

Whakarāpopototanga o te Pūrongo ā-Tau **Annual Report 2023/24**



Tuatahi ake nei, kia tau iho mai te tauwhirotanga o te wāhi ngaro ki runga ki te whare kāhui ariki e noho pani nei. Tangi apakuratia rā te ngarohanga o tō tātou kiingi a kiingi Tūheitia Pōtatau te Wherowhero VII, ki te pō. Whakahōhoretia te Arikinui, Kuīni Ngā wai hono i te pō, kātahi anō ka whakawahia hei Kuīni Māori.

Rire, rire, hau – Paimārire!

Tangihia ngā mate o te wā, rātou kua riro ki te pō, haere, haere, haere atu rā.

Kia tau iho mai te manaakitanga o te wāhi ngaro ki runga i a tātou katoa.

E mihi kau atu ana ki ngā tūtohu whenua, me ngā tūtohu wai

Ngā hau marangai ki uta, ngā ngarungaru e papaki ana ki tai.

E ngā reo, e ngā mana, e rau rangatira mā

Tīhei mauri ora ki te whei ao ki te ao mārama.

Tēnā koutou katoa.

May the protection and life force of the spiritual realm reside with the royal family in their state of grieving. May we lament the passing of King Tūheitia, Pōtatau Te Wherowhero VII, into the night. May we honour the raising up of Queen Ngā wai hono i te pō, the Māori Queen.

Goodness and peace!

We mourn those who have passed, as they depart to the next world. We bid them farewell.

May the protection and life force of the spiritual realm reside with us all.

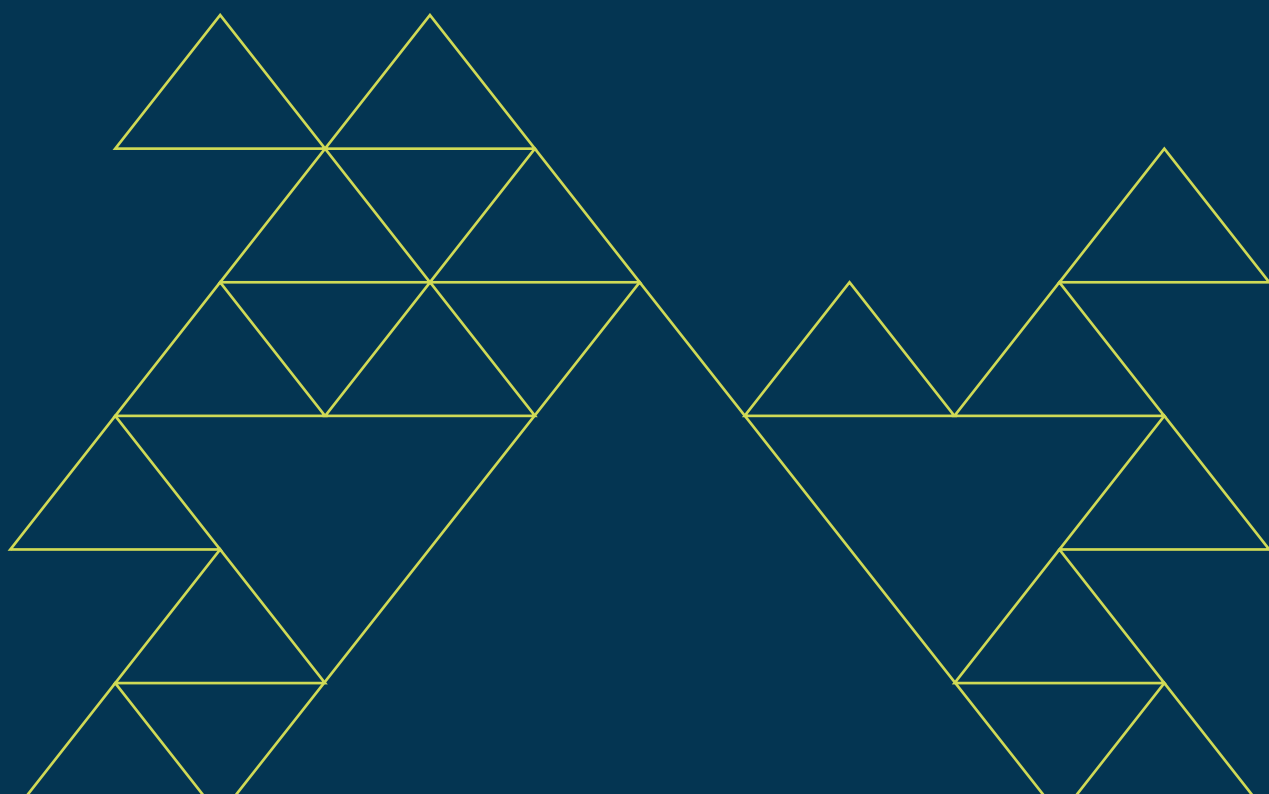
We acknowledge the paramount landscapes and waterscapes

The eastern winds that flow across the land, the coastal waves the crash on the shores.

To one and all, the esteem and the prestige.

Behold, the breath of life, from the dawn to the world of light.

We acknowledge you all.



Rārangi kaupapa

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Section 1:
Whakataki
Introduction

Kōrero matua

Message from the chairperson and chief executive

In 2023/24, we continued our mahi to help make the Waikato even better – environmentally, economically and socially.

We know we can't do it on our own. Working together with iwi, residents and ratepayers, community groups, central and local government, the primary sector and businesses helps ensure we get it right.

This report confirms our finances and service performance for the financial year ended 30 June 2024.

When setting our annual budget for the period, councillors remained mindful of the need to keep costs to ratepayers down in light of the acute pressures on the cost of living and our cost of service delivery, driven by high inflation outside the control of local government. We were also conscious of existing commitments made to our communities and the costs associated with delaying prudent investment, ultimately sticking closely to the programme signalled in our 2021-2031 Long Term Plan (LTP).

While we saw a reprieve from the severe weather events of the previous reporting period, many of our recovery efforts continued into 2023/24. The winds of political change, meanwhile, were a key driver of uncertainty. With a new coalition government taking office in October 2023, the raft of significant policy changes signalled or introduced meant we had to delay, postpone or recalibrate a number of our work programmes. While such delays may result in short term savings, they can also mean projects cost more to deliver in the long run.

This report is the last of the three-year cycle that measures progress against our 2021-2031 Long Term Plan. In 2023/24, we developed, consulted on and set our work programme for the next 10 years through our new 2024-2034 Long Term Plan. Consultation took place in April 2024. Members of the public made more than 1600 submission points and council adopted our resilience-focused plan on 27 June 2024. Councillors took some tough decisions but ultimately delivered one of the lowest rates rises in the country.

Our long term plan included a 50-year infrastructure strategy which seeks to change the way we invest in and manage infrastructure to meet our strategic priorities. The strategy was also informed by ongoing work on our Sustainable Infrastructure Decision Making Framework, which is designed to help us make sound, long-term investments in infrastructure assets. Our flood management schemes protect 3000 square kilometres of land as well as critical

services and infrastructure. Being able to use this land for agriculture and economic purposes boosts our regional economy by around \$2.2 billion every year. The sustainability and affordability of these assets are major issues for us and the communities they protect, particularly as climate change and growth pressures continue to mount. We know we need to do things differently and this is something the strategy acknowledges: identifying the need for more nature-based and intergenerational solutions.

Our shovel ready projects have already been delivering some of the solutions we need. In 2023/24, work was completed or nearing completion on a wide range of environmentally and economically significant works, including floodgates, stopbank and pump station upgrades, and river restoration initiatives. These multi-year projects include environmental restoration, biosecurity and climate resilience works. They received around \$29 million in central government funding and have resulted in around \$48 million of works across the Waikato region. Completion of the Churchill East pump station, home to our second enclosed Archimedes screw pump for the safer passage of native fish, was a major milestone. And results from our first screw pump, installed at the Mangawhero pump station near Waiuku, showed 99 per cent of tuna (eels) were able to pass through safely.

As well as completing ambitious projects that helped bring central government funding into our region, we've been focusing on the fundamentals. Prioritising our core functions helps us respond to cost-of-living pressures while continuing to deliver on the things that matter most to our communities. Our consenting and compliance work enables us to strike the balance between supporting the proactive use of the land and water for the benefit of our communities and economy and protecting our valuable natural resources for generations to come. In total, there were 809 resource consents processed this year, of which 98 per cent were processed to completion in accordance with the Resource Management Act timeframe discount regulations. We also responded to all 1675 notifications from the public relating to environmental incidents and went out to 561 incidents that needed physical attendance.

Whether it's sustainable development and infrastructure, delivering biodiversity and biosecurity, achieving clean water and healthy ecosystems, fostering community connections or transitioning to a low-emissions economy, people working together is key. For us, that's partnering with iwi and working with many others in our communities.

We have a number of longstanding co-governance and co-management agreements with iwi regarding their participation in natural resource management decision making as a result of the Waikato and Waipā River Treaty settlements. The most recent is the joint management agreement with iwi authority Te Nehenehenui and other councils, signed in 2023.

In addition to our formal agreements, we acknowledge that iwi entities often face capacity constraints when engaging with local and central government institutions in their rohe. To address limitations faced by the iwi Māori entities we work with, we allocated funding to support iwi capacity. We've also been investing in the ability of our staff to engage effectively with iwi Māori through a range of internal support programmes. We're committed to continued investment in these partnerships because, together, we know we can achieve more for everyone who calls the Waikato region home.

Enabling everyone who calls the Waikato home to interact with us in ways that work for them, accommodating busy schedules and a range of communication and technology preferences, is so important. That's why we've started a programme of work to improve our touchpoints with our residents and ratepayers. The first tranche was completed in 2023/24, including a new integrated triaging system to better manage requests across a range of channels. Further improvements are also planned to enable more personalised, standardised and centralised support as we move towards an increasingly self-service oriented model. This investment in technology will help save residents, ratepayers and staff time, and create more seamless, positive interactions to meet growing demand and expectations.

Technology is helping us drive efficiencies in our science and catchment management work too, particularly when it comes to environmental monitoring. During the reporting period, we worked with Waikato River Authority, National Institute of Water and Atmospheric Research (NIWA) and other partners, developing modelling tools to improve our understanding and management of the Waikato River catchment, including flow patterns, contaminant sources and restoration outcomes. We also investigated the use of emerging spatial technology to see whether it can improve the way we do business. This involved testing airborne laser image detection (LiDAR) over the stop banks that help protect homes and businesses from flooding to determine crest levels. The work is already generating efficiencies in the time it takes to capture data by reducing the need to make physical assessments. Looking to the future, using the technology to map, model and mitigate things like flood risk could help safeguard livelihoods and even save lives.

Science also had an important part to play in informing the review of the regional coastal plan to respond to issues that have emerged since it was developed almost 30 years ago and to address legislative changes and national and regional policy direction. In August 2023, we reached a significant milestone, notifying our proposed regional coastal plan. The near three-month consultation period resulted in 1359

submissions. Then, in June 2024, three independent commissioners were appointed alongside two regional councillors to the hearings panel. The hearings process is expected to get underway in late 2024, with the substantive hearings of submissions to commence in February 2025.

We're improving the options available for people to connect with each other and access the amazing opportunities our region has to offer. Our public transport services provide access to education, employment, recreation, healthcare and more, while also helping to cut congestion and reduce carbon emissions. The number of bus trips people are taking has normalised following COVID-19-related declines, up 18 per cent in Hamilton and 14 per cent region wide over the financial year. In August 2023, we launched the Meteor, a new, high-frequency bus service linking east and west Hamilton. During the reporting period, the service carried an average of 9124 passengers each week, 85 per cent more than the combined Silverdale and Frankton services it replaced. Waikato's first electric buses were deployed on Taupō and Waipā services in 2023/24, replacing diesel vehicles. These new services are cleaner, quieter and a sign of things to come.

We're pleased to report funding has been secured to keep Te Huia – the passenger rail service connecting the Waikato and Auckland – on track. NZ Transport Agency Waka Kotahi announced in May 2024 that the subsidy provided for Te Huia would progressively reduce – from 90 per cent down to the current 75.5 per cent (from 1 July), with a further reduction to 60 per cent in 2025/26. Councillors supported using reserve funds to bridge the funding gap this created and enable the service to complete its five-year trial with no rating impact. With annual patronage of 69,230 for Te Huia in 2023 – up 17 per cent on the previous year – and our 2024 customer satisfaction survey showing 99 per cent of passengers were satisfied, we know lots of people rely on and value this service. Our communities can rest assured that we plan to consult with ratepayers before the end of the trial to gauge support and propose options for the continuation of the service.

Finally, the council's performance was independently assessed this financial year through Te Korowai, the local government continuous improvement programme formerly known as CouncilMARK. We're proud to report that we're at the top end of the scale. This result means we are performing well, and our efforts focus on the areas that matter, with a plan for further positive change. Looking ahead as we deliver our new long term plan, we'll seek to build on those foundations, continuing to invest in our people and partnerships, leveraging technology and finding efficiencies to help make the Waikato even better for those here now and generations to come.

Ngā toki kaunihera me ō rātou takiwā

Your regional councillors

Waikato



Pamela Storey
Chairperson



Noel Smith

Hamilton



Bruce Clarkson
Deputy Chairperson



Chris Hughes



Jennifer Nickel



Angela Strange

Thames-Coromandel



Warren Maher

Ngā Hau e Whā



Tipa Mahuta

Ngā Tai Ki Uta



Kataraina Hodge

Waihou



Robert Cookson



Ben Dunbar-Smith



Waipā-King Country



Clyde Graf



Stu Kneebone

Taupō-Rotorua



Mich'eal Downard



Tō tātou rohe

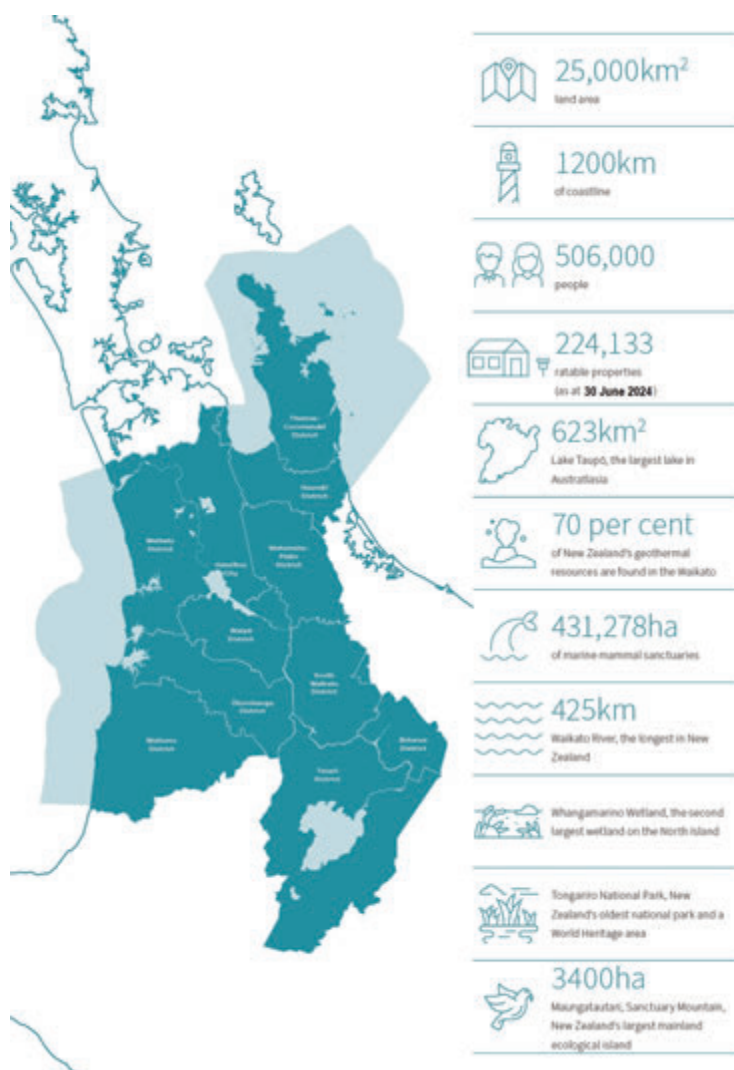
Your region

We love where we live – the mighty Waikato. In the heart of the upper North Island, our region includes the Bombay Hills, Coromandel Peninsula, Mōkau, the slopes of Mount Ruapheu and everything in between. With New Zealand’s longest river, Australasia’s largest lake, a volcanic plateau, rich agricultural areas, 70 per cent of the country’s geothermal resources, world-recognised wetlands, 1200km of coastline and many distinct landforms, it’s a diverse and resource-rich region. It’s a place of powerful possibilities.

Making the most of these opportunities relies on us keeping our environment healthy. A healthy environment enables communities to thrive. Get that right and the economy will be strong. That’s what we’re here to do – create a sustainable future for people today and generations to come. It’s ambitious. The issues and solutions are complex and interconnected.

We’re in it for the long haul: improving water quality, planning for climate change and the transition to a low emissions economy, enhancing the health of our coastal and marine ecosystems, protecting and restoring our unique native plants and animals and the ecosystems they live in, keeping people safe on our roads and waterways as well as from floods and other hazards, and providing passenger transport services. We do all this, and more.

People working together is key. For us, that’s partnering with iwi and working with many others in our communities. Our collective kaitiakitanga – our care – will make the Waikato region even better.



Te mahitahi ki te kāwanatanga kia angitu ai

Working with central government to drive efficiencies

We want to help make the Waikato be the best it can be – environmentally, socially and economically – for now and for generations to come.

Working together with central government, iwi, the private sector, primary industries and community groups helps ensure we get it right.

In recent years, global inflation outside the control of local government has created significant cost of living pressures for our communities while also increasing our costs of service delivery. Meanwhile, the impacts of climate change have continued to necessitate proactive investment in critical infrastructure.

In striking the balance between these competing pressures, our central focus has been on keeping costs down for ratepayers while delivering core services and maintaining a fundamental emphasis on regional resilience.

This approach has enabled us to deliver some of the lowest rates rises in the country while driving efficiencies and stimulating economic growth.

We welcome the strong signals from the coalition government that they share these priorities, and we're encouraged by their emphasis on collaborative ways of working between central and local government to address common challenges and support resilient, sustainable regions.¹

Regional councils often deliver projects, infrastructure and services of national significance. Such projects require strong partnerships and appropriate co-funding to help ensure central government requirements and aspirations can be met without local ratepayers being left to foot the bill.

Our role under the Local Government Act 2002 means we must respond to both the needs of our community and the requirements of legislation set by central government.

This legislation often requires us to comply with, implement and develop policy that is solely driven by central government requirements. It means we're continually reassessing project priorities to balance compliance with existing statutory requirements, foreshadowed changes to legislation, and prudent investment of ratepayer funds.

Central government therefore has an important role to play in enabling efficiencies in local government by giving clear, streamlined policy direction and providing appropriate co-funding to enable us to meet national requirements.

The shovel ready programme of infrastructure and environmental restoration projects shows what can be achieved when local government is enabled through strong central-regional partnerships and funding, and empowered to use their expertise on regional priorities and conditions to deliver the best bang for buck.

We received a total of \$29 million in grant funding for multiple environmental restoration, biosecurity and climate resilience projects totalling about \$48 million across the Waikato region. This investment helped stimulate the construction and environmental industries, create jobs and provide nationally significant improvements to the resilience of our environment, communities and economy.

We know the current coalition government has big plans for driving economic growth too. We strongly support their emphasis on giving local government the certainty of decision-making and funding to help us deliver efficiencies and drive growth.²

These assurances, made primarily through the regional deals strategic framework, provide fertile ground for central and local government to agree on joint priorities and work together to accomplish common objectives that improve the lives of our communities.

Such an approach is essential if we are to avoid the costs local government has often faced as a result of central government policy pivots. Lack of certainty regarding central policy direction can create huge inefficiencies which drive up the costs for local ratepayers, a fact the New Zealand Institute of Economic Research (NZIER) found central government has often underestimated in the past. These costs include:

- high sunk costs when policies change (e.g. freshwater management, which has changed every three years)
- shifting costs from taxpayer to ratepayer funding to maintain critical public services
- opportunity costs as councils reduce services or are unable to respond to community needs because of centrally driven costs.

But the government's most recent budget provides cause for optimism that they are mindful of these risks and open to a positive reset in the central-local relationship, committing total co-funding of \$101.1 million to the regions for investment in flood resilience infrastructure.

The funding recognises that, following extreme weather events such as Cyclones Hale and Gabrielle, flood protection assets like stopbanks that are maintained by regional councils are often the only thing standing between a deluge and economic devastation for a region. While this fund is intended to provide one-off support, we hope the government’s recognition of critical gaps across the country, and commitment to co-fund where necessary, could be a sign of things to come.

Our region will play a vital role in helping to meet the government’s ambitions on economic growth. Our flood protection schemes alone safeguard high value food-producing land and protect services and infrastructure such as water supply, power, telecommunications, and road and rail networks.

The land protected by our flood infrastructure makes an important contribution to the region’s agriculture sector, which contributes \$2.5 billion to the region’s GDP. And it has been estimated that for every \$1 spent protecting a community, \$5-\$8 in direct losses are prevented in the event of a natural disaster.

The services we provide also yield benefits of interregional and national significance. When it comes to biosecurity and threats such as the freshwater gold clam, caulerpa seaweed and other pest species that harm the productivity of our primary industries, coordinating our response through strong partnerships is essential.

Our work preventing and slowing the spread of invasive species yields efficiencies for other regions, just as their work does for us, making a coordinated, collaborative and ever-vigilant approach far greater than the sum of its parts.

We’re also continuing to find efficiencies through cost sharing with other local authorities. The IRIS NextGen project, for example, involves 10 regional and unitary authorities and is delivered by the not-for-profit council controlled organisation Regional Software Holdings Limited. The project will deliver a cloud-based software as a service solution (SaaS) and a significantly improved customer portal.

The shared software solution is designed to speed up internal processes and improve the consistency and efficiency of ratepayer interactions with councils, while also establishing shared best practice processes for the sector.

Such projects drive value and efficiency for ratepayers through economies of scale and highlight the sort of collaborative initiatives the local government sector will continue to invest in to reduce costs for ratepayers.

We are looking forward to working closely with the coalition government and our other key partners and stakeholders to achieve more efficient and effective collaboration together.

This will be essential if we are to meet our shared ambition of keeping costs down for ratepayers while continuing to support a healthy environment, vibrant communities and a strong economy for our region and for the benefit of all of New Zealand.

Notes

¹ pp. 5-6 Draft Publicly Facing Regional Deals Strategic Framework (beehive.govt.nz)

² p. 6 Draft Publicly Facing Regional Deals Strategic Framework (beehive.govt.nz)

³ Unfunded mandate NZIER. 2024. Cost impact of central government reforms. A report for Local Government New Zealand.

⁴ Budget 2024: Regional resilience and prosperity focus of new fund | New Zealand Doctor (nzdoctor.co.nz)

⁵ Budget 2024: Regional resilience and prosperity focus of new fund | New Zealand Doctor (nzdoctor.co.nz)

⁶ Before the Deluge Report, November 2023, p11.



Section 2:
Ngā whakatutukitanga
Our performance

Ngā putanga ā-hapori

Community outcomes

Our vision

The mighty Waikato: Caring for our place, empowering our people.

Our purpose

Working together for a Waikato region that has a healthy environment, vibrant communities and strong economy. Our Strategic Direction 2023-2025, Takatū Waikato | Making a Stand for the Waikato guides this work, setting out strategic priorities and goals for success.

We work alongside residents and ratepayers, iwi, community groups, central and local government, the primary sector and businesses to achieve the goals identified under each of our strategic priorities. Progress against our community outcomes also reflects progress towards these priorities.

A focus on wellbeing and how we respond to climate change is woven through all our priorities. These outcomes have been aligned to the United Nations' Sustainable Development Goals (SDGs). Here in the Waikato, we became the first region in New Zealand to localise the SDGs through a community-led process to agree wellbeing targets that achieve relevant SDGs. These targets were also used to shape our 2021-2031 Long Term Plan and this 2023/24 Annual Report.



He taiao mauriora **Healthy environment**



Protecting our water, land and air

In 2023/24, we continued to work with our project partners, iwi and communities to improve biodiversity and water quality. We support community environmental project groups through three funds managed under the Natural Heritage Partnership Programme. The programme provides funding to approximately 65 groups undertaking restoration activities across the region. We also work with landowners to fence off and plant out riparian areas and wetlands and retire steep hill country. Using additional funding sourced through the *2021-2031 Long Term Plan*, we invested more in biodiversity programmes, including:

- the delivery of a biodiversity inventory for the Waikato region
- working towards a draft biodiversity accord with iwi and stakeholders
- increasing community and landowner-led land restoration efforts by providing more technical advice, coordination and operational support
- increasing financial support to community groups undertaking environmental initiatives
- developing our capability in marine biosecurity.

Implementation of resource consent requirements for Lake Waikare as part of flood scheme operations have continued, with a focus on reducing the sediment discharged from the lake and into the Whangamarino Wetland. Following a consent review, concluded in 2018, additional requirements are now in place that include increased monitoring, reporting and technical assessment. Two education campaigns were undertaken to encourage the reduction of air pollution from domestic wood burners in the Tokoroa and Te Kūiti communities. We worked closely with South Waikato and Waitomo District Councils to identify community partners and enable effective local campaigns.

Waste reduction and management

Research was undertaken to understand what might support environmental and social wellbeing through a transition to a circular economy. This was supported by additional funding from the Ministry for the Environment's Waste Minimisation Fund and the Waikato Wellbeing Project. The Circularising Organics project provided insights to help eliminate contamination, provide collections and processing

options for organics and incorporate te ao Māori perspectives. It also considered the various markets and use cases that might exist for compost products to help support decision making around organics management. Research was undertaken into reuse systems. This included a stocktake of reuse systems already in place to identify barriers and opportunities to support waste reduction. The study also considered waste reduction in the agricultural sector. We continued to be a conduit for waste-related networking and education in the region. This included ongoing coordination of the Central North Island Waste Liaison Group (attended by territorial authorities from across the region) and the Community Enterprise Peer Support programme, which supports community resource recovery initiatives.

Proposed Waikato Regional Plan Change 1 (PC1)

While we await the Environment Court's final decision on Proposed Waikato Regional Plan Change 1, staff are preparing for the implementation of the Farm environment plan (FEP) requirements that are contained in PC1 under freshwater farm plan regulations. In April, the Government announced its intention to pause the rollout of freshwater farm plans until system improvements are finalised. Freshwater farm plans rolled out in parts of our region during 2023/24, and staff developed regional certifier and auditor training and catchment context, challenges and values (CCCV) to meet the council's statutory obligations.

Planning for the future

During 2023/24, we continued our work with the Upper North Island Strategic Alliance (UNISA) to discuss mutual areas of interest such as climate change, transport systems and networks, and joint data sets and information to contribute to spatial planning. Future Proof, a growth strategy and local/central government partnership specific to the Hamilton, Waipā, Waikato and Matamata Piako sub-regions, will continue its focus on creating a *Future Development Strategy* as required by the *National Policy Statement for Urban Development*. We will also be working together to implement the agreed long-term transport programme for the inner metropolitan area. Part of this work will involve developing the detailed plans to implement place-shaping initiatives such as rapid transit for buses on key routes over the next decade.

He hapori hihiri **Vibrant communities**



Settlements and co-governance

We acknowledge that meaningful collaboration produces a broader range of benefits than are currently being achieved through Treaty settlement implementation, and we will continue to work with our iwi partners to implement and honour Treaty settlements.

The council has a number of longstanding co-governance and co-management agreements with iwi regarding their participation in natural resource management decision making as a result of the Waikato and Waipā River Treaty settlements. The arrangements include agreements between iwi and the council on the way we will work together. Five agreements are still due for review.

The most recent agreement is the Joint Management Agreement with iwi authority Te Nehenehenui and other councils, which was signed late last year. This agreement follows the Ngāti Maniapoto comprehensive Treaty settlement in 2022 and aims to recognise Ngā Wai o Maniapoto Natural Resources Redress. The Joint Management Agreement includes a requirement to develop additional schedules. This will be a central focus for the Joint Management Committee in the coming year.

Te Kōpu ā Kānapanapa, a joint committee of Te Kotahitanga o Ngāti Tūwharetoa, Waikato Regional Council and Taupō District Council, previously adopted Te Kaupapa Kaitiaki, a strategy for the Taupō Catchment, following a public consultation process. This was a legislative requirement under the Ngāti Tūwharetoa Claims Settlement Act 2018. It is acknowledged that a key intention of the Act is to enhance Ngāti Tūwharetoa capability and capacity to achieve beneficial environmental and resource management outcomes for the Taupō catchment. To achieve this outcome, it is necessary to ensure that the kawa, tikanga, values and mātauranga of Ngāti Tūwharetoa are respected within the policies and plans that shape the decisions relating to the Taupō catchment.

Although a primary focus of Te Kaupapa Kaitiaki is the environmental restoration, protection and enhancement of the catchment, its purpose is wide ranging and also includes supporting the cultural and spiritual health and wellbeing of the catchment for the benefit of Ngāti Tūwharetoa and all people – including future generations.

The council will continue to work with Te Kotahitanga o Ngāti Tūwharetoa and Taupō District Council to co-develop an implementation plan designed to give effect to the vision of Te Kaupapa Kaitiaki. Treaty settlement obligations often

overlap with our other legislative requirements, so it is important to acknowledge that Treaty settlement arrangements, where they exist, will assist the council to meet existing and new legislative obligations. Working together will also help us adapt to current and pending central government reform.

Customer experience

We've started a programme of work to improve our touchpoints with customers. The programme seeks to ensure customers have easy access to our services and that we are able to consistently meet growing demand and expectations. In 2023/24, we continued the implementation of our omnichannel customer service model and knowledge project.

An omnichannel approach seeks to integrate the range of channels our customers use to contact us – from email and SMS to phone calls and chat – into one seamless and consistent experience. The new system will enable more personalised, standardised and centralised customer support.

The knowledge project is a virtual internal library of information about the services we provide. It's connected to a central search functionality and provides staff with essential information in one place so they can respond to customer queries with greater speed, accuracy and consistency.

Raising the bar – Te Korowai

The council's performance was independently assessed through Te Korowai, the local government continuous improvement programme that used to be known as CouncilMARK. Our performance is at the top end of the scale and is defined as, *Mauri tū – Active*. This result reflects that we are performing well, and we are on track, putting our efforts into the areas that matter, with a plan for further positive change.

The Te Korowai report noted that, at a high-level Waikato Regional Council has a comprehensive understanding of our region, and the risks posed by environmental limits and climate change, and we are already taking steps to address this in our strategies and service delivery. The report also identifies that there is an opportunity to translate this into greater clarity for the region's catchments and communities, integrating climate change implications with future pest scenarios as well as water and infrastructure management.

He ōhanga pakari **Strong economy**



Shovel ready programme

We completed year four of our shovel ready programme of works. The programme started after receiving government funding for multiple infrastructure and environmental projects to help stimulate the economy and create jobs in response to COVID-19.

Firth of Thames foreshore east and west stopbanks: we upgraded 9.7km of stopbank, including additional foundation width to support future increases in design height. These upgrades – to stopbanks which were first constructed in 1961 – are critical for protecting the Hauraki Plains from flooding.

Piako river mouth right bank asset rationalisation: we continued with earthworks, construction of a new floodgate and the creation of a wading bird habitat. Final works, including the decommissioning of three ageing floodgates, will be completed in early 2024/25.

Replacement vessel: construction of a replacement vessel for the Tamahere 94 barge, which was used as a work platform on the Waikato and Waipā rivers over the last 50 years, was largely completed in 2023/24. The vessel will be a key asset for future maintenance to support the stability and capacity of the river channels and to remove obstructions. The associated upgrade of an existing mooring at Meremere and the development of a dry dock facility were also completed.

Piako River green corridor: ongoing fencing and planting have taken place along the Piako River and foreshore drain to create a riparian corridor between the Kopuatai Wetland and the Firth of Thames. More than 225,000 native plants have been planted to date and work will continue until end of June 2025.

Upper Waiomou Stream restoration: we continued important work with landowners to selectively remove poplars and willow trees, and plant riparian margins along the Tukutāpere, Rapurapu and Waiomou streams. More than 225,000 native plants have been planted and almost 50km of fencing completed.

Lake Kimihia restoration: we completed our efforts with landowners and partners to restore the lake catchment, including the construction of a bund, weir, and culverts to

maintain water levels. We also worked with iwi on other cultural and ecological activities in the area such as the carving and erection of a pou.

Opuatia Wetland restoration: ongoing weed management has continued in this ecologically important wetland. The key focus is on controlling yellow flag iris, willow, royal fern, honeysuckle and pampas. The work will conclude in early 2024/25.

Karāpiro and Mangaonua catchments: work was completed with landowners to mitigate erosion of steep hill country through retirement of 67 hectares and planting of more than 111,000 native plants, and with the fencing and planting of wetland and riparian areas. River erosion protection included enhancing the instream environment through the installation of fish habitat structures.

Clean Streams 2020: this project, to plant out areas already retired from grazing, ended in 2023/24. Altogether, around 333,000 mixed native plants were planted on 88 hectares of land across 27 sites.

Ngā Wai o Waikato: this project to help landowners retire steep hill country and stream, lake and wetland margins in the lower Waikato catchments concluded in 2023. Over 158,000 mixed native plants were planted, 665 hectares of land retired and more than 413,000 additional native and exotic afforestation species planted to stabilise land with high erosion risk.

Long-term investment

We continued to work on an Infrastructure Decision Making Framework to help us make sound, long-term investments, with a strong focus on sustainability, in critical flood protection and land drainage assets. A pilot project to test it has been confirmed and the framework has informed our 50-year infrastructure strategy, which forms part of our 2024-2034 Long Term Plan.

Our flood protection schemes protect 3000 square kilometres of land, as well as critical services and infrastructure. Being able to use this land for agriculture and economic purposes boosts our regional economy by around \$2.2 billion every year.

Te Ture Whaimana o te Awa o Waikato

Vision and Strategy for the Waikato River

Restoring the Waikato River

Treaty legislation requires us to give effect to Te Ture Whaimana o te Awa o Waikato, the Vision and Strategy for the Waikato River.

Te Ture Whaimana was developed by the Guardians Establishment Committee, formed under the Agreement in Principle between Waikato-Tainui and the Crown and legislated in the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010.

It is the primary direction-setting document for the Waikato River and activities within its catchment, and the work we do helps to deliver on it.

The custodian of Te Ture Whaimana is the Waikato River Authority, which also invests funds into rehabilitation initiatives. The board of the Waikato River Authority consists of a representative from each of the five river iwi authorities (Waikato-Tainui, Tūwharetoa Maori Trust Board, Te Arawa River Iwi Trust, Raukawa Charitable Trust and Te Nehenehenui) and five Crown representatives.

The vision is for a healthy Waikato River which sustains abundant life and prosperous communities, which are in turn responsible for restoring and protecting it, and all it embraces, for generations to come.

Delivering on objectives

There are 13 objectives in Te Ture Whaimana, and a number of them are related. The work we do often helps to deliver on more than one objective. In 2023/24, we supported the restoration and protection of the health and wellbeing of the Waikato River in the following ways.

Relationships

This includes supporting the economic, social, cultural and spiritual relationships of river iwi and communities with the Waikato River.

We worked with Waikato-Tainui and other river iwi authorities to co-develop a reporting framework designed to demonstrate how our mahi gives effect to Te Ture Whaimana in a way that provides a consolidated view and valuable insight to support decision making.

Strategy and policy development

We aim to protect the Waikato River from the adverse effects of activities on the water and land through our regulatory and statutory processes.

We commenced work for rating classification changes for the Wharekawa/Kaiaua catchments to be included into our river and catchment management programmes.

This will allow us to offer river and catchment management programmes similar to the rest of the region in these areas. Community consultation for this will commence in late 2024.

The proposed Waikato Regional Coastal Plan was notified in August 2023 and submissions have been received. We are currently preparing responses to the submissions, a hearings panel has been appointed and hearings will commence in early 2025.

The coastal marine area in the lower Waikato River is subject to the provisions of Te Ture Whaimana.

We continued work on Healthy Rivers | Wai Ora Proposed Waikato Regional Plan Change 1.

Appeals went before the environment court during 2021/22 and 2022/23. A court hearing occurred late 2023 and a decision is currently expected in mid to late 2024.

The proposed plan seeks to reduce the level of contaminants entering the Waikato and Waipā catchments to help achieve the goals of Te Ture Whaimana.

Te Ture Whaimana guides the way we administer resource consents, with applicants having to consider the potential effects of their consent application on the Waikato River and explain how their activity will improve the quality of the river.

Monitoring of consents and permitted activities, and investigation of alleged breaches of rules and regulations, remains a key part of our business as usual.

We continue to hold people accountable for non-compliance or undertaking activities which have an adverse effect on the environment, including the Waikato and Waipā Rivers.

Ecological health

In 2023/24, we've been continuing our work to protect and enhance significant sites, fisheries, flora and fauna.

Our first fish-friendly Archimedes screw pump upgrade in the lower Waikato catchment, the Mangawhero pump station near Waiuku, was monitored during the tuna (eel) migration season in 2023 and 2024 to see how successfully it passed New Zealand native fish.

The monitoring in 2024 focused on large tuna over one metre in length and testing confirmed they were able to pass through without injury. Overall, the pump has achieved 99 per cent safe passage of tuna.

Working with co-funders and landowners in the Waikato and Waipā river catchments, we completed 140 kilometres of fencing, retired 939 hectares of grazed land and planted more than 433,648 trees.

The plants and trees were mostly ecosourced native species, planted on erosion-prone land and around streams, rivers and wetlands.

We've been continuing our river erosion protection works, installing fish habitat structures, planting riparian margins, increasing in-stream habitats and improving food sources for our native fish. And we've continued to support numerous iwi and community groups undertaking restoration projects with co-funding and technical support.

We worked with a multi-stakeholder group (including Waikato-Tainui, Ngaa Muka and Ngaati Naho) to develop and implement the Whangamarino Response Plan.

The plan provides clear roles, responsibilities and actions for partner organisations during anoxic (low oxygen) events, which have become an increasingly common and unwelcome feature in lowland Waikato, most recently in the Whangamarino Wetland.

Work continued with the University of Waikato on the development of a detailed 3D model of lake Waikare. This will be used to test scenarios for the restoration of the health and wellbeing of this lake.

We are supporting central government funded research into climate change impacts on Waikato River and have also initiated a response group to improve our understanding and management of algal blooms in the Waikato Hydrolakes, in partnership with Raukawa Charitable Trust, Tūwharetoa Māori Trust Board and Te Arawa River Iwi Trust.



Te whakaahētia o Ngāi Māori

Facilitating Māori participation



In accordance with the Local Government Act 2002, we are committed to fostering Māori capacity to participate in our decision-making processes. Our strategic priorities reflect a conscious effort to integrate kaupapa Māori principles and perspectives throughout all focus areas. We recognise the importance of engaging with iwi and enhancing capability to do so in our organisation.

Each of our strategic priorities emphasises our dedication to honouring and embracing iwi partnerships, ensuring that Māori values, knowledge and aspirations are seamlessly integrated into our decision-making processes. Whether it's achieving clean water and healthy ecosystems, promoting sustainable development and infrastructure, safeguarding biodiversity and biosecurity, fostering community connections or transitioning to a low-emissions economy, our approach prioritises collaboration with iwi and building capability and capacity to achieve positive outcomes for the Waikato region. The priority area of our internal corporate plan, Te Ara Tupu, further underscores our commitment to supporting our people in developing the necessary capability and confidence to engage effectively with iwi Māori. We recognise that these relationships are vital to achieving a balanced and thriving future for the region. By embracing kaupapa Māori principles and actively engaging with iwi, we aim to create a strong foundation for a sustainable and culturally inclusive Waikato region.

However, we acknowledge that, despite the benefits of including Māori perspectives, iwi entities often face capacity constraints when engaging with local and central government institutions in their rohe. This issue is particularly pronounced for pre-settlement iwi, but even post-settlement iwi with more resources encounter capacity challenges. These limitations are putting pressure on our ability to meet engagement and work programme commitments. Consequently, many of these entities are requesting additional resources from us to support their engagement on various projects. This situation occurs across multiple projects and multiple iwi Māori entities. We firmly believe that meaningful engagement occurs when all parties are involved, and no single party can achieve the desired outcomes alone.

To establish effective working arrangements between the council and iwi, it is crucial to ensure that both parties have the necessary capability and capacity. To address limitations faced by the iwi Māori entities we work with, funding has been allocated to support iwi capacity. Our commitment to facilitating Māori participation is evident in our strategic priorities and active collaboration with our iwi partners. We recognise the importance of capacity-building and will continue to work together to achieve positive outcomes for the Waikato region.

Section 3:
Ko te hohonutanga o ā tātou mahi
Our activities in depth

Ko ngā mahi-ā-rōpū **Groups of activities**

How to read this section

Eight groups of activities are outlined. Within each group, a number of different activities are categorised to reflect the types of work we do.

How these activities improve wellbeing

Provides a brief description of how the group helps improve wellbeing and includes the community outcomes to which the activity primarily contributes.

Why we provide these activities

Outlines the strategic intent or goals and objectives the group is trying to achieve.

What we achieved this year and looking to the future

Features key highlights, as well as some business-as-usual activities, for 2023/24 and 2024/25.

What we delivered

Provides a description of the level of service, measure, target and result for each activity, along with supporting commentary. Commentary is provided for measures that were not achieved or were achieved in part. Additional performance commentary is included if it provides useful context. Performance status is determined using four categories, as described below.

Level of service

Describes how we will measure our success.

How we measure our performance

Achieved	All components of the performance measure have been met, including meeting or exceeding a stated target for performance.	Not achieved	All components were not achieved.
Achieved in part	One or more but not all of the components of a measure have been completed. This result is only applicable when the measure can be broken into more than one component.	Not applicable	No work scheduled or data available in the current year.

What it costs

Reports on the cost of the service, including any variances. Additional information for Group of Activities Cost of Service Statements can be found on page 74, Note 2 in the **Notes to the financial statements** sub-section of **Section 4: Finances**.

About this report

This report follows PBE FRS 48 Service Performance Reporting standards.

Service performance measure

The council has selected service performance measures that reflect its overall responsibilities to our ratepayers. The responsibilities may be legislative requirements or driven by our strategic direction set by the governing body. Judgement has been used to select the best measures to reflect to the readers what level of service has been delivered. **Section 3: Our activities in depth** contains Waikato Regional Council's service performance information, including cost of service tables and graphs, non-financial performance graphs, non-financial performance results tables, this information can be found on pages 21 to 59. Our **Service Performance Judgements and Assumptions** are found at the end of Section 3 on page 63. Waikato Regional Council's **Statement of compliance** can be found in **Section 4: Finances** on page 73. **Section 2: Our performance** provides useful context for the general reader but do not form part of the service performance information for audit purposes.

Kiritaki, hapori, me ngā ratonga

Customer, community and services

This group of activities includes:

- governance
- iwi Māori partnerships
- planning, reporting and funding

How these activities improve wellbeing

These activities help support a **healthy environment, vibrant communities, and a strong economy.**

They provide opportunities for communities to engage with the council, enabling them to share their aspirations and understand how the work we do can help improve community outcomes.

The activities also help to ensure that our region's strong cultural heritage is considered and reflected in the way we work and the work we do.

Why we provide these activities

These activities have been selected because they enable democratic decision making, by and for our communities, in line with the requirements of the Local Government Act 2002.

They support elected members in their roles, helping them to make robust decisions to promote community interests by ensuring they have the information necessary to do so. This also helps inform the sustainable management of the region's natural resources while also promoting its social, economic and cultural wellbeing.

Clear, accessible information is provided under this group of activities to give our communities the opportunity to influence decision making and understand whether the council's policies and services are achieving their intended objectives.

This group of activities also enhances the council's capacity and capability to effectively partner with iwi Māori and participate in collaborative initiatives of significant mutual benefit.

What we achieved this year and looking to the future

Discretionary grant funds

As part of the administration and oversight of the council's discretionary grant funds, in 2023/24 we undertook a review of each fund to ensure that it is aligned with and delivering to our strategic priorities.

Improving iwi capacity

The Local Government Act 2002 mandates that local authorities must consider ways to enhance Māori capacity so they can contribute more effectively to decision-making processes, and that they must set out intended steps to foster the development of that capacity.

Iwi entities are at different points in their Treaty settlement journeys – with some facing substantial constraints on capacity and resources. This disparity can limit both the extent and quality of engagement. It also places demands on our ability to uphold commitments regarding engagement activities and work programs. This year's annual plan allocated additional funds to improve engagement with Māori. This helps ensure that the council not only adheres to its legal duties but also strengthens its collaborative ties with iwi, laying the groundwork for more robust partnerships.

Tai-ranga-whenua plays a pivotal role in realising the goal of supporting robust collaboration with iwi. As our team dedicated to kaupapa-Māori principles, it offers valuable guidance, coordination, policy formulation and specialised knowledge. Nonetheless, it is imperative that every part of our organisation embraces responsibility for the success of our Tiriti-based partnerships.

Appropriate skills, ongoing training and adequate support are crucial for us to meet our current and future commitments. We are committed to nurturing both capability and confidence throughout our organisation so we can engage effectively with iwi Māori.

Long Term Plan

In 2023/24, we developed and consulted on our 2024-2034 Long Term Plan. The plan sets our work programme for the next 10 years, with an in-depth look at the first three.

It was informed by Takatū Waikato, our 2023-2025 strategic direction, which was developed with councillors, iwi, stakeholders and staff – a document which identifies priorities and goals to improve regional outcomes for our environment, communities and economy.

Between 2 April and 2 May 2024, we sought public feedback on five specific long term plan topics, with more than 1600 submission points received.

The 2024-2034 Long Term Plan was adopted in June 2024, setting out the work we will focus on and how it will be paid for over the next decade.

What we delivered

The total number of customer, community and services performance measures is four. All four measures were achieved (100 per cent). Detailed commentary for these measures can be found in the following tables.

100%
Achieved

Activity: Governance

Level of service: To provide and promote governance processes that are robust and transparent for the regional community.

Performance measure	Target	Actual	Commentary
Percentage of official information requests responded to within statutory timeframes	100%	2023/24 Achieved, 100% 2022/23 Achieved, 100%	All 142 (100%) official information requests received this year were received and responded to within statutory timeframes.
Percentage of council agendas that are publicly available within statutory timeframes.	100%	2023/24 Achieved, 100% 2022/23 Achieved, 100%	All 93 (100%) council agendas this year were made publicly available within the statutory timeframe of two working days prior to the meeting.

Activity: Iwi Māori partnerships

Level of service: To support a Treaty-based partnership approach in our engagement with iwi Māori.

Performance measure	Target	Actual	Commentary
Completion of key actions identified in the Māori Partnership Approach	100% of actions completed as per schedule.	2023/24 Achieved, 100% 2022/23 Not achieved, 78%	9 of 9 (100%) key MPA actions identified for 2023/24 were completed. All actions completed as follows: <ul style="list-style-type: none"> ● Prepare long term plan business case for increasing iwi participation (this work was reprioritised and completed in the previous financial year, via the annual plan process). ● Scope and develop a regular newsletter to support proactive iwi Māori engagement. ● Develop a kaupapa Māori recruitment strategy. ● Scope and develop a spatial tool that identifies mana whenua interests and contact details by automation. ● Develop and implement internal action plans to enhance the accessibility of information to staff via information management systems. ● Develop protocols for the establishment of a formal network to support staff across the organisation in kaupapa Māori roles. ● Develop a guideline for relevant internal and external funding sources to support the development of iwi capacity and participation. ● Develop tailored iwi wānanga to share information on relevant internal and external funding sources in order to support the development of iwi capacity and participation. ● Develop an organisation-wide Māori internship strategy.

Activity: Planning, reporting and funding

Level of service: To produce high-quality and fit-for-purpose long term plans and amendments to long term plans to encourage participation in decision making by the regional community.

Performance measure	Target	Actual	Commentary
Long term plans and amendments to long term plans receive 'unmodified' audit opinions	Unmodified opinion received if LTP amended	2023/24 Achieved 2022/23 Not applicable	The 2024-2034 Long Term Plan was adopted by council on 27 June 2024 and received an unmodified audit opinion.

What it costs

Revenue and expenditure for customers, community and services.

	2023/24 Actual \$000	2023/24 Annual Plan \$000	2022/23 Last year \$000
UAGC	6,647	6,651	6,155
Targeted rates	1,085	1,086	1,061
Fees and charges	-	-	57
Other income	-	-	30
Total income	7,731	7,736	7,303
Operating expenditure	8,414	8,913	9,651
Operating surplus / (deficit)	(682)	(1,178)	(2,348)
Total funding from / (to) reserves			
General	25	25	259
Prior Year Surplus	50	50	138
Total reserve transfers	75	75	397
Increase / (decrease) in retained earnings	(608)	(1,103)	(1,952)

Expenditure



Te Rākau Whakamarumarū ā Rohe o Waikato

Waikato Civil Defence Emergency Management Group

This group of activities includes:

- Waikato Civil Defence Emergency Management (CDEM).

How this activity improves wellbeing

This activity primarily contributes to **vibrant communities**.

It supports the community's personal security by ensuring people, organisations and businesses are prepared for emergency events, as well as supporting recovery efforts to protect future income and employment opportunities.

Ensuring communities feel safe and know how to access help also improves people's wellbeing.

Why we provide these activities

The Group Emergency Management Office (GEMO) supports operational-level planning to ensure local CDEM organisations and the community have the capacity and capability to respond to and recover from an emergency.

The GEMO coordinates all operational activities for regional or complex emergencies through strategic planning and the provision of technical advice and services. It takes direction from the CDEM Joint Committee, an elected body representing all councils in the region.

Waikato Regional Council administers the GEMO and has staff trained to work across all the functions in an activation.

What we achieved this year and looking to the future

Building our understanding of Waikato hazards and risks

The Waikato CDEM Group has been building a comprehensive understanding of the hazards and risks present in the Waikato CDEM Group area. This has been achieved through the facilitation of workshops with various partners and agencies across the group. The primary objective of these workshops was to determine hazard risk ratings, which are crucial for effective emergency management planning and response.

Waikato CDEM Group actions

The Waikato CDEM Group Joint Committee has previously approved the priority actions for the reporting period. These priority actions are currently on track for completion within agreed timeframes.

Group readiness

The Waikato CDEM Group Emergency Coordination Centre (ECC) has not been activated, beyond monitoring mode, during this reporting period. Proactive monitoring activation was maintained during all foreseeable weather events, ensuring that potential emergencies were identified and addressed promptly, where appropriate. The Group ECC was activated for multiple exercises in the reporting year, and the performance measures relating to a timely activation were achieved.

Capability and capacity development

The CDEM Group has been actively participating in capacity-building activities, including multi-agency participation in a Tier 4 National Exercise (Rū Whenua). The Group Emergency Management Office (GEMO) has conducted fortnightly group duty team exercises and drills and provided Coordinated Incident Management System (CIMS) training to a significant number of staff from local authority members, partner agencies and volunteer groups across the group area.

Recovery from North Island severe weather events

In response to the severe weather events on the North Island, a Group Recovery Manager from the GEMO played a key role in the Regional Recovery Office. This ensured that recovery efforts were coordinated and effective.

Enhanced coordination and integration

The GEMO has led the provision of local CDEM services to four member local authorities through Service Level Agreements. This has led to demonstrable improvement in the efficiency and effectiveness of emergency management services in the region.

What we delivered

The total number of customer, community and services performance measures is two. Both measures were achieved (100 per cent). Detailed commentary for these measures can be found in the following tables.

100%
Achieved

Activity: Waikato Civil Defence Emergency Management Group

Level of service: To provide a region-wide coordinated response to and recovery from emergencies to reduce the impact on people and the economy.

Performance measure	Target	Actual	Commentary
The time taken for the Group Emergency Coordination Centre (GECC) to be activated in response to an event or emergency	30 minutes during BAU	2023/24 Achieved	The GECC was activated on 30 December 2023 for a potential weather/flood event and again on the 12 June 2024 for the national exercise Rū Whenua. Both activations were afterhours, and the afterhours target was achieved for both activations.
	60 minutes afterhours	2022/23 Achieved	

Level of service: Sufficient competent staff to operate a Group Emergency Coordination training delivery Centre (GECC) and Group Recovery organisation

Performance measure	Target	Actual	Commentary
The evaluation of our annual exercise as a measure of effectiveness of training delivery ¹ (mandatory measure)	Increasing trend	2023/24 Achieved 2022/23 Not achieved	Exercise Waka Pakaru was undertaken on 12 March 2024. The exercise predominantly focused on the council's ability to respond to a significant public transport failure. The exercise was designed by Waikato Regional Council and assessed by an external assessor who was qualified to undertake such an exercise and recognised by National Emergency Management Agency as being qualified. Based on the assessor's report, council has an increasing trend in the effectiveness of training delivery.

Notes

¹This is a mandatory performance measure set by the Waikato Civil Defence Emergency Management Group Joint Committee which all councils in the Waikato region are required to report against.

Financial summary

Cost of service statement

	2023/24 Actual \$000	2023/24 Annual Plan \$000	2022/23 Last year \$000
Targeted rates	2,555	2,555	2,535
Fees and charges	66	62	153
Government grants	50	-	450
Other income	948	809	790
Total income	3,619	3,426	3,927
Operating expenditure	3,631	3,571	3,978
Operating surplus / (deficit)	(12)	(144)	(51)
Total funding from / (to) reserves			
Civil defence	12	145	113
Total reserve transfers	12	145	113
Increase / (decrease) in retained earnings	-	1	63

Expenditure

\$3.631m

Waikato civil defence emergency management (CDEM) group



Ngā mahi hei ārai, hei ārahi hoki i ngā waipuke

Flood protection and control works

This group of activities includes:

- flood protection
- land drainage
- river management.

How these activities improve wellbeing

These activities contribute to a **healthy environment**, **vibrant communities** and a **strong economy**.

They help to safeguard public and private assets and investments, which provide economic stability for the community.

They also contribute to maintaining the natural environment through the rehabilitation and preservation of river channels and riparian areas.

Why we provide these activities

We undertake these activities to reduce the risks to communities of flooding, erosion and other hazards associated with rivers, streams and their catchments.

These activities exist to safeguard people's lives, property and economic wellbeing, reduce impacts on the environment and protect services such as water supply, telecommunications and transport networks.

Our land drainage networks support the productive use of land by enabling landowners to oversee improved water table management on their properties, reducing the surface flooding and pasture damage caused by rainfall events.

The work we undertake on our rivers and streams maintains their stability and capacity, protects valuable soils from erosion, improves water quality by preventing sedimentation and protects properties from erosion damage. This supports the rehabilitation and preservation of our river channel and riparian environments.

We also provide advice, maintain and build flood protection infrastructure and work with the community to improve our environment.

What we achieved this year and looking to the future

Cyclone Gabrielle

We delivered remedial and upgrade works across the region, during 2023/24, in response to the multiple extreme rainfall events, including Cyclone Gabrielle, which impacted the region from late December 2022 to early 2023. Work was prioritised to remediate damaged rivers and catchments, and address coastal erosion and sedimentation issues based on risk, impact to communities and impact on the environment. This work will continue into the 2024/25 financial year and is supported by funding from the Local Government Flood Resilience Co-Investment Fund.

River and catchment management

We are the only agency that holds comprehensive resource consents over large parts of the region which enable the required river management activities to be undertaken, and often the sole agency with the technical capability to undertake river management activities that include a holistic approach.

Our river management activities include blockage removal, erosion protection, gravel management, channel instability remediation, and habitat protection and enhancement. A greater focus for river management in recent times has been to seek outcomes that provide environmental gains to water quality and habitat. Much of this work is integrated into our catchment management and flood protection programmes of work.

The river management programmes for the Lower Waikato, Waipā, and West Coast zones successfully obtained \$700,000 in funding from the Crown Infrastructure Partnership (CIP) in response to the North Island weather events of 2023. The first year of this two-year project aimed to reduce waterway blockages and build a minimum of 85 in-stream erosion control structures to improve stability and capacity in crucial river reaches. It was completed under budget and ahead of schedule.

Work has additionally been completed at 35 locations, resulting in the construction of 102 erosion control structures that protect vulnerable riverbanks. The project will now shift focus to erosion control planting with willow poles, and planning for the next season where further erosion control work is scheduled for the summer of 2024/25.

In the 2023/24 financial year, \$185,000 of the available \$700,000 from the CIP was spent. The remainder is expected to be used by June 2025.

This year, following significant rainfall events across the region and in the aftermath of the Cyclone Gabrielle, river management has again been particularly important for places outside the protective area of our major flood protection infrastructure. The Coromandel Zone usually delivers around \$350,000 in river management and improvement works. This year, more than \$2.5 million in works has been scoped for delivery, with more than half delayed due to access constraints, site instability or further weather impacts. In the Coromandel Zone, we have also started a comprehensive consent renewals process.

We successfully delivered the first year of the current Hill Country Erosion Fund project, with a significant volume of works completed across the Waipā, West Coast, Lower Waikato, Coromandel, Waihou and Piako zones. Through this project, the Ministry for Primary Industries will invest \$2.8 million over a four-year period to support the retirement and revegetation of steep and erosion-prone land in vulnerable catchments.

Regionally, across all projects and working with almost 300 landowners;

- 939 hectares of land was retired,
- 433,648 trees were planted (mostly ecosourced native species),
- 98 kilometres of streambanks were protected,
- 202 river management structures were completed and 147 kilometres new riparian, hill country, wetland or forest protection fencing was erected.

Almost 10,000 poplar and willow poles were planted to reduce the risk of stream bank and hill country erosion. We also completed physical works in the Ngā Wai o Waikato (Lower Waikato), Karāpiro / Mangaonua catchments, as well as Manaia River Restoration and Upper Waiomou Habitat Enhancement projects under the shovel ready programme. These projects involved weed control, fencing and planting of native species, working closely with iwi and landowners.

Work started in 2023/24 on rating classification changes for the Wharekawa/Kaiaua catchments to be included into our river and catchment management programmes. This would allow us to offer river and catchment management programmes similar to the rest of the region in this area. Community consultation for this will commence in late 2024. Harbour catchment management plans were completed for the Kāwhia, Aotea and Whāingaroa (Raglan)

catchments. These plans outline a range of actions to be undertaken by the council and others that will protect and enhance the catchments and their waterways to help meet the aspirations of iwi and communities.

Pathways to the Sea

We continued our Pathways to the Sea programme, completing a further five milestones in 2023/24. Of the 19 project milestones, 17 have now been completed, with the two remaining expected to be completed by the end of 2024.

A construction project at the Churchill East pump station was successfully completed, comprising two fish friendly Archimedes screw pumps. Work also continued in 2023/24 on the development of a fish friendly pump designed and manufactured in New Zealand in collaboration with MacEwans Pumping Systems and Callaghan Innovation. The work culminated in the successful installation and trial of a new fish friendly pump that achieved 98 per cent safe passage of tuna. This pump does not require structural modifications to pump stations and will therefore enable us to replace existing MacEwans PPF axial pumps without the need for extensive civil works.

With much of the research and development for Pathways to the Sea completed, the final stages of the project will continue in 2024. This will include trials in the Waihou/Piako catchment to establish whether larger Bedford submersible pumps are a viable fish-friendly option, and the finalisation of our strategy for rolling out fish friendly options across the Waikato region.

Other major infrastructure projects

In 2023/24, we completed the design phase of the Kirikiri Stopbank. The procurement and construction phases will be progressed in 2024/25. Construction of a self-propelled vessel – a replacement for the Tamahere 94 barge used as a work platform in the Waikato and Waipā rivers over the last 50 years – was well progressed during the financial year and is now nearing completion.

The final stages of rock stabilisation works were completed on the Pungarehu Canal. The canal enables inflows from Lake Waikare to the Whangamarino Wetland. Whangamarino is the second largest freshwater wetland on the North Island. Home to a rich variety of ecosystems and biodiversity, it provides a wide range of cultural, economic, environmental and amenity values, from cleaning water and mitigating the impacts flood and droughts, to carbon sequestration. Further stabilisation and planting of the canal are planned for 2024/25.

What we delivered

The total number of flood protection and control works performance measures is three. Two of the measures (67 per cent) were achieved, and one (33 per cent) was achieved in part. Detailed commentary for these measures can be found in the following tables.



Activity: Flood protection

Level of service: A standard of flood protection, agreed with communities, as set out in the zone plans and associated documents.

Performance measure	Target	Actual	Commentary
Major flood protection and control works are maintained, repaired and renewed to the key standards defined in relevant planning documents (such as zone management plan, annual works programme or long term plan).	Achieved	2023/24 Achieved in part 2022/23 Achieved in part	This measure is made up of two parts, the overall result is achieved in part.
Part one: percentage of planned mandatory maintenance ¹ actions achieved each year	85%	2023/24 Achieved, 99.9% 2022/23 Achieved, 92.2%	Part one: 3093 out of 3099 (99.9%) of planned mandatory maintenance actions were completed this year.
Part two: percentage of stopbanks maintained to above designed flood height, as agreed within each zone.	Rural: 93% Urban: 95%	2023/24 Achieved in part 2022/23 Not achieved	Part two: urban and rural stopbanks design flood level are as follows: Rural: 92.64% Urban: 95.73% Multi-year works to improve Rural stopbank levels are underway. For Urban stopbank levels, the target has been achieved.
Notes			
¹ Maintenance can mean repair, renewal, or maintenance.			

Performance measure	Target	Actual	Commentary																
Percentage of flood recovery plans ² implemented ³ after all major events ⁴	100% Compliant	2023/24	This measure has been achieved, with no major events having occurred in 2023/24 that have required flood recovery plans.																
		Achieved																	
		2022/23																	
		Achieved																	
			<table border="1"> <thead> <tr> <th>Reserve Amount</th> <th>\$000</th> </tr> </thead> <tbody> <tr> <td>Waipā Zone Operating Reserve</td> <td>\$51</td> </tr> <tr> <td>Waihou Zone Operating Reserve</td> <td>\$1,080</td> </tr> <tr> <td>Waihou Capital Reserve</td> <td>\$139</td> </tr> <tr> <td>Piako Zone Operating Reserve</td> <td>\$108</td> </tr> <tr> <td>Lower Waikato Operating Zone Reserve</td> <td>\$266</td> </tr> <tr> <td>Coromandel Zone Operating Reserve</td> <td>\$495</td> </tr> <tr> <td>Total</td> <td>\$2,140</td> </tr> </tbody> </table>	Reserve Amount	\$000	Waipā Zone Operating Reserve	\$51	Waihou Zone Operating Reserve	\$1,080	Waihou Capital Reserve	\$139	Piako Zone Operating Reserve	\$108	Lower Waikato Operating Zone Reserve	\$266	Coromandel Zone Operating Reserve	\$495	Total	\$2,140
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Total	\$2,140																		

Notes

²The plans set out timeframes under which flood response actions are to be completed.

³A flood recovery plan is considered implemented when the flood recovery plan, containing remedial actions and costs for said actions, has been approved by Integrated Catchment Management Committee (ICMC).

⁴A major event is a flood event that causes damages that cannot be remediated through normal operational funding and requires disaster recovery funding to be rectified.

Activity: Land drainage

Level of service: Reliable water table management on land within drainage schemes for the purpose of maintaining pastoral production.

Performance measure	Target	Actual	Commentary
Number of reported incidences where it takes more than three days to remove surface water after events with up to a 10% annual exceedance probability ⁵	≤5	2023/24	There were no reported incidences this year for weather events up to 10% annual exceedance probability where it took more than three days to remove surface water.
		Achieved	
		2022/23	
		Achieved	

Notes

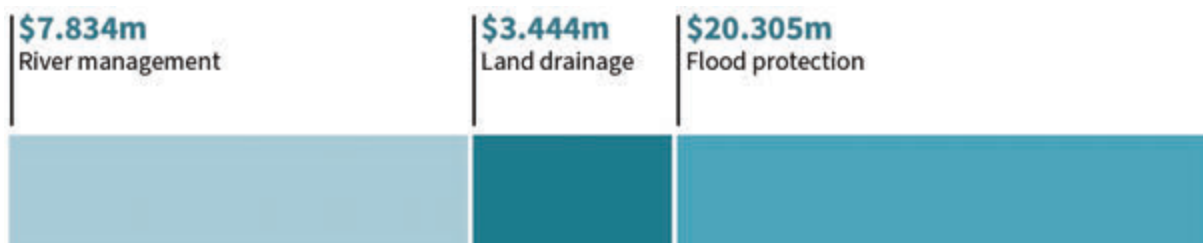
⁵This measure is only applicable if a weather event of up to 10% annual exceedance probability occurs.

What it cost

Revenue and expenditure for flood protection and control works

	2023/24 Actual \$000	2023/24 Annual Plan \$000	2022/23 Last year \$000
General rates	3,650	3,650	3,235
Targeted rates	24,545	24,554	22,163
Fees and charges	47	10	47
Government grants	6,287	2,405	3,096
Other income	1,438	856	1,294
Total income	35,967	31,476	29,834
Operating expenditure	31,583	28,279	31,008
Operating surplus / (deficit)	4,384	3,197	(1,173)
Total funding from / (to) reserves			
Watershed	(4,268)	(1,252)	(783)
Coromandel	(47)	28	425
West Coast	(112)	(2)	(89)
Waihou	91	(49)	1,216
Piako	(1,849)	(1,489)	(22)
Drainage	475	33	(323)
Regional disaster recovery	2,009	(263)	(143)
Zone disaster recovery	(133)	(203)	84
Lower Waikato Main Channel	(551)	-	770
General	-	-	0
Prior year surplus	-	-	268
Total reserve transfers	(4,384)	(3,197)	1,403
Increase / (decrease) in retained earnings	(0)	(0)	229

Expenditure



Te whakahaere ā-tōpū i te rauwiringa wai

Integrated catchment management

This group of activities includes:

- biodiversity
- biosecurity
- catchment planning and management
- land management advisory services.

How these activities improve wellbeing

These activities contribute to a healthy environment, vibrant communities and a strong economy.

They focus on improving our natural environment and preventing the loss of natural amenity for the benefit of all our communities. They also work to protect employment and income opportunities through the removal of pests.

Why we provide these activities

Through these activities, we aim to reduce the loss of productive soils; reduce sedimentation of rivers, harbours and estuaries; stabilise catchments; create awareness of land and water sustainability; make improvements to and maintain water quality in the region's harbours, estuaries and shallow lakes; and protect biodiversity. This work is intended to preserve, protect and enhance the region's environment.

Our biosecurity activities are also a vital component of the national biosecurity system, which is designed to mitigate and prevent the significant impacts of pest species, which can cause great environmental, social, cultural and economic losses.

Where possible, the work we do is carried out in collaboration with landowners, community groups, iwi and other agencies.

What we achieved this year and looking to the future

Biosecurity

This is the second year of implementation for the Waikato Biosecurity Strategy 2022-2032 and Waikato Regional Pest Management Plan 2022-2032. Detailed annual reports relating to these strategies are available on the Waikato Regional Council website.

With a more settled weather pattern in 2023/24, operational work has largely caught up from the delays caused by Cyclone Gabrielle and Cyclone Hale last year.

We continue to face significant biosecurity challenges, with two national responses underway in the Waikato region. Exotic seaweed *Caulerpa* was discovered in 2021 and has since spread to a range of sites within the Northland, Auckland and Waikato regions.

Managing pathways of spread will be a key focus for 2024/25. *Corbicula fluminea* (Asian clam) was first found in the Waikato River in Lake Karāpiro in May 2023.

Since then, corbicula has been confirmed from Lake Maraetai to Tūākau. Long term management of corbicula is a major challenge both in terms of containment to its current distribution and dealing with its impacts.

In 2024/25, a national long-term biosecurity programme involving the regional sector, Biosecurity New Zealand, Department of Conservation, iwi and other stakeholders for this pest will be scoped, developed and implemented where possible.

Restoration works

Coastcare and the priority biodiversity sites programme are site-based programmes that aim to protect, maintain, and restore ecosystems and biodiversity across the Waikato region.

Both programmes are collaborative and include the coordination of partnerships between staff, landowners, iwi, key agencies and other stakeholders.

The priority biodiversity sites include high-priority sites such as Toreparu Wetland, Tauhara maunga (Taupō), Tainui Reserve (Mōkau) and Whangamarino Wetland. Funding and support was provided for 46 sites supporting priority ecosystems as part of our priority biodiversity site programme.

This covered restoration and pest control projects at geothermal, freshwater wetland, shallow lake, coastal and karst sites. With over 300 priority sites, we rely on willing landowners and other stakeholders to continue with work that we helped to initiate.

Coastcare is a community partnership programme that involves local communities, iwi and agencies working together to restore and protect coastal ecosystems throughout the Waikato region. There are more than 20 Coastcare groups in the Waikato region, working across over 30 sites on 27 beaches.

Highlights from this year's planting season included:

- 59 planting bees at 30 locations
- more than 3000 hours of planting by over 1500 volunteers
- over 80,000 plants planted.

Our volunteers carry out a wide range of work to protect coastlines, including maintaining our plantings, organising working bees, controlling pest plants and animals, monitoring sites for changes, and advocacy in their communities.

This year was Coastcare's busiest planting season to date, with highlights including completing the final planting at Maketu marae in Kāwhia and our largest single dune restoration to date at Whangamatā.

Freshwater farm plans

The Resource Management (Freshwater Farm Plans) Regulations took effect in parts of the Waikato and Southland from 1 August 2023.

A phased rollout over three and a half years was accepted by the former Labour government, with the Waipā Freshwater Management Unit (FMU) the first sub-region to go 'live' and landowners having 18 months from 1 August to submit a plan for certification.

The Middle Waikato and Upper Waikato FMUs and West Coast South (Awakino and Mōkau River Catchments) went 'live' on 1 January 2024.

The current government formally announced its intentions to make changes to the Freshwater Farm Plan (FWFP) system on 10 April 2024, while acknowledging that FWFPs are a key tool to improve freshwater outcomes.

Our Primary Industry Engagement Section is working closely with the Ministry for the Environment (MfE) and Te Uru Kahika – Regional and Unitary Councils Aotearoa – to identify potential changes to the FWFP system under central government's Essential Freshwater requirements.

We continued to advocate for the alignment of Healthy Rivers | Wai Ora, Proposed Waikato Regional Plan Change 1 (PC1) and FWFPs through the Environment Court process, seeking to avoid the possibility of unintended duplication of effort for farmers.

To support landowners in the primary sector to meet their regulatory obligations, our work programme has focused on the following.

- **Regionally endorsed FWFP certifier and auditor training** – We worked closely with the national accreditation body (AsureQuality) to develop the certification process.
- **Development of a farm registration tool** – To meet the requirements of PC1, a registration tool is needed. This will be an online self-service portal.
- **Supporting the development of an Integrated National Farm Data Platform (INFDP)** – This national platform is designed to provide consistency and efficiency across New Zealand and is expected to enable regional councils, and others, to track certified FWFP actions, identify farms still to obtain a certified FWFP, and report on the actions taken and planned to improve the quality of fresh water. We are collaborating with the INFDP development team to make sure our farm registration tool can work with the national platform.
- **Development of catchment context challenges and values (CCCV)** – Farm operators are required to consider CCCV information, made available by regional councils in consultation with iwi partners, when preparing their FWFP.

We are continuing to work with primary sector stakeholders to ensure consistent messaging to landowners in the primary sector.

What we delivered

The total number of integrated catchment management performance measures is nine. Eight measures (89 per cent) were achieved and one (11 per cent) was not achieved. Detailed commentary for these measures can be found in the following tables.



Activity: Biodiversity

Level of service: We work with private landowners and others to maintain and enhance indigenous biodiversity.

Performance measure	Target	Actual	Commentary
Number of community groups and individuals funded through the Natural Heritage Partnership Programme that undertake restoration activities, as per their funding agreement	65	2023/24 Not achieved, 59 2022/23 Achieved, 70	There are currently 59 groups and/or individuals undertaking activities in accordance with their funding agreements. An increase in the scale and complexity of projects has resulted in fewer, larger projects being awarded funding than in previous years. Funds included in this programme: <ul style="list-style-type: none"> • Small Scale Community Initiatives Fund: funds for 2023/24 were awarded in July 2023 for 39 projects. • Environmental Initiatives Fund: the fund for 2023/2024 has 12 active projects. • Natural Heritage Fund: the fund for 2023/24 is fully allocated with eight projects.
Number of on-the-ground projects on private land, within the top 30% of priority ecosystems, delivering biodiversity restoration	16	2023/24 Achieved, 46 2022/23 Achieved, 40	There are currently 46 on-the-ground projects (environmental programme agreements, project management plans, fencing, planting, trapping, site condition assessments) being undertaken within priority ecosystems delivering biodiversity restoration.

Activity: Biosecurity

Level of service: We reduce animal pest populations on identified sites with assessed biodiversity values.

Performance measure	Target	Actual	Commentary
Average rat tracking index (RTI) for all rat control operations	≤5%	2023/24 Achieved, 2.40% 2022/23 Achieved, 1.29%	The average RTI for all rat control operations is 2.4% across the five rat control sites: <ul style="list-style-type: none"> • Old Mountain Road – Ed Hillary Hope Reserve: 3.2% • Old Mountain Road – Johnstone: 3.1% • Tirohanga Road: 2.5% • Pukemako: 0% • Te Miro: 3.3%

Average number of possums ¹ caught for every 100 traps set for possum operations	<5% residual trap catch (RTC) for ground control	2023/24 Achieved, 1.1%	In 2023/24, a total of 11 operations were completed. The average number of possums caught represented 1.1% (RTC) for every 100 traps set.
		2022/23 Achieved, 2.22%	The operation results are as follows: <ul style="list-style-type: none"> ● Naike (2022/23 carry over): 0.4% ● Te Ākau (2022/23 carry over): 0.8% ● Karioi South: 0.3% ● Waikite Farmland Sector 2A: 1.3% ● Mokauiti 1 Farmland: 0.6% ● Rangiriri Farmland: 3.3% ● Whareorino: 0.1% ● Mokauiti sector 1: 0.8% ● Mokauiti sector 2: 1.2% ● Ariā: 1.7% ● Waingaro 1.1% Several operations (Oparau, Pirongia West, Ngaroma 1, Tiroa, Matira and Waikaretu) are still to be completed the results for these operations will be reported in the 2024/25 annual report.

Notes

¹Possums are targeted as they have a detrimental impact on our native flora and fauna, including devastating native forests and impacting on pasture, horticulture and forestry.

Level of service: We control low-density, high-threat plant pests to minimise impacts on primary industry and human health.

Performance measure	Target	Actual	Commentary
Reducing trend in the coverage of eradication pest plants ² at known sites	Reducing trend	2023/24 Achieved	Each eradication site is inspected annually for plants, to undertake treatment if required and to survey the wider area. By continuing this management programme from year to year the seed banks / rhizomes are being exhausted. This means there is a reducing trend in the coverage of all eradication pest plants at known sites.
		2022/23 Achieved	

Notes

²Plants included in the operative 2022-2032 Regional Pest Management Plan (RPMP) eradication category

Activity: Catchment planning and management

Level of service: We maintain existing works to ensure gains are preserved.

Performance measure	Target	Actual	Commentary
Percentage of sampled catchment works maintained in effective condition to the standards set out in zone plans ³	80%	2023/24 Achieved, 86%	129 out of 150 (86%) compartments within catchment schemes have been inspected and found compliant. Non-compliant properties (if any) are recorded, and remedial works programmed in consultation with the property owner.
		2022/23 Achieved, 88%	

Notes

³A sample of at least 10 per cent of all catchment scheme and non-scheme works (individual work agreements legally protected on property title outside schemes) are inspected to assess work conditions every year. Works include fencing, planting and erosion control structures.

Level of service: We implement agreed plans (catchment new works) with landowners and land managers for reduced erosion, improved water quality and enhanced biodiversity.

Performance measure	Target	Actual	Commentary
Percentage of catchment new works undertaken in priority catchments and/or at priority sites across all zones	80%	2023/24 Achieved, 91%	91% of catchment new works costs are located within priority catchments and/or significant natural areas across all zones.
		2022/23 Achieved, 94%	

Activity: Land management advisory services

Level of service: We work with our partners, stakeholders and the community to improve soil conservation and water quality.

Performance measure	Target	Actual	Commentary
Percentage of rural professionals that provide a rating of good or excellent after engaging with the council ⁴	90%	2023/24 Achieved, 91%	A survey was sent in December 2023 to rural professionals that council has regular, active relationships with. Results show that 91% of respondents gave a rating of good or excellent after engaging with council.
		2022/23 Not achieved, 81%	

Notes

⁴This is for our contribution to the development of farm environment plans.

Level of service: We provide relevant, useful information and advice to rural communities to support them in changing their behaviours to improve the local environment.

Performance measure	Target	Actual	Commentary
Percentage of agricultural community event attendees that are satisfied the event met its intended purpose ⁵	90%	2023/24 Achieved, 94%	This year, five agricultural community events were hosted by Waikato Regional Council. Of the attendees surveyed, 94% were satisfied that the events met their intended purpose.
		2022/23 Not Achieved, 38%	

Notes

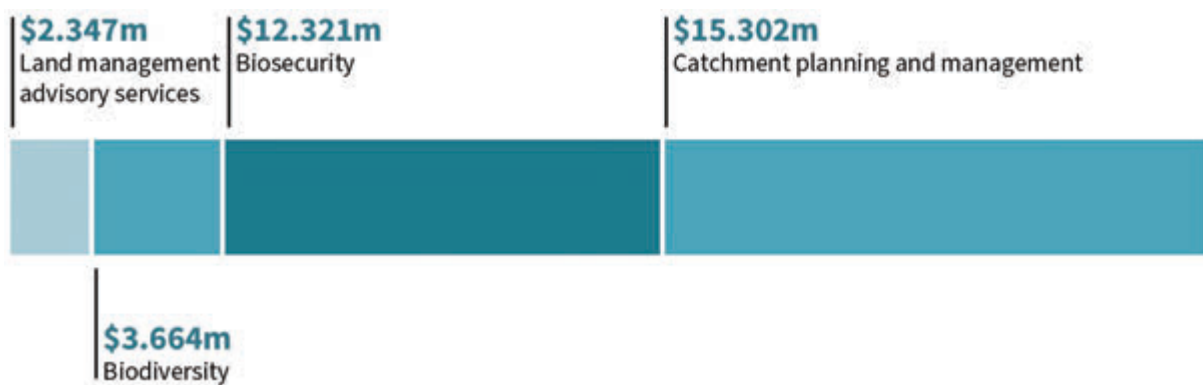
⁵The intended purpose will change according to the event.

What it costs

Revenue and expenditure for integrated catchment management

	2023/24 Actual \$000	2023/24 Annual Plan \$000	2022/23 Last year \$000
General rates	8,899	8,899	8,279
UAGC	2,202	2,202	2,146
Targeted rates	22,171	22,194	20,651
Government grants	3,557	1,413	5,735
Fees and charges	144	1,060	(52)
Investment income	0	11	77
Other income	2,121	911	2,792
Total income	39,095	36,691	39,628
Operating expenditure	33,634	37,648	38,595
Operating surplus / (deficit)	5,461	(956)	1,033
Total funding from / (to) reserves			
Watershed	(3,279)	404	(197)
Coromandel	(326)	(128)	(108)
West Coast	(211)	(5)	(137)
Waihou	(481)	75	(351)
Piako	(252)	-	491
Pathways to the Sea	3	-	56
Biosecurity	(412)	-	1,149
Natural Heritage	192	10	178
Environmental initiatives	(21)	4	(30)
Stock truck effluent	(195)	-	(119)
Shovel Ready	93	-	-
Healthy Rivers	(232)	598	

Expenditure



Mōreatanga ā rohe me te whakarata ohotata

Regional hazards and emergency response

This group of activities includes:

- resilient communities
- Waikato Regional Council emergency response.

How these activities improve wellbeing

These activities contribute to vibrant communities and a strong economy.

They support communities to make informed decisions about their own wellbeing, as well as helping to protect people against the effects of emergencies.

The work we do strengthens community networks and supports businesses and individuals to be more resilient.

Why we provide these activities

Providing natural hazard information allows communities to make better decisions about the management of existing and proposed development to minimise risk and harm to people, homes, businesses and infrastructure.

We also ensure that arrangements, standards and processes for emergency response are in place and that emergency management staff have the capability and resources to respond to an emergency event to ensure the best outcomes for the community.

What we achieved this year and looking to the future

Regional resilience

We continued to collaborate with and provide advice and guidance to support our region's resilience to natural hazards. This included working with territorial authorities, communities, iwi and national researchers, and providing guidance to inform district and regional plan reviews.

We continued our focus on working with communities to understand their natural hazard risks and how those risks can be managed to build long-term resilience. This work on dynamic, adaptive planning and community adaptation plans was undertaken alongside Hauraki District Council, Waikato District Council and Thames-Coromandel District Council.

Each plan assesses areas that are susceptible to the impacts of a changing climate, including coastal, riparian and land instability. They consider the ways local government and

communities can manage these challenges, now and into the future, by having iwi and the community at the forefront of the decision making. We've been working with:

- Hauraki District Council on a community adaptation plan for the Wharekawa coast and the initial scoping of a Hauraki Plains Adaptation Project
- Thames-Coromandel District Council on a shoreline management plan for the Thames-Coromandel area
- Waikato District Council on a plan for Port Waikato, and to consider coastal erosion issues.

Each plan looks at areas that are more susceptible to the impacts of a changing climate, including sea-level rise and coastal erosion or inundation. They look at the ways we can manage these challenges for our communities, now and into the future. Our coastal inundation tool also supports this work, as well as having wider applications, allowing communities to quickly understand the susceptibility of coastal areas to particular sea level rise scenarios.

We continue to provide technical advice and guidance to stakeholders where required. This ranges from natural hazard information via the Waikato Regional Hazard's Portal to technical reviews of consent applications and modelling. We continue to collaborate with Matamata-Piako District Council and Waipā District Council on flood hazard modelling.

Responding to oil spills

Marine oil spills threaten the coastal marine area. We work with other agencies to prevent and plan for these hazards in order to minimise the impact they may have on our environment. Our marine oil spill response capability was examined and tested on two occasions by Maritime New Zealand and continues to meet the required standards set out in legislation and best practice.

Training delivery

This year, we undertook *Waka Pakaru*, an exercise predominantly focused on how we would respond to a significant public transport failure. The exercise was designed by Waikato Regional Council and assessed by an external assessor who was qualified to undertake such an exercise and recognised by National Emergency Management Agency as being qualified. Based on the assessor's report, council has an increasing trend in the effectiveness of training delivery.

What we delivered

The total number of regional hazards and emergency response performance measures is three. All three measures (100 per cent) were achieved. Detailed commentary for these measures can be found in the following tables.

100%
Achieved

Activity: Resilient development

Level of service: We provide hazard information and advice to communities and stakeholders to ensure they are well informed.

Performance measure	Target	Actual	Commentary
Provide relevant and up-to-date hazard information to communities and stakeholders via the online hazards portal	Review the data and update if necessary	2023/24	The hazards portal is up to date and operational.
		Achieved	
		2022/23	
		Achieved	

Activity: Waikato Regional Council emergency response

Level of service: We provide the community with timely flood event information and situation reports to respond effectively to flood events to lessen the adverse effects.

Performance measure	Target	Actual	Commentary
Percentage of customers satisfied with the Waikato Regional Council's flood warning service (source: contact database survey)	90%	2023/24	95% of survey respondents were satisfied with Waikato Regional Council's flood warning service. This year 262 customers were contacted to participate in WRC's flood warning service survey, of the 262 customers contacted, 79 customers responded. Of the 79 customers that responded, 75 customers responded they were satisfied with the Waikato Regional flood warning service while four customers responded they were unhappy with the flood warning Service.
		Achieved, 95%	
		2022/23	
		Achieved, 95.83%	

Level of service: We reduce the environmental impact of marine oil spills by having a safe, coordinated and effective plan in place, maintaining an effective readiness to respond.

Performance measure	Target	Actual	Commentary
A tier two regional marine oil spill plan is in place and two exercises are undertaken per year	Plan in place and two exercises undertaken	2023/24	A Marine Oil Spill Contingency Plan remains in place and exercises were completed at Raglan on 14 November 2023 and 27 March 2024.
		Achieved	
		2022/23	
		Achieved	

What it cost

Revenue and expenditure for regional hazards and emergency response

	2023/24 Actual \$000	2023/24 Annual Plan \$000	2022/23 Last year \$000
UAGC	1,863	1,863	1,867
Fees and charges	-	608	11
Other income	125	-	47
Total income	1,987	2,470	1,924
Operating expenditure	3,200	2,470	3,016
Operating surplus / (deficit)	(1,213)	(0)	(1,092)
Total funding from / (to) reserves			
Resilient Development	-	-	(20)
Total reserve transfers	-	-	(20)
Increase / (decrease) in retained earnings	(1,213)	-	(1,112)

Expenditure



Ngā ara hono ā-rohe

Regional transport connections

This group of activities includes:

- public transport
- interregional passenger rail
- transport policy and programmes.

How these activities improve wellbeing

These activities contribute to a healthy environment, vibrant communities and a strong economy.

They support connectivity and employment, providing our communities with affordable transport options to access jobs, education, essential services, recreational and social activities, and community events.

They also help to limit congestion by encouraging greater use of public transport, reducing the use of single occupancy cars and cutting carbon emissions in the process.

Why we provide these activities

We plan, contract, fund and monitor public transport services in the region. These services give the public an alternative to private vehicle travel, provide access for the transport disadvantaged, support urban growth objectives, reduce congestion, provide rural communities with better access to essential services and enhance access to special events.

We provide transport planning to meet our obligations under the *Land Transport Management Act 2003*. Our plans are laid out in the *2022-2032 Waikato Regional Land Transport Plan* and *2022-2032 Waikato Regional Public Transport Plan*, which we develop in partnership with local councils and NZ Transport Agency Waka Kotahi.

What we achieved this year and looking to the future

Connecting our communities

Connectivity between Waikato and Auckland is crucial to the development of our region. It improves community access to essential services and transport for work and recreation, helping to improve quality of life. An enhanced timetable for Te Huia rail service launched in February 2024, including extra return daytime services to meet additional demand, provide increased frequency and grow the offering to customers.

The annual patronage for Te Huia in 2023 was 69,230 – an increase of 10 per cent from the previous year. A Te Huia customer satisfaction survey carried out in 2024 showed

that 99 per cent of passengers were overall satisfied. Scores for other key performance indicators (reliability, value for money, quality of service/facilities) have also recorded 90 per cent and above. A two-year review of Te Huia shows the service is on track, having delivered or been close to delivering all the targets set by the NZ Transport Agency Waka Kotahi (NZTA) board. Funding for the Te Huia service has been confirmed through to the end of trial period (April 2026), at 70 per cent in 2024/25 and 60 per cent in 2025/26. Our *2024-2034 Long Term Plan* assumes continuation of the service for the 10 years of the plan. Beyond this, if the trial is deemed to be successful, funding would reduce further to 51 per cent. We have assumed that the service will be ongoing with the reduction in NZTA funding being met by rates, however due to the impact to ratepayers of this lower subsidy level, we would consult with ratepayers prior to the end of the trial to confirm support for the service to continue. Patronage across the region has been steadily increasing since 2021. Regional annual patronage in 2019 (pre-COVID) was 3.4 million, 2023/24 patronage (3.3 million) has almost returned to pre-COVID levels.

In August 2023, we launched the Meteor, a new high-frequency bus service linking east and west Hamilton. Travelling between Rotokauri and Silverdale, the service runs approximately every 15 minutes during business hours on weekdays, and half-hourly on evenings and weekends. The Meteor extends Hamilton's high-frequency BUSIT network alongside the Comet, that runs north to south, and the Orbiter, which circles the city clockwise and anticlockwise. Across the region, new services for Te Kūiti and Matamata continue to expand the number of regional communities linked by public transport. Waikato's first electric buses were deployed on Taupō and Waipā services in 2023/24, replacing diesel vehicles. These new services are cleaner, quieter and emission free. This is a sign of things to come for the rest of the public transport network and a major step change towards delivering a zero-emission public transport system in the Waikato region. On 1 July 2023, we took over the funding of Total Mobility, enabling a region-wide approach for users of this service. Total Mobility is a nationwide scheme to give people with disabilities better mobility options. The change opens up the possibility of the service having full regional coverage to benefit disabled and elderly residents in our communities across the Waikato.

We've been redeveloping the Regional Land Transport Plan (RLTP) to help ensure our communities continue to have a safe, connected transport system, and to make sure investment is focused where it's most needed. The RLTP sets a 30-year vision and objectives for transport in our region and is reviewed every six years. The 2024 RLTP contains a 10-year forward work programme encompassing \$11.8 billion of signalled transport investment for the Waikato region.

What we delivered

The total number of regional transport connections performance measures is eight. A total of five measures (62 per cent) were achieved and three measures (38 per cent) were not achieved. Detailed commentary for these measures can be found in the following tables.



Activity: Interregional rail

Level of service: We will progressively improve passenger rail services between the Waikato and Auckland.

Performance measure	Target	Actual	Commentary
Year on year passenger rail patronage growth	10% patronage growth compared to the previous 12 months of operations ¹	2023/24 Achieved, 10% 2022/23 Achieved, 30%	<p>Average daily patronage for 2023/24 was 546 passengers per day, a 10% increase compared to 2022/23 of 496 passengers per day, weekday and weekend. Patronage growth for the previous 12 months was higher at 30%. The lower growth rate reported for 2023/24 can be attributed to:</p> <ul style="list-style-type: none"> Te Huia ceased their half-price ticket promotion. During this period Te Huia was affected by a major service disruption occurred 11th of July 2023 to 4th of August 2023, preventing Te Huia from proceeding north of Papakura. Trips replaced by bus service as a result of the disruption were not included within the patronage data. <p>Going forward Waikato Regional Council will change the way it calculates average passengers per day for the Te Hui service. The total passenger's calculation will now take into consideration total operating days.</p>
Percentage of customers who are 'satisfied' or better with passenger rail	90%	2023/24 Achieved, 99% 2022/23 Achieved, 92.5%	<p>99% of passenger rail customers surveyed were 'satisfied' or better with passenger rail based on the results of the annual rail customer satisfaction survey.</p> <p>This year 502 passengers were surveyed, 483 responded they were 'satisfied' or better, six responded they were 'unsatisfied' and 13 did not respond. The 13 passages that did not respond were not included in the satisfaction result calculation.</p>
Notes			
¹ A total of 12 months of data is required before this measure can be reported.			

Activity: urban and rural transport delivery

Level of service: We will transition Hamilton’s bus network from a coverage-based system (many low frequency routes) to a ridership orientated network (focusing resources on high frequency routes in areas of greatest demand) supplemented by demand responsive services.

Performance measure	Target	Actual	Commentary
Number of public bus trips per capita (Hamilton)	Number of first boardings per capita increase year-on-year	2023/24 Achieved, 16.5 trips per capita 2022/23 Achieved, 14.01 trips per capita	16.5 bus trips were taken per capita in Hamilton in 2023/24, an increase of 18% compared to 2022/23.

Level of service: We will expand public transport to include more areas within our region, enabling greater access to essential services, education, employment and social opportunities.

Performance measure	Target	Actual	Commentary
Number of public bus trips per capita (regional total outside of Hamilton)	Number of first boardings per capita increase year-on-year	2023/24 Achieved, 2.1 trips per capita 2022/23 Achieved, 1.85 trips per capita	2.1 bus trips were taken per capita in the Waikato region outside of Hamilton in 2023/24, an increase of 14% compared to 2022/23.

Level of service: We deliver a public transport service that is reliable, and that people can depend on.

Performance measure	Target	Actual	Commentary
Percentage of arrivals at bus stops that are on time in accordance with the timetable	80%	2023/24 Not achieved, 68.8% 2022/23 Not Achieved, 66.69%	A change to how the result is calculated for this measure was introduced for 2023/24. The new methodology includes all bus stop timings, which will improve data accuracy. It is expected that the performance of this measure will improve as a result. For 2023/24: <ul style="list-style-type: none"> ● 68.8% of stops were in accordance with the timetable. ● 13.7% were earlier than timetabled. ● 13.5% were later than timetabled. ● 4.0% of the bus stops were flagged as not sighted. Service performance has improved this year; however, it was impacted by 'not sighted' ² status flags, and road diversions.

Notes

²'Not sighted' status flags occur when trip telemetry data for the stop is not received due to technical issues.

Level of service: We deliver bus services that people and communities value and regard as quality services.

Performance measure	Target	Actual	Commentary
Percentage of customers who are 'satisfied' or better with the bus transport service	>95%	2023/24 Not achieved, 91% 2022/23 Not Achieved, 87.85%	91% of bus customers surveyed are 'satisfied' or better with the bus transport service. This is an increase of 3% compared to 2022/23. The top three categories that contributed most to customer dissatisfaction were: <ul style="list-style-type: none"> information about service delays/disruptions the 0800 205 305 help line safety you feel walking through Hamilton's central bus station (Transport Centre) to get to your bus platform. <p>Waikato Regional Council has a project underway to update real-time information displays at key stops and Hamilton City Council is currently undertaking refurbishment of the Transport Centre, including improved weatherproofing. It is anticipated that these initiatives will increase customer satisfaction in relation to the bus transport service.</p>

Level of service: We provide attractive, affordable fare products which reflect the value of the service being provided.

Performance measure	Target	Actual	Commentary
Percentage of surveyed passengers who believe bus fares represent good value for money	>80%	2023/24 Not achieved, 79% 2022/23 Achieved, 92.5%	The bus customer satisfaction survey showed that 79% of passengers believe fares represent good value for money. This is a 14% reduction from the 2022/23 bus service satisfaction survey results. The cessation of half price fare provision from central government in July 2023 is a likely factor contributing to this shift.

Activity: Transport policy and planning

Level of service: We will complete three-yearly reviews of regional transport plans, as required by the Land Transport Management Act.

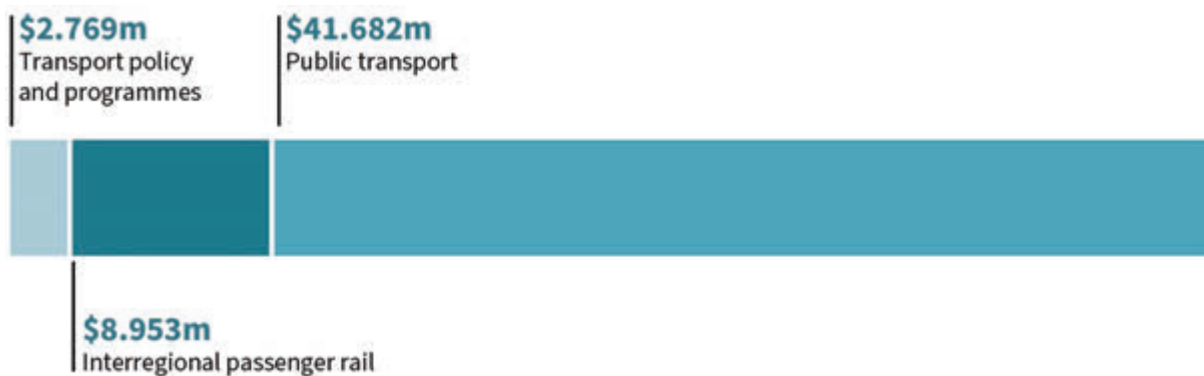
Performance measure	Target	Actual	Commentary
Regional transport plans are reviewed and submitted within statutory timeframes, and implemented	Complete a review of the Regional Land Transport Plan. Develop a regional speed management plan.	2023/24 Achieved 2022/23 Achieved	Due to the late release of the Government Policy Statement on Land Transport (GPS) on 4 March 2024, Waka Kotahi advised that the submission date for Regional Land Transport Plans (RLTPs) to be lodged with the agency was extended from 30 June 2024 to 1 August 2024. Subsequently, the plan was adopted within revised statutory timeframes, but outside of the 2023/24 reporting period on 25 July 2024. Advice was received from Waka Kotahi on 15 December 2023, that following the announcement of the Minister of Transport, confirmed by the Director of Land Transport, the deadlines for the preparation of Regional Speed Management Plans have been revoked. The Waikato Regional Speed Management Plan is no longer required in March 2024 and has been put on an indefinite hold.

What it cost

Revenue and expenditure for regional transport connections

	2023/24 Actual \$000	2023/24 Annual Plan \$000	2022/23 Last year \$000
General rates	1,241	1,241	1,092
UAGC	852	852	777
Targeted rates	15,756	15,756	13,208
Government grants	28,447	25,424	24,226
Fees and charges	2,236	2,394	1,486
Investment income	-	-	-
Other income	6,645	9,065	6,092
Total income	55,177	54,733	46,881
Operating expenditure	53,404	56,585	44,583
Operating surplus / (deficit)	1,773	(1,852)	2,297
Total funding from / (to) reserves			
Public transport	(3,097)	894	(1,867)
Prior year surplus	-	-	(114)
Total reserve transfers	(3,097)	894	(1,981)
Increase / (decrease) in retained earnings	(1,324)	(958)	317

Expenditure



Te whakamahinga o te taiao

Resource use

This group of activities includes:

- regional consents processing
- regional compliance
- maritime services
- community education

How these activities improve wellbeing

These activities contribute to a healthy environment, vibrant communities and a strong economy.

They enable the use of natural resources to support the generation of income and employment, providing financial security to our communities and supporting industries to be compliant with regulations.

This is balanced with protecting the amenity value of those resources and ensuring they can be used and enjoyed by future generations.

Through the provision of advice, industries are supported to be compliant with regulations and community groups are supported to make environmental improvements.

Why we provide these activities

Waikato Regional Council is responsible for regulating the use of the region's natural resources. We grant and monitor consents to ensure the environmental impacts of people and businesses are minimised or managed appropriately, and we help the agricultural sector meet its obligations.

We also respond to complaints and pollution incidents, look after the region's harbours and ensure its waterways are safely navigable.

Community-led education programmes are delivered to build and maintain strong multi-agency relationships, supporting behavioural change to enhance environmental learning and sustainable communities.

These activities enable the council to meet its statutory obligations and protect the Waikato region's unique environment, while allowing for sustainable growth and development.

What we achieved this year and looking to the future

Regional compliance

We monitored 648 farms for compliance with the permitted activity rules that most dairy farms operate under for dairy effluent management. Of the farms inspected, seven per cent were found to be significantly non-compliant.

In 2023/24, a total of 1675 calls were taken from members of the public notifying us of potential breaches of the environmental regulations. As a result of these calls and our proactive monitoring of consents and plan rules, a range of formal enforcement actions were taken where non-compliance was identified.

New environmental legislation, such as the Natural and Built Environment Act and regulations were introduced by the previous government. A good portion of those have been or are being repealed and/or replaced by the current coalition government. The council has a key role in implementing the environmental regulation of the day.

Maritime safety

We have not suffered big storm events on the same scale as 2022/23, such as Cyclone Gabrielle. The weather and sea conditions over the summer period made for an extremely busy recreational boating period. This put a spotlight on our Operation Neptune activities, where we boost our maritime team with an extra 23 trained volunteers from across council to have a presence in the busiest boating hot spots.

Our maritime safety team interacted with 1072 boaties on the water, and a further 308 at boat ramps, and issued 299 infringement notices and 94 formal warnings for breaches of the region's Navigation Safety Bylaw. The bylaw sets out safe practices for people using the lakes, rivers and harbours in our region for water-based activities like boating and kayaking.

We continue to maintain the region's navigation aids but without the severe damage and losses of 2022/23.

Regional consents

In total, 809 resource consents were processed this year (1 July 2023 to 30 June 2024) and 98 per cent of these were processed within timeframes laid out in the Resource Management Act (RMA) Discount Regulations. This compares favourably to our annual plan target of 95 per cent.

Of the applications processed, 25 were processed outside the statutory RMA timeframe. Thirteen of these applications received a discount, twelve were subject to the queued priority process (i.e. they were applications to take water where the applications needed to be processed in priority order), and one application had waived costs, so did not trigger the discount regulations.

This year, 436 consented sites (most of which hold many resource consents each) were identified as the highest priority for monitoring. Of the 436 sites monitored, 19 sites had their monitoring deferred.

Education

The Enviroschools kaupapa is about creating a healthy, peaceful, sustainable world through learning and taking action together. It's an action-focused approach to learning that draws on the physical, social, cultural and political aspects of our environment.

Teachers are supported by a facilitator and resources that link to the curriculum. Students are empowered to create their sustainable vision and to take action in their school and local community. There are over 160 Enviroschools in the Waikato region that receive facilitated support.

In 2023/24, there has been a significant focus on nature connection, connecting teachers with nature and modelling tuning in to nature with hands-on activities. Teachers and students also worked to enhance the environment through subsequent actions.

Supporting schools with stream studies and around māra kai (gardening for food) has continued, with the latter promoted through inter-school challenges and in-school events.

In secondary schools, the work has focussed on youth leadership development. This has been achieved through a climate summit experience and follow-up activities in school with enviroleaders from eight secondary schools.

Rangatahi Voices, an independent youth forum supported by Waikato Regional Council, has continued to grow its membership and meet fortnightly.

Members of the group have also connected with local secondary schools and contributed to the support and facilitation of our region's annual Climate Summit. A contestable fund has been established, with applications received from youth and approved for use.

Submissions have also been made by Rangatahi Voices to the Hamilton City and Waikato Regional Council long term plans, and to other government agencies, in written and oral form.

Kura Waiti Ki Kura Waita is a programme of work developed to advance mātauranga Māori in environmental education – in both traditional and creative contemporary ways – and to develop career pathways for rangatahi. The programme is implemented in partnership with Te Toki Voyaging Trust.

The work focuses on preparing the kaitiaki of the future – supporting kura with environmental learning in ways that also promote te reo, tikanga and mātauranga Māori. It builds the confidence of rangatahi and their sense of connection to te taiao, helping them to understand how they can make a difference in protecting, restoring and revitalising waterways and addressing the impacts of climate change.

Opportunities for rangatahi in 2023/24 have included: learning about and experiencing water safety; the history and stories of te awa; tikanga, karakia, haka and rongoā; climate change impacts; waka mātauranga, mahinga kai and indigenous biodiversity. The programme is continuing to increase the depth and breadth of the learning opportunities it offers.

Kura Waiti has been enabled through partnerships with funders such as the Waikato River Authority and key relationships with Joint Management Agreement partners. It has also supported a Kura Waiti internship, in partnership with the University of Waikato. The programme has exceeded its initial targets, reaching 18 kura kaupapa this year.

What we delivered

The total number of resource use performance measures is 10. All 10 measures (100 per cent) were achieved. Detailed commentary for these measures can be found in the following tables.

100%
Achieved

Activity: Regional consents processing

Level of service: We will effectively deliver consenting and compliance monitoring processes under the Resource Management Act 1991 (RMA) to enable the lawful use of natural and physical resources.

Performance measure	Target	Actual	Commentary
Percentage of resource consents processed in accordance with RMA timeframe discount regulations	≥ 95%	2023/24 Achieved, 98% 2022/23 Achieved, 98.5%	98% of resource consents were processed in accordance with the discount regulation timeframe this year. Of the total 809 applications processed to completion, 25 applications were processed outside the statutory RMA timeframe 12 of the 25 applications processed outside of the statutory RMA timeframe were subject to the queued priority process so did not trigger discount regulations. In total there were 13 resource consent applications processed outside of the RMA timeframe.
Percentage of highest priority consented sites monitored each year.	100%	2023/24 Achieved, 100% 2022/23 Achieved, 100%	All 436 (100%) sites categorised as “highest priority consented sites” were monitored this year. Of the 436 sites monitored, 19 sites had their monitoring deferred. Sites that have had their monitoring deferred are not included in the calculation. Deferred monitoring happens for the following reasons. <ul style="list-style-type: none"> • The consent has only recently been granted and not enough activity time has passed to warrant a full assessment of compliance. • A site has obtained a resource consent, but the activity has not yet commenced (i.e., a factory has not been built / finished yet,) therefore there is nothing to monitor. • There is insufficient data/evidence to undertake an adequate assessment of compliance at this time. Monitoring will occur when there is sufficient evidence to proceed. • The activity, although consented, has been suspended by the consent holder for operational reasons (machinery breakdown, climatic issues, financial difficulties etc).

Percentage of serious non-compliance ¹ incidents where action is taken	100%	2023/24 Achieved, 100%	This year, 21 instances of serious non-compliance were identified across 15 sites; all 15 instances were followed up with punitive action (formal warnings) or directive action (abatement notices served).
		2022/23 Achieved, 100%	

Notes

¹There are a number of factors that are relevant in determining whether a breach of the RMA is 'serious', these include (but are not limited to): what the actual or potential adverse environmental effects of the breach are, the sensitivity of the receiving environment, whether the parties involved have a history of non-compliance, whether the breach was as a result of careless, negligent, or deliberate behaviour, and what efforts at mitigation have been made.

Activity: Regional compliance

Level of service: We will provide a dedicated incident response service to ensure the environment, people and property are not seriously affected by pollution incidents or non-compliant activities.

Performance measure	Target	Actual	Commentary
Percentage of time the 24-hour, 7 day a week response service for reporting environmental incidents is available	100%	2023/24 Achieved, 100%	This service was maintained for 2023/24. There were 3 outages of the phone system during the first quarter reporting period, with a collective time of 2 hours and 15 minutes, when the phone service was not accessible. While the 0800 number was inoperable, incidents could still be reported through the council website and the 'Antenno' App. Both of these contact methods allow members of the public to report incidents.
		2022/23 Achieved, 100%	

Level of service: We will take appropriate action in response to notifications of serious non-compliance.

Performance measure	Target	Actual	Commentary
Percentage of serious non-compliance ¹ incidents that are actioned ²	100%	2023/24 Achieved, 100%	All serious breaches of environmental regulation were actioned in accordance with our enforcement policy.
		2022/23 Achieved, 100%	
Percentage of notifications, related to potential breaches of environmental regulation, that are assessed as requiring and then receive physical attendance	≥90%	2023/24 Achieved, 100%	A total of 1675 notifications were received from the public relating to environmental incidents this year. 561 were assessed as requiring physical attendance and, of those, 100% were attended.
		2022/23 Achieved, 100%	

Notes

¹There are a number of factors that are relevant in determining whether a breach of the RMA is 'serious', these include (but are not limited to) what the actual or potential adverse environmental effects of the breach are, sensitivity of the receiving environment, whether the parties involved have a history of non-compliance, whether the breach was as a result of careless, negligent, or deliberate behaviour, what efforts at mitigation have been made.

²These include: no further enforcement action, letter of direction, abatement notice, formal warning, infringement notice, prosecution.

Activity: Maritime services

Level of service: We will maintain safe and navigable waterways in the region to protect the people using them.

Performance measure	Target	Actual	Commentary
Percentage of time Category 1 aids ³ to navigation are operational within 24 hours of failure or notified to Maritime NZ	100%	2023/24 Achieved 2022/23 Not Achieved	There were two known failures of the Category 1 aids in the region in 2023/24. Both incidents were reported to Maritime NZ within 24 hours and other appropriate safety mitigations initiated.
Maintain a 24 hour, 7 day response for serious maritime incidents ⁴	100%	2023/24 Achieved, 100% 2022/23 Achieved, 100%	This service was maintained for 2023/24. There were three outages of the phone system during the first quarter reporting period with a collective time of 2 hours and 15 minutes when the phone service was not accessible. While the 0800 number was inoperable, incidents could still be reported through the council website and the 'Antenno' App. Both of these contact methods allow members of the public to report incidents.

Notes

³Considered to be of primary navigational significance (including leading lights, outer channel markers, isolated danger marks and wreck marks).

⁴Maritime incidents are those Waikato Regional Council has jurisdiction over that include, but are not limited to, serious boating mishaps or obstruction of navigable waterways.

Level of service: We will increase our level of service to meet increased demand and ensure recreational boaties are safe.

Performance measure	Target	Actual	Commentary
Percentage increase in one-on-one contacts with recreational boaties	20% increase from baseline	2023/24 Achieved, 58% increase 2022/23 Not Achieved, 20% decrease	There was a 58% increase to 1380 one-on-one contacts with recreational boaties compared to the baseline of 800. The significant increase is attributed to favorable sea and weather conditions for the recreational boating sector over the summer period for 2023/24.

Activity: Community Education

Level of service: We deliver education programmes that bring about behaviour change.

Performance measure	Target	Actual	Commentary
Number of education programmes ⁵ evaluated for their effectiveness	2	2023/24 Achieved, 2 programmes evaluated 2022/23 Achieved, 1 programme evaluated	In 2023/24, the Waste Prevention and the Youth and Secondary Programmes were both evaluated. For Waste Prevention, the final report has been received. For the Youth / Secondary programme, a progress report was received late June with the final report due in August 2024. Information from these evaluations will be used to improve these programmes.

Notes

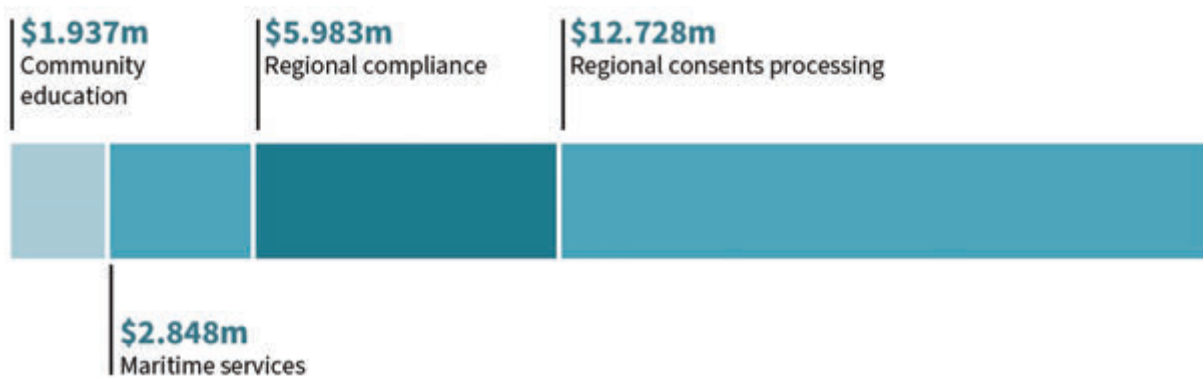
⁵The programmes include Advancing Māori Medium, Enviroschools, Waste Minimisation, Youth and Secondary.

What it cost

Revenue and expenditure for resource use

	2023/24 Actual \$000	2023/24 Annual Plan \$000	2022/23 Last year \$000
General rates	8,776	8,776	8,457
UAGC	2,783	2,783	2,539
Targeted rates	1,574	1,574	1,591
Government grants	-	-	70
Fees and charges	8,423	9,055	7,909
Investment income	-	-	0
Other income	1,297	781	750
Total income	22,853	22,970	21,318
Operating expenditure	23,498	23,395	21,550
Operating surplus / (deficit)	(645)	(424)	(233)
Total funding from / (to) reserves			
Permitted activity monitoring	397	125	(24)
Building act contingency	-	5	0
Healthy Rivers	-	-	(1,691)
Total reserve transfers	397	130	(1,714)
Increase / (decrease) in retained earnings	(248)	(294)	(1,947)

Expenditure



Pūtaiao, kaupapahere, me te mōhiohio

Science, policy and information

This group of activities includes:

- environmental monitoring
- environmental science and information
- social and economic information
- Strategic and spatial planning
- resource management policy
- spatial information.

How these activities improve wellbeing

These activities contribute to a **healthy environment**, **vibrant communities**, and a **strong economy**.

They help support an environment that can sustain vibrant communities by ensuring land is used and managed well, that there is fresh water available, that biodiversity is not lost and that the air is kept clean.

These environmental factors are balanced against the need to generate income and employment from the use of natural resources to support the economy and provide for communities.

Working with our residents allows for their customs, beliefs and identities to be recognised in the way we work, acknowledging our heritage and the values of those who choose to call the Waikato home.

Why we provide these activities

We provide these activities to help preserve and improve the health of the natural environment and the management of resources for the benefit of our communities.

We collect information about our communities and the economy, analysing it to better understand current trends, identify new and emerging issues and tell the story of our region.

The insights gained are used to develop policy to preserve and improve the health of the environment, and guide the use of natural resources for future generations. They are also used to develop consent conditions, flood warning systems and thresholds for water allocation.

We provide tools to spatially present this information and our strategic advice to the community and key decision makers in more accessible ways to help improve wellbeing in the Waikato region.

We are also responsible for developing much of the council's advocacy on matters that affect the region. We make many submissions on behalf of the region's communities ensuring we have a Waikato voice on central government proposals that affect our region.

What we achieved this year and looking to the future

Protecting our air, water and land

New legislation relating to resource management reform came into effect in August 2023 and was repealed by the coalition government in December 2023. The following year saw further amendments to the resource management planning framework. We made submissions during the consultation process on the new legislative proposals. Councillors and staff have also appeared in front of Select Committees to present the salient points of the council's submissions.

A number of changes to the Waikato Regional Policy Statement (WRPS) were introduced as a result of various national policy statements. These include the following.

- Incorporating the requirements of the National Policy Statement on Urban Development (NPS-UD) and reflecting the updated Future Proof Strategy (a 30-year growth management and implementation plan for the Hamilton, Waipā and Waikato sub-regions). The NPS-UD requires councils to plan for growth and ensure well-functioning urban environments for all people, communities and future generations. The change was notified in October 2022, with hearings held and decisions released. A small number of appeals were received, and the council is presently in mediations with the appellants.

- Giving effect to the National Policy Statement for Freshwater Management (NPS-FM) 2020 following our review of the Waikato Regional Plan. Throughout 2023, we engaged with tangata whenua, communities and stakeholders on the best solutions for managing fresh water. We were required to notify the plan change by December 2024, but with recent amendments to legislation this timeframe has been extended to December 2027 and the project plan recast accordingly. Environment Court hearings regarding Healthy Rivers | Wai Ora Proposed Waikato Regional Plan Change 1 (PC1) were held from October through to December. We await a decision on the hearings from the court

We worked with Waikato River Authority, National Institute of Water and Atmospheric Research (NIWA) and other partners to develop a suite of modelling tools to improve

our understanding and management of the Waikato River catchment, including flow patterns, contaminant sources and restoration outcomes.

We notified the Proposed Waikato Regional Coastal Plan. In June 2024, a hearings panel was appointed to hear the submissions we received on the plan. The hearings panel is independently chaired and assisted by two independent commissioners and two councillor-accredited commissioners.

Spatial technologies

We investigated the use of emerging spatial technology to see whether it can improve the way we do business. This involved testing airborne laser image detection (LiDAR) over stop banks to determine crest levels. The work is generating efficiencies in the time it takes to capture data by reducing the need to make physical assessments. It builds on an established regional peat subsidence monitoring programme which uses LiDAR to measure changes in surface elevation. Looking ahead, we plan to further expand the use of this imaging technology for airborne wetland mapping and condition monitoring.

Following a rigorous quality assurance process, we have made the majority of LiDAR data for the Waikato region publicly accessible. This data allows property-scale mapping of important sites (including waterways, wetlands, vegetation, flood-prone areas, coastal hazards and steep slopes at risk of soil erosion, farms and more). This project is being managed by CoLab – an organisation that exists to drive collaboration between councils – and the data will be made available on the Elevation Aotearoa website.

Economic development

We created a data dashboard to track economic development through a set of indicators. The dashboard will consist of a number of interactive visuals under the following 10 themes:

- population (households and labour force)
- macroeconomic indicators
- business vibrancy
- sector performance
- workforce diversity
- income and support
- productivity
- resource use efficiency
- infrastructure
- Māori economy.

Up-to-date comparative socioeconomic parameters will also be made available to understand economic performance both within and between regions. This information will enable informed investment decisions to optimise both economic development and community wellbeing.



What we delivered

The total number of science, policy and information performance measures is 12. A total of 10 measures (83 per cent) were achieved and two measures (17 per cent) were not achieved. Detailed commentary for these measures can be found in the following tables.



Activity: Environmental monitoring

Level of service: We will provide high quality and timely data to key decision makers and the community.

Performance measure	Target	Actual	Commentary
External audit of one environmental domain each year shows good quality control of data collection and analysis	1 domain audited	2023/24 Achieved, 1 domain audited 2022/23 Achieved, 1 domain audited	This year, an audit for the groundwater field water quality sampling has been undertaken. The results found that the activity has good processes in place and provided recommendations for minor process improvements which will be addressed through planned technology upgrades to Fulcrum field data capture tool – planned for 2024/25.
The percentage of time (during flood events) when data isn't available for more than 70 continuous minutes	<2% of the time	2023/24 Achieved, 1.1% 2022/23 Not Achieved, 2.5%	For 2023/24 data was unavailable less than 1.1% of the time. This year data availability was affected by damaged monitoring equipment on site through natural events or theft, loss of power as remote sites relies on batteries and solar or loss of communications with the site equipment through cellular/radio network outages.

Activity: Environmental science and information

Level of service: We provide high quality and timely advice and information to key decision makers and the community.

Performance measure	Target	Actual	Commentary
State of the Environment reporting is completed and made available to the public through the WRC website	Update of relevant sections of the SOE report and publish results.	2023/24 Achieved 2022/23 Achieved	Relevant SOE monitoring data was updated and published to the WRC website State of the Environment 2022 Waikato Regional Council and the www.lawa.org.nz/ ¹

¹Land, Air, Water Aotearoa (LAWA) is an environmental data repository that collects and presents information on river water quality, lake water quality, recreational water quality, groundwater quality, water quantity, air quality, land cover and estuary health.

Level of service: We will develop and implement a freshwater quality and quantity accounting framework to measure the effectiveness of our work programme on improving freshwater outcomes.

Performance measure	Target	Actual	Commentary
Develop a freshwater accounting framework	A new performance measure will be developed once the framework is complete.	2023/24 Not achieved 2022/23 Not achieved	<p>The freshwater accounting framework has not been completed and is still under development. A water quality accounting framework has been developed which has produced information to feed into the Waikato Regional Plan Review. Analysis of low flows in rivers was completed for the State of the Environment report. A revision of Waikato Regional Council’s Water Allocation Calculator – an important component of the water accounting framework - is now being developed. Development of a freshwater accounting framework (as required by the National Policy Statement for Freshwater Management 2020) will be ongoing over the next few years, including through our Freshwater Policy Review process, and is not expected to be completed by June 2024.</p> <p>The Freshwater Policy Review is due to culminate in a plan change that will be notified in 2027.</p> <p>The 2021/22 performance target required the freshwater accounting framework to be under development. The 2022/23 target required the framework to be completed. The 2023/24 target was to develop a new performance measure once the framework is complete; however, development of the framework proved more complex than originally outlined in the 2021-2031 Long Term Plan timeline and is tightly linked to the Freshwater Policy Review.</p>

Activity: Strategic and spatial planning

Level of service: We will work with territorial authorities and advocate to government to achieve alignment on policies, plans and strategies.

Performance measure	Target	Actual	Commentary
Actively engage in national policy reforms to promote high quality, well-informed national direction	Submissions made to relevant national resource management policy and reform proposal	2023/24 Achieved 2022/23 Achieved	Waikato Regional Council is actively engaging in national policy reforms through well-coordinated and informed submissions to promote high quality national direction setting. Thirteen submissions for this period have been made on national policy direction and resource management reform proposals.
Actively engage with district plan change processes to ensure RPS is given effect to	Formal participation in local TAs’ district plan development and plan changes	2023/24 Achieved 2022/23 Achieved	Active engagement with district plan change processes were maintained both proactively (before formal submissions opened) and through submissions to processes where necessary to uphold the Regional Policy Statement and the council’s interests. Recent plan changes include those in Waipā, Taupō and Matamata-Piako districts.

Level of service: We provide an annual trends and implications report which offers insights to key decision makers and the community.

Performance measure	Target	Actual	Commentary
Annual Trends and Implications report delivered	Technical report updated	2023/24	Annual Trends and Implications report, including data collection and analysis and updates to the Waikato Progress Indicators (WPI) scorecard, was completed on 30 June 2024.
		Achieved	
		2022/23	The WPI are a series of measures of how the Waikato is performing in a range of areas like GDP, crime, public transport use, etc, compared to the rest of New Zealand and over time.
		Achieved	

Activity: Resource management policy

Level of service: We provide opportunities for the public to be involved in developing a resource management framework that will manage and improve our region's environment.

Performance measure	Target	Actual	Commentary
Preparation, changes or reviews of policies and plans will be carried out in accordance with statutory processes	Compliant with RMA and other legislation	2023/24	Preparation, changes and reviews of policies and plans are being carried out in accordance with statutory processes. The Proposed Regional Coastal Plan was publicly notified for submissions on 18 August 2023. Submissions closed on 14 November 2023, with the Summary of Decisions Requested notified on 27 March 2024. A hearings panel consisting of independent commissioners and councillors has been established. Hearings processes for the proposed coastal plan are expected to commence in late 2024, with the substantive hearings of submissions to commence in February 2025.
		Achieved	
		2022/23	
		Achieved	

Level of service: We will prioritise our policy programme to meet legislative requirements and community expectations.

Performance measure	Target	Actual	Commentary
Our policy programme will be delivered as per our prescribed planning schedule	No Target	2023/24	Although no target for 2023/24 has been set, preparation, changes, and reviews of plans are being delivered in accordance with the prescribed planning schedule. The Freshwater Policy Review is on track to be delivered in accordance with the project management plan and RMA statutory timeframes by December 2027. The Government has recently amended the statutory timeframe for notification of the Freshwater Policy Review from December 2024 to December 2027.
		Not applicable	
		2022/23	Disclosure: 'Non applicable' has been reported as the result for 2023/24 as no target was set for 2023/24 reporting period in the 2021-31 Long Term Plan.
		Not achieved	

Activity: Social and economic information

Level of service: We undertake robust social and economic science processes to gather data and information in order to provide evidence-based analysis for the council.

Performance measure	Target	Actual	Commentary
Percentage of indicators on the changes and trends in social and economic indicators analysed and reported on as per the indicator monitoring schedule	100%	2023/24	All indicators have been updated as required in the schedule and can be found on Waikato Regional Council website.
		Achieved, 100%	
		2022/23	
		Achieved, 100%	

Activity: Spatial information

Level of service: We provide high quality and timely data to key decision makers and the community.

Performance measure	Target	Actual	Commentary
Percentage of data and metadata that has quality controls ² in place	90%	2023/24	94% of data and metadata that has quality controls in place.
		Achieved, 94%	
		2022/23	
		Achieved, 94.36%	

Notes

²Quality controls mean an audit will be done on a regular basis. This will involve checking the metadata to ensure the mandatory fields are filled in and that any restrictions on use are applied to any ARC GIS online applications.

Level of service: We provide quality customer service.

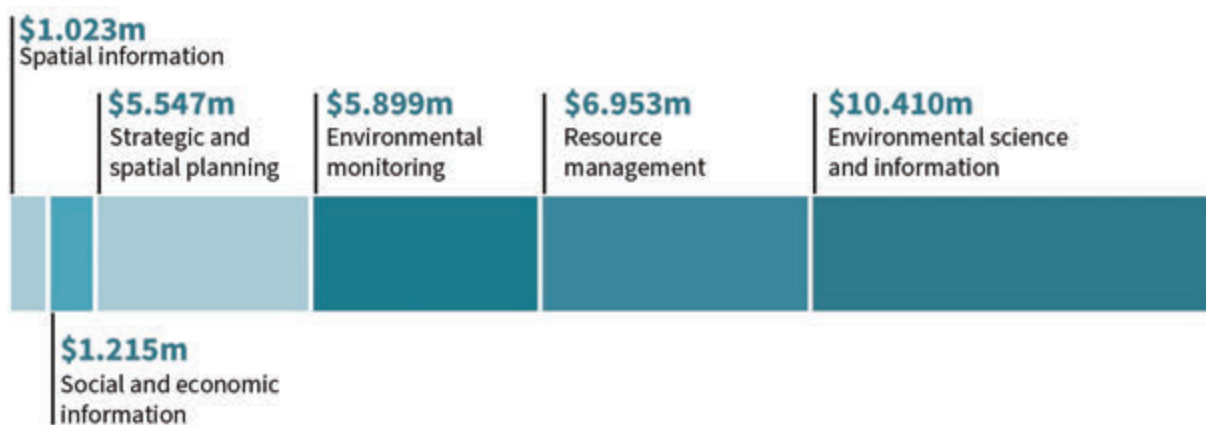
Performance measure	Target	Actual	Commentary
Rolling annual average net promoter score (for the Spatial Information activity)	>82%	2023/24	The rolling annual average net promoter score (NPS) was 69%. This result came from 26 responses, consisting of 21 promoters, 2 neutral and 3 detractors. The NPS formula weighs detractors considerably higher than promoters, meaning even a small number of detractors will heavily skew the result.
		Not achieved, 69%	
		2022/23	To improve interactions with customers, a four-part plan was put in place in 2022/23 and has since been actioned follows. <ul style="list-style-type: none"> Identify the cause of the detractors: complete. Spatial Information team training-refresher on effective communication: complete. Continual evaluation of effective communication with requestors, responding on time, giving consistent updates, and contacting requester when needed: now part of BAU. Be proactive in addressing request and effective use of tools to efficiently monitor requests: now part of BAU.
		Not achieved, 71.9%	

What it cost

Revenue and expenditure for science, policy and information.

	2023/24 Actual \$000	2023/24 Annual Plan \$000	2022/23 Last year \$000
General rates	25,244	25,244	24,003
UAGC	2,542	2,542	2,403
Government grants	150	-	-
Fees and charges	3,676	3,469	3,776
Investment income	750	750	750
Other income	1,290	1,141	1,102
Total income	33,651	33,147	32,034
Operating expenditure	31,047	38,342	30,250
Operating surplus / (deficit)	2,604	(5,195)	1,784
Total funding from / (to) reserves			
Prior year surplus	244	244	-
General	(220)	(220)	341
Contaminated Land	(1)	-	-
Regional development fund	150	5,451	-
Total reserve transfers	173	5,475	341
Increase / (decrease) in retained earnings	2,777	281	2,125

Expenditure






Whakatutukitanga tauroa

Long-term performance









Our Long Term Plan (LTP) sets out the levels of service and performance measures that each of our activities aim to deliver. This 2023/24 Annual Reports is the third year that we will report progress towards the targets in the 2021-2031 LTP.

The table below shows our performance over each of the three years covered by the 2021-2031 plan.





Key					
Increasing target		Decreasing target		Static target	

2021-2023













Customer, Community and Services

Performance measure	Result	Trend
Percentage of official information requests responded to within statutory timeframes		
The percentage of council agendas that are publicly available within statutory timeframes		
Completion of key actions identified in the Māori Partnership Approach (MPA)		
Long term plans and amendments to long term plans receive 'unmodified' audit opinions		



















Waikato Civil Defence Emergency Management Group

Performance measure	Result	Trend
The evaluation of our annual exercise as a measure of effectiveness of training delivery (mandatory measure)		
The time taken for the Group Emergency Coordination Centre (GECC) to be activated in response to an event or emergency		







Flood Protection and Control Works

Performance measure	Result	Trend
Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents (such as zone management plan, annual works programme or long term plan)		
Part One	percentage of planned mandatory maintenance actions achieved each year	 
Part Two	percentage of stopbanks maintained to above designed flood height, as agreed within each zone Rural	 
	percentage of stopbanks maintained to above designed flood height, as agreed within each zone Urban	 
Percentage of flood recovery plans implemented after all major events		
Number of reported incidences where it takes more than three days to remove surface water after events with up to a 10% annual exceedance probability		

















Integrated Catchment Management

Performance measure	Result	Trend
Percentage of sampled catchment works maintained in effective condition to the standards set out in zone plans		
Percentage of catchment new works undertaken in priority catchments and/or at priority sites across all zones		
Number of on-the-ground projects on private land, within the top 30% of priority ecosystems, delivering biodiversity restoration		
Number of community groups and individuals funded through the Natural Heritage Partnership Programme that undertake restoration activities, as per their funding agreement		
Average rat tracking index (RTI) for all rat control operations		
Average number of possums caught for every 100 traps set for possum operations		
Reducing trend in the coverage of eradication pest plants at known sites		
Percentage of rural professionals that provide a rating of good or excellent after engaging with the council		
Percentage of agricultural community event attendees that are satisfied the event met its intended purpose		





















Regional Hazards and Emergency Response

Performance measure	Result	Trend
Percentage of customers satisfied with the Waikato Regional Council's flood warning service (source contact database survey)		
A tier two regional marine oil spill plan is in place and two exercises are undertaken per year		
Provide relevant and up-to-date hazard information to communities and stakeholders via the online hazards portal		

























Regional Transport Connections

Performance measure	Result	Trend
Year on year passenger rail patronage growth		
Percentage of customers who are 'satisfied' or better with passenger rail		
Number of public bus trips per capita (Hamilton)		
Number of public bus trips per capita (regional total outside of Hamilton)		
Percentage of arrivals at bus stops that are on time in accordance with the timetable		
Percentage of customers who are 'satisfied' or better with the bus transport service		
Percentage of surveyed passengers who believe bus fares represent good value for money		
Regional transport plans are reviewed and submitted within statutory timeframes, and implemented		

Resource Use

Performance measure	Result	Trend
Percentage of resource consents processed in accordance with RMA timeframe discount regulations		
Percentage of highest priority consented sites monitored each year		
Percentage of serious non-compliance incidents [arising from consented activities] where action is taken		
Percentage of time the 24-hour, 7 day a week response service for reporting environmental incidents is available		
Percentage of serious non-compliance incidents [arising from unconsented activities e.g., breaching permitted activity rules] that are actioned		
Percentage of notifications, related to potential breaches of environmental regulation, that are assessed as requiring, and then receive, a physical attendance		
Percentage of time Category 1 aids to navigation are operational within 24 hours of failure or notified to Maritime NZ		
Maintain a 24 hour, 7 day response for serious maritime incidents		
Percentage increase in one-on-one contacts with recreational boaties		
Number of education programmes evaluated for their effectiveness		

Science, Policy and Information

Performance measure	Result	Trend
External audit of one environmental domain each year shows good quality control of data collection and analysis		
The percentage of time (during flood events) when data isn't available for more than 70 continuous minutes		
State of the Environment reporting is completed and made available to the public through the WRC website		
Develop a freshwater accounting framework		
Actively engage in national policy reforms to promote high quality, well-informed national direction		
Actively engage with district plan change processes to ensure RPS is given effect to		
Annual Trends and Implications report delivered		
Preparation, changes or reviews of policies and plans will be carried out in accordance with statutory processes		
Our policy programme will be delivered as per our prescribed planning schedule		
Percentage of indicators on the changes and trends in social and economic indicators analysed and reported on as per the indicator monitoring schedule		
Percentage of data and metadata that has quality controls in place		
Rolling annual average net promoter score [for the Spatial Information section]		

Puakanga

Disclosure

Service performance judgments and assumptions

In the selection of our service performance measures for the forecast statement of service performance in our 10-year budget, we made the following judgments.

- We reflected on how to best ensure the levels of service we plan to provide to the community are captured by our performance measures, adjusting them accordingly.
- We considered the views expressed by our residents, ratepayers and communities, including feedback relevant to the levels of service and performance measures received throughout the long term plan consultation process.
- We ensured our performance measures adequately track progress towards delivering our community outcomes.

In relation to the flood protection group of activities, we are required under the *Local Government Act 2002* to provide standard performance measures so the public may make comparisons with other providers.

We are also required to demonstrate regulatory compliance for statutory measures (such as the percentage of resource consent applications processed in accordance with the *Resource Management Act Timeframe Discount Regulations*).

To determine the number of performance measures to monitor and report on, and the level of aggregation, we considered the information needs of our communities, the costs and benefits of these, practical feasibility, and the requirement to provide performance information across the full breadth of the services we provide.

Furthermore, we applied judgments to the measurement, aggregation and presentation of service performance information.

In the setting of funding levels, we considered the impact on services and their performance measures, and have set targets that reflect what we believe can be achieved within the 10-year budget set.

We have applied the following material judgments across our performance measures.

Surveys

Surveys are one of the tools we use to measure the quality of the services we provide. Customer surveys, for example, are considered appropriate for assessing community perceptions. The frequency of each survey differs in line with the specific performance measures. For example, interaction-based customer surveys are more frequent, given the service is ongoing and there are consistent interactions.

Our surveys are designed in-house, or by external research experts, based on best practice in survey design. For example, questions are written so they are neutral in tone and can be clearly understood by participants. Response options are designed to be balanced, not lead participants to respond in a certain way and cover all likely responses a participant may wish to provide. Analysis of survey responses is used to improve our processes and inform future service-level improvements.

External implications

Some conditions that affect service performance and may result in a variation from anticipated or forecast results are outside our control.

Examples include, but are not limited to, changes in government policy in New Zealand, changes in international travel restrictions, global and domestic economic conditions, major weather events and international policy.

Section 4:
Pūtea
Finances

Tauākī ahumoni

Financial statements

The accompanying notes form part of these financial statements. The financial statements from page 65 to page 69 are to be read in conjunction with the notes to the financial statements from page 73 to page 133.


Statement of compliance

The council of Waikato Regional council hereby confirms that all statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, have been complied with.

The financial statements of the council are for the year ended 30 June 2024. The financial statements were authorised for issue by Council on 28 November 2024.



Pamela Storey
Chair



Chris McLay
Chief Executive



Statement of comprehensive revenue and expense for the year ended 30 June 2024

Revenue	Note	2023/24 Actual	2023/24	2022/23
		Actual	Annual plan	Last year
		\$'000	\$'000	\$'000
Rates revenue	3	132,166	130,705	122,809
Fees and charges	4	14,594	16,657	13,386
Subsidies and grants	5	38,491	29,242	33,579
Other revenue	6	14,599	14,682	13,943
Investment revenue	7	2,325	4,276	2,039
Investment fund capital protection revenue	8	3,266	1,406	5,568
Change in market value of investments	8	3,178	-	(1,345)
Unrealised Gain on Interest rate derivatives	8	-	-	343
Total revenue		208,619	196,968	190,322
Expenditure				
Employee benefit expenses	12	61,481	60,754	57,259
Depreciation and amortisation expense	28, 25, 26	11,129	13,330	12,888
Other losses	17	435	-	409
Interest expense	7	1,760	3,491	1,183
Other expenses	10	119,182	124,368	120,910
Total operating expenditure		193,987	201,943	192,649
Net surplus / (deficit) after tax		14,632	(4,975)	(2,327)
Surplus / (deficit) attributable to Waikato Regional Council				
Other comprehensive revenue and expenditure				
Gain / (Loss) on revaluation of property, plant and equipment	36	(888)	-	359,486
Total other comprehensive income		(888)	-	359,486
Total comprehensive income		13,744	(4,975)	357,159
Surplus is attributable to:				
Total comprehensive revenue and expenditure comprised of:				
Funds transferred to council-created reserves	36	15,148	(3,267)	5,549
Funds transferred from asset revaluation reserves		(888)		351,610
General operating surplus		(516)	(1,708)	-
Other comprehensive income		13,744	(4,975)	357,159

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2024

Current assets	Note	2023/24	2023/24	2022/23
		Actual	Annual plan	Last year
		\$'000	\$'000	\$'000
Cash and cash equivalents	19	16,426	5,362	18,721
Trade and other receivables	24	26,627	23,224	22,865
Prepayments		1,818	2,543	2,902
Inventories	30	1,521	1,421	1,372
Work in progress	30	989	1,442	626
Other financial assets	20	4,921	18,000	6,500
Derivative financial instruments		776	-	-
Total current assets		53,078	51,992	52,986
Non-current assets				
Financial assets	20	102,979	102,273	102,243
Other financial assets	20	20	20	20
Investments in CCO*	20	1,264	972	1,255
Biological assets	27	290	177	224
Intangible assets	26	5,447	9,342	5,600
Property, plant and equipment	25	1,007,276	1,264,287	995,696
Derivative financial instruments	31	432	1,716	1,490
Total non-current assets		1,117,708	1,378,787	1,106,528
Total assets		1,170,786	1,430,779	1,159,514
Current liabilities				
Trade and other payables	32	28,822	32,026	32,556
Employee benefits liabilities	13	7,314	7,686	7,254
Derivative financial instruments	31	-	2	-
Borrowings	33	5,066	7,772	11,153
Total current liabilities		41,202	47,486	50,963
Non-current liabilities				
Employee benefits liabilities	14	1,495	2,525	2,288
Borrowings	33	27,318	54,890	19,237
Total non-current liabilities		28,813	57,415	21,525
Total liabilities		70,015	104,901	72,488
Net assets		1,100,771	1,325,878	1,087,026
EQUITY				
Accumulated funds	36	212,361	222,132	212,877
Other reserves	36	888,410	1,103,746	874,149
Total equity		1,100,771	1,325,878	1,087,026

* Investments in Council Controlled Organisations (CCOs) relate to the council's interest in Waikato Local Authority Shared Services Limited (WLASS), Regional Software Holdings Limited (RSHL) and the NZ Local Government Funding Agency Limited (LGFA). Explanations of major variances against budget are provided on pages 70-72. The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2024

		2023/24	2023/24	2022/23
		Actual	Annual plan	Last year
	Note	\$'000	\$'000	\$'000
Opening Equity		1,087,026	1,330,853	729,752
Surplus / (deficit)		14,632	(4,975)	(2,327)
Other comprehensive revenue		-	-	-
Net transfer to / (from) Asset revaluation reserve		(888)	-	359,602
Balance at 30 June	36	1,100,771	1,325,878	1,087,026
COMPONENTS OF EQUITY				
Council created reserves				
Council created reserves at beginning of the year		66,832	51,706	61,283
Net transfer (to) / from retained earnings	36	15,148	(5,673)	5,549
Council created reserves at end of year	36	81,980	46,033	66,832
Asset revaluation reserves				
Asset revaluation reserves at beginning of the year		807,317	1,075,713	447,715
Net transfer to retained earnings	36	-	-	-
Net gain / (loss) on revaluation of PPE	36	(888)	-	359,602
Asset revaluation reserves at end of the year	36	806,429	1,075,713	807,317
Retained earnings				
Retained earnings at beginning of the year		212,878	221,434	220,754
Net surplus / (deficit) for the year		13,744	(4,975)	(2,327)
Net transfer (to) / from council created reserves		(15,148)	5,673	(5,549)
Net transfer (to) / from Asset revaluation reserve		888	-	-
Retained earnings at end of the year		212,362	222,132	212,878
EQUITY AT END OF THE YEAR		1,100,771	1,325,878	1,087,026

Explanations of major variances against budget are provided on pages 70-72. The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2024

Cash flows from operating activities		2023/24	2023/24	2022/23
		Actual	Annual plan	Last year
	Note	\$'000	\$'000	\$'000
Receipts from customers		163,893	162,485	153,174
Grants		39,029	29,242	31,334
Interest revenue received		2,281	1,011	1,900
Receipts of funding held on behalf of third parties		-	-	443
Goods and services tax		(208)	-	(319)
Payments to suppliers and employees		(191,409)	(188,694)	(174,382)
Payments of funding held on behalf of third parties		(72)	-	(734)
Interest paid		(1,766)	-	(884)
Net cash flow from operating activities	18	11,750	4,044	10,532
Cash flows from investing activities				
Receipts from sale of intangibles		-	-	43
Receipts from sale of property, plant and equipment		1,794	-	185
Receipts from sale of investments		72,317	3,741	79,551
Receipt of loan repayments		-	826	-
Purchase of investments		(65,650)	693	(63,595)
Purchase of property, plant and equipment		(24,164)	(28,674)	(15,831)
Purchase of intangible assets		(726)	(3,143)	29
Net cash flow from investing activities		(16,429)	(26,557)	382
Cash flows from financing activities				
Proceeds from borrowings		13,384	22,710	12,000
Repayment of borrowings		(11,000)	(13,856)	(7,028)
Net cash flow from financing activities		2,384	8,854	4,972
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(2,295)	(13,659)	15,887
Cash, cash equivalents and bank overdrafts at the beginning of the year		18,721	19,019	2,834
Cash, cash equivalents, and bank overdrafts at the end of the year	19	16,426	5,360	18,721

As per Public Benefit Entry (PBE) IPSAS (International Public Sector Accounting Standards) 2 the receipt and purchase of long term deposit (greater than 3 months) is not able to be offset in the Statement of Cash Flow. The variance between this year's actual and the budget arises because the budget shows the receipt and purchase of long term deposit as a net figure. The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Explanations of major variances against budget are provided on pages 70-72. The accompanying notes form part of these financial statements.

Mō ngā rerekētanga matua ki te tahua

Explanation of major variances against budget

Waikato Regional Council Explanation of major variances against budget

Explanations for major variations from Waikato Regional Council's estimated figures in the 2023/24 Annual Plan are as follows.

Statement of comprehensive revenue and expenditure

Rates collection continued in line with previous years, reaching 96.6%. Total rates revenue for the year is favourable to budget due to higher rates penalty income (\$1.506 million) and lower rates remissions granted (\$87,000). This is partially offset by marginally lower general and targeted rate revenue than planned (\$132,000).

No marine oil spills response activity this year has resulted in Emergency management revenue being lower than the Annual Plan by \$607,000. This is offset by lower expenditure. This revenue (and associated costs) is only recognised when a marine oil spill is activated.

Integrated catchment management fees and charges revenue is \$916,000 unfavourable following the agreed reduction in catchment management works within the Waipa zone, in conjunction with funding partners. This reduced revenue is offset by lower expenditure. In transport, a number of planned new trial services were not launched as a result of reduced NZTA funding. This has a flow on effect of lower recoveries of from District Councils. Overall recoveries in relation to Council's regulatory services was \$630,000 favourable compared to the Annual Plan. Additional compliance monitoring activity and associated charges contributed \$365,000 to this favourable result.

Materially higher than planned government grants were received over the course of the year. Over \$3 million of additional funding was received from NZTA for the development of EV depot facilities in Waipa (\$1.683 million), Te Huia service improvements (\$818,000) and SuperGold card subsidies (\$1.621 million). In addition, central government funding for various catchment (\$2 million) and flood control and protection works (\$4 million) was higher than budgeted.

Other revenue includes public transport fare revenue. This is \$3.251 million unfavourable to budget, although partially offset by SuperGold card subsidies of \$1.621 million reflected in government grants revenue. Lower than planned average fare rates following Central Government's Community Connect programme are a key contributor to this reduced revenue (\$1.8 million). Higher than budgeted third party revenue, fines and additional funding received broadly offset the fare revenue underrun.

Higher inflation this year has resulted in additional funds being transferred to the Investment fund capital protection reserve to maintain the real value of the fund. This has resulted in an increased drawdown from the investment equalisation reserve in order to meet the budgeted rates subsidy that the investment fund is required to provide for the year. No fund returns have been set aside for the Regional Development Fund – reflecting both the lower available return available for distribution, as well as Council's decision through its 2024 – 2034 Long Term Plan to close this fund.

As a result of delays in project completion and capitalisation, lower capital expenditure and subsequently lower than forecast borrowing, both interest costs and depreciation were favourable to plan, by \$1.731 million and \$2.201 million respectively.

Other expenses were lower than plan largely due to lower contracted services expenditure across the organisation. Significant savings were seen in Regional Transport Connections because of reduced NZTA funding approvals driving lower Total Mobility expenses (\$243,000) and \$1.9 million lower bus operation costs following rationalisation of the low cost, low risk programme to match available subsidies.

In addition, a number of activities and work programmes were delayed in the biosecurity and spatial planning areas due to factors including poor weather and contractor availability. The funding for this work has been carried over to the 2024/25 financial year to allow planned activities to be completed.

The annual plan had anticipated that the remaining funds in the Regional Development Fund would be fully distributed this year, however, Council made the decision to close applications to the fund while it undertook consultation through the 2024 – 2034 Long Term Plan on the future of the Fund. With the decision taken to close the fund, provision has been made in 2024/25 to meet the existing funding commitments that have been made through previous decisions of Council.

Statement of financial position

Cash and cash equivalents reflects cash held by Council to meet its operating cashflow requirements. The value at the end of the financial year includes \$1.692 million of funds held on behalf of third parties by way of consent bonds. Cash held at 30 June 2024 is \$11.046 million favourable to budget.

This is offset by lower level of other financial assets (which includes term deposits with a maturity date of greater than three months) held at the end of the year (\$13.079 million). This reflects that Council's cash balances at balance date were largely of short duration. Maturity dates of investments held at the end of the financial year are difficult to ascertain when setting the budget due to the timing of cashflow needs.

Borrowing reflects the council's external borrowing through the Local Government Funding Agency. The Annual Plan projected a total borrowing programme of \$62.662 million by the end of the 2023/24 financial year. Actual borrowing at 30 June 2023 was \$32.384 million.

This reflects both a lower opening balance (\$30.39 million against a budgeted \$60.055 million) as well as a lower than budgeted capital works programme (\$6.88 million favourable to the Annual Plan budget). Other planned borrowing associated with funding for projects such as the Waikato regional theatre has also been deferred (\$1.25 million). It is expected that Council's final contribution to this project will be made by June 2025.

Trade and other receivables are \$2.595 million higher than the Annual Plan budget. Included within the balance are amounts owed by key agencies with whom the Council partners for the delivery of services. Payment of these amounts will be a matter of timing or meeting the requirements of funding deeds.

Investments in CCOs reflects Council's investment in the IRIS software product through Regional Software Holdings Ltd (RSHL), as well as the value of borrower notes held in relation to borrowing from the Local Government Funding Agency (LGFA).

Council's investment in IRIS has continued to be impaired this year in line with the judgements made by the RSHL Board which reflect the estimated remaining useful life of this investment. As a result, the value of the investment in RSHL has reduced from \$774,000 to \$554,000. Council's interest in the LGFA arises by way of borrower notes associated with Council's borrowing. Total borrower notes held have increased this year from \$481,000 to \$710,000.

The value of intangible assets held by Council is \$3.895 million unfavourable to the Annual Plan budget. This reflects the pause that has been placed on any further work associated with the information systems to support the Healthy Rivers project, pending central government direction (2022/ 23: \$1.8 million. 2023/24: \$1.635 million). \$1.016 million was provided for the update of the Waikato Regional Transportation Model. This project has been placed on hold pending completion of a procurement process.

The annual plan had provided for capital expenditure of \$28.674 million in relation to Property, Plant and Equipment. Actual expenditure for the year was \$24.937 million, reflecting the following:

- Lower expenditure in relation to infrastructure assets (\$5.894 million). Carry-over to 2024/25 of \$7.795 million in capital expenditure (inclusive of underspend in previous financial years) to allow for planned works to be completed.
- Development of public transport depot facilities in Waipā was ongoing at the end of the financial year. Spend at that time was \$689,000 less than budgeted, with this funding carried over to the 2024/25 financial year to provide for the project's completion.
- Planned expenditure on transport centre charging infrastructure as well as the purchase of two small vehicles for public transport trials did not occur, resulting in lower capital expenditure of \$963,000.

Total derivative financial instruments are \$510,000 less than budgeted. Derivative financial instruments are interest rate swaps the council has entered to manage the interest rate risk associated with its borrowing programme. By having these swaps in place, Council has mitigated the effect of increases in market borrowing rates over the year. The value of these derivatives takes account of the future estimated floating rate receivables due under the contract against estimated future fixed liabilities.

Trade and other payables are \$3.648 million less than the Annual Plan budget. This balance includes \$1.692 million held on behalf of third parties). This balance is driven by the timing of Council's expenditure.

Employee benefit liabilities are \$1.402 million lower than the Annual Plan budget. Key changes compared to last financial year include:

- An increase in the provision for annual leave (\$257,000) reflecting both increases in the average salary payable to council staff as well as changes to annual leave hours owing
- A decrease in the provision for long service leave (\$697,000) and gratuities on retirement (\$123,000) reflecting a reduction in the salary growth rate assumptions that underpin the actuarial valuation of future entitlements
- A reduction in the provision for sick leave (\$263,000) reflecting a reduction in the number of staff taking leave in excess of their annual entitlement as well as an adjustment to the number of staff over whom the liability is calculated.

Ngā pitopito tuhinga mō ngā tauākī ahumoni

Notes to the financial statements

1 Statement of accounting policies for the year ended 30 June 2024

Reporting entity

Waikato Regional Council is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand. The relevant legislation governing the council's operations includes the Local Government Act 2002 and the Local Government (Rating) Act 2002. The primary objective of Waikato Regional Council is to enable democratic local decision-making and action by, and on behalf of, communities, and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. The council does not operate to make a profit. Accordingly, Waikato Regional Council has designated itself a public benefit entity for financial reporting purposes. The financial statements of the Council are for the year ended 30 June 2024. The financial statements were authorised for issue by Council on 28 November 2024, exceeding the statutory timeframe for adoption.

Basis of preparation

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

Statement of compliance

The financial statements and service performance information for council have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). Section 98 of the Local Government Act 2002 requires that Council adopt its Annual Report within four months of the end of the financial year (30 June 2024). The Annual Report, adopted on 28 November 2024, did not meet the statutory timeframe for adoption by 31 October 2024. The financial statements and service performance information for the Council have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) accounting standards. These financial statements comply with PBE Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than the remuneration and severance

payment disclosures in note 11. The remuneration and severance transaction disclosures are rounded to the nearest dollar.

Changes in accounting policies

There have been no changes in the Council's accounting policies since the date of the last audited financial statements.

Summary of significant accounting policies

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. 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, including the GST relating to investing and financing activities, is classified as an operating cash flow in the cash flow statement. Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the council in its 2023/24 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the council for the preparation of the financial statements.

Costs allocation

Cost of service for each significant activity is calculated as follows:

- Direct costs are charged directly to significant activities.
- Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ\$ (the functional currency) using the spot exchange rate at the date of the transactions. Foreign exchange gains and losses resulting from settlement of such transactions

and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made 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 discussed below:

- estimating the fair value of land, buildings, and infrastructural assets - see note 25.
- estimating the retirement and long service leave obligations - see note 13 and 14.

2 Summary of cost of services

Revenue	2023/24 Actual	2023/24 Annual plan	2022/23 Last year
	\$'000	\$'000	\$'000
Community and Services	7,731	7,736	7,303
Waikato Civil Defence Emergency Management	3,619	3,426	3,927
Regional hazards and emergency response	1,987	2,470	1,924
Flood control and protection works	35,967	31,476	29,834
Integrated Catchment Management	39,095	36,691	39,628
Regional Transport Connections	55,177	54,733	46,881
Resource use	22,853	22,970	21,318
Science, Policy and Information	33,651	33,147	32,034
Corporate and self-funding	8,427	4,211	7,242
Council controlled organisations	112	112	231
Total income from activities	208,619	196,972	190,322
Expenditure			
Community and Services	8,414	8,913	9,651
Waikato Civil Defence Emergency Management	3,631	3,571	3,978
Regional hazards and emergency response	3,200	2,470	3,016
Flood Control and Protection Works	31,583	28,279	31,008
Integrated Catchment Management	33,634	37,648	38,595
Regional Transport Connections	53,404	56,585	44,583
Resource Use	23,498	23,395	21,550
Science, Policy and Information	31,047	38,342	30,250
Corporate and self-funding	5,503	2,630	9,848
Council controlled organisations	71	112	170
Total operating expenses	193,985	201,945	192,649
Net Total	14,634	(4,973)	(2,327)

The total number of rateable properties in the region in 2024 was 226,983 (2023: 221,849), the total capital value of rateable properties was \$268.6 billion (2023: \$244.7 billion) and the total land value of rateable properties was \$157.7 billion (2023: \$128.2 billion).

3 Rates revenue

	2023/24 Actual	2022/23 Last year
	\$'000	\$'000
General rates	62,550	60,639
Total general rates revenue	62,550	60,639
Targeted rates attributable to activities		
Biodiversity	1,086	1,076
Biosecurity	11,333	10,663
Permitted activity monitoring	1,570	1,591
River and catchment services	34,217	30,993
Public Transport	15,757	13,208
Stock Truck Effluent	76	82
Civil defence emergency management	2,551	2,535
Community partnerships	372	343
Regional Services	712	718
Total targeted rates	67,674	61,209
Less rates remissions	(564)	(490)
Plus rate penalties	2,506	1,451
Total rates, excluding targeted water supply rates	132,166	122,809

Revenue is measured at fair value.

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates, 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 instalment 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.
- Rates remissions are recognised as a reduction of rates revenue when the council has received an application that satisfies its rates remission policy.

Rates revenue is shown net of rates remissions. Waikato Regional Council's rates remission policies allow for the remission of the following rates.

- Land protected for biodiversity.
- Lake Taupō lakebed.
- Māori freehold land.
- Urban land in areas classified as rural, commercial or industrial.
- Biosecurity rate on fenced indigenous bush and wetland areas.
- Rating units with a capital value of \$1,000 or less.
- Sporting and recreational organisations.
- Community organisations.
- Undeveloped land, native bush or swamp areas charged the Waihou/Piako Catchment rate.
- Remission of rates due to financial hardship

- Public transport indirect benefit rates for properties with a capital value greater than \$5.0 million.
- Public transport direct benefit rate for properties without direct access to public transport services.

The council is required to disclose any rates that have been written off during the period of these financial statements by the Chief Executive under powers granted by section 90A and 90B of the Local Government (Rating) Act 2002. These powers came into force on 12 April 2021 through the Local Government (Rating of Whenua Maori) Amendment Act 2021. For the period covered by these financial statements \$59,000 was written off by the Chief Executive (2023: \$348,000).

Non-rateable land

Under the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates. The non-rating of non-rateable land does not constitute a remission under the council's rates remission policy.

The council is required by the Local Government Funding Agency (LGFA) Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue 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 the council from other local authorities for services provided by that council for which those other local authorities rate. Annual rates revenue by this definition is as disclosed in the table above.

4 Fees and charges

	2023/24 Actual \$'000	2022/23 Last year \$'000
Compliance monitoring direct charges	2,530	2,115
Consent application fees	4,184	4,348
Consent holder charges	5,101	5,075
Other direct charges	2,779	1,848
Total fees and charges	14,594	13,386

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.

5 Subsidies and grants

	2023/24 Actual \$'000	2022/23 Last year \$'000
Land transport government grants	28,620	24,227
Other grants	9,871	9,352
Total subsidies and grants	38,491	33,579

Land Transport Government grants

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

Government grants are received from New Zealand Transport Agency, which subsidises part of the cost of the provision of public transport services and development of transport policies and plans. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions 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.

6 Other revenue

	2023/24 Actual	2022/23 Last year
	\$'000	\$'000
Public transport fare revenue	5,443	5,213
Rental	809	656
Royalties	237	224
Other revenue	8,110	7,850
Total other revenue	14,599	13,943

Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

7 Finance revenue and expenses

Interest revenue	2023/24 Actual	2022/23 Last year
	\$'000	\$'000
Statutory land charges	-	77
Term deposits and call accounts	1,878	1,807
Interest rate swaps	438	155
Other	9	-
Total interest revenue	2,325	2,039
Interest expense		
Interest on borrowings	1,759	1,152
Interest rate swaps	-	31
Other	1	-
Total interest expense	1,760	1,183

Interest revenue

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Borrowing costs

All borrowing costs are recognised as an expense in the financial year in which they are incurred.

8 Change in market value of investments

	2023/24 Actual \$'000	2022/23 Last year \$'000
<i>Unrealised gains on assets at fair value through surplus or deficit</i>		
Fixed interest	3,144	1,670
Equities	2,751	3,511
Property	262	(1,097)
Unrealised gain on revaluation of interest rate swaps	-	343
	6,157	4,428
<i>Realised gains on assets at fair value through surplus or deficit</i>		
Fixed interest	287	138
Equities	-	-
Property	-	-
	287	138
	6,444	4,566
Investment fund capital protection revenue	3,266	5,568
Net change in market value	3,178	(1,345)
Unrealised Gain on Interest rate derivatives	-	343
Total change in market value of investments	6,444	4,566

Financial risk management strategies

Waikato Regional Council is exposed to financial risks associated with changes in the value of the financial instruments that comprise its investment fund. Waikato Regional Council is a long-term investor and accepts that returns in any given year may vary from its long-term target return. Risk is managed through the use of a diversified portfolio of financial assets. Council also undertakes a regular review of the risk profile associated with the investment fund and adjusts its asset allocation policy accordingly. Refer to note 23 for further information regarding council's financial instrument risks.

9 Exchange and non-exchange revenue

The total revenue from non-exchange transactions includes the revenue from rates, government grants, public transport revenue, fines, fees and charges and other revenue. Total non-exchange revenue for the 2023/24 financial year is \$192.090 million (2023: \$176.373 million).

The total revenue from exchange transactions includes the revenue from interest, rental, royalties, fees and charges and investment revenue. Total exchange revenue for the 2023/24 financial year is \$16.529 million (2023: \$13.948 million).

10 Other expenses

	2023/24 Actual	2022/23 Last year
	\$'000	\$'000
Insurance premiums	1,883	1,408
Subscriptions and levies	375	260
Debts written off	16	345
Impairment of receivables	675	126
Fees paid to auditors: Audit of Annual Report	261	215
Fees paid to auditors: Audit of debenture trust deed	9	7
Fees paid to auditors: Audit of LTP	122	-
Additional fees charged for 2022/23 audit	20	-
Donations	10	9
Minimum lease payments under operating leases	3,793	3,816
Other operating expenses	79,329	86,449
Inventory consumption	359	628
Property, plant and equipment losses / (gains) on disposal	(346)	155
Councillors' remuneration: Meeting attendance fees and salary	1,095	1,070
Councillors' remuneration: Expenses	84	80
Investment fund management fees	392	369
Contracted services - pest control	745	733
Contracted services - buses	30,360	25,240
Total other expenses	119,182	120,910

11 Remuneration

Chief Executive	2023/24	2022/23
	\$	\$
Salary	375,023	361,060
Vehicle (value per contract)	17,506	17,506
Total key management personnel remuneration	392,529	378,566

Elected representatives	Salary	Travel time allowance	Total remuneration
This Year	\$	\$	\$
B Clarkson	83,600	130	83,730
R Cookson	77,169	1,041	78,210
M Downard	73,954	9,800	83,754
B Dunbar Smith	64,308	152	64,460
C Graf	73,954	1,080	75,034
K Hodge	66,237	370	66,607
C Hughes	73,954	312	74,266
S Kneebone	66,237	200	66,437
W Maher	77,169	5,862	83,031
T Mahuta	66,237	-	66,237
J Nickel	73,954	874	74,828
N Smith	70,738	602	71,340
P Storey	158,293	-	158,293
A Strange	66,237	1,086	67,323
Total	1,092,041	21,509	1,113,550
Last Year			
B Clarkson	55,261	-	55,261
R Cookson	51,773	499	52,272
M Downard	50,030	8,120	58,150
B Dunbar-Smith	44,798	610	45,408
C Graf	50,029	120	50,149
K Hodge	70,718	160	70,878
C Hughes	50,030	52	50,082
S Kneebone	67,150	60	67,210
W Maher	51,773	3,980	55,753
T Mahuta	64,352	-	64,352
J Nickel	71,335	500	71,835
N Smith	48,285	190	48,475
P Storey	131,741	834	132,575
A Strange	67,150	240	67,390
S Husband	21,306	328	21,634
F Lichtwark	18,508	1,030	19,538
A MacPherson	18,508	40	18,548
B Quayle	47,093	150	47,243
R Rimmington	18,508	-	18,508
D Tegg	18,508	728	19,236
H Vercoe	21,306	-	21,306
K White	21,306	660	21,966
Total	1,059,468	18,301	1,077,769

Chair Pamela Storey had the full private use of a motor vehicle valued at \$4,960.51 (2023: \$3,075.75)

The figures presented above exclude mileage expenses paid to councillors.

Employee remuneration

At balance date, the Council employed 542 (2023: 548) full-time employees, with the balance of staff representing 66 (2023: 70) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

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

	2023/24 Actual	2022/23 Last year
< \$60,000	71	81
\$60,000-\$79,999	177	189
\$80,000-\$99,999	156	155
\$100,000-\$119,999	115	110
\$120,000-\$139,999	80	52
\$140,000-\$159,999	22	21
\$160,000-\$179,999	6	11
\$180,000-\$199,999	10	7
\$200,000-\$269,999	6	8
\$270,000-\$399,999	5	1
Total employees	648	635

Severance payments

For the year ended 30 June 2024 Waikato Regional Council made severance payments to the value of \$15,000 to one individual (2023: no severance payments).

12 Employee benefit expenses

Employee benefit expenses	2023/24 Actual \$'000	2022/23 Last year \$'000
Salaries and wages	60,594	55,622
Defined contribution plan employer contributions	1,713	1,577
Increase/(decrease) in employee benefit liabilities	(826)	60
Total employee benefit expenses	61,481	57,259

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

The impact of the actuarial valuation of long service leave and retirement gratuity liability has been to decrease the employee benefit expense by \$665,749 in total (2023: \$30,000 increase). The retirement gratuity liability decreased by \$17,988 and the long service leave liability decreased by \$665,749.

Employer contributions to defined contribution plans include contributions to KiwiSaver.

13 Current liabilities - employee benefits liabilities

Current	2023/24	2022/32
	Actual	Last year
	\$'000	\$'000
Annual leave	4,424	4,167
Long service leave	384	289
Retirement gratuities	320	442
Sick leave	234	497
Other employee expenses	797	767
Accrued pay	1,155	1,092
Total current portion	7,314	7,254

Short term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured 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, retirement gratuities and long service entitlements expected to be settled within 12 months, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming period are expected to be greater than the sick leave entitlements earned in the coming period. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

14 Non-current liabilities - employee benefits liabilities

Non-current	2023/24	2022/23
	Actual	Last year
	\$'000	\$'000
Long service leave	1,182	1,974
Gratuities	313	314
Total non-current	1,495	2,288

The present value of retirement and long service leave obligations depends on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary growth rate. Any changes in these assumptions will affect the carrying amount of the liability. Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary growth assumed for an employee is the salary inflation component plus the promotional salary scale for that employee's age. The 10 year discount rate of 5.28 per cent (2023: 4.94 per cent) and a long term salary growth rate of 2.01% per cent (2023: 1.93 per cent) was used.

There was a change in the actuarial assumptions and methods from last year due to the migration to a different actuarial valuation system, which is used by the wider Aon team in Australia. The model does results in a slight difference in the timing the assumptions are applied and results in a small decrease in the liability (all else being equal) and is not material to the valuation results. In addition, there is a difference between the proportion of past service to future potential service where the new model has been done on a linear basis, however, the prior model had a measure of conservatism in allocation of past service in an attempt to account for the stepped eligibility of LSL. The timing of taking future LSL entitlement has changed since the last valuation. Each future entitlement is assumed to be taken evenly over five years following the date that the entitlement vests. This change has decreased the long service leave liability.

Long term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

15 Related party transactions

Transactions with key management personnel

During the year councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Waikato Regional Council (such as the payment of rates).

Key management personnel include the council Chair, councillors, Chief Executive and other senior management personnel.

	2023/24 Actual	2022/23 Last year	2023/24 Actual \$'000	2022/23 Last year \$'000
<i>Councillors</i>			-	-
Remuneration			1,114	1,078
Full-time equivalent members	14	14	-	-
<i>Senior management team, including the Chief Executive</i>			-	-
Remuneration and post-employment benefits			1,935	1,886
Full-time equivalent members	7	7	-	-
Balance at 30 June			3,049	2,964

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

Transactions between Waikato Regional Council and Waikato Local Authority Shared Services Ltd and Regional Software Holdings Ltd have been treated as related party transactions.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2023 nil).

16 Tax

Components of tax expense	2023/24	2022/23
	Actual	Last year
	\$'000	\$'000
Current tax expense	-	-
Adjustment to current tax in prior years	-	-
Deferred tax liability	-	-
Net surplus (deficit) before tax	14,634	(2,327)
Tax at 28%	4,098	(652)
Plus (less) tax effect of:		
Non-deductible expenditure	(4,098)	652
Non-taxable revenue	-	-
Add: Revenue taxable to council	-	-
Less: Expenses deductible to council	-	-
Less: Tax expense over/understated prior period	-	-
Less: Payments reclassified to other expenditure	-	-
Tax loss not recognised	-	-
Tax expense	-	-

Generally local authorities are exempt from income tax, except for any revenue derived from any Council Controlled Organisation or port activity as per the Income Tax Act 2007.

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the council expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

17 Other gains/(losses)

	2023/24 Actual \$'000	2022/23 Last year \$'000
Gain/(loss) on changes in fair value of biological assets	66	47
Gain/(loss) on changes in fair value of other investments	(220)	(456)
Gain/(loss) on foreign exchange transactions	1	-
Unrealised loss on revaluation of interest rate swaps	(282)	-
Total	(435)	(409)

18 Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	2023/24 Actual \$'000	2022/23 Last year \$'000
Surplus/(deficit)	14,632	(2,327)
Add/(less) non-cash items:		
Depreciation and amortisation expense	11,129	12,888
Assets adjustments relating to disposals	-	174
Other gains and losses	154	346
Bad and doubtful debts	-	547
(Gains)/losses on derivative financial instruments	282	(343)
Total non-cash items	11,565	13,612
Add/(less) items classified as investing or financing activities:		
Change in market value of investments	(6,444)	(4,223)
Net loss/(gain) on disposal of property, plant and equipment	(346)	155
Total items classified as investing or financing activities	(6,790)	(4,068)
Add (less) items movements in working capital items		
Creditors and other payables	(3,734)	5,292
Current employee entitlements	60	404
Non-current employee entitlements	(793)	(38)
Prepayments	1,084	(737)
Work in progress and inventory	(512)	357
Debtors and other receivables	(3,762)	(1,963)
Net cash inflow/(outflow) from operating activities	11,750	10,532

Reconciliation of movements of liabilities arising from financing activities	Secured Loans \$'000	Interest Rate swaps
Balance at 1 July 2023	30,390	21,000
Changes from financing cash flows	1,994	0
Changes in fair values	-	(2,000)
Other changes	-	0
Balance at 30 June 2024	32,384	19,000

19 Cash and cash equivalents

	2023/24 Actual \$'000	2022/23 Last year \$'000
Cash at bank and in hand	15,409	10,721
Term deposits maturing three months or less from date of acquisition	-	8,000
Investments under management	1,017	-
Total cash and cash equivalents	16,426	18,721

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

The reported balance includes \$1.698 million (2022 \$1.523 million) which is held on behalf of other parties that Waikato Regional Council is administering. Funds are paid out once expenditure is approved by the relevant party.

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

20 Other financial assets

The methods and assumptions used to estimate the fair value of each class of financial instrument, for which it is practical to estimate that value, are as follows.

Investment fund and term deposits

The carrying amount of these items is approximately equivalent to the fair value.

Interest rate risk

In making its investments, the council adopts a conservative risk profile, while aiming to maximise its returns. The range of interest rates receivable on financial instruments at 30 June 2024 range from 2 – 6.43 per cent. (2023: 2.30 - 6 per cent)

Collateral

The council does not require collateral or other security to support financial instruments subject to credit risk.

Currency risk

The council enters into foreign currency forward exchange contracts to hedge foreign currency transactions. Any exposure to gains or losses on these forward contracts is generally offset by a related loss or gain on the item being hedged. Gains and losses on contracts which hedge specific short-term foreign currency denominated commitments are recognised as a component of the related transaction in the period in which the transaction is completed.

Foreign currencies

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. At balance date, foreign monetary assets and liabilities are translated at the closing rate, and exchange variations arising from these translations are included in the statement of comprehensive revenue and expense.

Investment fund

The investment fund is invested with a number of fund managers whose performance is monitored by Makao Investments who provide investment strategy advice to the council. At 30 June 2024 the investment fund was invested with the following fund managers:

Equity	2023/24	2022/23
	Actual	Last year
	\$'000	\$'000
Harbour Asset Management (Trans-Tasman)	7,864	7,524
Macquarie (AMP Capital) - Hedged	11,654	9,545
Stewart Investors (Colonial First State) - Unhedged	9,553	9,412
Net book amount	29,071	26,481
Fixed Interest		
Macquarie (AMP Capital) (Cash)	22,547	23,375
Fisher Funds (Global bonds)	22,331	21,447
Term deposits managed internally	11,136	10,546
Harbour NZ Short Duration	8,074	9,745
Less: Working capital held in fund	(1,017)	-
Net book amount	63,071	65,113
Property		
Fisher NZ Direct Property	5,537	5,381
First Sentier (Colonial First State) (\$NZ)	5,300	5,268
Net book amount	10,837	10,649
Total Net book amount	102,979	102,243

At 30 June 2024, the following investments were held by the council's fund managers.

Listed securities - held for trading	2023/24	2022/23
	Actual	Last year
	\$'000	\$'000
NZ local authority investments	1,718	3,432
NZ Government guaranteed investments	8,723	7,055
Corporate investments	12,967	14,633
NZ cash/short term deposits	17,691	19,041
Overseas bonds	22,331	21,447
Equity investments	34,012	31,252
Property	5,537	5,381
Net book amount	102,979	102,243
Other Investment		
Term deposits with maturities greater than 3 months	4,921	6,500
NZ Local Government Insurance Corporation shares	20	20
Net book amount	4,941	6,520
Investments in CCO		
Integrated Regional Information System shares	554	774
NZ Local Government Funding Agency Ltd (LGFA) - borrower notes	710	481
Net book amount	1,264	1,255
Total Financial Assets		
Financial assets (investment fund)	102,979	102,243
Other investments	6,205	7,775
	109,184	110,019

The Council has an 11 per cent holding in Regional Software Holdings Limited (RSHL). There are nine shareholding Council's each with an equal share. There are 8 RSHL Board members, who are elected and retire by rotation. The original six participating Council's retain their relative shares in the Integrated Regional Information System (IRIS) software. The value of this asset is being impaired in line with the expected useful life of the underlying technology. Waikato Regional Council has a 32 per cent holding in the IRIS software. RSHL operates on a cost recovery basis with the participating shareholders and there will be no distributable profits retained in the business. Given the governance structure of RSHL and the nature of its activities, Council do not believe they hold "significant influence" and accordingly has not accounted for the RSHL investment as an associate.

Waikato Local Authority Shared Services (WLASS), trading as Co-Lab, is a CCO for Waikato Regional Council, however the fair value of our investment is \$0

Borrower notes

Borrower notes are required to be held by each local authority that borrows from LGFA. The borrower notes are amounts equal to 1.6% of \$10 million (\$160,000) and 2.5% of \$22 million (\$550,000) of council's borrowing from LGFA. The borrower notes are repaid to council as the underlying debt matures.

2023/24 Actual	2022/23 Last year
\$'000	\$'000

The Council's investments are included in the balance sheet as follows:

Current portion		
Term Deposits	4,921	6,500
Non-current portion		
Financial assets (investment fund)	102,979	102,243
NZ Local Government Insurance Corporation shares	20	20
Investments in CCOs	1,264	1,255
	109,184	110,018

It is the council's intention to continue to hold the investment fund as a non-current asset. Individual assets held by the fund managers have maturity periods as follows:

	2022/24 Actual	2022/23 Last year
	\$'000	\$'000
0-1 year	20,070	22,574
1-3 years	11,772	15,475
Greater than three years	37,125	32,942
No specified maturity date	34,012	31,252
	102,979	102,243

The Maturity profile of other investments held by council is as follows:

0-1 year	4,996	6,596
1-3 years	312	139
Greater than three years	323	246
No specified maturity date	574	794
	6,205	7,775

Fair value

Unlisted investments

The fair value of the investment in NZ Government Insurance Corporation Limited is \$20,000 (2023: \$20,000).

The fair value of council's equity investment in Waikato Local Authority Shared Services Limited and Regional Software Holdings Limited have not been disclosed because the fair value cannot be reliably measured as there is no quoted market price in an active market for these shares.

Other financial assets

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 or deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless the 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'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 is 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 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'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 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.

Expected credit loss allowance (ECL)

The Council recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and including forward-looking information.

The Council consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full. Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

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. Council has derivatives and financial assets in this category.

Credit risk, including ECLs

Term deposits - Council considers there has not been significant increase in credit risk for investments in term deposits because the banks continue to have low credit risk at balance date. Term deposits are held with banks that have a long-term AA- investment grade credit rating, which indicates the bank has a very strong capacity to meet its financial commitments. No ECL has been recognised for term deposits as the loss allowance is trivial. Other financial assets - expected credit losses measure for other financial assets are trivial. They are low-risk and Council has not identified any indications that credit risk associated with those instruments has significantly increased since initial recognition. Council does not hold any collateral for any of its loan assets.

21 Investment policy

The council delegates responsibility for the management, monitoring and reporting of its investment activities to its Finance and Services Committee and Finance and Business Services directorate. A treasury policy document sets out the parameters for the operation of the Finance and Business Services directorate and the volume of investments that the council will be involved with. The mix of investments between current and non-current is determined according to the council's working capital needs. The council's investment fund made a return of \$6.052 million against an Annual Plan budgeted return of \$4.671 million reflecting market volatility over the year. The council continues to take external advice as to changes to be made to any asset class mix.

For the investment fund, excluding amounts held in the Harbour NZ short duration fund (the long-term portfolio), the Council has a Strategic Asset Allocation for investments under management of 60 per cent growth (equities and real assets) and 40 per cent income assets (fixed interest and cash). This has been considered a prudent policy to maintain the real value of the capital of the fund firstly, and then to provide sufficient returns to meet the council's distribution policy for returns. The Harbour NZ short duration fund is wholly invested in income assets (fixed interest and cash) which is considered a prudent policy to protect the capital value of funds set aside for Regional Development Portfolio projects. The council continues to take external advice as to changes to be made to any asset class mix.

The Strategic Asset Allocation has been reviewed this year, with implementation of the new strategy underway from July 2024.

22 Treasury risk management policy

The council's Treasury Risk Management Policy was updated in June 2024. The policy is considered to be appropriate for Council, designed with specific consideration to the nature and materiality of the risks faced, and provides the reader with a thorough understanding of the underlying mechanics of those risks. There are no significant variations or material departures from the council's Liability Management Policy.

23 Financial instruments

Waikato Regional Council has a series of policies to manage the risks associated with financial instruments and treasury activities. The council has established approved liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

(a) Financial instrument categories

Assets	Amortised costs (Loans and receivables)	Fair value through other comprehensive revenue	Fair value through surplus or deficit	Total
	\$'000	\$'000	\$'000	\$'000

30 June 2024

Cash and cash equivalent	16,426	-	-	16,426
Receivables	22,607	-	-	22,607

Other financial assets:

Term Deposits	4,921	-	-	4,921
Investment fund	-	-	102,979	102,979
Investments in CCOs	-	1,264	-	1,264
Unlisted shares	-	20	-	20
Derivative financial instruments - not hedge accounted	1,208	-	-	1,208
Total	45,162	1,284	102,979	149,425

30 June 2023

Cash and cash equivalent	18,721	-	-	18,721
Receivables	19,497	-	-	19,497

Other financial assets:

Term Deposits	6,500	-	-	6,500
Investment fund	-	-	102,243	102,243
Investments in CCOs	-	1,255	-	1,255
Unlisted shares	-	20	-	20
Derivative financial instruments - not hedge accounted	1,490	-	-	1,490
Total	46,208	1,275	102,243	149,726

Liabilities	Liabilities at fair value through surplus or deficit	Measured at amortised cost	Total
	\$'000	\$'000	\$'000

30 June 2024

Payables and accruals	-	21,520	21,520
Borrowings secured loans	-	32,384	32,384
Total liabilities	-	53,904	53,904

30 June 2023

Payables and accruals	-	21,749	21,749
Borrowing secured loans	-	30,390	30,390
Total liabilities	-	52,139	52,139

(b) Market risk

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The investment fund is a fully hedged asset apart from the Stewart Investors Fund (30 June 2024 AUD \$8,715,882 converted to NZD \$9,552,606: exchange rate NZD/AUD: 0.9124). (30 June 2023 AUD \$8,662,384 converted to NZD \$9,411,543: exchange rate NZD/AUD: 0.9204)

The council purchases plant and equipment associated with the construction of certain infrastructure assets from overseas, which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

It is the council's policy to manage foreign currency risks arising from contractual commitments and liabilities that are above \$100,000 by entering into forward foreign exchange contracts to manage the foreign currency risk exposure. This means that the council is able to fix the New Zealand dollar amount payable prior to the delivery of the plant and equipment from overseas.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through surplus and deficit. This price risk arises due to market movements in listed securities. This price risk is managed by diversification of the council's investment portfolio in accordance with the limits set out in the council's investment policy.

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.

If interest rates on the council's fixed interest financial instruments at 30 June 2024 had fluctuated by plus or minus 0.5 per cent, the effect would have been to decrease/increase the fair value through comprehensive revenue reserve by \$345,000 (2023: \$384,000).

Borrowings issued at fixed rates of interest expose council to interest rate risk. The council's Treasury Risk Management Policy sets a range of control limits for the fixed rate proportion of borrowings with different maturities. The range is from a maximum of 60 per cent for debt maturing in any one period with a 15 per cent minimum placed on 0-3 years and 3-5 years periods.

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.

Generally, the council raises long term borrowing at floating rates and swaps them into fixed rates using interest rate swaps to manage the cash flow interest rate risk. The council enters into 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.

Sensitivity analysis

The tables below illustrate the potential surplus and deficit and equity (excluding accumulated funds) impact from possible market movements, with all other variables held constant, based on the council's financial instrument exposures at balance date.

30 June 2024	Interest rate risk			
	-100bps		+100bps	
	Surplus	Equity	Surplus	Equity
	\$'000	\$'000	\$'000	\$'000
Interest rate risk				
Financial assets				
Cash and cash equivalents	(164)	-	164	-
Derivatives - non hedge accounting	(1,237)	-	1,171	-
Total sensitivity	(1,401)	-	1,335	-

30 June 2024	Equity price risk			
	-100bps		+100 bps	
	Surplus	Equity	Surplus	Equity
Equity price risk				
Financial assets				
Other financial assets	(291)	-	291	-
Total sensitivity to equity price risk	(291)	-	291	-

30 June 2023	Interest rate risk			
	-100bps		+100bps	
	Surplus	Equity	Surplus	Equity
Interest rate risk				
Financial assets				
Cash and cash equivalents	(187)	-	187	-
Derivatives - non hedge accounting	(720)	-	678	-
Total sensitivity	(907)	-	865	-

30 June 2023	Equity price risk			
	-100bps		+100bps	
	Surplus	Equity	Surplus	Equity
Equity price risk				
Financial assets				
Other financial assets	(258)	-	258	-
Total sensitivity to equity price risk	(258)	-	258	-

Explanation of sensitivity analysis

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1 per cent.

Cash and cash equivalents include deposits at call totalling \$13.177 million (2023: \$14.721 million) which are at floating rates. A movement in interest rates of plus or minus 100bps (1.0 per cent) has an effect on interest revenue of \$131,765 (2023 \$147,000)

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps (2022 -100bps/+100bps).

(c) Credit risk

Credit risk is the risk that a third party will default on its obligation to Waikato Regional Council, causing the council to incur a loss.

Council is exposed to credit risk as a guarantor of all of Local Government Funding Agency's (LGFA) borrowings. Information about this exposure is explained in note 35.

The council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and the council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Waikato Regional Council invests funds only in deposits with registered banks and local authority stock. Its investment policy limits the amount of credit exposure to any one institution or organisation.

Other than other local authorities, the council only invests funds with those entities which have a Standard and Poor's credit rating of at least A2 for short-term and A- for long-term investments. Accordingly, the council does not require any collateral or security to support these financial instruments.

Maximum exposure to credit risk

The council's maximum credit exposures for each class of financial instruments are as follows:

	2023/24 Actual	2022/23 Last year
	\$'000	\$'000
Cash at bank and term deposits	21,347	25,221
Debtors and other receivables	22,607	19,497
LGFA borrower notes	710	481
Total credit risk	44,664	45,199

Credit quality of financial assets

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

	2023/24 Actual \$'000	2022/23 Last year \$'000
Counterparties with credit ratings Cash at bank and term bank deposits		
A	-	-
AA	-	6,500
AA-	21,347	18,711
Total	21,347	25,211
stock and government bonds		
AAA	710	481
Total	710	481

Council has no financial assets with counterparties without credit ratings.

Debtors and other receivables mainly arise from Waikato Regional 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, and the council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

(d) Liquidity risk

Liquidity risk is the risk that Waikato Regional 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.

In meeting its liquidity requirements, the council maintains a target level of investments that must mature within the next 12 months.

The council has a sweep facility in place. A sweep facility is an automatic system that transfers funds between the current account and call account to improve cash management and maximise interest on funds. The council nominated a target balance for its current account of \$10,000. Once all debits and credits have been processed every night (with the exception of bank fees) the system automatically calculates the amount required to maintain the target balance. Funds are then moved out of the current account into the nominated call account or if the current account has an overdrawn balance the system will transfer funds back from the call account to retain the set balance of the current account.

Council utilises funding through the Local Government Funding Agency Limited (LGFA). As at 30 June 2024 council had borrowed \$32 million (2023 \$30 million) and held borrower notes with a face value of \$710,000 (2023 \$481,000).

The council is also 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 contained in note 35.

Contractual maturity analysis of financial liabilities excluding derivatives

The table below analyses the council's financial liabilities into relevant maturity groupings based on the period remaining at balance date until the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

30-June-2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (assets) / liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	21,520	-	-	-	21,520	21,520
Secured borrowing	5,066	4,050	23,268	-	32,384	32,384

30-June-2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (assets) / liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	21,749	-	-	-	21,749	21,749
Secured borrowing	12,229	5,463	15,147	2,738	35,578	30,390

Contractual maturity analysis of derivative financial instrument liabilities

The table below analyses the council's financial liabilities into relevant maturity groupings based on the period remaining at balance date until the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

30 June 2024	Liability carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net settled derivative liabilities	-	-	-	-	-	-
Total	-	-	-	-	-	-
30 June 2023						
Net settled derivative liabilities	-	-	-	-	-	-

Contractual maturity analysis of financial assets

The table below analyses the council's financial liabilities into relevant maturity groupings based on the period remaining at balance date until the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

30 June 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	16,426	-	-	-	16,426	16,426
Debtors and other receivables	22,607	-	-	-	22,607	22,607
Other financial assets:						
- term deposits	4,921	-	-	-	4,921	4,921
Investment fund	20,070	11,772	37,125	34,012	102,979	102,979
Investment in CCO	75	114	396	679	1,264	1,264
Unlisted shares	-	-	-	20	20	20

30 June 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	18,721	-	-	-	18,721	18,721
Debtors and other receivables	19,497	-	-	-	19,467	19,467
Other financial assets:						
- term deposits	6,500	-	-	-	6,500	6,500
Investment fund	25,869	14,518	30,594	31,262	102,243	102,243
Investment in CCO	96	107	228	824	1,255	1,255
Unlisted shares	-	-	-	20	20	20

(e) 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:

30 June 2024	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$'000	\$'000	\$'000	\$'000
Derivatives	1,208	1,208	-	-
NZ local authority investments	1,718	1,718	-	-
Corporate investments	12,967	12,967	-	-
NZ cash/short term deposits	17,691	17,691	-	-
Overseas bonds	22,331	22,331	-	-
NZ Government guaranteed investments	8,723	8,723	-	-
Equity investments	34,012	34,012	-	-
Property	5,537	5,537	-	-
Total financial assets	104,187	104,187	-	-
Financial liabilities				
Derivatives	-	-	-	-

30 June 2023	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$'000	\$'000	\$'000	\$'000
Derivatives	1,490	1,490	-	-
NZ local authority investments	3,432	3,432	-	-
Corporate investments	15,463	15,463	-	-
NZ cash/short term deposits	18,211	18,211	-	-
Overseas bonds	21,447	21,447	-	-
NZ Government guaranteed investments	7,055	7,055	-	-
Equity investments	31,252	31,252	-	-
Property	5,381	5,381	-	-
Total financial assets	103,733	103,733	-	-
Financial liabilities				
Derivatives	-	-	-	-

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

24 Receivables

	2023/24 Actual \$'000	2022/23 Last year \$'000
Exchange		
Net trade receivables		
Other receivables	19,433	12,458
Provision for doubtful receivables	(1,363)	(763)
Net debtors	17,154	11,695
Receivables from exchange transactions	17,154	11,695
Non-exchange		
Rates receivables	5,894	8,640
Other receivables	3,576	3,368
Provision for doubtful receivables	(913)	(838)
Net debtors	9,473	11,170
Receivables from non-exchange transactions	9,473	11,170
Total receivables	26,627	22,865

Fair value

Receivables are measured at their face value, less any provision for impairment.

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

Impairment

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

Council applied the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, 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 expenditure, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off":

- when remitted in accordance with 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.

The fair value of receivables past due and impaired is as follows:

	2023/24 Actual	2022/23 Last year
	\$'000	\$'000
Past due > 120 days	2,932	5,998
Less impairment	(2,276)	(1,601)
Balance as at 30 June	656	4,397

The ageing profile of gross receivables not impaired is as follows:

	2023/24 Actual	2022/23 Last year
	\$'000	\$'000
Not past due	20,105	17,435
Past due 1-60 days	2,653	1,135
Past due 61-120 days	492	(101)
Balance as at 30 June	23,251	18,468
Grand total	26,627	22,865

Waikato Regional Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. All receivables greater than 30 days in age are considered to be past due.

There is no concentration of credit risk with respect to receivables as the council has a large number of customers.

The impairment provision has been calculated based on expected losses for Waikato Regional Council's pool of debtors. Expected losses have been determined based on an analysis of Waikato Regional Council's losses in previous periods, and a review of specific debtors.

	2023/24 Actual	2022/23 Last year
	\$'000	\$'000
Individual impairment	-	-
Collective impairment	2,276	1,601
Total provision for impairment	2,276	1,601

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor.

Movement in the provision for impairment of receivables is as follows:

	2023/24 Actual \$'000	2022/23 Last year \$'000
At 1 July	1,601	1,475
Additional provisions made during the year	691	471
Receivables written off during the period	(16)	(345)
Total gross trade receivables	2,276	1,601

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

25 Property, plant and equipment

2023/24

	Cost / revaluation	Accumulated depreciation and impairment charges	Carrying amount	Additions	Disposals	Transfers	Depreciation / Impairment	Write back depreciation on disposal / valuation	Revaluation	Cost / Revaluation 30 June 24	Accumulated depreciation and impairment charges 30 June 24	Carrying amount 30 June 24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Operational assets

At cost & valuation

Land	955	-	955	-	-	-	-	-	237	1,232	-	1,232
Buildings	2,254	(288)	1,966	2,785	(6)	-	(55)	-	(190)	4,843	(343)	4,500
Leasehold improvements	7,023	(1,034)	5,989	172	-	-	(444)	-	-	7,195	(1,478)	5,717
Vehicles	4,975	(2,817)	2,158	2,596	(1,988)	-	(726)	1,697	-	5,583	(1,846)	3,737
Plant and equipment	11,730	(4,378)	7,352	2,744	(159)	(479)	(1,017)	142	-	13,836	(5,253)	8,583
Computer Equipment	6,714	(4,745)	1,969	547	-	(39)	(767)	-	-	7,222	(5,512)	1,710
Office furniture and fittings	2,187	(745)	1,442	24	-	-	(308)	-	-	2,211	(1,053)	1,158
Total operational assets	35,878	(14,007)	21,871	8,868	(2,153)	(518)	(3,317)	1,839	47	42,122	(15,485)	26,637

Infrastructural assets

At cost & valuation

Land	74,704	-	74,704	-	-	-	-	-	-	74,704	-	74,704
Bridges	1,941	(422)	1,518	-	-	-	(43)	-	-	1,941	(465)	1,476

- Fencing	20	-	20	1	-	(1)	-	-	-	20	-	20
- Floodgates	1,386	-	1,386	612	(6)	(414)	-	-	-	1,578	-	1,578
- General structures	33	-	33	468	-	(447)	-	-	-	54	-	54
- Plantings	-	-	-	-	-	-	-	-	-	-	-	-
- Pump stations	9,508	-	9,508	7,208	(12)	(1,754)	-	-	-	14,950	-	14,950
- Retaining structures	37	-	37	264	-	(214)	-	-	-	87	-	87
- River training works	3,359	-	3,359	1,170	(3)	(437)	-	-	-	4,089	-	4,089
- Stopbanks	9,207	-	9,207	5,736	(614)	(947)	-	-	-	13,382	-	13,382
- Weirs	20	-	20	-	-	-	-	-	-	18	-	18
Total infrastructure work in progress	26,223	-	26,223	15,763	(642)	(6,294)	-	-	-	35,048	-	35,048
Total property, plant and equipment	1,065,816	(70,118)	995,698	30,925	(3,290)	(6,812)	(10,248)	1,889	(889)	1,085,750	(78,474)	1,007,276

2022/23

	Cost / revaluation	Accumulated depreciation and impairment charges	Carrying amount	Additions	Disposals	Transfers	Depreciation / Impairment	Write back depreciation on disposal / valuation	Revaluation	Cost / revaluation 30 June 23	Accumulated depreciation and impairment charges 30 June 23	Carrying amount 30 June 23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Operational assetsAt cost & valuation

Land	995	-	995	-	-	-	-	-	-	995	-	995
Buildings	2,509	(235)	2,273	20	(4)	(26)	(57)	-	(241)	2,254	(288)	1,965
Leasehold improvements	6,997	(558)	6,439	-	(3)	30	(476)	-	-	7,023	(1,034)	5,989
Vehicles	4,653	(2,417)	2,237	570	(249)	-	(583)	183	-	4,975	(2,817)	2,158
Plant and equipment	8,751	(4,348)	4,403	3,968	(989)	-	(932)	902	-	11,730	(4,378)	7,352
Computer Equipment	7,620	(5,556)	2,064	796	(1,701)	-	(844)	1,656	-	6,714	(4,745)	1,969
Office furniture and fittings	2,152	(443)	1,709	-	(7)	42	(309)	7	-	2,187	(745)	1,442
Total operational assets	33,677	(13,557)	20,120	5,354	(2,953)	46	(3,202)	2,747	(241)	35,878	(14,007)	21,871

Infrastructural assetsAt cost & valuation

Land	74,771	-	74,771	351	-	-	-	-	(418)	74,704	-	74,704
Bridges	1,804	(379)	1,425	-	-	1	(43)	-	136	1,941	(422)	1,518
Channels	44,717	(415)	44,302	-	-	(1)	(266)	-	23,755	68,451	(681)	67,770

Control gates	1,094	(479)	615	-	-	-	(83)	(1)	377	1,470	(562)	908
Culverts	1,992	(252)	1,740	19	-	2	(55)	-	1,945	3,958	(307)	3,651
Debris traps	239	(24)	215	-	-	-	(3)	-	(59)	180	(27)	153
Detentions	4,696	(797)	3,899	-	-	1	(86)	-	11,118	15,815	(883)	14,932
Drop structures	29	(10)	19	3	-	-	(2)	-	2	34	(12)	22
Fencing	4,060	(2,233)	1,827	-	-	(1)	(372)	-	400	4,459	(2,605)	1,854
Floodgates	42,440	(7,799)	34,640	398	(143)	-	(1,353)	22	7,752	50,447	(9,130)	41,317
General structures	3,163	(1,039)	2,124	-	-	-	(193)	-	2,487	5,650	(1,232)	4,418
Plantings	304	-	304	-	-	(1)	-	-	57	361	-	361
Pump stations	59,143	(13,669)	45,474	440	(38)	-	(2,365)	85	12,568	72,113	(15,949)	56,164
Retaining structures	15,084	(3,706)	11,378	-	-	-	(326)	-	(5,294)	9,790	(4,032)	5,759
River training works	2,581	(245)	2,335	26	-	(1)	(39)	-	680	3,286	(284)	3,002
Stopbanks	386,409	(16,492)	869,917	17	-	-	(3,513)	57	303,667	690,093	(19,948)	670,145
Weirs	344	(29)	315	47	-	(1)	(8)	-	573	963	(37)	926
Total	642,870	(47,568)	595,302	1,301	(181)	(1)	(8,708)	163	359,747	1,003,715	(56,111)	947,604

Work in progress

- Bridges	1	-	1	-	-	-	-	-	-	1	-	1
- Channels	504	-	504	5	-	-	-	-	-	509	-	509
- Control gates	881	-	881	1,114	-	-	-	-	-	1,995	-	1,995
- Culverts	123	-	123	19	-	(19)	-	-	-	123	-	123
- Debris traps	-	-	-	-	-	-	-	-	-	-	-	-
- Detentions	25	-	25	-	-	-	-	-	-	25	-	25
- Drop structures	-	-	-	-	-	-	-	-	-	-	-	-
- Fencing	10	-	10	10	-	-	-	-	-	20	-	20
- Floodgates	916	-	916	868	-	(401)	-	-	-	1,386	-	1,386

- General structures	6	-	6	27	-	-	-	-	-	33	-	33
- Plantings	-	-	-	-	-	-	-	-	-	-	-	-
- Pump stations	5,648	-	5,648	4,301	-	(440)	-	-	-	9,508	-	9,508
- Retaining structures	19	-	19	18	-	-	-	-	-	37	-	37
- River training works	2,637	-	2,637	772	(24)	(26)	-	-	-	3,359	-	3,359
- Stopbanks	6,258	-	6,258	3,317	-	(367)	-	-	-	9,207	-	9,207
- Weirs	65	-	65	1	-	(45)	-	-	-	20	-	20
Total infrastructure work in progress	17,093	-	17,093	10,451	(24)	(1,299)	-	-	-	26,223	-	26,223
Total property, plant and equipment	693,640	(61,125)	632,515	17,106	(3,158)	(1,254)	(11,910)	2,910	359,506	1,065,816	(70,118)	995,698

Infrastructural assets - further disclosures

30-June-2024	Additions		
	Closing book value	Additions: constructed by council	Most recent replacement cost estimate for revalued assets
	\$'000	\$'000	\$'000
Infrastructural assets			
Flood protection and control works	945,593	6,296	1,127,814
Total infrastructural assets	945,593	6,296	1,127,814

30-June-2023	Additions		
	Closing book value	Additions: constructed by council	Most recent replacement cost estimate for revalued assets
	\$'000	\$'000	\$'000
Infrastructural assets			
Flood protection and control works	947,604	1,301	1,122,015
Total infrastructural assets	947,604	1,301	1,122,015

Property, plant and equipment consists of:

Operational assets - these include land, buildings, plant and equipment, motor vehicles, leasehold improvements, computer equipment and office furniture.

Infrastructure assets - infrastructure assets are the flood protection and erosion control assets owned by Waikato Regional Council.

Operational land is measured at fair value, and buildings and infrastructural assets are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Work in progress

Included in the operational fixed asset balances as at 30 June 2024 is work in progress in the following asset classes: Buildings \$2,751,000 (2023 \$13,000), Vehicles \$1,740,000 (2023 \$224,000), Leasehold improvements \$22,000 (2023: Nil), Furniture and fittings \$2,000 (2023: Nil), Plant and equipment \$3,033,000 includes \$2,909,947 for constructing vessel (2023: \$3,170,000), \$Nil for the excavator (2023: \$229,000) and Information Technology \$68,000 (2023: \$160,000).

Valuation

Land and buildings and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that they 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

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

The most recent valuation was performed by P Smith, independent registered valuer of SGHU Valuations, and the valuation is effective as at 30 June 2024.

Operational buildings

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. These significant assumptions include:

- the replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity
- the replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information
- the remaining useful life of assets is estimated
- straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates are applied to reflect market value. The most recent valuation was performed by P Smith, independent registered valuer of SGHU Valuations, and the valuation is effective as at 30 June 2024.

Infrastructural assets

Infrastructural asset classes include the flood protection and drainage assets. These were valued at fair value using depreciated replacement cost because no reliable market data is available. The most recent valuation was performed by independent valuer Andrew Liew of Beca Projects NZ Limited, with the valuation is effective as at 31 December 2022. The fair value of infrastructure assets was assessed as at 30 June 2024 by AECOM. No adjustment was made to the financial statements as a result of this assessment.

In valuing these assets, a number of assumptions were made especially relating to the attributes of the assets where this information was not held in the database. Some of this information was obtained by visual inspections by the valuers, checking design drawings were available or taking an average from other similar assets where the data was available. Given the long term nature of these assets, estimated useful lives need to be reviewed periodically as the assets age and more reliable data is gathered on actual expiry lengths of asset types. This is also reviewed by the evidenced deterioration of the asset through asset inspections and condition assessments. Values have been derived from the council's record of recent renewal or replacement project costs, the actual cost of recent new works and information held by the valuers for similar types of work. All of these works have been undertaken in a competitive market place. The depreciated replacement cost is estimated based on the age of the asset (in some cases this is an estimate) and the expected life of the asset.

Depreciated replacement cost is determined using a number of significant assumptions and estimates. Significant assumptions and estimates include:

- the replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- the replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information
- the remaining useful life of assets is estimated
- straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Infrastructural land

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

The most recent valuation was performed by Chrissy Wright-Stow, independent registered valuer of QV Valuations, and the valuation is effective as at 31 December 2022. The fair value of infrastructural land was assessed as at 30 June 2024 by QV. No adjustment was made to the financial statements as a result of this assessment.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the 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.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

No significant disposals have been made during 2024.

Impairment

Impairment losses of \$Nil have been recognised by council during 2024 (2023: \$Nil).

Collateral

No property, plant and equipment are pledged as security for liabilities, there are no restrictions on title.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and drainage networks, 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:

Class of asset depreciated	Estimated useful life (Years)
<i>Operational assets</i>	
Buildings	25-75
Leasehold Improvements	15
Motor vehicles	7.5
Computer equipment	4-5
Office furniture	7.5
Plant and Equipment	7.5-15
<i>Infrastructural Assets</i>	
Bridges	50-100
Channels	25-100
Control gates	15-100
Culverts	30-100
Debris traps	100
Detentions	15-100
Drop structures	50-80
Fencing	30
Floodgates	20-100
General structures	20-100
Plantings	Not depreciated
Pump stations	10-100
Retaining structures	30-100
River training works	30-100
Stopbanks	20-100
Weirs	100

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

26 Intangible assets

	Computer software	Total
	\$'000	\$'000
Year ended 30 June 2024		
Opening net book amount	5,600	5,600
Additions	1,200	1,200
Disposals	-	-
Work in progress	(474)	(474)
Amortisation charge	(879)	(879)
Write back amortisation on disposal	-	-
Closing net book amount	5,447	5,447
Cost	14,161	14,161
Accumulated amortisation and impairment	(8,714)	(8,714)
Net book amount	5,447	5,447

	Computer software	Total
	\$'000	\$'000
Year ended 30 June 2023		
Opening net book amount	6,626	6,626
Additions	24	24
Disposals	(1,380)	(1,380)
Work in progress	(29)	(29)
Amortisation charge	(978)	(978)
Write back amortisation on disposal	1,337	1,337
Closing net book amount	5,600	5,600
Cost	13,435	13,435
Accumulated amortisation and impairment	(7,835)	(7,835)
Net book amount	5,600	5,600

Realised gains and losses arising from the disposal of intangible assets are recognised in statement of comprehensive revenue and expenditure in the year in which the disposal occurs.

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee related costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the council's website are recognised as an expense when incurred.

Amortisation and impairment

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 surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	4 years
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Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, and goodwill, are not subject to amortisation and are tested annually for impairment.

Intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may 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 regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

There are no restrictions over the title of intangible assets, nor are any intangible assets pledged as security for liabilities (2023: nil)

27 Forestry assets

Waikato Regional Council's forestry asset comprises approximately 78 hectares (2023: 78 hectares) of Pinus radiata forest split between Ryan's block and Kuaoit Forest. The Kuaoit Forest was completely harvested during the 2020/21 year and had approximately 17 hectares replanted during 2021/22. Ryan's Block remains unchanged with the plantations aged eight and nine years.

	2023/24 Actual \$'000	2022/23 Last year \$'000
Balance as at 1 July	224	177
Gains / (losses) arising from changes attributable to physical changes	66	47
Purchases	-	-
Sales	-	-
Harvest	-	-
Gains/(losses) arising from changes attributable to price changes	-	-
Carrying amount at 30 June	290	224

Standing forestry assets are independently revalued annually to fair value less estimated costs to sell for one growth cycle. 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 silviculture 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 costs to sell and from a change in fair value less estimated costs to sell are recognised in the statement of comprehensive revenue and expenditure.

Forestry maintenance costs are included in the surplus or deficit when incurred.

Carl Hanna, a member of New Zealand Institute of Forestry from Wood Marketing Services Ltd, has independently valued the forestry assets as at 30 June 2024. The following significant assumptions have been adopted in determining the fair value of forestry assets:

- the forest has been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis
- the value of the land has been treated as zero because forestry is currently the best use of the land from an environmental and management perspective. The planted forest is part of an integrated land use pattern that mitigates soil erosion.
- both buyer and seller are registered for GST and the impact on the transaction would be neutral.

The following taxation assumptions are made in respect of the forest purchaser:

- rate of taxation is 28 per cent
- tax losses and tax liability are assumed to be claimable/payable in the year costs are incurred or revenue received,
- a value of Cost of Bush Account equal to the estimated tree crop value is included in the cashflow to be deducted against future revenue,
- the forest is retained by the prospective purchaser through to maturity,
- the new ownership of the forest is effected by equity funding only,
- no change in the New Zealand tax law for the cashflow period considered.

Financial risk management strategies

Waikato Regional Council is exposed to financial risks arising from changes in timber prices. The council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future and therefore has not taken any measures to manage the risks of a decline in timber prices. The council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

28 Depreciation and amortisation expense by group of activity

Directly attributable depreciation and amortisation expense by group of activity were:

	2023/24 Actual \$'000	2022/23 Last year \$'000
Community and services	7	2
Waikato civil defence emergency management group	11	23
Flood control and protection works	6,924	8,727
Integrated catchment management	8	2
Regional transport connections	1,106	1,121
Science, policy and information	-	2
Corporate and self-funding	3,073	3,011
Total depreciation and amortisation expense	11,129	12,888

29 Asset insurance

As at 30 June 2024, the council held insurance contracts in relation to its property, plant and equipment, and Intangible Assets on the following basis:

- Total insurance contracts to the value of \$150 million in relation to operational assets and intangible assets having a book value of \$32.115 million (2023: \$27.471 million).
- Total insurance contracts to the value of \$300 million in relation to infrastructure assets having a book value of \$945.593 million (2023: \$947.604 million). These insurance contracts provide for the recovery of 40 per cent of the costs of loss or damage to declared assets. The council assumes that, in the event of a major disaster, Central Government will meet the other 60 percent of costs.
- An insurance contract to the value of \$12 million in relation to infrastructure assets having a book value of \$945.593 million (2023: \$947.604 million). This insurance provides for the recovery of 100 per cent of the costs of loss or damage to declared assets in excess of the insurance policy deductible of \$500,000.

The council's infrastructure and material damage insurance policies are held collectively with other councils in the region. In the case of a major event affecting the assets of more than one council, the insurance cover would respond to costs incurred by all councils impacted up to the maximum level of cover.

In addition to the insurance contracts noted above, the council maintains disaster recovery reserves to meet the costs of damage to flood protection schemes that may not be recoverable through insurance (for example, costs associated with channel clearance). At 30 June 2024 the balance of these reserves was \$6.331 million (2023: \$8.207 million).

30 Inventories and work in progress

	2023/24 Actual \$'000	2022/23 Last year \$'000
<i>Inventory held for distribution</i>		
Raw materials at cost	1,521	1,372
<i>Commercial inventories</i>		
<i>Inventory held for use in the provision of services</i>		
Work in progress	989	626
Total inventory and work in progress	2,510	1,998

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the first-in first-out (FIFO) method) adjusted when applicable, for any loss of service potential. Inventory acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The amount of any write down for the loss of service potential or from the cost to net realisable value is recognised in the surplus or deficit in the period of the write down.

Work in progress represents unbilled costs associated with consent processing and compliance monitoring. This balance is reduced as costs are invoiced and become a debtor.

31 Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from the council's financing activities. In accordance with its treasury policy, the council does not hold or issue derivative financial instruments for trading purposes. The council has elected not to apply hedge accounting.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date with the resulting gain or loss recognised in the surplus or deficit.

A forward foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the full fair value of forward foreign exchange derivatives is classified as non-current. The portion of the fair value of an interest rate derivative that is expected to be realised or settled within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non-current.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit.

	2023/24 Actual \$'000	2022/23 Last year \$'000
Interest rate swaps		
Interest rate swaps - current assets	776	16
Interest rate swaps - non-current assets	432	1,474
Interest rate swaps - current liabilities	-	-
Interest rate swaps - non current liabilities	-	-
Total net derivative financial instruments	1,208	1,490

Information about interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts totalled \$19 million (2023 \$21 million). The fixed interest rates of interest rate swaps varied from 2.51% to 2.98%.

The council currently has no fair value hedges.

32 Creditors and other payables

	2023/24 Actual \$'000	2022/23 Last year \$'000
Non-exchange		
Funds held on behalf of third parties	1,692	1,627
Total creditors and other payables from non-exchange transactions	1,692	1,627
Exchange		
Trade payables	6,015	13,182
Deposits and bonds	50	50
Accrued expenses	13,763	6,889
Other payables	7,302	10,808
Amounts due to related parties	-	-
Total creditors and other payables from exchange transactions	27,130	30,929
Total current creditors and other payables	28,822	32,556

Short-term creditors and other payables are recorded at their face value. Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payable approximates their fair value.

33 Borrowing

Accounting policy

Borrowings are initially recognised at their fair value plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings 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.

	2023/24 Actual \$'000	2022/23 Last year \$'000
Secured borrowing	5,066	11,153
Total secured current interest bearing borrowings	5,066	11,153
Total current portion	5,066	11,153
Secured borrowing	27,318	19,237
Total secured non-current interest bearing borrowings	27,318	19,237
Total non-current portion	27,318	19,237
Total secured interest bearing borrowings	32,384	30,390

Interest terms for secured loans

Council's secured debt of \$32.384 million (2023 \$30.390 million) is issued at a mixture of floating rates, with interest rates reset quarterly based on the 90-day bank bill rate plus a margin for credit risk, and fixed rates of interest. Council has 9 swap contracts in place (2023: 10). These swap contracts have a notional value of \$19 million dollars (2023 \$21 million). The swaps convert part of council's borrowing from floating to fixed rates. The majority of swaps were put in place in the 2018/19 and 2019/20 financial years with three new swaps being entered into in the 2021/22 year. There were two swap maturities during the 2023/24 year.

As at 30 June 2024 total borrowings from the Local Government Funding Agency Ltd were \$32 million (2023 \$30 million). The average cost of interest was 5.50 per cent (2023 3.43 per cent).

Security

The council's secured loans are secured over either targeted or general rates of the council.

Fair values

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of secured loans approximates their fair value.

34 Capital commitments and operating leases

Capital expenditure contracted for at the reporting date but not recognised as liabilities as follows:

	2023/24 Actual \$'000	2022/23 Last year \$'000
Capital commitments		
Vehicles	849	1,721
Other plant and equipment	2,179	3,894
Intangible assets	25	32
Flood protection and control	2,711	3,288
Leasehold improvements	365	-
IT equipment	67	-
Total capital commitments	6,196	8,935

Capital commitments relate to property, plant, equipment and intangibles. There are no commitments at balance date for forestry assets.

Operating leases as lessee

Waikato Regional Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 12 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows.

	2023/24 Actual \$'000	2022/23 Last year \$'000
Not later than one year	3,621	3,272
Later than one year and not later than five years	14,013	12,146
Later than five years	24,960	23,552
Total non-cancellable operating leases	42,594	38,970

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2023 \$nil).

Leases can be renewed at Waikato Regional Council's option, with rents set by reference to current market rates for items of equivalent age and condition.

There are no restrictions placed on Waikato Regional Council by any of the leasing arrangements.

Operating leases as lessor

Waikato Regional Council sub-leases part of a property it leases. This sublease has a non-cancellable term of six years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows.

	2023/24 Actual \$'000	2022/23 Last year \$'000
Not later than one year	102	37
Later than one year and not later than five years	460	-
Later than five years	-	-
Total non-cancellable operating leases	562	37

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$562,000 (2023 \$36,577).

No contingent rents have been recognised during the period.

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.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

35 Contingent liabilities

Unquantified claims

Waikato Regional Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the 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 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.

Local Government Funding Agency

Waikato Regional Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AAA.

Council is one of 72 local authority guarantors of the LGFA as at 30 June 2024. The aggregate amount of uncalled shareholder capital (\$20 million) is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the council is a guarantor of all of LGFA's borrowings. At 30 June 2024, LGFA had borrowings totalling \$23.030 billion (2023: \$17.68 billion)

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 to recognise it at the higher end of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. Council has assessed the 12-month ECL of the guarantee liability, based on market information on 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, Council has not recognised this as a liability.

Tahāroa - Bond arbitration

The council is currently awaiting an arbitration date – settlement was attempted previously but not accepted by the application (Tahāroa). Both Waikato Regional Council and the applicant will be liable for a half share of the cost of arbitration, following arbitration. The estimated financial settlement is \$50,000 (inc GST).

DM & MA Gleeson Family Trust

The claimant alleges that the insured party's failure to maintain its drainage infrastructure resulted in his land being inundated for approximately 10 days following the Auckland Anniversary weekend floods, resulting in the destruction of his pasture. The allegations are being investigated. The estimated financial settlement is \$50,000 (inc GST).

36 Equity

	2023/24 Actual \$'000	2022/23 Last year \$'000
Accumulated funds	212,362	212,877
Other reserves	888,409	874,149
Balance at 30 June 2024	1,100,771	1,087,026

Accumulated funds

Balance at 1 July	212,877	220,753
Transfer to reserves	(15,148)	(5,549)
Surplus/(deficit) for the year	14,632	(2,327)
Balance 30 June	212,362	212,877

Reserve	Activities to which the reserve relates	Balance 1 July \$'000	Transfers into fund \$'000	Transfers out of fund \$'000	Balance 30 June \$'000
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2024

Regional disaster recovery	Integrated catchment management; Flood protection and control works	4,732	131	(2,140)	2,723
Waihou Piako Scheme	Integrated catchment management; Flood protection and control works	(1,473)	3,588	(830)	1,285
Lower Waikato main channel	Flood protection and control works	1,632	551	-	2,183
Watershed	Integrated catchment management; Flood protection and control works	11,433	7,548	-	18,981
Coromandel	Integrated catchment management; Flood protection and control works	4,011	495	(123)	4,383
West coast	Integrated catchment management; Flood protection and control works	570	323	-	893
Zone disaster recovery	Integrated catchment management; Flood protection and control works	3,475	133	-	3,608
Drainage	Flood protection and control works	(967)	128	(603)	(1,442)
Waikato civil defence emergency management	Waikato civil defence emergency management	186	606	(618)	174
Natural heritage	Integrated catchment management	262	-	(188)	74
Biosecurity	Integrated catchment management	3,082	1,336	(757)	3,661

Environmental initiatives	Integrated catchment management	71	26	-	97
General	Community and services	2,369	896	(1,492)	1,773
Permitted activity monitoring	Resource use	528	-	(270)	258
Building Act contingency	Resource use	90	4	-	94
Complaints and enforcement	Resource use	72	-	-	72
Stock truck effluent	Science, policy and information	677	236	-	913
Public transport	Regional transport connections	3,544	3,514	(141)	6,917
Integrated Regional Information System (IRIS)	Corporate (council controlled organisations)	348	-	-	348
Motor vehicle and plant	Corporate	967	-	-	967
Operational fixed asset depreciation	Corporate	747	-	-	747
Communications network	Corporate	550	-	-	550
Investment fund equalisation	Corporate (Treasury)	(5,643)	6,052	(6,227)	(5,818)
Investment fund capital protection	Corporate (Treasury)	24,936	3,266	-	28,202
Pathways to the sea	Flood protection and control works	3	-	(3)	-
Derivative Financial Instrument	Corporate	1,490	-	(282)	1,208
Shovel Ready Reserve	Integrated catchment management; Flood protection and control works	93	-	(93)	-
Hauraki plan change	Science, policy and information	93	-	-	93
Regional development fund	Science, policy and information	6,844	-	(150)	6,694
Contaminated Land Investigation	Science, policy and information	399	-	-	399
Resilient Development Reserve	Regional hazards and emergency response	20	-	-	20
Primary industry engagement	Resource use	1,691	232	-	1,923
		66,832	29,065	(13,917)	81,980
Reserve	Activities to which the reserve relates	Balance 1 July	Transfers into fund	Transfers out of fund	Balance 30 June
		\$'000	\$'000	\$'000	\$'000
2023					
Regional disaster recovery	Integrated catchment management; Flood protection and control works	4,588	1,115	(971)	4,732

Waihou Piako Scheme	Integrated catchment management; Flood protection and control works	130	9,395	(10,998)	(1,473)
Lower Waikato main channel	Flood protection and control works	2,402	-	(770)	1,632
Watershed	Integrated catchment management; Flood protection and control works	10,453	21,550	(20,570)	11,433
Coromandel	Integrated catchment management; Flood protection and control works	4,328	5,115	(5,431)	4,011
West coast	Integrated catchment management; Flood protection and control works	345	2,989	(2,763)	570
Zone disaster recovery	Integrated catchment management; Flood protection and control works	3,559	933	(1,017)	3,475
Drainage	Flood protection and control works	(1,289)	8,202	(7,879)	(967)
Civil defence	Civil defence	300	13,074	(13,188)	186
Natural heritage	Integrated catchment management	430	523	(692)	262
Biosecurity	Integrated catchment management	4,113	33,170	(34,203)	3,082
Environmental initiatives	Integrated catchment management	39	250	(217)	71
General	Community and services	832	4,058	(2,520)	2,369
Permitted activity monitoring	Resource use	487	1,310	(1,267)	528
Building Act contingency	Resource use	87	31	(28)	90
Complaints and enforcement	Resource use	72	-	-	72
Stock truck effluent	Science, policy and information	517	837	(676)	677
Public transport	Public transport	1,473	21,752	(19,680)	3,544
Integrated Regional Information System (IRIS)	Corporate (council controlled organisations)	348	51	(52)	348
Motor vehicle and plant	Corporate	901	4,304	(4,240)	967
Operational fixed asset depreciation	Corporate	747	400	(400)	747
	Corporate	550	-	-	550
Investment fund equalisation	Corporate (Treasury)	(1,128)	16,391	(20,906)	(5,643)
Investment fund capital protection	Corporate (Treasury)	19,368	14,042	(8,474)	24,936
Pathways to the sea	Flood protection and control works	58	-	(56)	3

Derivative Financial Instrument	Corporate	(130)	10,153	(8,534)	1,490
Shovel Ready Reserve	Integrated catchment management; Flood protection and control works	93	-	-	93
Hauraki plan change	Science, policy and information	93	-	-	93
Regional development fund	Science, policy and information	7,119	275	(550)	6,844
Contaminated Land Investigation	Science, policy and information	398	-	-	399
Resilient Development Reserve		-	20	-	20
Healthy rivers internal loan	Science, policy and information	-	3,543	(1,852)	1,691
		61,283	173,483	(167,934)	66,832

	Balance 1 July	Transfers into fund	Transfers out of fund	Balance 30 June
	\$'000	\$'000	\$'000	\$'000

Asset revaluation reserve 2024

Operational buildings	(241)	237	-	(4)
Operational Land	3,738	-	(190)	3,548

Infrastructural assets

- Bridges	994	-	-	994
- Channels	38,586	-	-	38,586
- Control gates	377	-	-	377
- Culverts	2,818	-	-	2,818
- Debris traps	119	-	-	119
- Detentions	14,165	-	-	14,165
- Drop structures	2	-	-	2
- Fencing	4,728	-	(50)	4,678
- Floodgates	36,169	-	(6)	36,163
- Land	57,689	-	-	57,689
- Plantings	171	-	-	171
- Pump stations	36,439	-	(248)	36,191
- Retaining structures	4,274	-	-	4,274
- River training works	1,173	-	-	1,173
- Stopbanks	601,412	-	(632)	600,780
- Structures	3,912	-	-	3,912
- Weirs	792	-	-	792
Balance at 30 June	807,317	237	(1,126)	806,428

Balance 1 July	Transfers into fund	Transfers out of fund	Balance 30 June
\$'000	\$'000	\$'000	\$'000

Asset revaluation reserve 2023

Operational buildings	-	-	(241)	(241)
Operational Land	3,738	-	-	3,738
Infrastructural assets				
- Bridges	858	136	-	994
- Channels	14,851	23,735	-	38,586
- Control gates	-	377	-	377
- Culverts	873	1,945	-	2,818
- Debris traps	178	-	(59)	119
- Detentions	3,047	11,118	-	14,165
- Drop structures	-	2	-	2
- Fencing	4,328	400	-	4,728
- Floodgates	28,411	7,758	-	36,169
- Land	58,120	-	(431)	57,689
- Plantings	114	57	-	171
- Pump stations	23,788	12,651	-	36,439
- Retaining structures	9,568	-	(5,294)	4,274
- River training works	493	680	-	1,173
- Stopbanks	297,704	303,708	-	601,412
- Structures	1,425	2,487	-	3,912
- Weirs	219	573	-	792
Balance at 30 June	447,715	365,627	(6,025)	807,317

	2023/24 Actual \$'000	2022/23 Last year \$'000
Balance 1 July	807,317	447,715
Revaluation adjustment	(889)	359,486
Transfer to accumulated funds on disposal of property	-	116
Balance 30 June	806,428	807,317

Disaster recovery (regional and zone)

To provide funding to respond to natural disaster events, including the funding of insurance excesses.

Waihou Piako Scheme

To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.

Watershed (including lower Waikato main channel)

To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.

Coromandel

To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure

West coast

To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.

Drainage boards

To recognise the difference between actual and budgeted expenditure in relation to the council's land drainage functions. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure

Waikato Civil defence and Emergency Management Group

To recognise the difference between actual and budgeted expenditure in relation to civil defence function. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure

Natural Heritage

To recognise the difference between actual and budgeted natural heritage expenditure. Applications to the Natural Heritage fund occur in an ad hoc manner. Maintenance of a reserve ensures that funds can be accumulated across financial years, and made available once suitable applications for funding are received.

Biosecurity

To recognise the difference between actual and budgeted biosecurity expenditure. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged.

Environmental Initiatives

To recognise the difference between actual and budgeted expenditure in relation to the Environmental Initiatives Fund. Expenditure from the Environmental Initiatives Fund is dependent on applications received each financial year. The use of a reserve ensures that unspent funds can be accumulated across financial years.

General

To smooth the costs of the triennial elections over the three year term of the council.

Permitted activity monitoring

To recognise the difference between actual and budgeted permitted activity monitoring expenditure. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged.

Building Act contingency

A legal contingency fund in relation to the council's responsibilities under the Building Act 2004. Waikato Regional Council acts as the consenting authority on behalf of a number of other local authorities.

Complaints and enforcement

The compliance and enforcement reserve is held to manage variability in the annual revenue generated from this activity. While a budget provision for revenue recoveries is made, actual revenue received may vary from this amount due to matters outside of the control of the council.

Stock truck effluent

To recognise the difference between actual and budgeted expenditure in relation to this activity.

Public transport

To recognise the difference between actual and budgeted passenger transport expenditure. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve balance will be held at a level that provides some mitigation against increasing costs for these services. This reserve will also be used for the electronic ticketing system.

Integrated Regional Information System (IRIS)

To allow funding for the IRIS project to be smoothed over the development period. The reserve is expected to be fully expended once the project is completed.

Motor vehicle and plant

To recognise the difference between actual and budgeted expenditure. Reserve funds may be applied to the funding of vehicle and plant capital expenditure.

Computer

To recognise the difference between actual and budgeted expenditure. Reserve funds may be applied to the funding of information technology capital expenditure.

Operational fixed asset depreciation

To recognise the difference between budgeted and actual operational fixed asset depreciation. To ensure that depreciation funding is not applied to general council expenditure.

Communications network

To recognise the difference between actual and budgeted expenditure. Reserve funds may be applied to the funding of communications network capital expenditure.

Investment fund equalisation

To provide a smoothing of the impact of variable investment fund returns over time. The investment equalisation reserve tracks the difference between the budgeted fund return and the actual fund return each year.

Investment fund capital protection

To recognise the provision for the investment fund inflation proofing.

Pathways to the sea

To hold funds set aside for the council's contribution to developing a strategy for the management of downstream fish passage impediments associated with council owned flood protection schemes in the Waikato region.

Derivative financial instruments

To recognise the fluctuations in the value of derivative financial instruments. As financial instruments are held to maturity, movements in the value of the instruments are not realised.

Shovel ready reserve

To recognise the difference between actual and budgeted revenue and expenditure in relation to shovel ready projects.

Hauraki plan change

To track funding set aside for the development of the change to the Regional Plan for the Hauraki Catchment area.

Regional Development Fund

To track funding set aside to form the council's regional development fund, less distributions made through approved funding agreements.

Asset revaluation reserve

The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

Resilient development

To recognise the difference between actual and budgeted expenditure. Reserve funds will be applied to the resilient development operational expenditure

Primary industry compliance

To allow the funding for costs incurred for primary industry compliance costs to be spread over the agreed funding period.

Accounting Policy

Equity is the community's interest in the council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated funds
- property revaluation reserves
- restricted reserves.

Restricted reserves

The council created reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the council.

Restricted reserves include those subject to specific conditions accepted as binding by the council and which may not be revised by the council without reference to the courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by council decision. The council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of the council.

Property revaluation reserve

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

37 Capital management

The council's capital is its equity (or ratepayer's funds), which comprises retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) 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 Act and applied by the council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the council's assets but 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 ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act 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 Act sets out the factors the council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and the levels of funding are set out in the funding and financial policies in the LTP.

Waikato Regional Council has the following council created reserves:

- reserves for different areas of benefit
- self-insurance reserves.

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

Self-insurance reserves are built up annually from rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by the council.

38 Compliance with the council's policies

The Local Government Act 2002 requires all local authorities to prepare the following policies and plans:

- long term plan
- revenue and financing policy
- treasury risk management policy (incorporating liability and investment management policies)
- development contributions or financial contributions policy
- remission and postponement of rates on Māori freehold land.

In addition, local authorities may adopt a rates remission policy and a rates postponement policy.

39 Events occurring after the balance sheet date

No significant events have occurred after balance date that would impact these financial statements.

40 Statements of service performance

Under the Local Government Act 2002, the council is required to report on its performance as it relates to measures established in the annual plan. Elements of cost, quality, quantity, timeliness and location (where applicable) must be built into each service performance area. These elements have been covered. Quality processes (which affect the quality of output) are also a standard feature of the internal management control systems, in particular as follows.

Preparation of internal reports

Internal reports are prepared by suitably qualified and experienced staff. Significant reports are subject to a peer review process/consultation review.

Capital works

Capital works are constructed to design specifications. Inspections of works are undertaken by suitably qualified and experienced engineers.

Maintenance works

Maintenance works are undertaken by employees or by contract under the supervision of suitably qualified and experienced engineers and monitored thereafter in accordance with the maintenance programme.

Performance review

As part of the annual planning and reporting cycle, the organisation's performance is formally assessed by the council three times during the financial year. At these reviews, progress with the achievement of the performance measures stated in the Annual Plan is evaluated. Where circumstances have changed, adjustments are made to the budget through a resolution of the council.

Ngā tahua ā-wāhanga

Group of activity funding impact statements

Customer, community and services

	2023 LTP (Amended) (\$000)	2024 LTP (Amended) (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	6,228	6,339	6,647
Targeted rates	1,312	1,696	1,085
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	87	214	-
Total operating funding (A)	7,626	8,250	7,731
Applications of operating funding			
Payments to staff and suppliers	5,356	5,205	4,574
Finance costs	178	261	201
Internal charges and overheads applied	2,140	2,179	3,632
Other operating funding applications	255	640	-
Total applications of operating funding (B)	7,928	8,287	8,407
Surplus (deficit) of operating funding (A-B)	(302)	(37)	(676)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,538	3,025	1,102
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	1,538	3,025	1,102
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	98
Increase (decrease) in reserves	1,236	2,988	328
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,236	2,988	426
Surplus (deficit) of capital funding (C-D)	302	37	676
Funding balance ((A-B)+(C-D))	-	-	-

Waikato Civil Defence Emergency Management Group

	2023 LTP (Amended) (\$000)	2024 LTP (Amended) (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	2,492	2,492	2,555
Subsidies and grants for operating purposes	-	-	50
Fees and charges	766	773	1,014
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	3,258	3,265	3,619
Applications of operating funding			
Payments to staff and suppliers	2,349	2,361	2,471
Finance costs	-	-	-
Internal charges and overheads applied	888	897	1,150
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,237	3,258	3,621
Surplus (deficit) of operating funding (A-B)	21	7	(2)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	21	7	(2)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	21	7	(2)
Surplus (deficit) of capital funding (C-D)	(21)	(7)	2
Funding balance ((A-B)+(C-D))	-	-	-

Regional hazards and emergency response

	2023 LTP (Amended) (\$000)	2024 LTP (Amended) (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,818	2,002	1,863
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	587	590	125
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	2,404	2,592	1,987
Applications of operating funding			
Payments to staff and suppliers	1,432	1,490	1,376
Finance costs	-	-	-
Internal charges and overheads applied	973	1,102	1,825
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,404	2,592	3,200
Surplus (deficit) of operating funding (A-B)	-	-	(1,213)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	(1,213)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	(1,213)
Surplus (deficit) of capital funding (C-D)	-	-	1,213
Funding balance ((A-B)+(C-D))	-	-	-

Flood protection and control works

	2023 LTP (Amended) (\$000)	2024 LTP (Amended) (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,239	3,326	3,650
Targeted rates	22,312	23,504	24,545
Subsidies and grants for operating purposes	-	-	1,577
Fees and charges	772	772	1,485
Internal charges and overheads recovered	4,917	4,970	6,197
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	31,240	32,572	37,454
Applications of operating funding			
Payments to staff and suppliers	12,913	12,924	15,275
Finance costs	664	821	465
Internal charges and overheads applied	10,345	10,538	14,672
Other operating funding applications	-	-	-
Total applications of operating funding (B)	23,922	24,283	30,413
Surplus (deficit) of operating funding (A-B)	7,318	8,289	7,041
Sources of capital funding			
Subsidies and grants for capital expenditure	5,081	1,215	4,710
Development and financial contributions	-	-	-
Increase (decrease) in debt	10,259	5,880	(620)
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	15,341	7,095	4,090
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	4,062	148	922
- to replace existing assets	20,329	14,087	21,206
Increase (decrease) in reserves	(1,734)	1,149	(10,997)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	22,658	15,384	11,131
Surplus (deficit) of capital funding (C-D)	(7,318)	(8,289)	(7,041)
Funding balance ((A-B)+(C-D))	-	-	-

Integrated catchment management

	2023 LTP (Amended) (\$000)	2024 LTP (Amended) (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	11,457	11,557	11,101
Targeted rates	20,376	21,129	22,171
Subsidies and grants for operating purposes	1,976	1,352	3,557
Fees and charges	5,908	1,557	2,265
Internal charges and overheads recovered	2,125	2,185	1,246
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	41,842	37,780	40,341
Applications of operating funding			
Payments to staff and suppliers	31,442	26,712	24,192
Finance costs	(41)	(34)	(212)
Internal charges and overheads applied	10,854	11,249	10,957
Other operating funding applications	-	-	-
Total applications of operating funding (B)	42,255	37,927	34,937
Surplus (deficit) of operating funding (A-B)	(413)	(147)	5,404
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	80	82	-
- to replace existing assets	-	-	1,510
Increase (decrease) in reserves	(493)	(229)	3,894
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(413)	(147)	5,404
Surplus (deficit) of capital funding (C-D)	413	147	(5,404)
Funding balance ((A-B)+(C-D))	-	-	-

Regional transport connections

	2023 LTP (Amended) (\$000)	2024 LTP (Amended) (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,718	1,976	2,093
Targeted rates	13,210	13,501	15,756
Subsidies and grants for operating purposes	29,080	22,463	28,447
Fees and charges	10,461	11,609	8,881
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	54,469	49,549	55,177
Applications of operating funding			
Payments to staff and suppliers	43,744	46,923	48,302
Finance costs	-	-	-
Internal charges and overheads applied	3,143	3,335	3,996
Other operating funding applications	-	-	-
Total applications of operating funding (B)	46,887	50,258	52,298
Surplus (deficit) of operating funding (A-B)	7,582	(709)	2,879
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	5,454	549	-
- to replace existing assets	-	-	3,948
Increase (decrease) in reserves	2,128	(1,258)	(1,069)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	7,582	(709)	2,879
Surplus (deficit) of capital funding (C-D)	(7,582)	709	(2,879)
Funding balance ((A-B)+(C-D))	-	-	-

Resource use

	2023 LTP (Amended) (\$000)	2024 LTP (Amended) (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	10,738	11,156	11,560
Targeted rates	1,560	1,584	1,574
Subsidies and grants for operating purposes	-	-	-
Fees and charges	8,240	9,436	8,985
Internal charges and overheads recovered	-	-	(75)
Local authorities fuel tax, fines, infringement fees, and other receipts	441	441	735
Total operating funding (A)	20,978	22,617	22,778
Applications of operating funding			
Payments to staff and suppliers	12,143	13,560	11,960
Finance costs	165	228	322
Internal charges and overheads applied	9,268	9,033	11,141
Other operating funding applications	-	-	-
Total applications of operating funding (B)	21,575	22,821	23,423
Surplus (deficit) of operating funding (A-B)	(597)	(204)	(645)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	2,395	1,835	-
Gross proceeds from the sale of assets	-	-	46
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	2,395	1,835	46
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,801	1,635	-
- to replace existing assets	144	148	267
Increase (decrease) in reserves	(147)	(152)	(866)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,798	1,631	(599)
Surplus (deficit) of capital funding (C-D)	597	204	645
Funding balance ((A-B)+(C-D))	-	-	-

Science, policy and information

	2023 LTP (Amended) (\$000)	2024 LTP (Amended) (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	26,126	25,783	27,786
Targeted rates	-	-	-
Subsidies and grants for operating purposes	0	0	150
Fees and charges	4,332	4,430	4,965
Internal charges and overheads recovered	155	155	155
Local authorities fuel tax, fines, infringement fees, and other receipts	750	750	750
Total operating funding (A)	31,363	31,118	33,806
Applications of operating funding			
Payments to staff and suppliers	19,667	21,516	18,218
Finance costs	77	70	182
Internal charges and overheads applied	11,686	11,774	12,802
Other operating funding applications	-	-	-
Total applications of operating funding (B)	31,430	33,360	31,202
Surplus (deficit) of operating funding (A-B)	(67)	(2,242)	2,604
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(319)	(326)	(280)
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(319)	(326)	(280)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	732	750	-
- to replace existing assets	1,370	1,618	1,138
Increase (decrease) in reserves	(2,487)	(4,936)	1,186
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(386)	(2,568)	2,324
Surplus (deficit) of capital funding (C-D)	67	2,242	(2,604)
Funding balance ((A-B)+(C-D))	-	-	-

Corporate, self funding and other

	2023 LTP (Amended) (\$000)	2024 LTP (Amended) (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	682	1,013	(207)
Targeted rates	-	-	(11)
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,120	1,120	737
Internal charges and overheads recovered	43,321	44,236	53,853
Local authorities fuel tax, fines, infringement fees, and other receipts	4,134	4,221	8,018
Total operating funding (A)	49,257	50,590	62,390
Applications of operating funding			
Payments to staff and suppliers	42,622	43,302	55,111
Finance costs	302	306	801
Internal charges and overheads applied	320	541	52
Other operating funding applications	-	-	-
Total applications of operating funding (B)	43,244	44,148	55,967
Surplus (deficit) of operating funding (A-B)	6,013	6,442	6,423
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	182	(938)	1,791
Gross proceeds from the sale of assets	-	-	1,049
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	182	(938)	2,841
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,063	43	610
- to replace existing assets	1,610	1,635	2,548
Increase (decrease) in reserves	3,522	3,826	6,106
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	6,195	5,504	9,264
Surplus (deficit) of capital funding (C-D)	(6,013)	(6,442)	(6,423)
Funding balance ((A-B)+(C-D))	-	-	-

Whole of council

	2023 Annual Plan (\$000)	2023 Actual (\$000)	2024 Annual Plan (\$000)	2024 Actual (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	61,652	61,599	63,636	64,493
Targeted rates	61,095	61,210	67,719	67,673
Subsidies and grants for operating purposes	26,211	33,579	26,837	33,781
Fees and charges	30,012	27,029	30,898	28,458
Interest and dividends from investments	5,034	5,893	5,682	8,769
Local authorities fuel tax, fines, infringement fees, and other receipts	441	643	441	735
Total operating funding (A)	184,445	189,953	195,213	203,909
Applications of operating funding				
Payments to staff and suppliers	176,604	177,620	185,773	180,331
Finance costs	1,347	1,184	3,491	1,760
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	177,951	178,804	189,263	182,091
Surplus (deficit) of operating funding (A-B)	6,494	11,149	5,951	21,818
Sources of capital funding				
Subsidies and grants for capital expenditure	5,258	-	2,405	4,710
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	14,584	5,272	8,847	1,994
Gross proceeds from sale of assets	-	-	-	1,095
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	19,843	5,272	11,253	7,799
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	5,346	2,503	6,925	1,532
- to replace existing assets	19,063	13,689	24,893	30,715
Increase (decrease) in reserves	1,929	229	(14,613)	(2,630)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	26,337	16,421	17,204	29,617
Surplus (deficit) of capital funding (C-D)	(6,494)	(11,149)	(5,951)	(21,818)
Funding balance ((A-B)+(C-D))	-	-	-	-

Te tāhura ā ahumoni me ngā ritenga matawhāiti

Financial reporting and prudence regulations

Annual report disclosure statement for the 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.

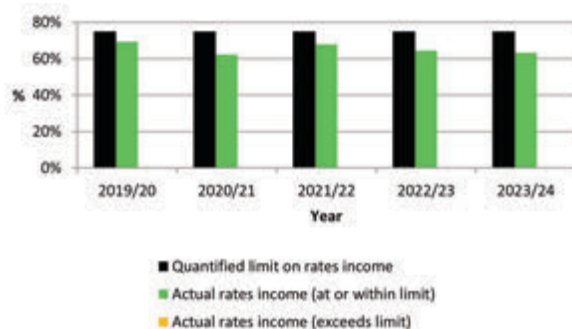
Rates affordability benchmark

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 increase equal or are less than each quantified limit on rates increases.

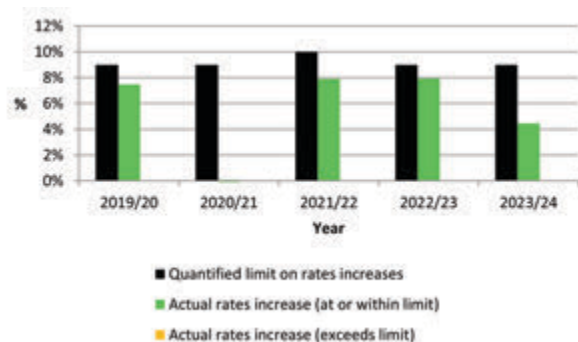
Rates (income) affordability

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 that total rates revenue will comprise up to 75 per cent of the council's annual revenue requirements.



Rates (increases) affordability

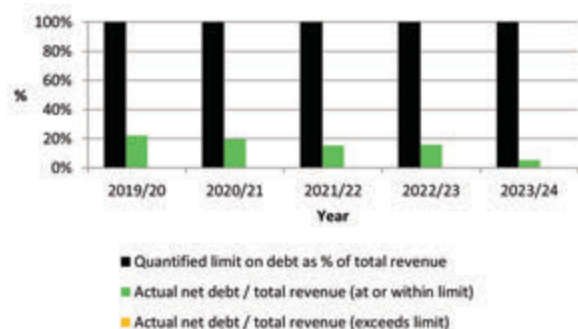
The following graphs compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long term plan. For the 2018-2028 long term plan the quantified limit is that increases in the annual rate revenue requirement will be limited to a 9 per cent increase in revenue from current ratepayers. For the 2021-2023 long term plan the quantified limit is that increases in the annual rate revenue requirement will be limited to a 10 per cent increase in revenue from current ratepayers.



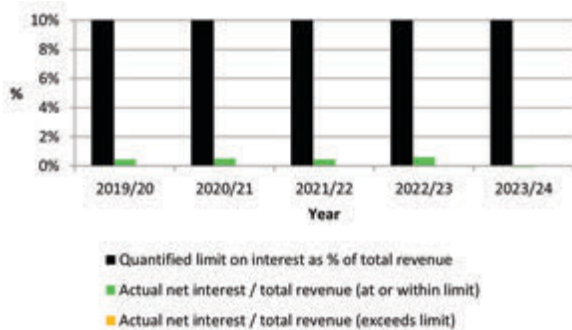
Debt affordability benchmark

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

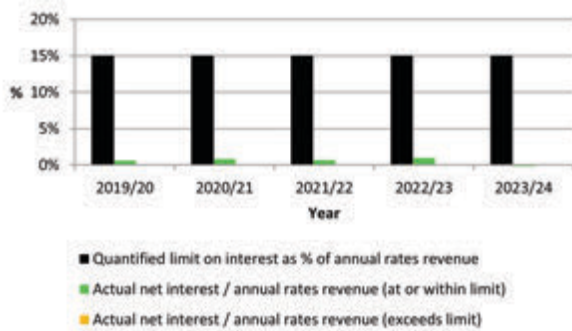
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long term plan. The quantified limit is that net debt/total revenue is <100 per cent.



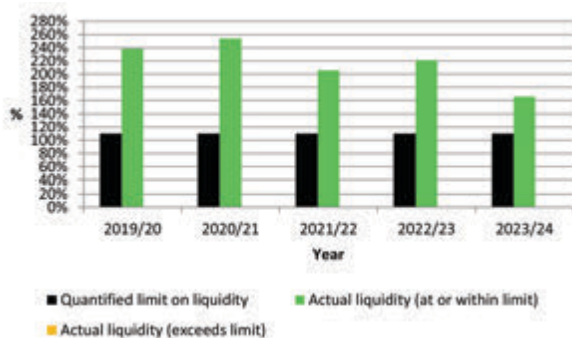
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long term plan. The quantified limit is that net interest/total revenue is <10 per cent.



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 is that net interest on external debt/annual rates revenue is <15 per cent.



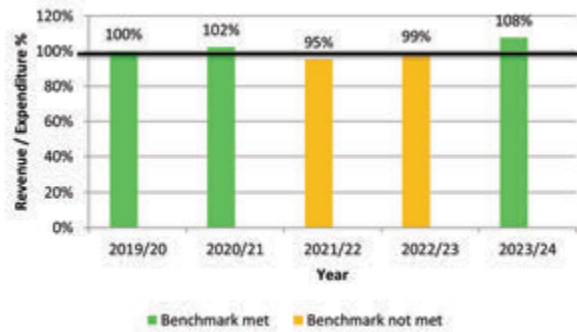
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. For the 2018-2028 long term plan and the 2021-2031 long term plan the quantified limit is that liquidity is >110% Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.



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 or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

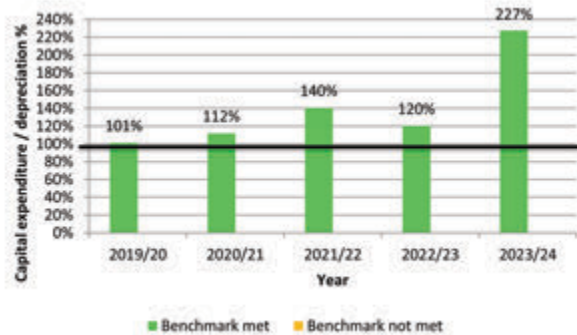
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

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

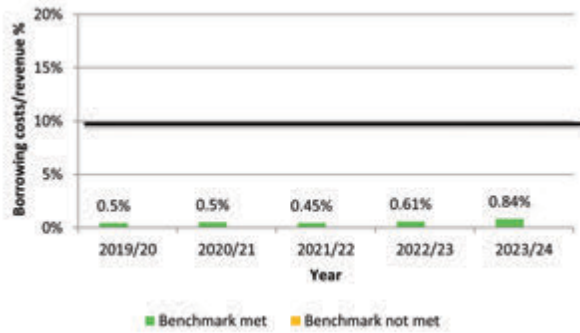
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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 or equipment).

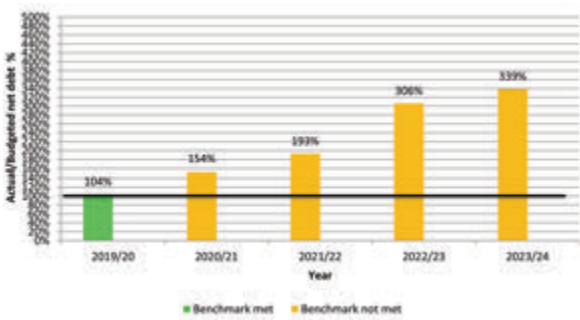
Because Statistics New Zealand projects the council's population will grow more slowly than the national population's growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10 per cent of its revenue.



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).

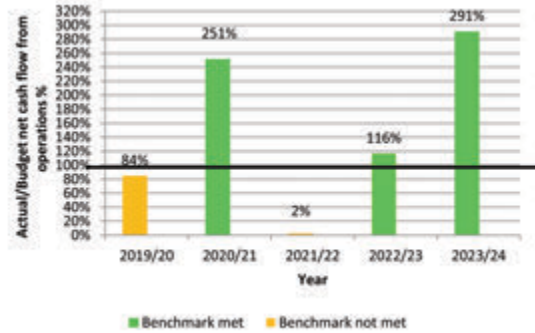
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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 flows from operations.



Additional information and comment

Debt control benchmark

The benchmark 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). For all of the financial years shown, council's financial assets exceed its financial liabilities for both actual and budget figures. This means that where actual net debt over budgeted net debt equals or exceeds 100 per cent, our actual net debt position is more favourable than planned and council meets the debt control benchmark.

Operations Control Benchmark

The benchmark displays actual net cash flow from operating activities as a proportion of planned net cash flow from operating activities. In the 2023/24 financial year, interest revenue received was higher than planned. This was a result of increasing interest rates which had a favourable impact on Council's investment of working capital funds.

Debt affordability - net debt/total revenue

In calculating the net debt to total revenue benchmark, financial assets relating to the investment fund has not been included.

Section 5:
Ngā āpitihanga
Supplementary material

Ngā hinonga kaunihera

Council controlled organisations

Waikato Local Authority Shared Services

Waikato Local Authority Shared Services (Co-Lab) is a council controlled organisation (CCO) owned by 12 local authorities – Waikato Regional, Hamilton City, Hauraki District, Matamata-Piako District, Otorohanga District, Rotorua District, South Waikato District, Thames-Coromandel District, Waikato District, Waipa District, Waitomo District and Western Bay of Plenty District.

It was established in 2005 as a vehicle through which councils could collaborate and identify opportunities to undertake activities on a shared basis. More recently, the purpose of the company has shifted towards being to a true service delivery agent for, and strategic partner of, the councils.

The company’s vision is that council collaboration through Co-Lab maximises community outcomes. To achieve this, Co-Lab has three main functions:

- 1 Acts as an “ideas laboratory” – working with councils to investigate and develop opportunities to work together;
- 2 Delivers shared services to councils; and
- 3 Enters joint procurement arrangements.

By undertaking these activities, Co-Lab provides three key benefits to councils:

- 1 Reduces costs through efficiency gains in FTE or time; procurement savings; reducing unit cost of product / service.
- 2 Creates value through improving levels and quality of service; increasing skills, expertise or compliance; improving decision making.
- 3 Enables innovation and change through research and opportunity development; providing centres of expertise/skills; collaboration and regional insights and enabling councils to provide a consistent customer experience.

Member councils currently pay an annual levy, depending on their size, to support the operating costs of Co-Lab. Services provided to councils are funded on a user pays basis. The Co-Lab board has six directors – five council-representative directors (including one appointed by Waikato Regional Council) and an independent Chair.

More detailed information about Co-Lab can be found at Home - Co-Lab (colabsolutions.govt.nz)

Performance framework and measures

Performance measure results for 2023/24 as per 2023/24 Annual Report

Priority: prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives

Performance measure	Target	FY2024 Outcome	Result
Business cases will include measurable benefits linked to one or more of the outcomes sought	Projected savings to councils of \$300k+	<p>Co-Lab advanced various opportunities during the period:</p> <p>Proposal delivered to councils:</p> <ul style="list-style-type: none"> • RATA Spaces & Places (service subsequently established) • Project Management shared service (project closed with no service established) <p>Project closed before proposal or business case:</p> <ul style="list-style-type: none"> • Parking enforcement shared service <p>Ongoing at 30/6/24:</p> <ul style="list-style-type: none"> • Right People Right Place • EV charging opportunity 	Unable to currently measure

		<ul style="list-style-type: none"> • Waikato Waters Done Well • Food & Alcohol Licensing Shared Service <p>No business cases were presented to The Board but there were various discovery reports, progress reports and the significant Right People, Right Place report.</p> <p>Opportunities only become services when participating councils are confident the service will deliver benefit. This has tended to mean that councils treat the opportunity as a procurement. Accordingly, Co-Lab has focused on delivering proposals rather than business cases. A business case assumes that the strategic decision has been made and then presents a range of options to the decision makers.</p> <p>Co-Lab's new benefits framework highlights that some of our opportunities will deliver value that is not specifically aligned with 'projected savings/increased revenue'. This is reflected in all communications with councils.</p>	
Opportunity assessments are supported by councils (evidenced by Board minutes)	75% of councils	<p>Average (across 2 initiatives) is 30%</p> <p>5 (45%) councils (out of 11 possible councils) have agreed to participate in the RATA Spaces & Places collaboration.</p> <p>2 (17%) councils (out of 12 possible councils) indicated willingness to participate in the Project Management Shared Service pilot. Ultimately the pilot did not proceed.</p>	Not achieved

Priority: develop opportunities and deliver projects within agreed budgets and timelines

Performance measure	Target	FY2024 Outcome	Result
Opportunities / projects are developed / delivered within agreed timelines	80%	<p>44% (4/9) for the 12 months to 30/6/24</p> <p>Within timeline</p> <ol style="list-style-type: none"> 1 Future Proof Data Analytics 2 Right People, Right Place 3 Project Ohu Round 4 Waikato Waters Done Well Modelling <p>Not completed as per plan were:</p> <ol style="list-style-type: none"> 1 AMCE (Now RATA Spaces & Places) Opportunity Assessment 2 (slow council response) 3 Project Wakanda Round 1 (delayed to allocate effort to an- other project) 4 WRTM restructure 5 Wakanda Round 2 (reports 2 weeks late to Steering Group) 6 Voltage – No timeline set 	Not achieved
Opportunities / projects are developed / delivered, within approved budget	90%	<p>80% (8/10) for the 12 months to 30/6/24</p> <p>80%: Eight of the Ten projects were completed within budget. The exceptions were 1) Future Proof Data project where actual cost was \$2k over the plan. 2) Wakanda</p>	Not achieved

		Round 2 which continued over the stage estimate (but was still well within the funds The Board allocated to the initiative)	
Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has The Board p		Company Management & Support expenditure was less than budget largely due to the LAPP insurance costs, which is recovered from councils, included in the budget no longer being required by councils.	Achieved

Priority: ensure projects realise their expected benefits

Performance measure	Target	FY2024 Outcome	Result
Measurable benefits are actively monitored and reported against	Six-monthly	Management presented one “Project Benefit Assessment” to the Audit & Risk Committee (ARC) in FY24. The assessment covered Waikato OneView. Following the completion of the Waikato OneView benefits assessment, this practise was discontinued with approval from the Audit and Risk Committee. The Co-Lab Benefits framework is now being used as the vehicle to report project and service benefits.	Partially achieved: activity remains in progress
Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)	For \$200k+ Projects (based on cost of opportunity development and ongoing investment) Within 15 months	No “Project Benefit Assessments” for \$200k Projects were undertaken. (The Waikato OneView project did not require an investment of over \$200k)	Unable to currently measure
	90% of projected quantifiable benefits are realised		Unable to currently measure

Priority: ensure existing services are meeting the needs of councils

Performance measure	Target	FY2024 Outcome	Result
The services we provide are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey).	80% of councils	84% of survey respondents for shared services said we met or exceeded their expectations. Based on our annual survey of councils, the target of 80% has been met. 84% of Shared Service survey respondents said that the services met or exceeded expectations. The survey response rate was 41% (310 were invited to participate with 128 responses received)	Achieved

Priority: foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice

Performance measure	Target	FY2024 Outcome	Result
Across these groups, ideas for future consideration and/or initiatives are identified each year	Four per annum	No ideas were received through our website in the 12 months to 30/06/24. Project Wakanda is a Board directive to search for ideas by looking for shared-service success stories (internationally and in other sectors). The investigation report in December 2023 listed 55 shared service examples which provided Co-Lab with ideas for further consideration.	Not achieved

Regional Software Holdings Limited (RSHL)

Introduction

Regional Software Holdings Limited (RSHL) was formed in October 2012 by Northland, Taranaki, Horizons, West Coast and Waikato regional councils, and Environment Southland. The six councils worked closely together over a number of years to develop and maintain a software application suite for use by the councils in the delivery of their activities.

The RSHL was restructured by Te Uru Kahika during the 2023 financial year, transitioning to be the regional sector shared services organisation. Existing Te Uru Kahika collaboration and resource sharing has been consolidated within RSHL.

RSHL provides a framework for collaboration across Te Uru Kahika.¹ It supports the procurement or development of shared solutions in a manner that provides greater consistency in how we operate. RSHL provides a more cost effective alternative than individual councils can achieve on their own.

The company operates by facilitating collaborative initiatives between councils and through managed contractual arrangements.

Company principles and objectives

The Principles of the Company that should be considered when making any decisions relating to the Company are as follows:

- Work for the good of Te Uru Kahika.
- Act in accordance with the principles of Te Tiriti o Waitangi
- Be transparent and accountable.

- Create value.
- Work smarter, not harder.
- Gain consistency.
- Reduce duplication.
- Be customer centric.
- Recognise and manage shareholder risk.
- Support our people.

In addition to operating the Company with regard to the principles, the primary objectives of the Company are to:

- The local government sector is better prepared to respond to future challenges.
- Achieve a better return on investment with a focus on quality of outcome and realising the value proposition for the sector.
- Increase credibility of the sector as a trusted deliverer with a unified and consistent sector profile.
- Improve key staff attraction and retention.
- Achieve consistent good practise process across the sector and within councils.

The secondary objectives of RSHL are to:

- achieve the objectives of its Shareholders, both commercial and non-commercial as specified in RSHL's Statement of Intent;
- be a good employer;
- exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when able to do so.

Performance targets by which the success of the company may be judged in relation to its objectives are:

¹ Te Uru Kahika is the collective of the 16 regional councils and unitary authorities that make up the regional sector.

Performance measures

		2023/24	2024/25	2025/26
Non-Financial	Undertake an annual survey of IRIS NextGen users in Participating Councils in relation to product performance, Datacom support and RSHL Programme Management. Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.	Complete baseline survey.	Complete survey. Results to be better than previous year.	Complete survey. Results to be better than previous year.
	Budgets for IRIS support and development are approved by the IRIS Advisory Group and Board by 30 June each year. Delivery within these budgets is effectively managed by the Advisory Group and the Chief Executive	Applies each year		
	Be an effective service delivery vehicle for regional council sector shared programmes under the Sector Financial Management System. Revenue and Expenditure for SFMS Programmes are within budget, with any variations approved by the RCEOs. Annual Survey of Programme Leads in relation to SFMS Management presented to RCEOs in June. Survey results to be the same or better than the previous year.	Complete baseline survey.	Results to be better than previous year.	Results to be better than previous year.
	Effectively support the activities of the Te Uru Kahika through the Regional Sector Office. Annual survey of RCEOs in relation to performance of the sector office presented to RCEOs in June. Survey results to be the same or better than the previous year.	Applies every year.		
	Budgets for EMAR are approved by the EMAR Steering Group by 30 June each year, and delivery within these budgets is effectively managed by the EMAR Project Manager	Applies every year.		
	Be a service delivery vehicle for wider regional council sector and related bodies information management programmes and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the relevant regional sector group.	Applies each year		
	2023/24	2024/25	2025/26	
Growth	Monitor the regional sector and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL.	Applies each year		
	Work with the Te Uru Kahika Network to develop shared service opportunities.	Applies each year		
	Engage with councils in the regional sector to increase the scope of the usage of shared solutions. The objective is to increase the number of councils using the solutions, and the breadth of the solution in use.	Applies each year		

		2023/24	2024/25	2025/26
Financial	RSHL will operate within approved budget, with any material variations approved by the relevant governance group. <ul style="list-style-type: none"> ● RSHL Overheads – RSHL Board. ● IRIS NextGen Programme – IRIS NextGen Steering Group ● IRIS Programme – IRIS Advisory Group ● Sector Financial Management System – RCEOs Group 	Applies each year		
	Annual charges for shareholders and customers to be at the level approved by the relevant governance group. Based upon the approved operating budget and budgets. <ul style="list-style-type: none"> ● RSHL Overheads – RSHL Board. ● IRIS NextGen Programme – IRIS NextGen Steering Group ● IRIS Programme – IRIS Advisory Group ● Sector Financial Management System – RCEOs Group 	Applies each year		

The targets noted above are for the three-year forecast period. They will form the baseline from which we will seek to continually improve.

Regional Software Holdings Limited

Introduction

Regional Software Holdings Limited (RSHL) was formed in October 2012 by Northland, Taranaki, Horizons, West Coast and Waikato regional councils, and Environment Southland. The six councils worked closely together over a number of years to develop and maintain a software application suite for use by the councils in the delivery of their activities. This application suite is called Integrated Regional Information Software (IRIS). In recent years, RSHL has extended its scope to provide a framework for collaboration and delivery of shared services across the regional council sector, supporting the procurement or development of shared solutions.

RSHL is in the process of restructuring to become the shared services organisation for the regional sector with an increased number of shareholding councils and a revised shareholding structure.

Company objectives

The objective of RSHL is to deliver shared solutions to the regional council sector along with collaborative outcomes, through sector special interest groups, to achieve:

- consistent, good-practice, regional-council-specific processes and functions
- value through economies of scale
- greater influence for the sector with central government through cohesion and collaboration
- reduced risk by ensuring continuity of supply, and control of the destiny of regional-sector-specific software.

Performance measure results for 2023/24 as per draft 2024 financial statements

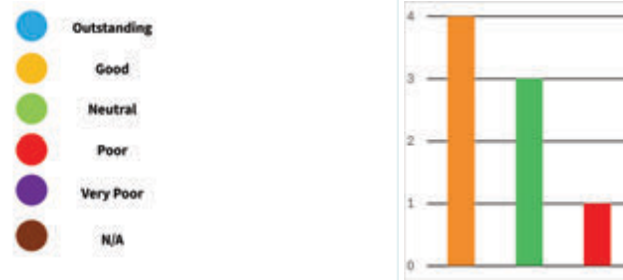
Non-financial performance measures	2023/24
Undertake an annual survey of IRIS NextGen users in Participating Councils in relation to product performance, Datacom support and RSHL Programme Management. Provide a summary of the survey results in the annual report, including performance against the	<p>Achieved</p> <p>The baseline survey for IRIS NextGen was completed in June 2024, with results presented to the Steering Group in July.</p> <p>For each survey topic the council was asked to rate the performance of RSHL on this scale:</p> <ul style="list-style-type: none"> ● Outstanding

baseline. Survey results to be the same or better than the previous year.

- Good
- Neutral
- Poor
- Very Poor
- N/A

Responses were received from 8 out of 9 councils, and results were generally good or better. Comments were also collected on each survey point.

Please rate the performance of RSHL with respect to Programme Management.



Please rate the performance of RSHL with respect to Communication.



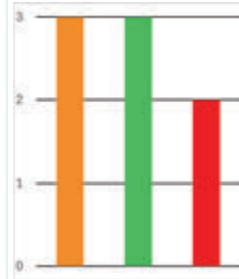
Please rate the performance of RSHL with respect to facilitating collaboration between councils.



Please rate the performance of RSHL with respect to development and promotion of the Good Practice Operating Model.



Please rate the performance of RSHL with respect to vendor management of Datacom.



Please rate the performance of RSHL with respect to management of the process to develop the Datascape Regional Sector Template.



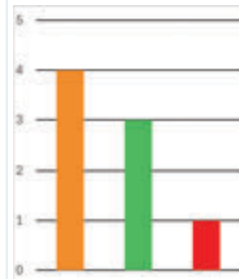
Please rate the performance of RSHL with respect to management of the logistics of the IRIS NextGen Programme



Please rate the performance of RSHL with respect to management of the financials of the IRIS NextGen Programme



Please rate the performance of Datacom with respect to their approach to Partnering with councils and RSHL.



Please rate the performance of Datacom with respect to collaboration with the councils.

	<p>Please rate the performance of Datacom with respect to delivery to the IRIS NextGen Programme.</p>
<p>Budgets for IRIS support and development are approved by the IRIS Advisory Group and Board by 30 June each year. Delivery within these budgets is effectively managed by the Advisory Group and the Chief Executive.</p>	<p>Achieved.</p> <p>The DRAFT IRIS budget was approved as planned in February 2024 and the final budget was approved as part of the SOI Process in June 2024.</p> <p>IRIS – The IRIS Programme Budget included a loss of \$468k for the year because the programme intended to expend funds carried over from previous years. In fact, the programme made a loss of \$174k including depreciation. The favourable result was because operating expenditure was \$358k less than budgeted.</p>
<p>Be an effective service delivery vehicle for regional council sector shared programmes under the Sector Financial Management System.</p> <p>Revenue and Expenditure for SFMS Programmes are within budget, with any variations approved by the RCEOs.</p> <p>Annual Survey of Programme Leads in relation to SFMS Management presented to RCEOs in June. Survey results to be the same or better than the previous year.</p>	<p>Achieved.</p> <p>SFMS Funds collected were as agreed with the RCEOs and reporting on financial position was provided to RCEOs on a quarterly basis.</p> <p>Total funding collected in the period was \$6.9M of which \$2.5M was from central government. Total expenses for the year were \$7.8M. The net loss of \$1.9M is due to expenses for the Cyclone Gabrielle response LIDAR Surveys. The funding for this work was collected in the previous financial year but spent in FY24.</p> <p>Ten Te Uru Kahika Programme Leads were surveyed on the performance of RSHL with respect to delivery of the SFMS. 5 responses were provided.</p> <p>All responses rated RSHL Good or Outstanding on the following survey questions:</p> <p>Please rate the performance of RSHL with respect to:</p> <ul style="list-style-type: none"> ● Sourcing and Procurement ● Contract Management. ● Financial/Operations Management. ● Employment of Staff/Contractors <p>This is a pleasing result, which we will seek to build on in the following years.</p>
<p>Effectively support the activities of the Te Uru Kahika through the Regional Sector Office.</p> <p>Annual survey of RCEOs in relation to performance of the sector office presented to RCEOs in June. Survey results to be the same or better than the previous year.</p>	<p>Not Achieved.</p> <p>Over the course of FY2024, RSHL went through a process to better define the role of RSHL in support of Te Uru Kahika.</p> <p>As a result of that work, a new Memorandum of Agreement (MoA) has been created which clearly defines the roles of RSHL and Te Uru Kahika. That MoA includes service definitions and measures. This is the most effective way of measuring the performance of RSHL in support of Te Uru Kahika.</p>

	The Te Uru Kahika Virtual Team, led by the Te Uru Kahika Executive Director is accountable to the RCEOs Forum for the performance of the Regional Sector Office.
Budgets for EMAR are approved by the EMAR Steering Group by 30 June each year, and delivery within these budgets is effectively managed by the EMAR Project Manager	<p>Partially Achieved.</p> <p>The EMAR budget and workplan for FY24 was approved by the EMAR Steering Group on the 25th August 2024. Approval was delayed pending confirmation of central government funding.</p> <p>The work programme for LAWA, including additional topics and upgrades was completed on time and to budget.</p>
Be a service delivery vehicle for wider regional council sector and related bodies information management programmes and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the relevant regional sector group.	<p>Partially Achieved.</p> <p>RSHL has effectively managed the SFMS. Revenue and expenditure are consistent with the amounts documented in the SFMS Briefing Paper.</p> <p>RSHL has more than 50 contracts in place with service providers for support of Te Uru Kahika work programmes.</p> <p>RSHL has effectively managed the Integrated National Farm Data Platform (INFDP) Programme under the guidance of the Steering Group. The programme has remained within budget and timetable and been well managed despite significant changes in policy direction.</p> <p>Environmental Data Management Platform (EDMS) is a long-running and complex programme. RSHL has been working with the Te Uru Kahika Environmental Data and Digital Solutions Groups to complete the procurement process for this programme. This has taken longer than planned.</p> <p>In FY2024 we started development with a consortium of councils on a Data Emissions Platform Programme, we expect to progress to a formal partnership agreement before the end of the year.</p> <p>RSHL is also working with the Regional Integrated Ticketing Systems Programme to transition that team from Otago Regional Council to RSHL.</p>

Financial

Financial performance measures	2023/24
<p>RSHL will operate within approved budget, with any material variations approved by the relevant governance group.</p> <ul style="list-style-type: none"> ● RSHL Overheads – RSHL Board. ● IRIS NextGen Programme – IRIS NextGen Steering Group ● IRIS Programme – IRIS Advisory Group ● Sector Financial Management System – RCEOs Group 	<p>Achieved</p> <p>RSHL operated within approved budgets for all programmes with some variations approved by the board.</p> <p>The board receives quarterly financial reports with revenue and expenditure for each activity:</p> <ul style="list-style-type: none"> ● RSHL Overheads - RSHL Board ● IRIS NextGen Programme - IRIS NextGen Steering Group ● IRIS Programme - IRIS Advisory Group ● Sector Financial Management System - RCEOs Group <p>The board received and accepted the financial reports at each meeting, with variances discussed and agreed.</p> <p>Overheads – Overhead costs are allocated to each programme based on revenue. The SOI budget showed total overheads to be recovered from programmes as \$342K. Actual overheads recovered were \$370K.</p> <p>IRIS NextGen Programme – The SOI budget for IRIS NextGen indicated a loss of \$286K, because the programme intended to expend funds carried over from previous years. In fact, the programme made a loss of \$68K.</p>

	<p>IRIS – The IRIS Programme Budget included a loss of \$468K for the year because the programme intended to expend funds carried over from previous years.</p> <p>In fact, the programme made a loss of \$174K including depreciation. The favourable result was because operating expenditure was \$358K less than budgeted.</p> <p>Sector Financial Management System – Te Uru Kahika confirmed its budget for FY2024 in August after RSHL had published its SOI budget. As such, a comparison between the SOI budget and the FY24 actual expenditure for the SFMS is not meaningful. The RCEOs Group received quarterly updates on income and expenditure against their budget. The Te Uru Kahika Executive Advisor received regular updates.</p> <p>Further variability was created because Te Uru Kahika successfully negotiated a new funding agreement with MFE in June 2024. This has had a favourable impact on the year-end result.</p>
<p>Annual charges for shareholders and customers to be at the level approved by the relevant governance group.</p> <p>Based upon the approved operating budget and budgets.</p> <ul style="list-style-type: none"> ● RSHL Overheads – RSHL Board. ● IRIS NextGen Programme – IRIS NextGen Steering Group ● IRIS Programme – IRIS Advisory Group ● Sector Financial Management System – RCEOs Group 	<p>Achieved</p> <p>Overheads are not charged directly to shareholders or customers.</p> <p>IRIS NextGen Programme – Budgeted contributions to the programme from councils in FY2024 were set at \$5M and actual contributions were \$5M. The budget also included contingency of \$0.4M which was not collected or expended. \$44K of funding was collected and expended for small, council-specific pieces of work related to the programme.</p> <p>IRIS – Collected contributions matched budget exactly, at \$937K.</p> <p>SFMS - Te Uru Kahika confirmed its budget for FY2024 in August after RSHL had published its SOI budget. As such, a comparison between the SOI budget and the FY24 actual contributions for the SFMS is not meaningful. Funding collected from councils was in line with the budget set by the RCEOs in August. The agreed contribution from councils was \$3.4M. The total collected was \$3.5M.</p> <p>This figure included additional funding collected at the request of the BioManagers Group (\$50K), and additional (unbudgeted) contributions from Auckland Council.</p>

Growth

Growth performance measures	2023/24
<p>Monitor the regional sector and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL.</p>	<p>Achieved.</p> <p>All 16 regional government organisations are customers of RSHL, while 10 councils are shareholders.</p> <p>In the FY2024 year RSHL worked with consortiums of councils on the following new significant initiatives.</p> <p>Data Emissions Platform - 19 Councils, including 10 Territorial Authorities are working together, to roll out a shared solution for the recording, modelling and reporting of emissions at a local scale. The solution is expected to go live in 2024.</p>

	<p>Regional Integrated Ticketing System – RSHL is working with a consortium of 10 councils on the transition of the RITS Programme Team from Otago Regional Council to RSHL.</p>
<p>Work with the Te Uru Kahika Network to develop shared service opportunities.</p>	<p>Achieved.</p> <p>In the FY2024 year RSHL worked with consortiums of councils on the following new significant initiatives.</p> <p>Data Emissions Platform - 19 Councils, including 10 Territorial Authorities are working together, to roll out a shared solution for the recording, modelling and reporting of emissions at a local scale. The solution is expected to go live in 2025.</p> <p>Regional Integrated Ticketing System – RSHL is working with a consortium of 10 councils on the transition of the RITS Programme Team from Otago Regional Council to RSHL.</p>
<p>Engage with councils in the regional sector to increase the scope of the usage of shared solutions.</p>	<p>Achieved.</p> <p>RSHL is no longer promoting the IRIS product to new councils.</p> <p>RSHL promotes the IRIS NextGen Programme to the 7 councils not currently participating. We expect West Coast Regional Council to join the programme in FY25. We continue to be in regular contact with two other large councils.</p> <p>The WellsNZ Programme provides a platform for the management and display of well and bore data.</p> <p>The programme was founded by Waikato, Canterbury, Auckland and Otago regional councils. We expect up to 4 more councils to join the programme in FY25.</p>

Martha Trust

Introduction

The Martha Trust (the Trust) was established in 2001 by a joint venture known as the Waihi Gold Company, settling the sum of \$10 to create the trust fund. The main purpose of the Trust is to monitor and maintain in perpetuity the tailings storage areas and mine pit lake in a safe and stable manner, so the areas can be used for recreational or leisure purposes by the general public following completion of mining and closure of the site.

The Company provided further funds to the Trust in 2019 to enable the Trust to undertake amendments to the Trust Deed. This task was completed mid-2021 and the Trust is now largely in abeyance with minimal ongoing activities.

Exemption of Martha Trust as a CCO

The Local Government Act 2002 (LGA) section 7(3) provides for the exemption of a small organisation that is not a council controlled trading organisation from being a CCO and from the accountability requirements of the Local Government Act. The Martha Trust was originally exempted from being a CCO by resolution of the council in May 2007 and more recently this was further confirmed by council in May 2024. It is not practical for accountability requirements and performance monitoring of the Martha Trust to take place until such a time as it becomes operative. Therefore, by granting an exemption, the council has provided a dispensation from any form of accountability and monitoring processes.

In accordance with section 7(3) of the LGA, the exemption of the Martha Trust as a CCO will again be reviewed on a three year basis, or earlier, if either the mine closes or the settlor settles the capitalisation sum on the Trust.

Trustees

In April 2019 a capital sum of \$50,000 was settled on the Trust by the Settlor. This had the effect of activating the Trust. Trustees to the Trust (representing Waikato Regional Council and Hauraki District Council) have been appointed. Although the supporting mechanisms of the Martha Trust exist, such as the governance structure and bond, the Trust will not become a fully operative entity until such time as the closure and rehabilitation conditions are achieved. The Martha Trust is currently funded by the Company to enable an annual meeting to occur as required by the Trust Deed.

Te tāhura mō te Ture Rapu me te tūteinga

Search and Surveillance Act reporting

Pursuant to Section 171 of the Search and Surveillance Act 2012 it is confirmed, for the purpose of annual reporting on behalf of the Waikato Regional Council, that in the period 1 July 2023 to 30 June 2024:

- 1 the number of occasions on which entry or search powers were exercised without a warrant in the period covered by the report: NIL
- 2 the number of occasions on which warrantless surveillance powers were exercised in the period covered by the report that involved the use of a surveillance device: NIL
- 3 in respect of each kind of surveillance device used without a warrant in the period covered by the report, the numbers of that kind of device used—
 - 1 for a period of no more than 24 hours: NIL
 - 2 for a period of more than 24 hours but no more than 48 hours: NIL
- 4 the number of persons charged in criminal proceedings where the collection of evidential material relevant to those proceedings was significantly assisted by the exercise of a warrantless search or surveillance power in the period covered by the report: NIL
- 5 the number of persons charged in criminal proceedings where the collection of evidential material relevant to those proceedings was significantly assisted by the exercise of a warrantless search or surveillance power in the period covered by the report: NIL

Section 6:
Arotake
Audit opinion

To the reader:

**To the readers of Waikato Regional Council's annual report
for the year ended 30 June 2024**

The Auditor-General is the auditor of Waikato Regional Council (the Regional Council). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to report on the information in the Regional 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 Regional 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 Regional 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 28 November 2024. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 66 to 132:
 - present fairly, in all material respects:
 - the Regional Council's financial position as at 30 June 2024; and
 - the results of its 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 142, 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 Regional Council's annual plan;
- the statement of service provision on pages 20 to 63:
 - presents fairly, in all material respects, the Regional Council's 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; and
 - 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;
- the statement about capital expenditure for each group of activities on pages 133 to 141, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Regional Council's long-term plan; and
- the funding impact statement for each group of activities on pages 133 to 141, 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 Regional Council's long-term plan.

Report on the disclosure requirements

We report that the Regional 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 143 to 145, which represent a complete list of required disclosures and accurately reflects the information drawn from the Regional Council's audited information and, where applicable, the Regional 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 Regional Council 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 Regional 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 Regional Council'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 provision, as a reasonable basis for assessing the levels of service achieved and reported by the Regional 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 Regional Council'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 Regional Council 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 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 19, 64 to 65 and 146 to 162, 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 Regional Council 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 an audit of the Regional Council's long-term plan and will carry out a limited assurance engagement related to the Regional Council's debenture trust deed, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Regional Council.



Clarence Susan
Audit New Zealand

On behalf of the Auditor-General, Tauranga, New Zealand





He taiao mauriora ▲ **Healthy environment**

He hapori hihiri ▲ **Vibrant communities**

He ōhanga pakari ▲ **Strong economy**

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Private Bag 3038, Waikato Mail Centre,
Hamilton 3240, New Zealand
0800 800 401 waikatoregion.govt.nz