out across the region.

Positive results were achieved for environmental health measures relating to food operation verifications, licensed premise inspections, excessive noise complaints and hazardous land use reporting, with all targets being met. In preparation for the introduction of national standardisation for waste collection services, we have not been accepting recycling that doesn't comply with the new standards. As a result, our customer satisfaction with this service has reduced. Resource and building consent processing timeframes were also adversely impacted due to staffing availability, contractor capacity and the requirement to assess against both the operative and proposed District Plans.

### Animal Control

**2 are 'achieved' (50%)**

**1 is 'achieved in part' (25%)**

**1 is 'not achieved' (25%)**

### Building Quality

**3 are 'achieved' (75%)**

**1 is 'not achieved' (25%)**

### Environmental Health

**4 are 'achieved' (100%)**

### Solid Waste

**1 is 'achieved' (50%)**

**1 is 'not achieved' (50%)**

### Strategic and District Planning

**1 is 'achieved' (20%)**

**4 are 'not achieved' (80%)**

## Roading

We achieved two roading performance measures, with 95.9 per cent of footpaths meeting the agreed level of service for condition and 96 per cent of sealed roads achieving a ride with quality travel exposure. The number of fatal and serious crashes remains high, with staff focusing on improving road conditions and progressing the Road to Zero initiative. Compliance with footpath and road service requests has not been met due to resourcing challenges and additional work created by weather events. The resealing of roads was also impacted, as due to the rising cost of inflation, our budget didn't go as far, meaning we carried out less road resealing than planned.

**2 are 'achieved' (40%)**  
**3 are 'not achieved' (60%)**

## Stormwater

We continued to operate robust stormwater systems and make improvements to our assets. One performance measure was not achieved during Cyclone Gabrielle as staff were unable to attend a flooding event within the target timeframe due to road closures.

**4 are 'achieved' (80%)**  
**1 is 'not achieved' (20%)**

## Wastewater

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

**4 are 'achieved' (80%)**  
**1 is 'not achieved' (20%)**

## Water Supply

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

**9 are 'achieved' (100%)**

## Organisational Support

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

**1 is not 'achieved' (100%)**





# Summary Financial Statements

## Statement of comprehensive revenue and expense for the year ended 30 June 2023

	Council & Group		Council	Group
	2022/23 Actual	2022/23 Budget	2021/22 Actual	2021/22 Actual
	\$'000	\$'000	\$'000	\$'000
Total revenue	223,592	179,831	230,053	230,202
Finance costs	(5,179)	(5,769)	(4,782)	(4,782)
Operating expenditure excluding finance costs	(172,782)	(161,264)	(153,278)	(153,965)
<b>Surplus (deficit) before tax</b>	<b>45,631</b>	<b>12,798</b>	<b>71,993</b>	<b>71,455</b>
Income tax expense	-	-	-	-
<b>Surplus (deficit) after tax wholly attributable to WDC</b>	<b>45,631</b>	<b>12,798</b>	<b>71,993</b>	<b>71,455</b>
<b>Other comprehensive income</b>				
Gain (loss) on property revaluations	53,619	64,403	284,322	284,322
Revaluation reserve - landfill	49	-	138	138
Gain (loss) on cessation of joint venture	-	-	-	-
Financial assets at fair value through other comprehensive income	3,591	-	9,882	9,882
<b>Total other comprehensive income</b>	<b>57,259</b>	<b>64,403</b>	<b>294,342</b>	<b>294,342</b>
<b>Total comprehensive revenue and expense wholly attributable to Waikato District Council</b>	<b>102,890</b>	<b>77,201</b>	<b>366,335</b>	<b>365,797</b>

## Statement of financial position as at 30 June 2023

	Council & Group		Council	Group
	2022/23 Actual	2022/23 Budget	2021/22 Actual	2020/21 Actual
	\$'000	\$'000	\$'000	\$'000
Current assets	53,232	26,182	54,890	59,214
Non-current assets	2,352,659	2,171,866	2,220,529	2,219,829
<b>Total assets</b>	<b>2,405,891</b>	<b>2,198,048</b>	<b>2,275,419</b>	<b>2,279,042</b>
Current liabilities	57,376	63,745	56,582	55,508
Non-current liabilities	106,671	160,457	79,884	79,884
<b>Total liabilities</b>	<b>164,047</b>	<b>224,202</b>	<b>136,466</b>	<b>135,392</b>
<b>Net assets</b>	<b>2,241,844</b>	<b>1,973,846</b>	<b>2,138,953</b>	<b>2,143,650</b>
<b>Total equity</b>	<b>2,241,844</b>	<b>1,973,846</b>	<b>2,138,953</b>	<b>2,143,650</b>

## Statement of changes in net assets / equity for the year ended 30 June 2023

	Council & Group		Council	Group
	2022/23 Actual	2022/23 Budget	2021/22 Actual	2021/22 Actual
	\$'000	\$'000	\$'000	\$'000
<b>Balance at the beginning of the year</b>				
Accumulated funds including share of joint venture	1,214,408	1,237,142	1,146,219	1,148,225
Reserves	924,545	659,503	626,399	629,628
<b>Balance at 1 July as previously reported</b>	<b>2,138,953</b>	<b>1,896,645</b>	<b>1,772,618</b>	<b>1,777,853</b>
Total comprehensive income for the year wholly attributable to Waikato District Council	102,891	77,201	366,335	365,797
Other reserve movements	-	-	-	-
<b>Balance at 30 June wholly attributable to Waikato District Council</b>	<b>2,241,844</b>	<b>1,973,846</b>	<b>2,138,953</b>	<b>2,143,650</b>
<b>Represented by equity at the end of the year</b>				
Accumulated funds	1,270,395	1,276,210	1,214,408	1,215,828
Other reserves	971,449	697,636	924,545	927,821
<b>Balance at 30 June wholly attributable to Waikato District Council</b>	<b>2,241,844</b>	<b>1,973,846</b>	<b>2,138,953</b>	<b>2,143,650</b>

## Statement of cash flows for the year ended 30 June 2023

	Council & Group		Council	Group
	2022/23 Actual	2022/23 Budget	2021/22 Actual	2020/21 Actual
	\$'000	\$'000	\$'000	\$'000
Net cash from operating activities	56,711	47,630	58,415	58,304
Net cash from investing activities	(84,269)	(110,215)	(73,792)	(73,667)
Net cash from financing activities	26,966	62,543	19,033	19,033
<b>Net (decrease) increase in cash, cash equivalents and bank overdrafts</b>	<b>(592)</b>	<b>(40)</b>	<b>3,656</b>	<b>3,670</b>

# Summary Accounting Policies

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

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

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

**The Waikato District Community Wellbeing Trust (WBT) has been de-established as of 1 July 2022. All assets were gifted to Momentum Waikato to establish a new fund in accordance with the terms and conditions of the signed Deed of Gift. The Waikato District Community Wellbeing Trust no longer forms part of The Group.**

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

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

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

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

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

The summary financial statements of Council and Group are for the year ended 30 June 2023. The full annual report was authorised for issue by Council on 24 October 2023 and the summary financial statements were authorised for issue by Council on 24 October 2023.



# Summary additional disclosures

## Contingencies

Contingent liabilities for Council at balance date are \$10,000 (2022: \$10,000). The contingent liabilities are uncalled capital contributions in Waikato Local Authority Shared Services Limited.

## Commitments

Council has \$423,734,000 (2022: \$382,582,000) of capital commitments. Strada had no capital commitments at balance date (2022: \$nil).

## Events after balance date

### Huntly section of SH1

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

### Raglan Airfield

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

## Three Waters Reform

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023

## Future for Local Government Review Reorganisation

A Ministerial Inquiry into the Future for Local Government has been established. The overall purpose of the review is to identify how our system of local democracy needs to evolve over the next 30 years to improve the well-being of New Zealand communities and the environment, and

actively embody the treaty partnership. The final report was presented to the Minister and Local Government New Zealand on 23 April 2023. While the review could recommend significant change to what local government is and does, there is no information available on the likely direction for the review at this time.

For Strada, no material events are expected to occur subsequent to 30 June 2023 that affect the financial position at that date. (2022: none)

### 14 Harihari Lane, Whatawhata

A claim has been filed against the Waikato District Council as one of seven defendants by Scott and Sarsha Coker of the Bling Dynasty Trust on the 25th August 2023.

The claim relates to damage and remediation costs to a home at 14 Harihari Lane, Whatawhata and specifically to the Waikato District Council for a consent issued for the building. The remediation costs are estimated to be \$1.1 million plus GST, in addition the plaintiffs are also claiming general damages.

## Adjustments to the comparative year financial statements

There have been no adjustments to the comparative year financial statements for the year ended 30 June 2023.

## Explanation of major variances

The major variance explanations are set out below and explain the significant differences between actual results for 2022/23 compared to the budget for 2022/23. Please note that the abbreviations used in this note are \$Xm, millions of dollars; \$Xk, thousands of dollars.

### Statement of comprehensive revenue and expense

Overall revenue was \$43m higher than budgeted. This was largely due to found and vested asset revenue of \$35m and higher growth in General

and Targeted Rates of \$3m. Subsidies received at higher than planned rates contributed a further \$1m to this positive variance. Finance revenue was \$2m higher than budget due to higher interest rates on funds on call. Partially offsetting these increases is a reduction in Development and Financial Contributions, impacted by the relative timing of the development cycle and Regulatory revenue is less than the budget due to higher work in progress in Consents (income not yet brought to account) and lower Building approvals.

Other variances on revenue include a gain on the revaluation of interest rate swaps of \$3m not being budgeted.

Overall expenses for the current year were \$178m, which is \$10m higher than budget. External consultants were engaged to provide cover for these various employee vacancies throughout the year as well as to meet increased demand for services in areas such as planning and consents, resulting in a net cost of \$2m above budget. Other expenses were \$8m above budget due to higher activity levels and above budget inflation.

Actual written-off assets for the year amounted to \$2m, which was not budgeted. Depreciation and amortisation costs were \$4m higher than budget which is primarily due to the higher than planned values of assets which resulted in higher depreciation for the current year.

The above movements resulted in a surplus of \$46m at an operating level (compared to the budgeted surplus of \$13m).

Total other comprehensive revenue and expense were \$57m which was \$7m less than budget. The majority of this difference relates to the lower than budgeted revaluation gain resulting from the annual asset valuation, partially offset by an unbudgeted \$4m gain on Council's investment in the Waikato Regional Airport.

### Statement of financial position

The statement of financial position shows an increase in overall net assets of \$268m compared

to budget. The biggest variance was for property, plant and equipment which was higher than budget due to revaluation gains realised, as explained above, which has been partially offset by some asset write-offs and a capital expenditure programme which was below budget. This positive difference is partially offset by lower borrowings compared to budgeted estimates which is consistent with the below budget capital expenditure. Current assets are higher than budget with current liabilities being lower than budget. This is largely due to higher than planned year-end funds on hand and the reduction in the liability associated with interest rate swap contracts as a result of market interest rates now above the contracted swap rates.

Intangible assets were \$8m less than budget which is primarily due to the unbudgeted amortisation of pre-purchased wastewater infrastructure growth charges. Investments in CCOs and other similar organisations is \$14m higher than budget due to the unexpected increase in the value of the Waikato Regional Airport.

### Statement of cash flows

The cash flow statement highlights how the overall operational activities surplus of Council was higher than budget for the year. This increase in surplus is mainly due to lower-than-expected operational activity. It also highlights that the capital programme was below budget and therefore lower than planned external borrowings were required. The net impact of this resulted in cash balances being \$13m higher than budget at the end of the year.

### Funding impact statements

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

This year the overall operating funding surplus was \$24m compared to a budgeted surplus of \$8m. Operating funding was \$2m above budget due to higher charges and growth in General and Targeted Rates and higher than budgeted Penalty Income.

Operating expenditure was \$14m below budget primarily due to below budgeted payments to suppliers partially offset by above budget payments to consultants to cover for staff vacancies and higher demand for services.

Sources of capital funding were \$51m less than budget. Borrowings were partially repaid, and additional budgeted borrowings were not required due to lower actual spend on the capital programme.

## Disclaimer

The specific disclosures included in this summary annual report have been extracted from the full annual report which was authorised for issue on 24 October 2023.

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

The summary has been examined for consistency with the full annual report and was audited by Audit New Zealand on behalf of the Auditor General. The full annual report and summary received an unmodified audit opinion on 24 October 2023.

The full annual report can be obtained from any of the Council's offices or can be accessed online at [www.waikatodc.govt.nz](http://www.waikatodc.govt.nz).



## Independent Auditor's Report

### To the readers of Waikato District Council's summary of the annual report for the year ended 30 June 2023

The summary of the annual report was derived from the annual report of the Waikato District Council (the District Council) for the year ended 30 June 2023.

The summary of the annual report comprises the following information on pages 12 to 20:

- the summary statement of financial position as at 30 June 2023;
- 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 2023;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance.

### Opinion

In our opinion:

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

### Summary of the annual report

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

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

## **The full annual report and our audit report thereon**

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2023 in our auditor's report dated 25 October 2023.

Our auditor's report on the full annual report also includes two emphasis of matter paragraphs.

### **Emphasis of matter - uncertainty over the water services reform programme**

Without modifying our opinion, we draw attention to Note 32 on page 124, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council as outlined in note 32 remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

### ***Inherent uncertainties in the measurement of greenhouse gas emissions***

The District Council has chosen to include a measure of its greenhouse gas (GHG) emissions in its statement of service provision. In considering the public interest in climate change related information, we draw attention to page 28 of the statement of service provision, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

## **Council's responsibility for the summary of the annual report**

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

### **Auditor's responsibility**

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

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

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



Clarence Susan  
Audit New Zealand  
On behalf of the Auditor-General  
Tauranga, New Zealand  
24 October 2023









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