

TE PŪRONGO O TE TAU ANNUAL REPORT 2023/24



NGĀ RĀRANGI TAKE

CONTENTS

HE WHAKARĀPOPOTOTANGA O TĀ TĀTAU TAU	3	SUMMARY OF OUR YEAR	3
He karere taihononga	4	Joint statement	4
Te whakaaweawetia e te huripari Gabrielle me nga waipuke	6	Impacts of Cyclone Gabrielle and flooding events	6
Tā tātau rautaki	7	Our strategic direction	7
Tā tātau tau	8	Our year at a glance	8
Ā tātau pūtea	9	Our finances at a glance	9
Tā tātau rohe whānui	13	Our district	13
Tā tātau Kaunihera	14	Our Council	14
Tā tātau Kāhui Amokura	17	Our senior leadership team	17
Tā tātau kaimahi	18	Our staff	18
Ngā tohu mātauranga me ngā whakatutukitanga	19	Staff awarded qualifications and achievements	19
Tā tātau mahi	20	What we do	20
Ā tātau kaupapa	22	Our Projects	22
TĀ TĀTAU WHAKATUTUKITANGA-Ā-TAIPITOPITO NEI	24	OUR PERFORMANCE IN DETAIL	24
Te Puna wai	26	Water supply	26
Te Wai āwhā	28	Stormwater	28
Te Wai paru	30	Wastewater	30
Te Whakahaere para	32	Waste management	32
Te Ranga	34	Transport	34
Ngā taputapu hapori	37	Community facilities	37
Te Mahere me te waeture	41	Planning & regulatory	41
Te Mana whakatipu me te mana ārahi	45	Leadership & governance	45
Ngā Rangapū	48	Corporate functions	48
Te whakahaere-ā-kaunihera	50	Council controlled organisation	50
NGĀ TAUĀKĪ PŪTEA	51	FINANCIAL STATEMENTS	51
Te whakamāramatanga i tā te kaunihera tauākī pūtea	52	Understanding council's financial statements	52
He tauākī tūtohu me te takohanga	53	Statement of compliance and responsibility	53
He tauākī pūtea whiwhi me te pūtea whakahaere	54	Statement of comprehensive revenue and expense	54
He tauākī tu pūtea	55	Statement of financial position	55
He tauākī mana taurite	56	Statement of changes in equity	56
He tauākī kapewhiti	57	Statement of cashflows	57
He tauākī kaupapa here mō te kaute me ngā pitopito kōrero		Statement of accounting policies and notes to the financial	
ki ngā tauākī pūtea	58	statements	58
He Matapae pūtea	93	Financial prudence benchmarks	93
He tauākī whakaaweawe pūtea	97	Funding Impact Statements	97



HE WHAKARĀPOPOTOTANGA O TĀ TĀTAU TAU

SUMMARY OF OUR YEAR

This section details the Council's performance during the year. It presents Council-only results including financial highlights. For Group results please refer to the financial statements.

JOINT STATEMENT

Tēnā tātau and welcome to the Wairoa District Council's 2023/2024 Annual Report.

The last year can be described as a roller coaster ride for Wairoa District Council, its communities, and New Zealand as a whole. Weather events, climate change, government reforms, inflation, service delivery cost increases and moving from cyclone recovery to resilience are front of mind as some of our key challenges.

The Wairoa District suffered devastating effects from Cyclone Gabrielle in February 2023 with the recovery from this expecting to take several years. Less than 18 months later, our district suffered further flooding on June 26, 2024, when a State of Emergency was declared and around 400 properties on the southern side of our township, near the Wairoa River mouth were impacted by flooding. As a District we cannot undertake and fund the recovery required for these two events on our own. We have signalled to external agencies and the NZ Government that we can fund some recovery activities but will still require major external financial support. Our recovery needs to focus on rebuilding while also ensuring we work together on solutions to become more resilient in the future.

A major focus is repairing the extensive damage to our roading and bridge network to keep our communities well connected and accessible. Climate change effects and weather events have, and will continue to, impact our infrastructure, and affect Council's ability to deliver its levels of service.

Council aims to deliver its services in an affordable way, but we face challenges in spreading the cost over a small number of ratepayers. We have continued to experience significant cost increases this year, as has every household and business in New Zealand, particularly due to inflation being higher than what was planned for.

Significant cost increases have occurred in the three waters and roading spaces due in part to legislative and compliance requirements, as well as recovering from the devastating effects of Cyclone Gabrielle, weather-related events, and the June flooding. More frequent and intense weather events will increase the risk and damage to Council's infrastructure and activities.

Our planning is helping us identify key risk areas, recognise impacts in asset and financial modelling and

prioritise funding for recovery to resilience. We continue to monitor local and regional trends in weather, identify at risk assets and monitor flooding, slips and erosion. At the same time, we are undertaking spatial planning to further understand our district's hazards and how to manage and mitigate them and participating in national climate change programmes.

On November 22, 2023, a new Coalition Government was formed after the National Party reached an agreement with Act New Zealand and New Zealand First. The new Government is conducting a wide range of legislative reforms, some of which focus on local government activities. These include changes to the Resource Management Act and the Future for Local Government review.

The delivery of three waters services has been a focus for both the current, and previous governments. The Local Water Done Well reforms will impact water services management. Wairoa District Council is exploring options for a regional approach to the delivery of water services. Council will continue to provide drinking water, wastewater, and stormwater services until decisions are made regarding water services.

In early 2023, our Chief Executive initiated a staffing organisational review to ensure we have the right structure and skills in place to deliver on Council's future work programme. Having the right people in place is particularly important as the work ahead of us is some of the largest and most complicated the Wairoa District Council has experienced in many years.

As part of the Government's Three Waters Reform Programme, the Wairoa District Council received \$4,660,000 which supported local government to invest in the wellbeing of their communities via a range of improvement projects. This was known as the Three Waters Better Off Fund and is made up of capital and operational support funding.

Wairoa District Council previously identified the regeneration of the central business district area as a top priority for investment. The main street initiative "Te Wairoa E Whanake" was developed to stimulate economic development and regenerate the town centre of Wairoa. Redeveloping the burnt-out building site (Gemmell's building) and purchasing the neighbouring Winter's building were key aspects of the redevelopment

and both sites were purchased by Council in January 2020. The Ahi Kōmau/Gemmell's on Parade redevelopment opened in December 2023 with three commercial spaces established to house a mix of hospitality and retail.

In May 2024, a brand-new state-of-the-art laser projector was installed at the Gaiety Theatre. The new projector has four times the picture resolution of the old projector and can produce a more vivid picture due to its state-of-the-art laser light source.

On behalf of Council and the management team, we wish to acknowledge the contribution of staff and contractors for the achievements outlined in this Annual Report. The Wairoa District Council continues to adapt its operations to be best placed for the uncertain social and economic environment ahead, as it works to maintain infrastructure, deliver core services and plan for Wairoa's future in an affordable and meaningful way.



Chittle

Craig Little

*Te Kahika
Mayor*

Kitea Tipuna

Kitea Tipuna

*Te Tumu Whakarae
Chief Executive Officer*



IMPACTS OF CYCLONE GABRIELLE AND FLOODING EVENTS

Cyclone Gabrielle, subsequent weather events and the June flooding and State of Emergency on the south side of town have caused tens of millions of dollars in damage to the Council’s infrastructure and placed enormous pressures on people’s homes, businesses, farms, and livelihoods.

Connectivity and reliable, resilient roading underpins Wairoa’s recovery. Our local roading network has been severely impacted by landslips, dropouts, flooding, silt, and debris. Roading connectivity will be a crucial focus of spending over the next three years, and while emergency works are 100% government-funded now, it is unlikely this will continue.

As a result of Cyclone Gabrielle, Wairoa lost its aged care facility to flooding, Idea Services closed, and schools, marae and kohanga reo were flooded. Community assets, including the town’s community centre, camping ground, children’s playground, skatepark and picturesque riverbank reserve, were severely impacted. The cyclone created significant waste disposal issues. In March 2023, around three times the annual average tonnage was deposited at the landfill, dramatically impacting our future capacity. This was further compounded by the June 2024 flooding. These weather events and flooding have had a significant impact on our three waters and there has been limited additional funding available to help us with these increased costs.

Flooding has had a massive impact on significant sites, whenua, awa, and impacted our community’s social fabric through the loss of community facilities.

Cyclone Gabrielle impacted around 350 homes and an additional 120 homes were yellow stickered because of the June 2024 flooding event.

During Cyclone Gabrielle, Wairoa attracted \$2 million worth of donations to the Mayoral Relief Fund, which has been distributed to those most in need. This fund was reinstated for the June 2024 flooding and again people have dug deep with generous donations demonstrating the aroha people have for our district.

Another area of significance is developing flood protection for our township. The government has ring-fenced \$70 million for flood mitigation works to help protect our town in the future. Different options are being worked through and we now need to consider the June 2024 flooding and the Government inquiry into the management of the Wairoa River mouth.

As we travel the road to our recovery, we are mindful of

the district's total recovery, as well as the specific needs of our flood impacted North Clyde community and the more recently impacted south side of town.

Mayoral Relief Fund

Mayoral Relief Funds provide Councils with the ability to quickly distribute funding during emergency responses. The Wairoa Mayoral Relief fund was utilised following Cyclone Gabrielle and again following the June 2024 flooding. Donations totaling \$2,054,000 were received via givealittle as well as directly into the fund. There is no administration costs attributed to this fund meaning 100% of all donations reach those who it was intended for. Councils can also ringfence funds for specific recovery-based projects. As of 30 June 2024, 414 funding applications totalling \$1,086,000 have been distributed.

Total Amount donated to Wairoa Mayoral Relief Fund	\$2,054,000
Total Amount Distributed	\$1,086,000
Balance	\$969,000

Impacts of Extreme Weather Events

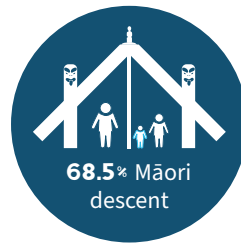
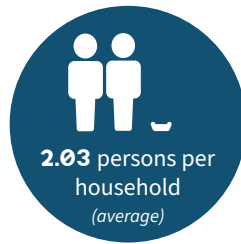
Cyclone Gabielle and the June 2024 as well as other extreme weather events over the past two years have resulted in substantial amounts of damage to homes and properties across our region as well as council services and infrastructure (damage to parks and reserves as well as roads, bridges and water services).

The tables below attempt to quantify the damage our region has suffered and show that even with the amount of donations, subsidies and grants we have received there is still a shortfall in required recovery funding which is having to be covered by the ratepayers of the Wairoa District.

	Cyclone Gabrielle – February 2023	June 2024 Flooding
Damage to Council Services and Infrastructure		
Damage to Roads and Bridges	\$61 Million	\$40 Million
Damage to Water Services	\$1.7 Million	
Damage to Residential Properties and Businesses		
Number of properties damaged	350	400
Yellow Stickered Homes	146	128
Red Stickered Homes	2	
Donations/Grants/Subsidy's received		
Donations distributed from Mayoral Relief Fund	\$1,027,000	\$372,000

TĀ TĀTAU RAUTAKI

OUR STRATEGIC DIRECTION



OUR MISSION

To support the Wairoa Community through decision-making that promotes the cultural, social, economic and environmental wellbeing of the district now and in the future.

OUR VISION

Desirable Lifestyles, Thriving Economy, Treasured Environments, Connected Communities.

COMMUNITY OUTCOMES



Social Wellbeing

Our **four outcomes** reflect the importance of the social, economic, environmental, and cultural wellbeing of our community.

Each of the outcomes connects to a corresponding wellbeing, which provides a strategic match between our community's interests and Council's wellbeing focus.

We want the Wairoa district to grow and prosper and to ensure that this growth is sustainable. To enable Wairoa to thrive we need intergenerational decision-making that aligns with our ngā pou e whā/community outcomes.



Economic Wellbeing



Cultural Wellbeing

Our future activities need to blend Council's daily activities with our recovery and encompass:

- He Oranga Ōhanga – a thriving growing economy
- He Oranga Hapori – a vibrant, healthy and innovative community
- He Oranga Taiao – a protected, restored and connected environment
- He Oranga Tikanga – a culturally prosperous community



Environmental Wellbeing

*‘Mā te tini me te mano, ka rapa te whai oranga’
‘By working together we will prosper’*

TĀ TĀTU TAU

OUR YEAR AT A GLANCE



346
rates rebate applications assisted with
Last year: 330
See page 48



33,158
library visits
Last year: 41,740
See page 40



2,639
Service requests issued by
our customer service team
Last year: 2,950
See page 48



301 TONNES
of waste diverted from landfill
Last year: 143 tonnes
See page 33



13KM
sealed road resurfaced
Last year: 13.65km
See page 34



\$19.12 MILLION
value of building consents issued
Last year: 17.7m
See page 41



1,514
Landings at Wairoa Airport
Last year: 2059
See page 35



3KM
Wastewater pipes relined
Last year: 3km
See page 30



13,349M³
maintenance metal applied to roads
Last year: 12,000m³
See page 34



98%
of users satisfied with the museum
Last year: 99%
See page 40



107
building consents issued
Last year: 124
See page 42



2,923
dogs registered
Last year: 3,092

OUR FINANCES AT A GLANCE

The figures presented here are Council-only. For Group results please refer to the financial statements.

\$75.8 MILLION
COST OF RUNNING THE DISTRICT

Our total operating expenses for the year were \$75.8 million. (Last year \$59 Million). This spend supports our district by providing the funding for council activities outlined in section 2

\$11 MILLION
BORROWING POSITION

This is a decrease of \$8 Million from last year and equates to \$1,249 per person in the district. (Last Year \$19 Million). We use borrowing to spread the cost of new facilities or infrastructure over multiple generations that will benefit from the projects. We believe this is the fairest way to do things.

\$21.7 MILLION
CAPITAL SPEND

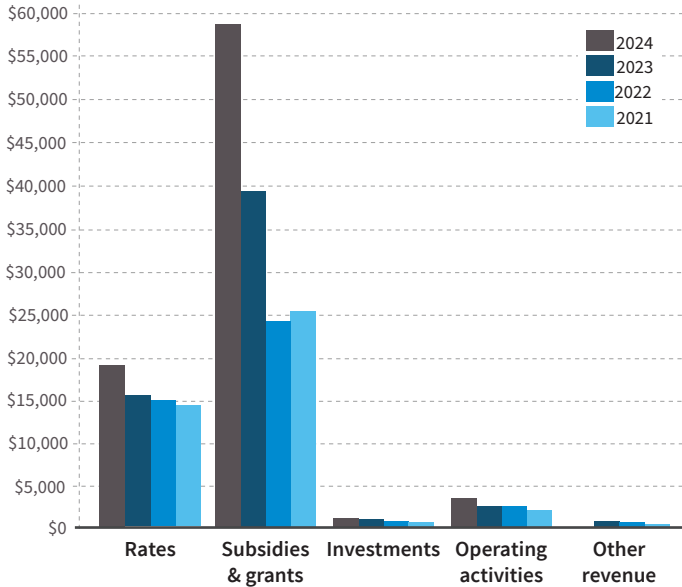
We spent \$21.7 million on new assets for the district. (Last Year \$12.8 Million). We completed several initiatives in our transport, Three Waters and leadership and governance activities, with total spending close to our planned \$28 million. Funding from New Zealand Transport Agency Waka Kotahi (NZTA), Crown Regional Holdings Limited (formerly known as the Provincial Growth Fund), and the Department of Internal Affairs supported several of these projects.

\$499 MILLION
OF ASSETS

The Council provides services to the district through a range of infrastructure networks and facilities (Council assets). These have been built up over many generations and equate to around \$56,537 net worth of value for every person in the district. (Last year's asset value was \$455 Million).

WHERE OUR MONEY COMES FROM

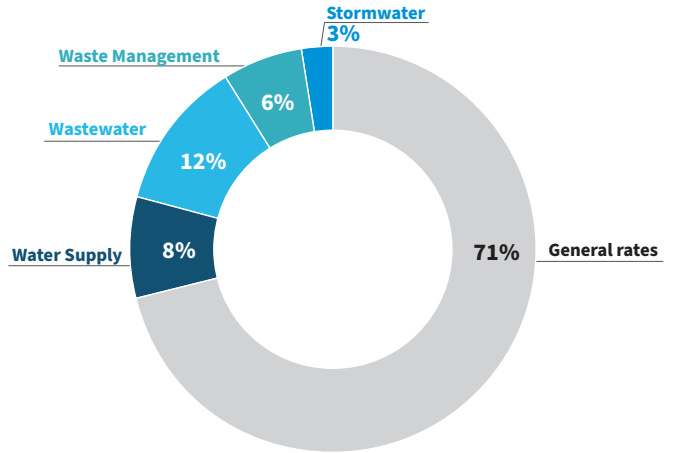
Overall Sources of Revenue (\$000) for the Past Four Years



The above graph shows how our revenue sources have changed, with subsidies and grants now our main source of funding (70% in 2024 compared to 66% in 2023). This reduces the proportion of rates revenue (24% in 2024 compared to 27% in 2023) used to fund our projects. We also receive revenue from operating activities (including user fees) and investments.

The spike in subsidies and grants for 2024 shown in this graph is mostly due to the receipt of a \$42 million NZTA grant to complete bridge and roading repairs following the extreme weather events of the past 2 years. This amount of subsidy is not expected to continue.

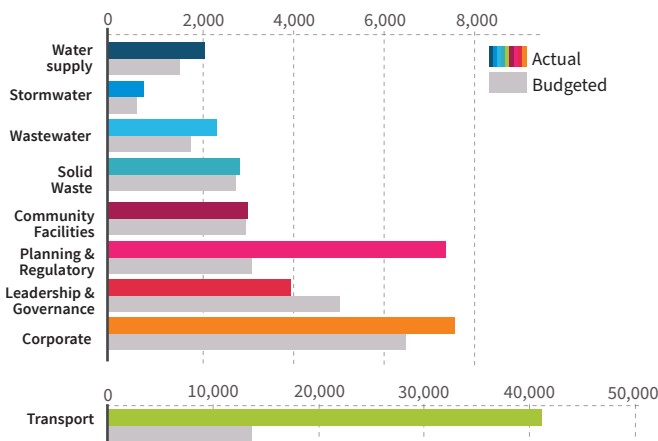
Components of Council Rates Revenue for the Year



The above graph shows the allocation of the Council's rates revenue for the year (based on the Long-Term Plan). During 2020/21, the Council conducted a rating review seeking a simple, affordable, and appropriate approach. The new rating system addresses the issues of consistency that we saw in the previous system, but it is still about the distribution of rates, not the total amount.

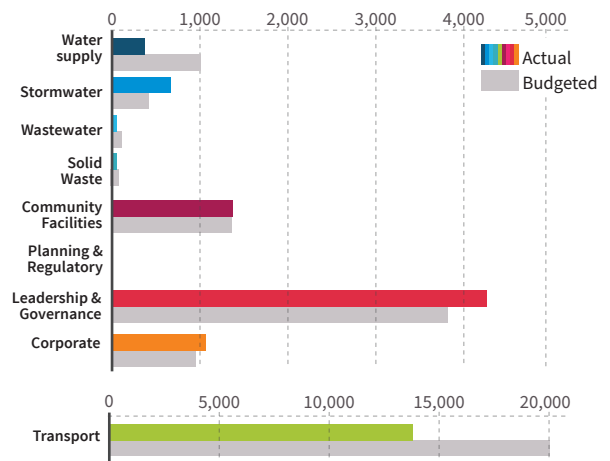
WHERE OUR MONEY GOES TO

Difference Between Actual & Budgeted Operating Expenditure (\$000)



The above graph summarises the difference between the actual and budgeted operating expenditure for each group of activities. It shows how the Council has prioritised its spending to support the operational and strategic direction that has been set during the Annual Plan process. Details of the financial performance against budget for each Council activity area can be found in the funding impact statements in Section 3.

Difference Between Actual and Budgeted Capital Expenditure (\$000)



The above graph shows capital expenditure by activity group. Further details can be found in the financial impact statements in Section 3. We have a comprehensive renewal and upgrade programme for our assets and have completed \$21.7M of capital expenditure during the 2023/24 year. (A more detailed version of the whole of Council funding impact statement can be found on page 98.)

FUNDING IMPACT STATEMENT SUMMARY

WHOLE OF COUNCIL

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Whole of Council Operating Funding	25,756	51,196	27,296	29,831	67,975
Whole of Council Operating Costs	23,941	48,263	24,987	28,273	65,897
Surplus (deficit) of Whole of Council Operating Costs	1,815	2,933	2,309	1,558	2,078
Whole of Council Capital Funding	6,132	8,056	6,555	23,113	21,797
Whole of Council Capital Costs	7,947	10,989	8,864	24,671	23,875
Surplus (deficit) of Whole of Council Capital Funding	(1,815)	(2,933)	(2,309)	(1,558)	(2,078)



RATING BASE

The total projected rateable units within the district at the end of the fiscal year 2024/25 is 6,865. This is projected to

increase at an average of 10 rating units per year over the 3 years of this Long-Term Plan.

Forecast (rateable) rating units

	2024/25	2025/26	2026/27
Rating units	6,865	6,875	6,885

Indicative ratings samples

Property Type	Rated CV	Actual Rates 2023/24	Forecast Rates 2024/25	Movement	Change (%) (+/-)
Commercial	\$180,000	\$3,332	\$5,411	\$2,079	62%
Commercial	\$670,000	\$7,460	\$8,420	\$960	13%
Forestry	\$700,000	\$13,209	\$19,208	\$5,999	45%
Forestry	\$1,400,000	\$25,564	\$28,567	\$3,000	12%
Residential A	\$180,000	\$3,133	\$3,396	\$263	8%
Residential A	\$320,000	\$3,064	\$3,777	\$713	23%
Residential A	\$650,000	\$3,291	\$3,779	\$488	15%
Residential B	\$830,000	\$3,411	\$3,929	\$518	15%
Residential B	\$900,000	\$3,930	\$4,609	\$679	17%
Residential B	\$940,000	\$4,025	\$4,718	\$693	17%
Residential C	\$1,050,000	\$4,036	\$4,731	\$695	17%
Residential C	\$1,200,000	\$4,354	\$5,098	\$744	17%
Residential C	\$1,680,000	\$5,371	\$6,269	\$898	17%
Rural	\$400,000	\$3,441	\$4,351	\$910	26%
Rural	\$4,380,000	\$10,946	\$12,179	\$1,233	11%
Rural	\$11,800,00	\$25,920	\$29,002	\$3,082	12%



TĀ TĀTAU ROHE WHĀNUI OUR DISTRICT



8,826 residents*



68.5% Māori descent
highest rate nationally



19.9% of population
speaks te reo Māori



\$92,872
median household income



13% of population
over 65



4,341 households



2.03 persons per
household
(average)



31.8 years
median age
(increasing over time)

WHERE WE LIVE



4,119km²
area of district



130km
of coastline



871km
of roads



51km
of footpaths



KEY INDUSTRIES
Agriculture, Forestry, Primary
production and public services
(GDP contribution)

Local Statistics have been taken from the 2023 Census Usually Resident population results - The Census Usually Resident Population Count has a Quality rating of very high. Median Income results have been taken from the Household Labour Force Survey

TĀ TĀTAU KAUNIHERA

OUR COUNCIL

Our elected members set the direction and priorities for the district and provide oversight of the organisation. Wairoa District Council is made up of six elected members and a mayor. Along with all other local authorities in New Zealand, the Council is elected every three years. The mayor is elected 'at large,' meaning by all the district's residents. Three Councillors are elected by voters from the Māori roll and three Councillors from the general roll. The next election is in October 2025.

Setting the direction

Elected Members have the responsibility to set the direction and priorities for the district and provide oversight of the organisation. The Council appoints the Chief Executive Officer to deliver the programme and services needed to fulfil its direction. Under the Local Government Act 2002, certain powers are reserved for the elected Council. They include setting bylaws and rates, setting the Council's budget through Long-Term Plan and Annual Plans, making decisions about borrowing money and buying or selling assets, setting up and giving powers to Council committees, determining how Council meetings will be run, setting an Elected Member Code of Conduct, and adopting Annual Reports. Subject to these powers, day-to-day management of Council services and operations is delegated to the Chief Executive, with Councillors monitoring progress.

Community advocates

Elected Members are responsible for providing representation to those from the ward that elected them. This involves meeting people and organisations and advocating on their behalf or addressing any issues they may face. However, when Councillors come together to make decisions in the Council or a Council committee or subcommittee, they are required to put aside local interests and exercise their powers in the best interests of the entire district.

Making the tough decisions

Whatever decisions the elected members make, some people will like it better than others – that is the nature of democracy. Council decisions are made in a climate where public organisations are scrutinised more than ever before.

Before elected members make any decisions, they, with advice from Council staff, examine situations from every angle. They think about the wellbeing and collective needs and aspirations of the Wairoa District's people, as well as legal requirements and contractual obligations, how it fits with the Council's strategic direction and policies, and whether it is a sensible use of ratepayer funding. Elected members will often ask for information to be presented to them such as: How much will it cost? How can it be funded? Can someone else do the work if we do not? Will



the benefits be significantly less or the costs significantly greater if we wait? And are there any risks involved?

Council engages with our community on many matters requiring decisions, ensuring people can have their say, contribute, and influence how their district is shaped. Altogether, Council strives to ensure decision-making processes are fair, robust, and transparent.

Standing committees and subcommittees

Council conducts its business at open and publicly advertised meetings. The Mayor (as required by section 41A of the Local Government Act 2002) puts in place the current structure of committees and subcommittees and Council retains the power to revisit the structure if needed.

The Council's committee structure ensures that all decisions take account of the wider issues facing the district. All services are linked, so it makes good sense to consider them all together. Our decision-making structure ensures that all elected members are aware of the full range of issues facing the district. The beginning of each meeting is set aside for members of the public to have their say on any item within the agenda.

The structure adopted for the 2022-2025 triennium comprises several committees and panels as follows:

- Strategy, Wellbeing & Economic Development Committee.
- Finance, Assurance & Risk Committee.
- Infrastructure & Regulatory Committee.
- Licensing Committee.
- Māori Standing Committee.
- Conduct Review Committee.
- Wairoa Youth Council
- Chief Executive Review Panel.

Council also has representatives on four joint committees with other Councils in the region. The Mayor is an ex-officio member of all Wairoa District Council committees.

Elected Members meeting attendance.

The meeting attendance figures relate to Council and committee meetings (excluding pre-meeting briefing sessions and workshops) of which the Councillor is a member. The meeting attendance figures provided do not include Councillors' attendance at external meetings, including for boards of Council-controlled organisations, community boards, working parties, advisory groups, and other external bodies. Such meetings can conflict with Council meeting times and as such impact on these attendance figures.

2023-2024 Meeting Attendance (Committee and Council Meetings)

Current Council	Number of Council Meetings Attended	Number of Committee Meetings Attended
Craig Little <i>Mayor</i>	13/17	20/31
Denise Eaglesome-Karekare <i>Deputy Mayor</i>	17/17	30/30
Jeremy Harker <i>Councillor</i>	17/17	17/17
Roslyn Thomas <i>Councillor</i>	17/17	14/17
Melissa Kaimoana <i>Councillor</i>	14/17	9/9
Benita Cairns <i>Councillor</i>	13/17	15/19
Chaans Tumataroa-Clarke <i>Councillor</i>	12/17	5/8

DECLARATIONS OF INTEREST AND CODE OF CONDUCT

Declarations of interest

At the start of the triennium, all elected members declared their potential, perceived and actual interests, and follow-ups occur to ensure that elected members keep their register up to date and comply with the provisions of the Local Authorities (Members' Interests) Act 1968, which covers financial interests, and with other requirements relating to non-pecuniary conflicts of interest. At Council and committee meetings, members are asked to declare any interest in relation to any items or reports on the agenda. If an elected member declares an interest, they will not vote or speak to the item or may remove themselves from the discussions.

Code of Conduct

A copy of the Elected Members' Code of Conduct was provided as part of the induction process at the beginning of the triennium and covered the following: roles, responsibilities, relationships, behaviours, compliance, and review. The Code of Conduct provides guidance on the standards of behaviour that are expected from the mayor and elected members.

The Code of Conduct also applies to elected members in their dealings with each other, the Chief Executive, all staff, the media, and the public.

All complaints made under the code must be made in writing and forwarded to the Chief Executive. On receipt of a complaint the Chief Executive must forward the complaint to the Mayor/Chair or, where the Mayor/Chair

is a party to the complaint, an independent investigator, drawn from a pool of names or agencies agreed in advance.

Any allegation is considered in a manner that is fair to all parties involved, including ensuring that due process is respected.

Advisory Groups

Forums and advisory groups help specific sectors of the community to have their say and guide us in our work. Our advisory groups consist of members from the community with specialist knowledge in a specific area. Their role is to help their communities understand Council processes and participate in the Council's decision-making processes, and to help the Council understand the needs of their communities and how those needs may be addressed. They are not seen as representing all views on their specialist areas or communities in Wairoa.

Youth Council

The Youth Council met four times in the 2023/24 year. The selected members represent localities within the Wairoa District.

Chair: Trevor Waikawa

Members: Hinetaitapu Moeariki, Te Rawhitiara, Manaia Hall, Piripi Ropitini, Lily Verner, Kyara Kaaho, Christina Stockman.

Council representatives: His Worship the Mayor, Roslyn Thomas, Denise Eaglesome-Karekare.

Māori Standing Committee

The Māori Standing Committee met three times in the 2023/24 year. The representatives are selected from each takiwā and serve a term of three years. The Māori Standing Committee members were endorsed at an Ordinary Council meeting on 22 August 2023.

Chair: Henare Mita

Members: Theresa Thornton , Erena Hammond, Fiona Wairau , Amanda Reynolds, Whai-ora Maindonald.

Council representatives: His Worship the Mayor, Benita Cairns, Roslyn Thomas.

OUR SENIOR LEADERSHIP TEAM

The Mayor and Councillors employ and delegate the management and delivery of Council services to the Chief Executive. The Chief Executive is the sole employee of the elected Council and is the employer of all other staff. The Chief Executive manages Wairoa District Council under approved Annual and Long-Term Plans, legislation, policies, and guidelines. The Chief Executive is responsible for the efficient and effective implementation of the Council's decisions within agreed parameters. The Chief Executive employs the Council's staff to help with these responsibilities.

The Senior Leadership Team (SLT) supports the Chief Executive to provide advice to the Council, manage the Council organisation and implement Council decisions. The Chief

Executive also provides independent and impartial advice to the elected Council before decisions are made. Advice is tested among Council staff and reviewed by the Senior Leadership Team to ensure all realistic options have been considered and risks have been identified and assessed before the advice is presented to the Council for consideration and decision-making.

The Chief Executive ensures the Council has effective systems to monitor financial and service level performance and recommend changes where appropriate. The Chief Executive's performance is regularly monitored by the Council's Chief Executive Review Panel.

As at the 30 June 2024 the Senior Leadership Team and their responsibilities comprised of:



Kitea Tipuna
Te Tumu Whakarae
Chief Executive

Kitea has responsibility for the, stakeholder engagement, election services, governance, community development, events, legal compliance, official information, policy, and human resources.



Mike Hardie
Te Pouwhakarae Hua Pūmau
Group Manager Assets and Infrastructure

Mike has responsibility for the infrastructure team delivering roads, streets and bridges, cemeteries, sports grounds, reserves, airport control, water supply, sewerage, stormwater drainage, waste management, street lighting, traffic management, public toilets, footpaths, and property.



Juanita Savage
Pouwhakarae
Rātonga Hapori me te Whakawhanake
Group Manager Community Services and Development

Juanita has responsibility for Governance, community engagement, emergency management, economic development, election services, Wairoa archives, Wairoa Centennial Library, Wairoa Information Centre (isite) and The Gaiety Theatre.



Hinetaakoha Viriaere
Pouwhakarae Whakamahere me te Waeture
Group Manager Planning and Regulatory

Hine has responsibility for district planning, building compliance, animal control, environmental health, resource consents and bylaws.



Gary Borg
Te Pouwhakarae Pūtea me te Tautāwhi Rangapū
Group Manager Finance and Corporate Support

Gary has responsibility for the team delivering accounting services, financial management, revenue collection, rating, risk management, financial planning and reporting, treasury services, tax compliance and strategic planning.

TĀ TĀTAU KAIMAHI

OUR STAFF

We work to ensure that the Council is an attractive place to work, to attract and retain skilled and qualified people.

Of the 85 employees at Wairoa District Council (a further 64 are contractors), Women make up 61 percent. 83% percent of our staff are permanent employees and 17 percent of our employees work on a part-time or casual basis. The rich mix of people who work at the Council has a positive impact on our work culture and productivity.

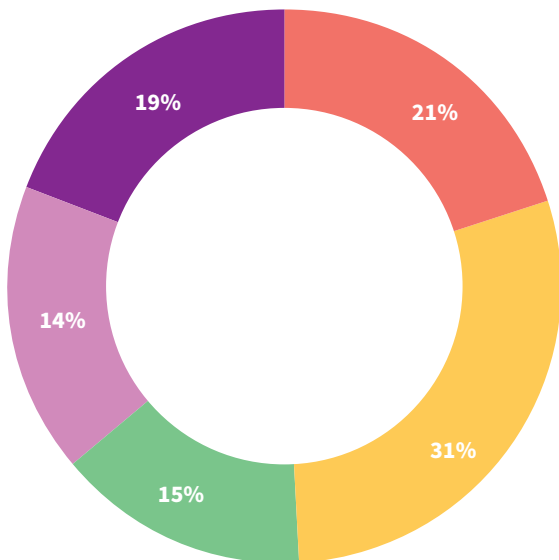
Staff numbers have increased slightly since the 2022/23 Annual Report which can be attributed to the establishment of the Wairoa Recovery Office. Total head count increased from 81 in 2022/23 to 85 in 2023/24 with total Full Time Equivalent (FTE) numbers increasing from 73 to 77.

The graphs and tables in this section show which areas our staff work in, their gender, and type of employment as at 30 June 2024.

BREAKDOWN OF STAFF BY ACTIVITY AREA AND CONTRACT TYPE

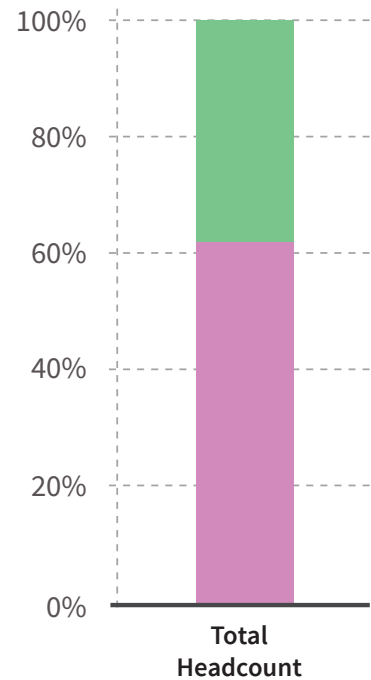
	PERMANENT		FIXED TERM		Casual	Head Count	FTE
	Full-Time	Part-time	Full-time	Part-time			
Community & Engagement	14	0	3	0	1	18	15
Community Assets & Services	22	1	2	1	0	26	25
Finance and Corporate Support	13	0	0	0	0	13	13
Information & Customer Experience	8	4	0	0	0	12	11
Regulatory & Compliance	10	1	2	0	3	16	13
Total	67	6	7	1	4	85	77

FTE BY ACTIVITY



- Community & Engagement
- Community Assets & Services
- Finance and Corporate Support
- Information & Customer Experience
- Regulatory & Compliance

GENDER BREAKDOWN



- Women
- Men

NGĀ TOHU MĀTAURANGA ME NGĀ WHAKATUTUKITANGA

STAFF AWARDED QUALIFICATIONS AND ACHIEVEMENTS

Council is proactive in ensuring our staff continue to have the necessary skills to deliver the work programme as set by Council. Staff who have been awarded qualifications and achievements for this year are celebrated below.

Playground Inspection, Compliance & Maintenance Training. Certified RPII / RoSPA Operational Level 2

Anahera Henry-Kaukura
Raewyn Clissold

Master of Science (Animal Science)

Lauralee Bramley

Emergency Management Essentials

Tony Hill
Hamish Newton
Caroline Evans
Leeanne Warner
Danielle Bacon
Sarayde Tapine
Luke Knight
Hinetaakoha Viriaene
Cameron Cook
Peter Robinson
Bernie Patuwai
Raewyn Clissold
Iryna Robson
Raewyn Foot
Kiriwera Cotter

Coordinated Incident Management System (CIMS) 4







Duane Culshaw
Chase Cook
Ashley Crawford
Tyler Trafford-Misson
Hinetaakoha Viriaere
Makere Jones
Connor Murphy
Danielle Bacon
Alyssa Anderson



TĀ TĀTAU MAHI

WHAT WE DO






Wairoa district's infrastructure is key to ensuring Council can provide the services our community needs and expects. Delivering these services and activities helps us look after the social, economic, environmental, and cultural wellbeing of our people and the district.

ACTIVITY	DESCRIPTION	REPLACEMENT VALUE
TRANSPORT 	<ul style="list-style-type: none"> • 871km road (323km sealed) • 174 bridges • 448 retaining structures • 54km footpaths • 7.4km cycleways • maintenance of an operational airport • streetlights • maintenance of Marine Parade CBD 	\$631M As at July 2024
WATER SUPPLY 	<ul style="list-style-type: none"> • three water supply networks • 118km water pipes • numerous valves • hydrants • water reservoirs 	\$166M As at July 2024
WASTEWATER 	<ul style="list-style-type: none"> • 4 wastewater networks • 59km of wastewater pipes • numerous manholes • treatment plants • wastewater pump stations 	\$57.8M As at July 2023
STORMWATER 	<ul style="list-style-type: none"> • 41km stormwater pipes • 24km of channels and drains • sumps 	\$38.4M As at July 2023
WASTE MANAGEMENT 	<ul style="list-style-type: none"> • kerbside waste collection • management of transfer stations • landfill management • litter bins • recycling services 	\$1.1M As at July 2023
PENSIONER HOUSING 	We have 32 pensioner flats across 6 locations. These consist of 16 bedsits, and 10 single and 6 double units.	\$8.96M As at July 2023

TĀ TĀTAU MAHI

WHAT WE DO

Wairoa district's infrastructure is key to ensuring Council can provide the services our community needs and expects. Delivering these services and activities helps us look after the social, economic, environmental, and cultural wellbeing of our people and the district.

ACTIVITY	DESCRIPTION
<p>COMMUNITY FACILITIES</p> 	<ul style="list-style-type: none"> • public toilets • lighthouse • civic buildings/halls • cemeteries • playgrounds • library • sports parks • Gaiety Theatre • gardens • street trees • Wairoa Community Centre • rural transfer stations
<p>GOVERNANCE & COMMUNITY</p> 	<p>Provide for community representation and support community participation in democracy. Provide support and development in the areas of emergency management, community engagement, economic development, archives, and records. Develop relationships with tangata whenua and facilitate Māori participation in decision-making.</p>
<p>CORPORATE SERVICES</p> 	<p>Provide corporate services (incl. customer services, finance, administration, rates services, legal compliance, policy development) and property services for Council-owned properties. Hold investments and manage funds to support Council activities.</p>
<p>PLANNING AND REGULATORY</p> 	<p>Regulatory activities including resource planning, environmental health, building control, alcohol control, dog and livestock control, and general bylaw enforcement.</p>
<p>RECOVERY</p> 	<p>Wairoa's recovery focus is to rebuild our homes, businesses, infrastructure and wairua in the wake of damage caused by Cyclone Gabrielle and the June 26, 2024, flooding event. There is a focus to build back better and support our community to be more prepared and resilient for the future.</p>

OUR PROJECTS

In our 2023/2024 Annual Plan we set out five main projects to be completed across our region aimed at ensuring we deliver services at the levels our communities expect. This section reports on the progress of those projects.

Project	2023/24 Progress
<p>Recovery office and resilience projects Background: The Wairoa district has suffered devastating effects from Cyclone Gabrielle, previous weather-related events and now the June 2024 floods. Recovery is expected to take several years, with Council required to take a lead role.</p> <p>The 2023/24 Annual Plan budgeted \$500,000 to ensure an adequately resourced Recovery Office to lead the recovery.</p>	<p>The Wairoa Recovery office is in full swing and is led and staffed by Wairoa locals.</p> <p>The June 2024 flooding resulted in a further 400 properties suffering flood damage with 128 homes yellow stickered.</p> <p>An urgent review has been undertaken to determine what options are available to manage the Wairoa River bar to help prevent flooding from occurring again.</p>
<p>Three Waters Better Off Projects</p> <ul style="list-style-type: none"> Background: Wairoa District Council received \$4,660,000, in 2022/23, as part of the Government's Three Waters Reform Programme which supports local government to invest in the wellbeing of their communities via a range of improvement projects. <p>The following projects were identified to be completed using this funding in 2023/24.</p> <ul style="list-style-type: none"> Nuhaka - Ōpoutama Dropout Repairs Investigation. Council Pensioner Housing Healthy Homes Upgrades Upgrades to the Wairoa Centennial Library building Standring Park Netball Courts upgrade Contribution towards the Mahia recreation spaces Development of the Tuai Destination Playground 	<p>Progress on these projects include:</p> <ul style="list-style-type: none"> Nuhaka - Ōpoutama Dropout Repairs Investigation - Road sealing has been completed and a preferred option has been taken to Central Government for funding towards a permanent fix. Council Pensioner Housing Healthy Homes Upgrades Upgrades to the Wairoa Centennial Library building Standring Park Netball Courts upgrade - These courts were upgraded, and this project was completed in November 2023. Contribution towards the Mahia recreation spaces - new sports courts and a new playground in Mahia were completed and are proving to be popular with locals and visitors. Development of the Tuai Destination Playground - The Tuai Destination Playground is in the development stage with work scheduled to begin in the 2024/25 year.
<p>Wairoa landfill fees and recycling centre upgrade Background: Council has strived to keep the Wairoa landfill gate fees as low as possible over recent years, However, this has resulted in the income for this activity not being high enough to cover the operational costs, Emissions Trading Scheme and Waste Levy imposed on Council by the government.</p> <p>In 2023/24 Council budgeted \$100,000 to upgrade the Wairoa recycling centre and encourage the community to reduce waste as much as possible.</p> <p>Flooding events over the past two years have resulted in increased materials disposed of at the landfill which is now nearing capacity.</p>	<p>Recycling and Solid Waste disposal options have been investigated and were brought to the community for consultation during the 2024/2027 Long-Term Plan process.</p> <p>Preferred options have been developed and this project now moves into an establishment phase with tangible outcomes expected during the second half of 2024.</p>

Wairoa township water supply pipe renewals

Background: In 2023/24, Council planned to renew a significant amount of water supply pipelines which had come to the end of their useful life or required upgrading to allow for additional demand.

A total of \$637,000 was included in the 2023/24 Annual Plan for this work.

The Wairoa District Council drinking water network has 119km of pipework, three water treatment plants and 11 reservoirs with a combined capacity of approx. 8,910m³. The three drinking water plants service the Wairoa/ Frasertown townships, Tuai Village and Māhanga. Since Cyclone Gabrielle, there has been a notable rise in water mains breaks, particularly over the past year. Executing a planned renewals programme has proven challenging due to adverse ground conditions.

Emergency water main replacements have been completed in Wairoa which have required comprehensive water pipe replacement on top of planned pipeline replacement. These emergency works have detracted from our ability to complete our planned replacements resulting in the Tuai watermains project being pushed into the 2024/25 year.

Roading, bridges and drainage

Background: Roothing and bridges are a critical part of our infrastructure and need to be kept in good condition.

Climate change and weather events have impacted on our roads and bridges, with these repairs continuing past the 2023/24 year.

A total of \$20,915,000 was budgeted in the 2023/24 year to complete repairs to our roads and bridges.

Work completed over the 2023/24 year includes:

1. Completion of low-cost low-risk projects
2. Continuation of resealing of roads around our District
3. Upgrades to walking, cycleways, connection projects around our district
4. Continuation of weather-related repairs along with further repairs required following the June 2024 flooding
5. Continuation of drain cleaning around our district as part of our flood mitigation work.



**TĀ TĀTĀU
WHAKATUTUKITANGA-Ā-
TAIPITOPITO NEI**

**OUR PERFORMANCE
IN DETAIL**

OUR PERFORMANCE IN DETAIL

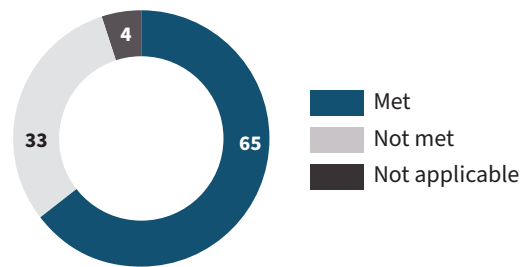
Most of the work we do, the budgets we adhere to and the services we provide are in the nine activity areas set out in this section. Our key performance measures and their targets are how we track and assess the delivery of Council services.

These targets were set in our Long-Term Plan 2021-31 and include both technical measures, such as the percentage of our roading network not suitable for 50MAX Vehicles (trucks able to carry up to 50 tonnes) and perception-based measures, such as residents' satisfaction with various services. This is the final year reporting against measures set out in the 2021-31 Long Term Plan. Measures for the 2024/25 year are set out in section 2 of the 2024/2027 Long Term Plan.

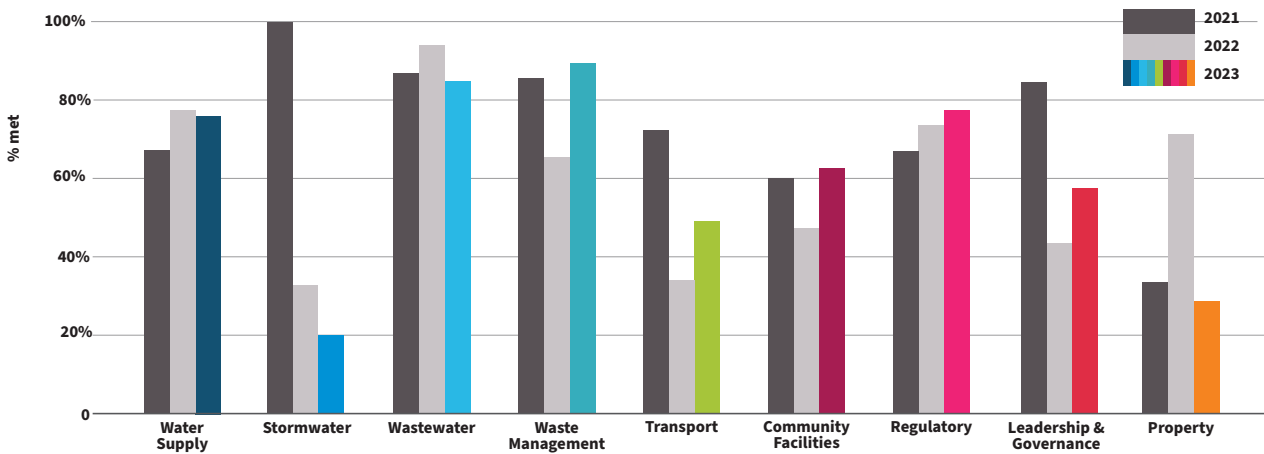
Met	✓
Not Met	✗
Not Measured	⊖

Individual performance measures are recorded as either: Measures recorded as "not applicable" reflect those measures where we could not record the result e.g. the stormwater activity includes a measure "Compliance with Council's resource consents for discharge from its stormwater system". Due to not having a current consent the four performance measures could not be reported on.

For the 2023/24-year, 33 measures or 32% of our performance measures were not achieved.



% key performance measures met: 3 year trend



This graph shows the percentage of measures met by activity over last 3 years. By displaying trends in performance measures, we can gain a sense of which of councils' services are performing as expected and which services require further attention to bring these up to the level our community expects.

During the assessment of our performance over the past year, the following themes have emerged:

- The rebuild from the devastation our region suffered through Cyclone Gabrielle and other extreme weather events still impact our performance, particularly in meeting our land transport performance measures.
- The impact of these weather events is evident in the results of our quality-based measures which are measured through our resident's satisfaction surveys.

These themes are discussed further below.

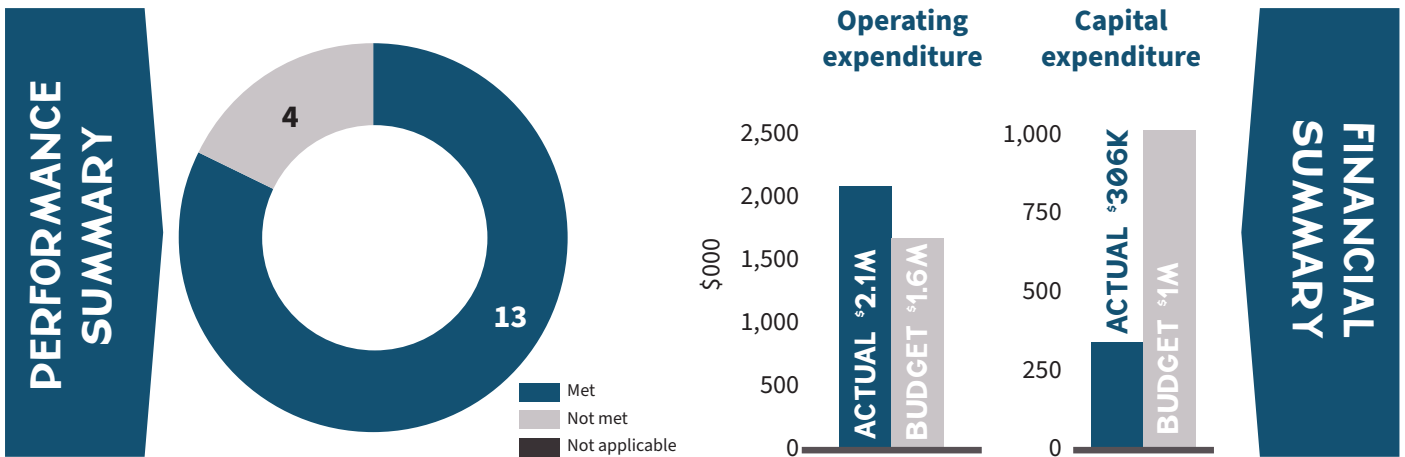
Our 2023/24 Performance Measure year end results are in line with last year's results across most activity groups. Stormwater was the only area in which a decrease in overall results was seen. While results show only 20% of

the measures in this area were met these results were impacted by the June 2024 floods. Without these floods results for this area would be closer to 80% of measures being met.

Areas impacted by the June 2024 floods include Transport and Waste Management amongst others, without these floods the Wairoa Airport measure would have been met as well as all Waste Management measures. Community Facilities performance measures have been impacted by the ongoing effects of Cyclone Gabrielle as well as the June 2024 floods with these measures relating to council facilities such as parks and reserves which are still very much recovering from the effects of these weather events.

TE PUNA WAI

WATER SUPPLY



3 MILLION LITRES

OF DRINKING WATER PRODUCED PER DAY

The Wairoa District Council managed drinking water network consists of 119 km of pipework, three water treatment plants, and 11 reservoirs, with a combined capacity of approximately 8,910 cubic meters. The network services the Wairoa/Frasertown townships, Tuai Village, and Māhanga.

Significant changes have occurred over the past year, particularly with the introduction of new drinking water regulations in November 2023. The Council now manages four registered water supplies: Wairoa/Frasertown, Tuai, Māhanga, and, due to ownership, the Nuhaka Rugby Club.

Since Cyclone Gabrielle, there has been a significant increase in water main breaks, particularly over the past year. Adverse ground conditions have made it challenging to execute a planned renewals programme.

However, the council has continued to respond to customer requests and deliver essential projects, such as the Tuai watermain initiative and various emergency replacements.

Continuity of water supply in Māhanga remains problematic during peak visitor times. The current well cannot meet the demand, necessitating the exploration of an alternative water source to maintain the viability of this supply. A study is currently underway to address this issue.

BUDGET VS ACTUAL

Operating expenditure in this area was more than budgeted, due to the age of the network and the increased strain on the network due to extreme weather events has led to an increased number of water main breaks which has in turn increased the amount required to be spent on operating costs. The increased number of repairs required to be made to our network has also resulted in the capital expenditure budget in this area been over budget for the 2023/24 year.

Detailed financial results can be found in the Water Supply Funding Impact Statement in Section 3

FUNDING IMPACT STATEMENT SUMMARY

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Water Supply Operating Funding	2,051	2,028	2,143	2,011	2,280
Water Supply Operating Costs	1,650	1,822	1,729	1,646	2,059
Surplus (deficit) of Water Supply Operating Costs	401	206	414	365	221
Water Supply Capital Funding	(370)	23	(371)	(371)	(222)
Water Supply Capital Costs	31	229	43	1	(1)
Surplus (deficit) of Water Supply Capital Funding	(401)	(206)	(414)	(365)	(221)

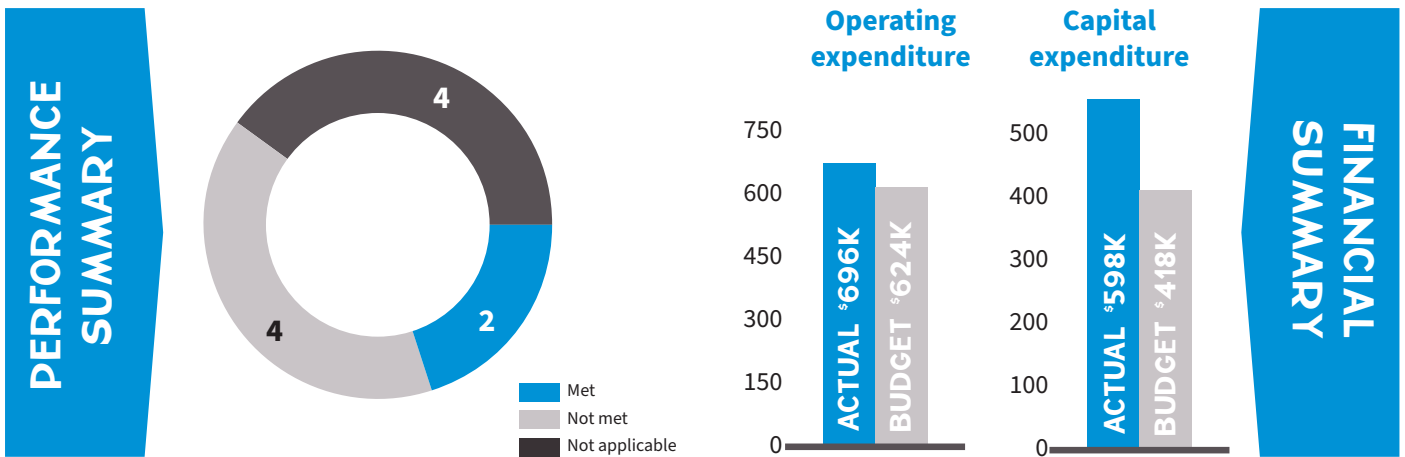
WATER SUPPLY PERFORMANCE DATA

The following section outlines Council performance measures for our water supply activity. It includes data for the last two financial years, along with current year data to show trends in our achievement of these measures

over time. We use these performance measures to track how well we are delivering services against targets as set out in our Long Term Plan.

Levels of Service	Performance Measure	2021/2022 Actual	2022/23 Actual	2023/24 Target	2023/2024 Actual	
Safe, high quality water supply is provided	Compliance with the Drinking Water Standards (Part 4 bacterial compliance criteria):					
	Wairoa / Frasertown and Tuai	Compliant	Compliant	Compliant	Compliant	☑
	Compliance with Drinking Water Standards (Part 5 protozoal compliance criteria):					
	Wairoa / Frasertown	Compliant	Compliant	Compliant	Compliant	☑
Provide reliable water networks	Residents (%) satisfied with the water supply	83%	76%	≥80%	63%	☒
Water Pressure and flow appropriate for its intended use	Number of complaints about water supply per 1,000 connections:					
	Drinking water clarity	0	1	10	1.8	☑
	Drinking water taste	0.5	0	10	9.9	☑
	Drinking water odour	0	0	10	0.9	☑
	Drinking water pressure or flow	1.4	2	20	7.2	☑
	Continuity of supply	9	21	20	25.3	☒
	Responsiveness to issues	0	0	10	5	☑
Water supply assets are managed prudently to ensure long term financial sustainability for current and future generations	Median response time for urgent callouts					
	Wairoa / Frasertown (attendance time)	0.8 hours	0.2 hours	1 hours	0.7 hours	☑
	Other areas (attendance time)	8.3 hours	0.3 hours	2 hours	1.8 hours	☑
	Wairoa / Frasertown (resolution time)	2.8 hours	3 hours	4 hours	1.12 hours	☑
	Other areas (attendance time)	8.3 hours	0 hours	0.5 hours	1.3 hours	☑
Water supply assets are managed prudently to ensure long term financial sustainability for current and future generations	Median response time for non-urgent callouts					
	(attendance time in days)	0.6 days	0.4 days	2 days	0.6 days	☑
	(resolution time in working days)	0.7 working days	2 working days	3 working days	0.7 working days	☑
Water resources are used efficiently and sustainably	Average drinking water consumption per day per resident	355 litres	405.9 litres	500 litres	535.6 litres	☒

STORMWATER



STORMWATER

187M OPEN DRAINS PIPED IN MAHIA

Wairoa District Council is responsible for stormwater networks in the Wairoa township, Mahia Beach, and Tuai Township. Maintenance of the stormwater network is a shared responsibility between the utilities, transport, and property divisions of Council.

Stormwater in the Wairoa township network is discharged into the Wairoa River via 62 discharge locations from the Mitchell Road area to Pilot Hill. Ongoing heavy rainfall has necessitated continuous network flushing to maintain operational efficiency.

Wairoa District Council is exploring installing additional groundwater monitoring stations. These stations are intended to enhance our capability to monitor groundwater levels accurately. This initiative is crucial not only for informing stakeholders about flood risks but also for accurately reporting performance measures. Strategic placement of these monitors will be pivotal in comprehensively assessing flood impacts across the region.

Ensuring the reliability and effectiveness of our monitoring infrastructure remains a priority. We are committed to addressing these challenges proactively to enhance the resilience of Wairoa's drainage and stormwater management systems.

ACTUAL VS BUDGET

Operating expenditure in this area was more than budgeted for the 2023/24 year, due to the increased amount of network flushing required to the stormwater network due to the extreme weather events causing a build-up of material in the stormwater networks. As a result of the increased operational requirements required to the stormwater network consuming staff and time, several capital works planned for our stormwater networks have not occurred resulting in our capital expenditure result being under budget for this year.

Detailed financial results can be found in the Stormwater Funding Impact Statement in Section 3.

FUNDING IMPACT STATEMENT SUMMARY

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Stormwater Operating Funding	367	293	368	638	409
Stormwater Operating Costs	359	348	357	624	696
Surplus (deficit) of Stormwater Operating Costs	8	(55)	11	14	(287)
Stormwater Capital Funding	(8)	150	42	351	778
Stormwater Capital Costs	-	95	53	365	491
Surplus (deficit) of Stormwater Capital Funding	(8)	55	(11)	(14)	287

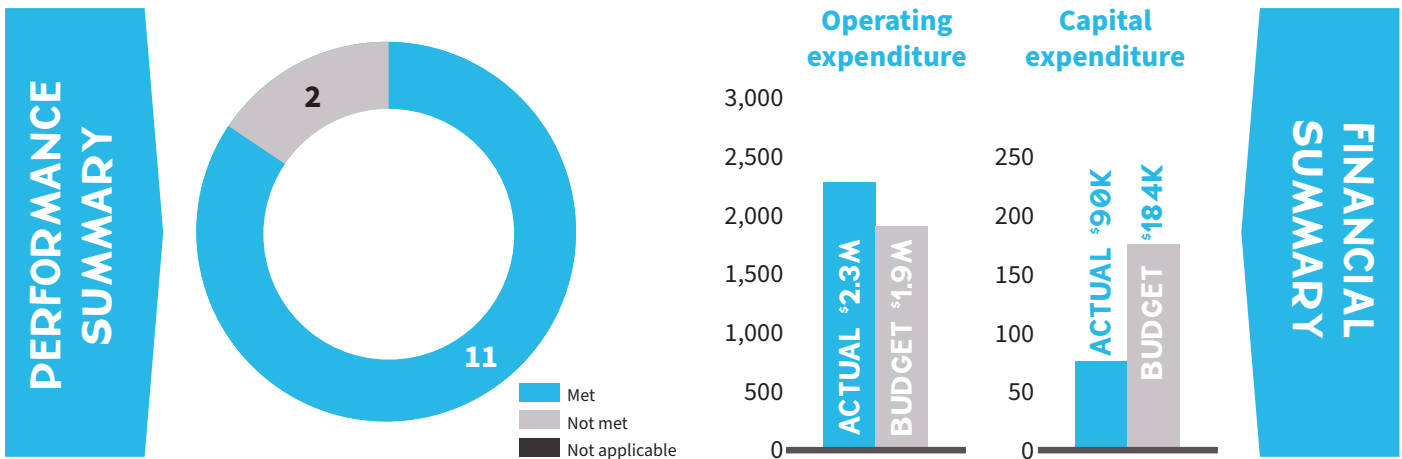
STORMWATER PERFORMANCE DATA

The following section outlines Council performance measures for our stormwater activity. It includes data for the last two financial years, along with current year data to show trends in our achievement of these measures

over time. We use these performance measures to track how well we are delivering services against targets as set out in our Long-Term Plan.

Levels of Service	Performance Measure	2021/22 Actual	2022/23 Actual	2023/24 Target	2023/24 Actual	
Mitigate risk of flooding in urban areas	Number of flooding events in the district	2	11	≤10	47	⊗
	For each flooding event, number of habitable floors affected (per 1,000 properties)	0	0.43	≤50	8.26	⊙
To provide reliable stormwater networks	Residents (%) satisfied with the stormwater system	47%	47%	≥80%	38%	⊗
	Number of complaints about stormwater system performance (per 1,000 connections)	21	36	≤50	37	⊙
Stormwater disruption during natural disaster events are minimised	Median response time for emergency flooding event (attendance time in hours)	No emergency flooding events	During Cyclone Gabrielle these were received by Civil Defence	1 hour	317.4 hours	⊗
	Median response time for urgent flooding event (attendance time in hours)	No Urgent Flooding events	No Urgent Flooding events	2 hours	317.7 hours	⊗
Effects on the natural environment are minimised	Compliance with Council's resource consents for discharge from its stormwater system:					
	Abatement notices	No consent	No consent	0	No Consent Application underway	⊖
	Infringement notices	- consent application currently underway	- consent application currently underway	0		⊖
	Enforcement orders			0		⊖
	Convictions			0		⊖

WASTEWATER



3KM

WASTEWATER PIPES RELINED

The Wairoa District Council's Wastewater Network varies in age, with some assets dating back to the 1940s. Wastewater, including trade waste, is collected through a series of underground pipes and pump stations, treated in wastewater ponds, and then discharged into the lower area of the Wairoa River.

Recent weather events have highlighted operational challenges, requiring continuous efforts to ensure uninterrupted service across areas like Wairoa, Mahia/Opoutama/Māhanga, and Tuai. Emergency situations have demanded swift action, with incidents addressed under emergency works to mitigate further risks to infrastructure and public safety.

Currently, the team manages 16 wastewater consents, encompassing 188 conditions, with annual compliance reports submitted to the Hawke's Bay Regional Council (HBRC) for assessment. Recent developments include the renewal of expired Tuai and Māhanga water take consents, with interim extensions granted pending re consenting processes.

The network has faced significant challenges, particularly in the Wairoa Township, where continuous rain has caused substantial amounts of silt intrusion. Since the ponds were desludged in 2021, sludge levels have accumulated by 850m³, most of which is attributed to silt. Subsequent rain events have only exacerbated the situation. Access issues continue to disrupt the Tuai and Mahia Beach schemes, posing challenges in mitigation efforts. However, implementing robust communications and cameras is expected to alleviate some of these issues.

Inflow is becoming an issue once again, most notably in the North Clyde area. To address these challenges, several number of heed sensors have recently been installed across key points in the network. These sensors are designed to detect surcharging conditions early, allowing for timely notifications to stakeholders, mitigation of potential disruptions, and identification of problem areas. The sensors have been strategically deployed to improve operational efficiency and ensure proactive communication with the community regarding potential impacts.

Navigating the complexities of infrastructure management, emergency response, and regulatory compliance remains paramount. The dedication and diligence of our team ensure the continued delivery of essential services amidst these operational challenges and regulatory changes.

ACTUAL VS BUDGET

Wastewater operating expenditure in 2023/24 was over budget for this financial year mainly due to the substantial amounts of silt intrusion in the network as noted above. Clearing of this increased intrusion has, as with the stormwater network noted above, consumed staff time and costs. Capital costs for wastewater were also above budget due in part to the installation of monitoring equipment required to ensure the stability of the wastewater network.

Detailed Financial results can be found in the Wastewater Funding Impact Statement in Section 3.

FUNDING IMPACT STATEMENT SUMMARY

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Wastewater Operating Funding	2,361	2,335	2,426	2,447	2,577
Wastewater Operating Costs	1,846	2,089	1,837	1,864	2,316
Surplus (deficit) of Wastewater Operating Costs	515	246	589	583	261
Wastewater Capital Funding	(95)	290	(486)	(479)	(710)
Wastewater Capital Costs	420	536	103	104	(449)
Surplus (deficit) of Wastewater Capital Funding	(515)	(246)	(589)	(583)	(261)

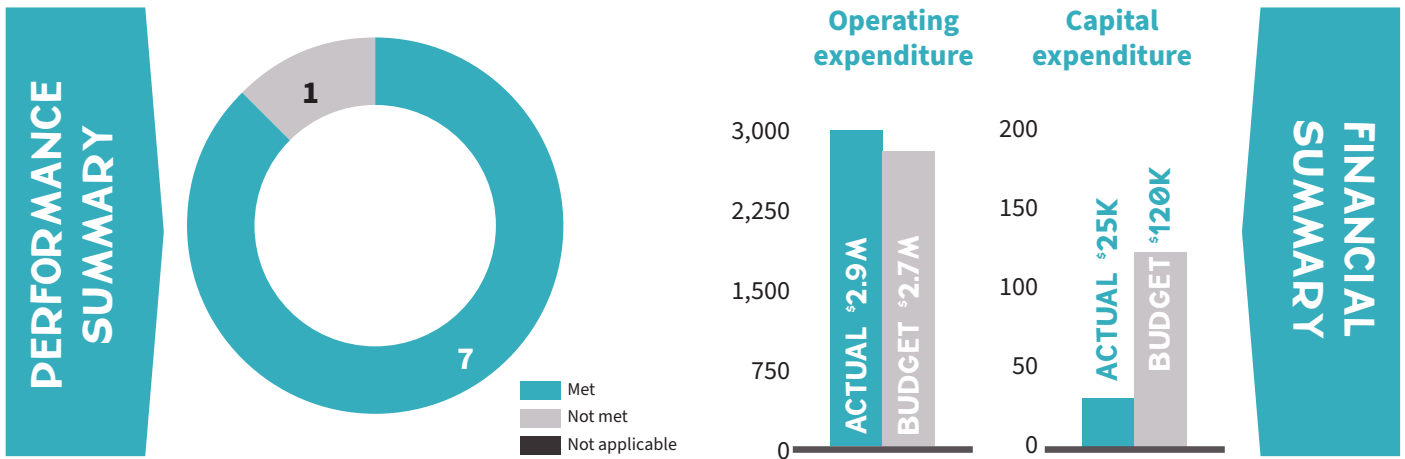
WASTEWATER PERFORMANCE DATA

The following section outlines Council performance measures for our wastewater activity. It includes data for the last two financial years, along with current year data to show trends in our achievement of these measures

over time. We use these performance measures to track how well we are delivering services against targets as set out in our Long-Term Plan.

Levels of Service	Performance Measure	2021/22 Actual	2022/23 Actual	2023/24 Target	2023/24 Actual	
Mitigate risk of environmental and public health impacts	Dry weather wastewater overflows per 1000 connections	1.3	0	10	2.1	☑
To provide safe and reliable wastewater service to customers	Number of complaints about wastewater per 1,000 connections:					
	Sewage odour	2	2	15	3	☑
	Sewerage system faults	20	1	15	3	☑
	Sewerage system blockages	4	5	15	4	☑
	Responses to issues with sewerage system	1	0	15	1	☑
Wastewater assets are managed prudently to ensure long term financial sustainability for current and future generations	Median response time for wastewater overflows:					
	Wairoa / Frasertown (attendance time)	1.4 hours	1 hours	1 hour	5.9 hours	☒
	Other areas (attendance time)	0.5 hours	0.5 hours	2 hours	0.67 hours	☑
	Wairoa / Frasertown (resolution time)	1.4 hours	2 hours	4 hours	5.9 hours	☒
	Other areas (resolution time)	28.3 hours	25 hours	5 hours	5 hours	☑
protection is provided to the community and environment	compliance with Council's resource consents for discharge from its wastewater system:					
	Abatement notices	0	0	0	0	☑
	Infringement notices	1	0	0	0	☑
	Enforcement orders	0	0	0	0	☑
	Convictions	0	0	0	0	☑

WASTE MANAGEMENT



301 TONNES
OF WASTE DIVERTED FROM LANDFILL

Wairoa sends approximately 4000 tonnes of solid waste to landfill each year. Cyclone Gabrielle and the June 2024 floods dramatically increased the amount of waste deposited at the Fraser Street landfill, resulting in the available landfill cell capacity at this site reducing at a faster rate than originally scheduled. Due to this the Council needs to implement an urgent review of available options to dispose of our solid waste.

As can be seen below, Council's target of having the Fraser Street Landfill open to the public for at least 6 hours a day, 4 days per week was not met as the June 2024 floods meant the landfill was closed to the public during the initial Civil Defence response.

ACTUAL VS BUDGET

Operating expenditure for Waste Management in 2023/24 was higher than budgeted, due to the increased levels of household waste produced by flooding events in our district over the past year. Each extreme weather event has resulted in household flooding and as such household goods have needed to be taken to landfill. As a result of the increased operational costs in managing this material, projects in this area have been suspended resulting in the capital spend for this area being lower than budgeted.

Detailed Financial results can be found in the Waste Management Funding Impact Statement in Section 3.



Fraser Street Landfill

FUNDING IMPACT STATEMENT SUMMARY

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Waste Management Operating Funding	1,880	1,885	2,343	2,851	3,760
Waste Management Operating Costs	1,916	2,095	2,207	2,668	2,856
Surplus (deficit) of Waste Management Operating Costs	(36)	(210)	136	183	904
Waste Management Capital Funding	571	224	96	(63)	(925)
Waste Management Capital Costs	535	14	232	120	(21)
Surplus (deficit) of Waste Management Capital Funding	36	210	(136)	(183)	(904)

WASTE MANAGEMENT PERFORMANCE DATA

The following section outlines Council performance measures for our waste management activity. It includes data for the last two financial years, along with current year data to show trends in our achievement of these measures over time. We use these performance measures

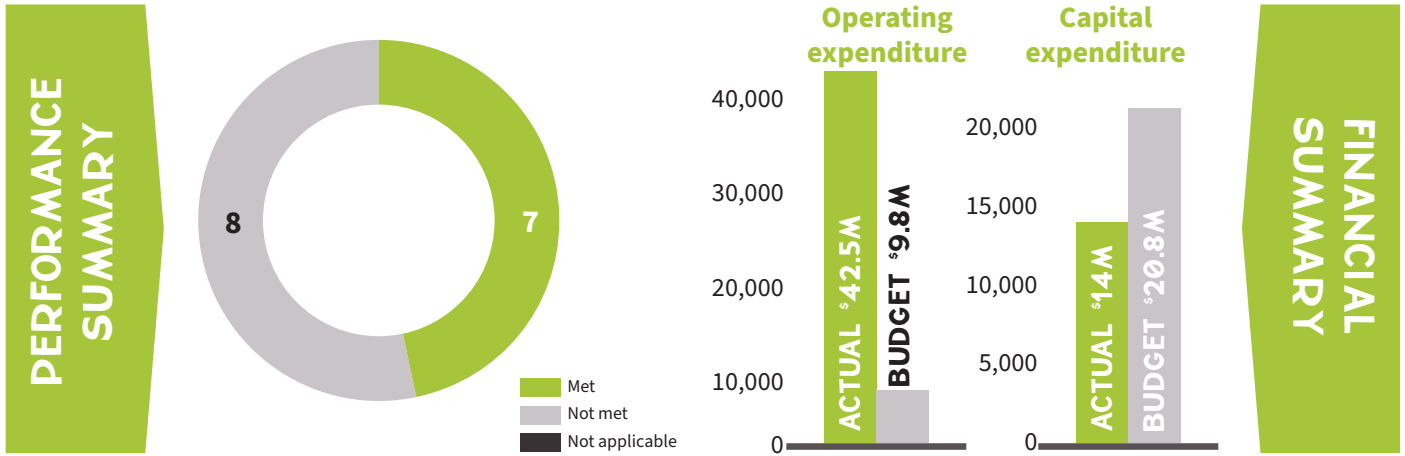
to track how well we are delivering services against targets as set out in the Long-Term Plan 2021-2031.

Detailed Financial results can be found in the Waste Management Funding Impact Statement in Section 3.

Levels of Service	Performance Measure	2021/22 Actual	2022/23 Actual	2023/24 Target	2023/24 Actual	
Provide safe and reliable refuse and recycling kerbside collection services and rural waste services	Number of times when minimum frequency of kerbside refuse and recycling service in Wairoa and Frasertown (fortnightly) is not met, per year	0	1	0	0	✓
	Number of times when minimum frequency of collection from specified drop-off points from Māhia, Nuhaka and Mohaka (twice a month) is not met, per year	0	3	0	0	✓
	Number of health and safety breaches by waste services contractors, per year	0	0	0	0	✓
	Percentage of missed household refuse service requests responded to by 12 pm the next day	100%	100%	100%	100%	✓
Provide the Wairoa Landfill for safe waste disposal	Council will operate and maintain the Wairoa landfill for the disposal of domestic and commercial refuse, being open for the public at least 6 hours per day, 4 days per week	100%	95%	100%	98%	✗
Effects on the natural environment are minimised	Number of non-compliance events with the resource consent conditions for the Wairoa landfill, per year	1	0	0	0	✓
	Number of non-compliance events with the resource consent conditions for the closed landfill sites, per year	0	0	0	0	✓
Council facilitates waste minimisation practices and promotes reduction of the amount of waste going to landfill	The amount of material diverted from landfill by the Wairoa community in tonnes (excludes green waste)	126	143	>75 tonnes	301.25	✓

TE RANGA

TRANSPORT



13KM

SEALED ROAD RESURFACED



13,349M³

MAINTENANCE METAL APPLIED TO ROADS

RANGA WHENUA / LAND TRANSPORT

The transport sector of Wairoa District Council Community Assets and Services Department is responsible for such assets as 875km of pavement (560km unsealed, 315km sealed), 346 retaining structures, 3,000 signs, over 30,000m² of carparks, footpaths, kerb and channel, and a large amount of guardrails/sight rails. We maintain the drains and culverts, vegetation control including roadside spraying, and any emergency events such as tree fell and slips.

IMPACT OF EXTREME WEATHER EVENTS

Emergency work has been theme of 2023/2024 in the Land Transport space.

Continual rain since the Cyclone Gabrielle weather event has put a lot of pressure on the land transport network. Contractors and Council staff have worked hard to get the roads back to an appropriate level of service. Roads often need to be revisited and cleaned up again due to continual severe weather.

Dropouts/washouts were monitored throughout the first quarter to ensure they did not get any worse, and unfortunately there were several new dropouts/washouts due to the ground saturation and continual rain.

\$47m of funding from Waka Kotahi at 100% funding assistance rate (FAR) was secured to cover the work undertaken in terms of regaining access/temporary bridges clean up and retreats up until the end of June 2024. Further funding is required to reinstate/repair damage caused by these weather events.



Opoiti Bridge

The continual rain has put emphasis on:

- Infrastructure Repairs with significant investment required to repair and reinforce infrastructure to withstand future flooding events.
- Resilience Planning: There will be an improved focus on resilience planning

A new partnership has been formed with the Nuhaka Iwi, in collaboration with KiwiRail and NZTA, to address and prevent flooding in the district. The initiative began with upgrading culverts under roads and piping open drains and accessways. KiwiRail has also removed a section of disused railway to enable the installation of roadside drains in the Nuhaka area. This project aims to divert water away from the township and into the drainage system.

PAPA RERERANGI / AIRPORT

Airport traffic is made up of medical transport, to and from the hospital and agricultural flights for top dressing and spraying.

A focus for the 2023/24 year for airport operations has been airport safety with a review of the safety plan underway. Early planning has been completed with an improved activity management plan which will have key projects such as improved security fencing and improved access control and well as controlling airport users.

Wairoa airport traffic is made up of medical transport from the hospital and agricultural: top dressing, and spraying. Sunair Aviation has also commenced weekday flights between Wairoa and Napier. Central Government has provided \$1.2 million to extend the runway. This extension will allow larger aircraft to land and enhances the towns resilience and connectivity during disaster responses.

Airport Landing Report			
	2021/2022	2022/2023	2023/2024
July	172	124	85
August	206	187	259
September	271	158	189
October	198	108	110
November	112	160	111
December	133	119	124
January	89	83	82
February	66	242	110
March	73	316	82
April	47	167	188
May	56	287	98
June	119	108	76
Total	1542	2059	1514

Landings at the airport were down in 2023/2024, compared to last year by 26%. However, 2022/2023 Airport Landing numbers were inflated due to the Civil Defence response to Cyclone Gabrielle requiring goods and personnel to be flown into the district given the landslips blocking state highways 2 and 38. Landing numbers for 2023/24 are in line with those from 2021/22.

This equates to around four landings per day at the Wairoa Airport. As can be seen below, the extreme weather events affecting our region over the past year impacted operations at the Wairoa airport resulting in the performance measure target not been met.

ACTUAL VS BUDGET

Transport operating expenditure in 2023/24 was higher than budgeted, due to the substantial amount of damage to our roading network caused by the extreme weather events our district has suffered over the past 2 years. Due to the location of the Wairoa District, our geography and reliance on the roading network there is a large amount of work required to maintain access to our district is required following every weather event. Due to the number of repairs required to our roading network and the amount of subsidies received to undertake repairs our capital spend in this area over the last financial year was lower than budgeted for.

Detailed Financial results can be found in the Transport Funding Impact Statement in Section 3.

FUNDING IMPACT STATEMENT SUMMARY

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Transport Operating Funding	10,077	27,430	10,616	10,740	42,889
Transport Operating Costs	9,134	26,720	9,519	9,771	42,486
Surplus (deficit) of Transport Operating Costs	943	710	1,097	969	403
Transport Capital Funding	5,950	6,880	21,232	18,224	16,231
Transport Capital Costs	6,893	7,590	42,464	19,193	16,634
Surplus (deficit) of Transport Capital Funding	(943)	(710)	(21,232)	(969)	(403)

TRANSPORT PERFORMANCE DATA

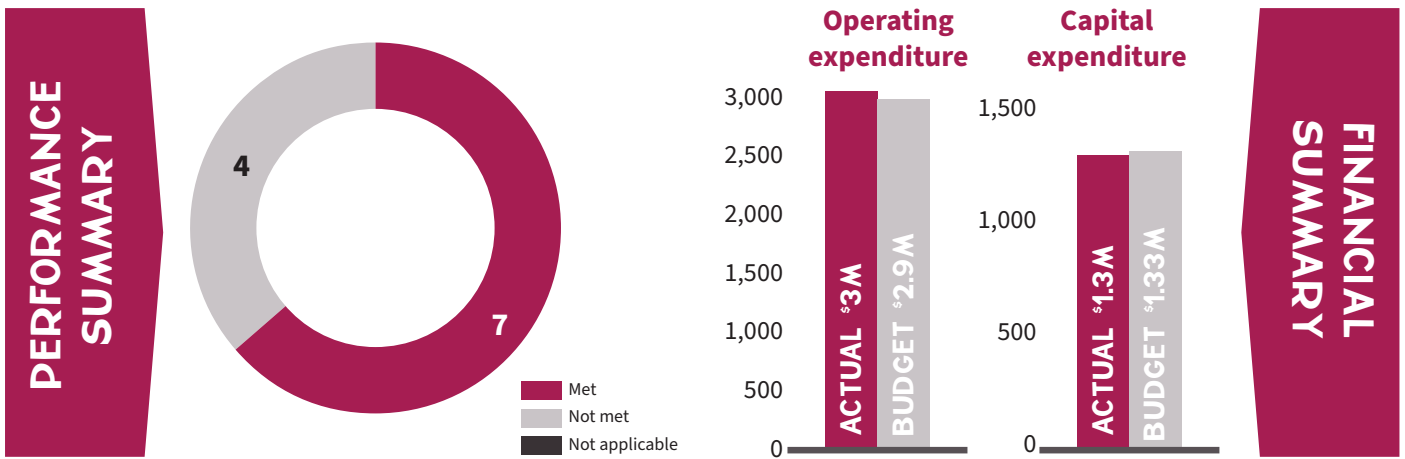
The following section outlines Council performance measures for our transport activity. It includes data for the last two financial years, along with current year data to show trends in our achievement of these measures

over time. We use these performance measures to track how well we are delivering services against targets as set out in our Long-Term Plan.

Levels of Service	Performance Measure	2021/22 Actual	2022/23 Actual	2023/24 Target	2023/24 Actual	
The land transport network is designed and maintained to be safe	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	-8	-3	≤0	2	⊗
Road users will experience a fair ride quality on a well-maintained and managed sealed road network asset	Average Roughness – sealed roads which meet smooth road standards for ‘fair’ ride quality	96%	86%	Average NAASRA of the sealed road network <110	94%	✓
	The average quality of ride on a sealed local road network, measured by Smooth Travel exposure	93%	97%	≥90% of sealed network smoother than specified threshold	95%	✓
	The percentage of footpaths in average condition or better (measured against WDC condition standards)	86%	87%	95%	83%	⊗
	Road users consider the land transport service to be “fairly good, very good or better”	34%	22	>75%	29%	⊗
The land transport network is managed in a manner that assists the economic development of the district	Percentage of network unavailable to Class 1	0.3%	2.2%	<0.1%	0.5%	⊗
	Percentage of network unavailable to 50 max	2.1%	4.3%	<15%	4%	✓
	Number of bridges not meeting HCV Class 1 requirements	6	9	≤4	6	⊗
Road assets are managed prudently to ensure long term financial sustainability for current and future generations	The percentage of sealed road network that is resurfaced annually (by area)	5%	4%	6%	6%	✓
	Response to service requests:Percentage of customer service requests responded to within 5 days	90%	72%	>90%	67%	⊗
Council quickly restores access on key routes after natural event	No. of journeys impacted by unplanned events	24,281	97,111	2% decrease on previous year	54,699	✓
	No. of instances where road access is lost	14,926	96,226	Decreasing trend on previous year	30,979	✓
	CSR complaints related to dust	9	11	Decreasing trend on previous year	24	⊗
	Percentage of programmed dust reduction initiatives completed annually	0%	100%	100%	100%	✓
Airport	Number of times when the airport is closed (not available to be used), per year	0	7	0	1	⊗

NGĀ TAPUTAPU HAPORI

COMMUNITY FACILITIES



88%

OF LIBRARY USERS SATISFIED WITH THE COLLECTION



98%

OF USERS SATISFIED WITH MUSEUM VISITS

CEMETERIES

We provide and maintain public cemeteries at Wairoa, Nuhaka, Frasertown, Ruakituri and Mōrere. Over the past year we have ensured the public have access to these cemeteries even during our extreme weather events.

Continual wet weather and soils has exacerbated impact of wind on trees around the cemetery reserves. Old trees have continued to topple and collapse. Wet lawn surfaces resulted in reduced mowing frequency to limit damage to turf and surfaces. The upper cemetery exit road received damage from down trees removal after the Cyclone and is being assessed to repair damage to water tables, culverts, and seal.

The key focus for the next year is to complete a full review of the Wairoa cemetery site and services in line with the Cemeteries Bylaw 2023. The review includes site design and development needed and the ability available at the site.

Cemetery statistics for the 2023/24 year are as follows:

	Ashes	Caskets
Plot Purchases	37	1
Interments	23	9

PUBLIC TOILETS

The provision of public toilets that are safe and well maintained is an important council funded facility. We undertake this activity to support public demand and deliver a duty of care to our community. Delivering

this service helps us look after the social, economic, environmental, and cultural wellbeing of our people and district. Wairoa District Council operate public toilets across the district with plans to install more over the next three years as part of the North Clyde River reserve, Tuai playground development and the Te Reinga scenic reserve as well as upgrading toilets at Opotama and Mahia.

Toilet upgrades, at Oraka and Nuhaka have been completed and focus now turns to significantly improving the North Clyde Toilets to create a highly visible, attractive alternative for travellers. The theme will be a rest area for those travelling through, with facilities available for pop up food vendors.

WAIROA RIVERSIDE MOTOR CAMP

The Wairoa Riverside Motor Camp was extensively damaged in February 2023, due to the flooding effects of Cyclone Gabrielle. As a result, extensive flood resilience measures were completed, and the motor camp was preparing to reopen, the June 2024 flooding again deposited silt across their grounds. The campground was less impacted with these floods however the recently replaced laundry facilities were impacted .

At the time of writing, necessary repairs have been carried out and the Campground has reopened.

PARKS AND RESERVES

Parks and Reserves across our District have taken a battering over the past 18 months with the extreme weather events. Despite this, work continues to provide safe, well maintained, and accessible open spaces across the district. External funding has been secured to develop the North Clyde Parade Reserve with work scheduled to start during 2025. External funding has also been secured to continue to restore the Wairoa riverbank following Cyclone Gabrielle. This work is underway and will continue during 2024. Tree maintenance is ongoing with a range of high-risk sites completed, including Mangapoike Road and Cemetery plus river reserve. The Mountain Bike Track has continually required higher than normal clearing after wind events, with branches, cones and pine needles hindering riders.

WAIROA COMMUNITY CENTRE

Sport Hawke's Bay (SHB) currently manages the Council-owned asset, and the Centre had a record year in 2023-2024, recording more than 94,000 people movements – one of the best results in many years. This is a great achievement for SHB's He Oranga Poutama team.

The Community Centre is more than just a pool, sports, and fitness centre. It is a community hub with a community wellbeing focus, and a facility to enhance the sport, recreation, and personal wellbeing of the community.

Aquatic based activities continue to thrive. Learn to Swim classes remain at capacity with a waiting list. Schools take the opportunity to participate in Water Safety and Survival Skills programmes. Kahungunu Executive Water Walking sessions are three times a week. Wairoa College Special Needs Unit utilise both pools for wheelchair and more active students. Rukuhia Wāhine Toa utilise the pool space to share knowledge of diving technique, and for trainings and wānanga.

The Gymnasium received external funding to assist with a lighting upgrade. Feedback from users of this area has been positive, the difference has been noticed and appreciated. This area of the Community Centre played host to the Wairoa Matariki Celebrations. The growing interest of Pickleball has benefited from the Gym and the activities of Indoor Netball Night League, mini ball and basketball demonstrate the need our community has for this facility.

The upper level of the Centre is the home of the Fitness Centre. When comparing visitor numbers from the previous year, there has been an increase of approximately 40%. The vibe at the Fitness Centre has a positive energy and is reflected in the traffic through to door. Queen Street Practice, Wairoa Young Achievers Trust and Green Prescription are all programmes that invest in community health and wellbeing.

Severe weather events continued through this year when our District was still trying to recover from the impacts of Cyclone Gabrielle. The Centre supported whanau by providing a haven for whanau to have fun, access to shower facilities, delivered a holiday programme and a free concert with vocalist Taisha Tari at a free whanau event.

External funding contributes to the operating costs of the Centre, and we continue to monitor funding platforms and engage with funding groups seeking opportunities to further support programmes and activities to benefit the community.

WAIROA CENTENNIAL LIBRARY

Library Activities

The Wairoa Centennial Library contains over 61,000 books and digital resources. We hold regular reading programmes for adults and children, fun activities, and events. The Digital Hub upstairs in the library provides people with various forms of digital connection. This includes courses using Microsoft products, coding and 3D workshops which are run weekly. The library has average annual visitor numbers of over 33,000 and over 19,000 virtual engagements.

Our library is more than a place to go when you want to check out a book to read, it is also a place to learn, a knowledge hub with activities that have included the following this past year:

After School Programme - Science, Technology, Engineering, Art, and Mathematics (STEAM) - there were 80 STEAM education classes with Tamariki with a variety of lessons.

Tweens Book Club – this programme focusses on students between the ages of 9 to 12. 40 reading classes and higher learning activities were held this year. Parents have provided positive feedback on how much their Tween now loves reading and looks forward to attending these classes. The success of this programme has also been shared with the Library Managers of NZ.

Christmas stories, crafts and Santa's visits were held in December. The Christmas programme was at full capacity and Santa was kept busy receiving requests for Christmas stockings.

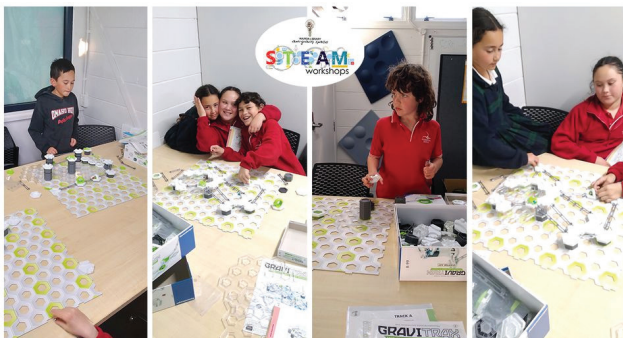
With a focus on cyclone recovery, the Community Seed Exchange Library initiative was launched. Patrons were invited to exchange seeds to grow in their home garden. Workshops were held to educate on how to store and grow seeds. This initiative continues and provides an opportunity for our community to come together and share what we have.



	This year
Visitors to the library	33,158
Visits to the virtual library	16,451
Reading program participants - both child & adult programmes	715
Programmes offered	321

Digital Hub

The library is also the location of the Digital Hub that offers 3D printing classes, Coding classes, weekly computer courses for digital literacy and a gateway to assist households sign up to affordable broadband service Skinny Jump. Requests for Skinny Jump for households continue to be popular since the library partnered with them in 2021 with 187 households accessing this service in 2023/24. We also offer Digital Steps – a course to build confidence in using devices for the subjects of Computer Basics 1 & 2, introduction to Excel spreadsheets, Microsoft Word essentials, Zoom, emails and smartphone which continues to be popular.



WAIROA VISITOR INFORMATION CENTRE (ISITE)

The Wairoa Information Centre is a member of isite New Zealand. There are almost 60 isite Visitor Centres throughout New Zealand providing comprehensive, up to date information and a New Zealand wide booking service for attractions, activities, accommodation, and transport.

The Wairoa Visitor Information Centre is run and funded by Wairoa District Council as part of its economic development function. The centre provides a transport hub for Intercity buses and hold the local hunting licence agency. The centre also sells products promoting Wairoa and showcasing local businesses.

The isite is scheduled to move to new premises in January 2025. This will provide an isite that can contribute to the CBD's vitality/vibrancy as well as making it easier for bus passengers, visitors, and locals to access the services they require. The isite will be a well-diversified entity that equally services local and tourism needs. For the near future the isite will focus on locals' needs whilst still developing and promoting new tourism opportunities.

ACTUAL VS BUDGET

Operating expenditure in the Community Facilities area for 2023/24 was higher than budgeted, mainly due to the amount of clean-up work involved to reopen community facilities such as parks and reserves following weather events. Capital costs in this area were under budget for the 2023/24 financial year as proposed projects in this area have been postponed due to the work required to maintain access to existing facilities.

Detailed Financial results can be found in the Community Facilities Funding Impact Statement in Section 3.

FUNDING IMPACT STATEMENT SUMMARY

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Community Facilities Operating Funding	3,212	3,230	3,330	3,841	3,938
Community Facilities Operating Costs	2,970	2,651	3,061	2,901	2,972
Surplus (deficit) of Community Facilities Operating Costs	242	579	269	940	966
Community Facilities Capital Funding	(207)	(326)	(234)	(234)	358
Community Facilities Capital Costs	35	253	35	706	1,324
Surplus (deficit) of Community Facilities Capital Funding	(242)	(579)	(269)	(940)	(966)

COMMUNITY FACILITIES PERFORMANCE DATA

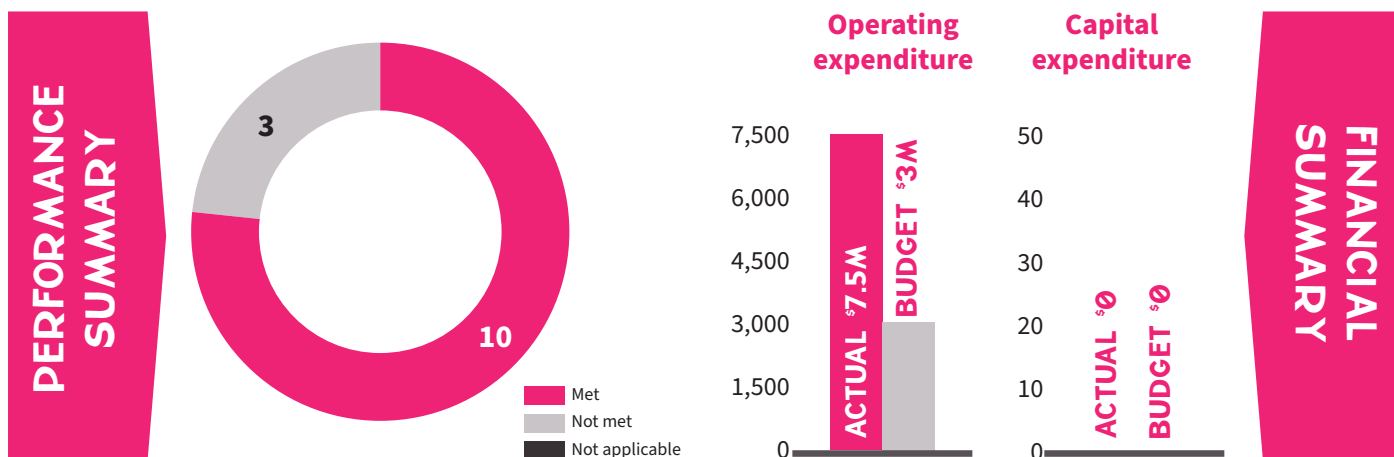
The following section outlines Council performance measures for our community facilities activity. It includes data for the last two financial years, along with current year data to show trends in our achievement of

these measures over time. We use these performance measures to track how well we are delivering services against targets as set out in our Long-Term Plan.

Levels of Service	Performance Measure	2021/22 Actual	2022/23 Actual	2023/24 Target	2023/24 Actual	
Parks, Reserves & Cemeteries						
Cemetery assets are well maintained	Percentage of residents' overall satisfaction with cemetery maintenance	97%	64%	80%	66%	⊗
Parks and reserve assets are well maintained	Percentage of residents' overall satisfaction with parks and reserves maintenance	83%	52%	80%	60%	⊗
Provide prompt responses for service	Percentage of open space requests responded to within 24 hours	80%	76%	>85%	29%	⊗
Library						
Library delivers positive and high quality experiences	User satisfaction (%) with library services	88%	93%	≥80%	95%	⊙
	User satisfaction (%) with library collection	95%	77%	≥80%	88%	⊙
Library is accessible and well utilised by community	Completion rate (%) of programme attendees	82%	91%	≥80%	89%	⊙
	Library physical visits	25,941	41,740	32,000	33,158	⊙
Museum and Community Centre						
Community Centre is accessible and well utilised by community	Total visits to the Wairoa Community Centre	109,721	87,259	Visitor numbers ≥ previous year	94,242	⊙
	User satisfaction (%) Community Centre	89%	75%	>80%	76%	⊗
Museum is accessible and well utilised by community	Total visits to the Wairoa Museum	2,031	895	Visitor numbers ≥ previous year	3,359	⊙
	User satisfaction (%) Wairoa Museum	91%	99%	>80%	98%	⊙

TE MAHERE ME TE WAETURE

PLANNING & REGULATORY



\$19.12M

**VALUE OF BUILDING
CONSENTS ISSUED**



107

**BUILDING
CONSENTS ISSUED**

BYLAW ENFORCEMENT

Wairoa District Council has collaborated with Rongomaiwahine Iwi Trust (RIT) to run the Manaaki Tangata kaimahi programme that aimed to educate visitors about the district and the designated areas for freedom camping. This initiative placed a significant emphasis on education, aiming to inform tourists about the reasons certain camping locations are off-limits and providing an opportunity for campers to gain knowledge before any regulatory measures are enforced.

The Wairoa District saw an increased number of campers in comparison to previous years. A total of 690 campers were counted in the 2023/2024 period. Despite increased numbers, we once again saw fewer non-compliant campers as well as less infringements issued. The most popular camping spot in our region was Opoutama/Blue Bay. More campers were also seen on Ormond Drive and Memorial Park compared to previous years. There was a minor decrease of campers at Oraka and Pilot Hill.

All current bylaws administered by Council will be reviewed in the 2024/2025 year to ensure they continue to meet legislative requirements.

RESOURCE CONSENTS

There were 39 resource consent applications granted between July 2023 and June 2024. The same amount as the 2022/23 year. We have seen a 44% decrease in subdivision consents from the 2022/23 year with 10 subdivision consents granted in the 2023/24 year (18 in 2022/23).

Wairoa District Council has seen resource consent numbers fluctuate post Cyclone Gabrielle, and other weather events including the June 2024 severe weather event. This is to be expected as the effects of these weather-related events linger.

In terms of residential development, the Te Rāua housing project has progressed with applications for building consents underway. This subdivision is expected to add 32 houses to Wairoa's housing supply. Additionally, building consents have been granted for the Tihitihi Pā subdivision, which will contribute 37 houses to the local housing stock.

Our staff are project managing the deployment of temporary accommodation units on behalf of the Temporary Accommodation Service (Ministry of Business, Innovation and Employment -MBIE) to assist with the recovery and returning flood affected whānau back to their properties. This project management includes undertaking site checks and co-ordinating builders, plumbers, and electricians to get these cabins serviced. Significant engagement is also being done between community stakeholders and TAS staff.

During the reporting period the Planning team's capacity was strained due to vacancies in the Planning team. This placed significant pressure on existing resources, affecting various responsibilities such as processing planning consent applications, managing duty planning, handling administration and queries, vetting building consents for planning compliance, addressing LIMs, monitoring and compliance. Due to the staff shortage, consultant support has been required.

However, an intermediate planner position was successfully filled in July 2024, allowing the Council to process the majority of the resource consents internally. Additionally, the Planning and Regulatory Administration role was filled in January 2024. This role is focused on processing LIMs, vetting building consents for planning compliance, handling administration and queries.

BUILDING CONTROL

There were 107 building consent applications granted in the 2023/24 years for a total value of \$19.12m. This compares to 124 building consent applications received in the same period the year before. 362 inspections were also completed during this period. This demonstrates a slight decline in the number of consents being applied for in the area. During this time, the average number of days taken to process a building consent was 12.26 days which is well within our 20 working days statutory processing limits.

Challenges and achievements

The competition for skilled building consent personnel on a national scale has grown steadily, driven by enticing remuneration packages offered by Central Government agencies and private contractors. This has posed a challenge for local councils striving to match these attractive incentives. In response, a comprehensive overhaul, both structurally and attitudinally, was initiated in the functioning of the Building Consent Authority (BCA).

Staffing levels have increased with the employment of two BCO cadets & two administration staff. Given the complexity of building consent applications and auditing demands, it is imperative to retain and enhance the skills of our existing staff. The heightened scrutiny from auditing bodies has further strained resources, necessitating intensive efforts from the team over the past 12 months.

On February 14, 2023, the Wairoa District faced the impacts of Cyclone Gabrielle, causing widespread flooding and damage. Subsequently, Rapid Building Assessments (RBAs) were conducted on over 400 affected buildings, placing significant stress on BCA resources. Flooding events occurred later in the year including in Nuhaka and Mahia affecting more buildings requiring further RBAs and staff resourcing. In June 2024 a further flooding event in the Southern side of the Wairoa township resulted in 128 yellow placards issued.

In the aftermath of these events, the BCA sustained high workloads as the town works through the recovery phase. Homeowners and builders require moisture checks on each property before relining interior walls, verification of silt levels beneath buildings, and compliance with MBIE guidelines. This heightened workload is anticipated to persist for the next two-three years.

Due to the subsequent flood events the 2024 IANZ (International Accreditation New Zealand) assessment was split into two parts, with part one being completed remotely in April 2024, The BCA received two general non-compliances which were cleared during the assessment period. Phase two was completed in September 2024. Three general non-compliances were received for minor procedural errors.

Meeting our required targets

Due to increased consenting and flood relief efforts, 90.6% of consents met their performance measures for issuing building consents and 98% of code compliance certificates were issued within the 20-day statutory timeframe. During this period 89% of LIM applications were processed within the statutory timeframe of 10 working days.

Improvements

The Building Control Department has recently brought on board two new trainee Building Compliance Officers to address the escalating workloads within the BCA and Territorial Authority space, specifically focusing on swimming pool inspections and Building Warrant of Fitness audits.

A significant enhancement has been introduced by transitioning from the “Alpha1” building consent application portal to the “Build” portal. Both portals are under the control and maintenance of the same software company, Objective. This modification enables applicants not only in Wairoa but also across the country, where other councils use Objective software, to conveniently view and manage their Building Consent Applications. Users now have access to their applications lodged with any council utilizing Objective software.

The department has instigated multiple system improvements aimed at reducing costs and gaining efficiencies as we look to reduce the cost of the service to Wairoa ratepayers.

Number of Building Consents Issued	
2021/2022	119
2022/2023	124
2023/2024	107

ENVIRONMENTAL HEALTH

Food control

The department remains on top of their verification workload. The majority of premises this year have complied with the requirements and any issues that have been found during verifications have been fixed. Environmental Health Officers are still noticing an increase in mobile traders and at home food registrations which has increased workloads but is manageable at this stage. A lot of time is still being spent investigating illegal Facebook/Online sellers. Educating and promoting these businesses to be legally registered

is under way. All registered hairdressers, funeral directors, campgrounds, and offensive trade businesses have undergone compliance checks and minimal issues were found.

Liquor Control

Compliance inspections have been conducted on most licensed premises both during the day and at night, and only minimal issues have been identified. In preparation for the upcoming expiration of the current District Licensing Committee's tenure in December, an advertisement seeking new committee members will be published in the near future. Additionally, due to the recent closure of the local newspaper, all public notices related to alcohol applications are now being displayed on the Wairoa District Council's website, ensuring continued public access to this important information.

Noise Control

Over the last 12 months, staff have continued to attend to noise complaints, during working hours if available, and a Council appointed contractor attends after hours and during working hours when an Environmental Health Officer has not been available. Generally, noise complaints have been assessed objectively by the officer without the use of a noise level meter. The number of noise complaints has remained relatively the same as previous years.

Nuisance Control

Complaints regarding matters relating to Environmental Health are investigated by the Environmental Health Officers. Wairoa District Council staff work with the Regional Council's Pollution Response Team regarding environmental issues. Other nuisance issues include long grass complaints which are called in mainly reported as a fire hazard or rat issue. On investigation in most cases, no pest activity can be found or taken. Fire hazard issues sit with Fire and Emergency New Zealand. In most cases complaints are more around the aesthetics of the long grass.

Water Testing

Environmental Health Officers are involved in routine water testing of locations in the Wairoa District including Council water supplies, rural food premises, schools, and private residences. Environmental Health Officers provide advice to the community about water treatment and effective decontamination of contaminated residential water supplies. Our Environmental Health Officers and the Trade Waste Compliance Officer continue to assist the Water Treatment Plant team by testing the bore water supply at Māhanga which is an unpotable supply.

Trade Waste

The majority of those that require trade waste consent are now compliant. Renewal applications of issued

consents continue to be received, showing that the majority were now complying and understanding the Bylaw requirements. General monitoring has also occurred for most of the issued consents.

BYLAW CONTROL

Dog control

97% of the 3,028 known dogs in the district have been registered for the 2023/24 registration year. The Compliance team has actively responded to numerous complaints related to dog control, with a slight decrease observed in the number of impounded dogs compared to previous years. The incidence of dog attacks on people and other animals has remained relatively stable. This year, the Compliance team has prioritized enhancing public communication and education through various media channels.

A strong working relationship has been maintained with animal welfare agencies, this has facilitated increased opportunities for neutering cats and dogs, cat trapping initiatives, and enabled the Council to rehome suitable dogs outside the district. Additionally, funding has been allocated for the construction of a new dog pound, with the upcoming year focusing on the management of this project.

Livestock control

The Compliance team work on 24/7-day rosters, actively responding to late-night and early callouts. In their commitment to preventing serious accidents within the district, the Compliance team is proactively engaging with stock owners, including farmers, lifestyle owners, and companion animal owners.

This collaboration aims to foster awareness and implementation of sound management practices to ensure the well-being of both the livestock and the community. Dog and livestock control incident numbers over the past three years are shown in the table below.

	Number of Incidents responded to	
	Dog Control	Livestock Control
2021/22	557	178
2022/23	591	227
2023/24	438	203

ACTUAL VS BUDGET

Operating expenditure in 2023/24 was more than budgeted, mainly due to the amount of emergency grants and recovery subsidies received. We would expect to see growth in capital costs in this area in the coming year as we look to restart stalled projects such as the development of our new dog pound.

Detailed Financial results can be found in the Planning and Regulatory Funding Impact Statement in Section 3.

FUNDING IMPACT STATEMENT SUMMARY

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Planning & Regulatory Operating Funding	1,859	7,858	1,910	2,351	6,903
Planning & Regulatory Operating Costs	2,138	8,839	2,179	2,957	7,460
Surplus (deficit) of Planning & Regulatory Operating Costs	(279)	(981)	(269)	(606)	(557)
Planning & Regulatory Capital Funding	293	981	294	606	545
Planning & Regulatory Capital Costs	14	-	25	-	(12)
Surplus (deficit) of Planning & Regulatory Capital Funding	279	981	269	606	557

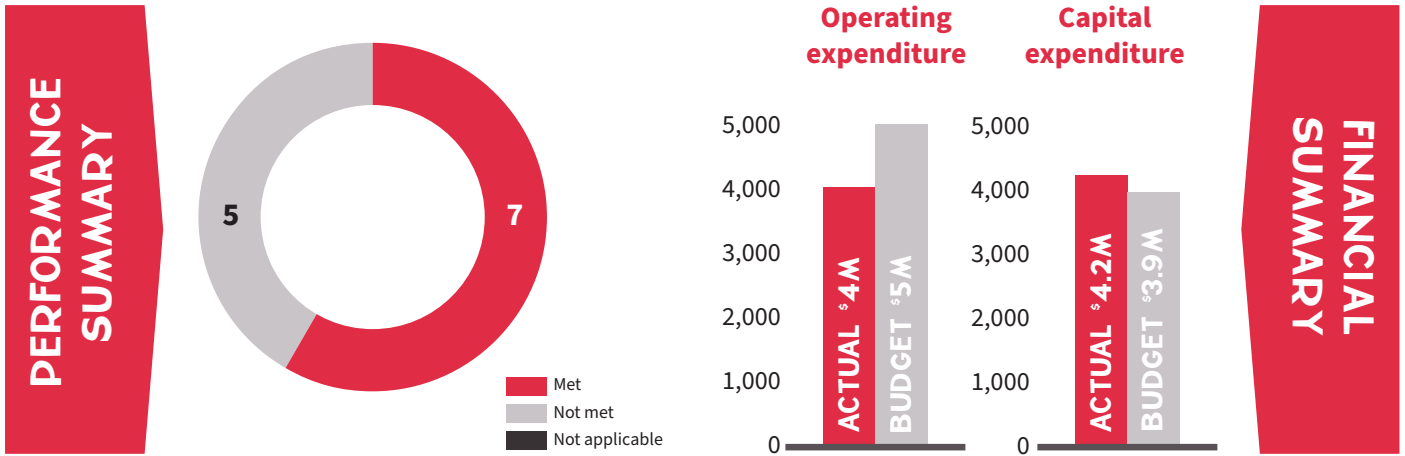
PLANNING & REGULATORY PERFORMANCE DATA

The following section outlines Council performance measures for our Planning and Regulatory activity. It includes data for the last two financial years, along with current year data to show trends in our achievement of

these measures over time. We use these performance measures to track how well we are delivering services against targets as set out in our Long-Term Plan.

Levels of Service	Performance Measure	2021/2022 Actual	2022/23 Actual	2023/24 Target	2023/2024 Actual	
Building Control						
Provide an efficient, responsive and compliant building control service	Building consents (%) processed within statutory time frames	94%	90%	90%	91%	✓
	Certificates of acceptance (%) processed within statutory time frames	100%	100%	90%	100%	✓
	Users (%) who rate building control service as good or very good	60%	64%	≥80%	34%	✗
	Building Consent Authority (BCA) accreditation retained	Retained	Retained	Retain	Retained	✓
Bylaw Compliance						
Provide an efficient, responsive and compliant dog and stock control service	Known dogs (%) registered by 30 June each year	97%	99%	≥75%	95%	✓
	Annual Report about the administration of Councils policy and dog control practices adopted by 30 August each year.	Not achieved	Not achieved	Achieved	Achieved	✓
Liquor Licensing and Environmental Health						
Provide an efficient, responsive and compliant liquor control service	Management licenses (%) processed within 30 days	100%	100%	100%	100%	✓
	Renewal and new licences (%) processed within statutory time frames	100%	100%	100%	100%	✓
Provide an efficient, responsive and compliant environmental health service	Non-food premises registrations required under legislation completed (%)	100%	100%	100%	100%	✓
	Noise Control (unreasonable noise) complaints responded to in accordance with legislation, regulations, and council policy	100%	95%	90%	89%	✗
	Verification reporting to be completed within 10 days of verification as per Quality Manual.	New	90%	90%	100%	✓
Resource Planning						
Provide an efficient, responsive and compliant resource planning service	Resource consent % processed within statutory timeframe	96%	97%	100%	100%	✓
	Users (%) who rate resource consent service as good or very good	60%	47%	≥80%	57%	✗

LEADERSHIP & GOVERNANCE



56

OFFICIAL INFORMATION REQUESTS RECEIVED

COMMUNITY REPRESENTATION

Elected members - Council

The Wairoa District Council is made up of a Mayor, who is elected at large, and six councillors. The councillor seats are split into three Māori Ward seats and three General Ward seats. Over the 2023/24 year our elected members have been advocating for rebuild funding from external sources and ensuring the Wairoa voice is heard across the country.

Toward the end of this financial year the process commenced to undertake a review of Council's representation arrangements for the triennial local authority elections to be held in 2025. Council aims to adopt the preferred option during 2024-2025.

Youth Council

The Wairoa District Youth Council was established in 2021. This is a committee established to provide the Council with an independent youth voice to support decision-making at the local government level. By contributing to these decisions, the Youth Council members have the opportunity to offer feedback and insights on the effects of council decisions that will impact their generation and beyond, as future ratepayers.

Maori Relationships

Relationships with our Māori community remains paramount. We are committed to ensure that Māori are given every opportunity to participate in the decision-making process for Council.

Comprehensive cultural advice is provided to Council and its committees, management, and staff to ensure the success of several projects across the wider district – this includes supporting the Māori Standing Committee, attending multiple hui across the district and providing positive engagement for staff to increase their knowledge in cultural capability.

The Wairoa District Council pro-actively advocates, on behalf of the Māori community, the principles of the Māori Policy, the Te Reo Māori Policy and any other relevant policy or by-law.

EMERGENCY MANAGEMENT

Wairoa District Council's Civil Defence Emergency Management Team has become experienced in responding to weather-related events over the past 18 months, with emergencies declared for Cyclone Gabrielle in February 2023 and the June 2024 township flooding event.

Improved resilience is a future focus, and resilience measures include improved support for isolated communities, purchasing additional emergency pods using external funding and installing solar power at key facilities. As can be seen in the table of staff qualifications in Section 1 Wairoa District Council continues to upskill its staff in Emergency Management response procedures.

ECONOMIC DEVELOPMENT

Flood recovery

Cyclone Gabrielle impacted just over 100 North Clyde businesses. The June flooding affected mainly homes but also some home-based businesses.

Flood Recovery and supporting impacted business has been the focus for the Economic Development team. Support has been provided collaboratively with the Hawke's Bay Regional Council and Wairoa Business Association.

The flood events have created some opportunities for new businesses but have also put pressure on existing businesses, with some forced to close due to the challenging trading conditions.

Business growth

Wairoa's CBD was given a boost with the long-awaited opening of Ahi Kōmau - Gemmells on Parade in December 2023. The development involved transforming the main street burnt-out buildings site into a community courtyard and three retail spaces using mainly external funding sourced through the Provincial Growth Fund.

Regional Economic Development Agency

The Regional Economic Development Agency (REDA) is a partnership between business, iwi/hapū and local government in Hawkes Bay. The Matariki Governance Group (which has oversight over the regional economic development strategy) will have responsibility for board appointments for the establishment group. This group adds co-governance to the REDA model. This is a transformational step forward and a first for local government REDAs. The Hawkes Bay Business Hub in Ahuriri remains operational while the process of establishing the REDA is undertaken.

Mayors Taskforce for Jobs

The assistance offered through the Mayor's Taskforce for Jobs has been transformational for Wairoa rangatahi and our community. Over the past year, The Mayors' Taskforce for Jobs assisted 55 clients into employment, 17 into apprenticeships and engaged with 32 employers. Notably, the roles being filled are vital to our community and are helping to strengthen our businesses and the services they offer.

The cyclone significantly impacted Wairoa. Out of adversity comes opportunity, and the Wairoa Young

Achievers Trust has identified areas of need created by the cyclone and trained local rangatahi to support our community's recovery. As a result, we saw teams clearing silt from under houses, completing traffic management courses to assist in vital road repairs and gibbing courses to help reline damaged homes and buildings. These skills have been crucial at a time when our community has suffered the most.



RECORDS AND ARCHIVES

The future storage and management of Council archives is one of the big decisions consulted on with our community as part of the 2024-2027 Long-Term Plan. Currently, our archives are stored in the former Wairoa Fire Station, with the storage not compliant with the requirements of the Public Records Act 2005. Our community clearly favours keeping Wairoa's archives local.

We continue to catalogue our existing collection of maps and Council records in preparation for moving these records to a new home once storage options have been explored, discussed with the community, and a decision has been made.

ACTUAL VS BUDGET

Both Operating and Capital expenditure in this area were below budget for the 2023/24 year. We would expect to see an increased spend in Capital expenditure in this area in the coming year as a decision is reached on the future housing of the Wairoa District Council Archives. This area is responsible for Emergency Management responses however most of these costs are covered by Central Government through Civil Defence which helps explain the below budget result in operating expenditure.

Detailed Financial results can be found in the Leadership and Governance Funding Impact Statement in Section 3.



FUNDING IMPACT STATEMENT SUMMARY

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Leadership & Governance Operating Funding	3,047	3,618	3,148	3,881	4,521
Leadership & Governance Operating Costs	2,963	3,168	3,060	5,028	3,973
Surplus (deficit) of Leadership & Governance Operating Costs	84	450	88	(1,147)	548
Leadership & Governance Capital Funding	(84)	1,558	(14)	5,053	3,649
Leadership & Governance Capital Costs	-	2,008	74	3,906	4,197
Surplus (deficit) of Leadership & Governance Capital Funding	(84)	(450)	(88)	1,147	(548)

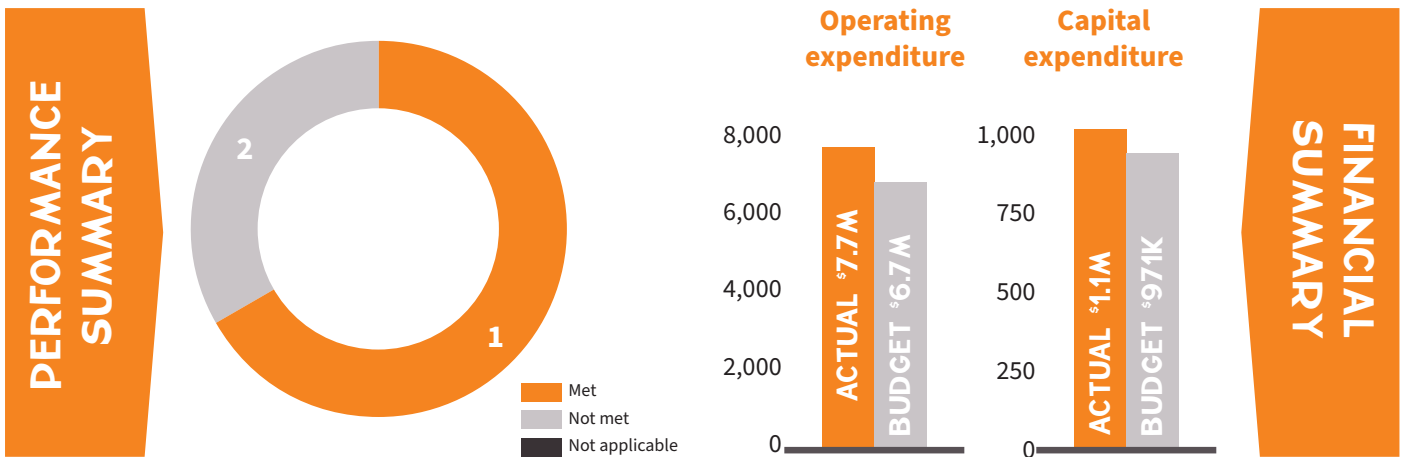
LEADERSHIP & GOVERNANCE PERFORMANCE DATA

The following section outlines Council performance measures for our Leadership and Governance activity. It includes data for the last two financial years, along with current year data to show trends in our achievement of

these measures over time. We use these performance measures to track how well we are delivering services against targets as set out in the Long-Term Plan 2021-2031.

Levels of Service	Performance Measure	2021/2022 Actual	2022/23 Actual	2023/24 Target	2023/2024 Actual	
Elected members are accessible and responsive to community	Residents (%) who know how to contact elected members	74%	76%	≥85%	45%	⊗
	Residents (%) satisfied with Mayor and Councillors	63%	45%	≥85%	47%	⊗
Council facilitates democratic decision-making, and community engagement opportunities	Meeting and committee agendas (%) made available to the public within statutory time frames	100%	100%	100%	100%	⊙
	Residents (%) who believe they have adequate opportunities to have their say in Council activities	70%	45%	≥85%	60%	⊗
	Residents (%) who state they are satisfied with how the Council makes decisions	59%	34%	≥80%	25%	⊗
Council information is accessible and service compliant	Residents (%) who agree that Council information is easy to access (via website, libraries, social media, newspapers etc)	69%	53%	≥80%	39%	⊗
	Official information requests (%) handled within legislative time frame	100%	74%	100%	100%	⊙
Council supports and facilitates Māori participation in decision-making	The required number of nominations are received within established timeframes and appointments made to Council's Māori Standing Committee	Achieved	Achieved	Achieved	Achieved	⊙
	The Māori Standing Committee meetings are scheduled and attended no less than bi-monthly	Achieved	Achieved	Achieved	Achieved	⊙
Council supports progressive and collaborative economic development for the district	Actions in the Economic Development Plan and Action Plan completed (% of actions completed)	88%	88%	≥80%	84%	⊙
isite is accessible, well utilised by visitors and delivers positive experiences	Total visits to the isite	9,170	1,911	Visitor numbers ≥ previous year	10,823	⊙
	User satisfaction (%) with isite	94%	90%	≥80%	91%	⊙

CORPORATE FUNCTIONS



2,639

**SERVICE REQUESTS
ISSUED BY OUR CUSTOMER
SERVICE TEAM**



346

**RATES REBATE
APPLICATIONS
ASSISTED WITH**

PROPERTY PENSIONER HOUSING

Wairoa District Council owns 32 Pensioner Housing units across 6 sites in Wairoa. Over the 2023/24 year we have continued to upgrade units as required to ensure we are meeting healthy homes criteria and ensure we meet the standards of a responsible landlord.

SUPPORT SERVICES

Support Services are the costs of operating the Council's administrative and support functions and other costs not directly attributable to any activity. These costs are allocated, except those that are attributed to a special reserve, via the overhead allocation process to the groups of activities, and these are reported as costs within those groups.

This group of activities includes finance, records and archives, administration and customer service, information services and GIS (Geographic Information System).

FINANCE

We manage councils' investments, cash, debt, equity, and property investments. Our treasury services offer low-cost funding for projects, immediate funds for emergencies, and day-to-day funding. During the 2023/24 year we continued to provide detailed information and reporting to Council and committees.

We have continued to build our business partnering services which we make available to the various Council departments to provide expert advice, support, and

strategic inputs to reporting, projects and planning. The finance and rate team, and customer services officers, offer support to ratepayers applying for rates rebates. This service is offered free of charge and ensures those on fixed income have access to the Government support available.

Rates Rebate Applications	
2021/2022	300
2022/2023	330
2023/2024	346

CUSTOMER SERVICES

Our Customer Services Team play a vital role during Civil Defence and other extreme weather events, by being the first point of contact the public have with the council. During these events the team are responsible for collection of incoming information and directing council response crews to dealing with these. During non-emergency times this team operate council phone lines, general email enquiries and council front desk services.

Number of Calls taken by Council Customer Services		
2021/2022	2022/2023	2023/2024
2,442	2,950	2,639

INFORMATION SERVICES

The Information Services Team ensure Council's Information Technology equipment, networks and programs remain operational. The value of having in house Information Services team has been proven during our recent Civil Defence emergencies as we were able to remain connected during the June 2024 floods due to having installed Starlink systems in the wake of Cyclone Gabrielle.

BUDGET VS ACTUAL

Operating expenditure in this area was slightly higher than budgeted in 2023/24. This outcome was balanced by lower than budgeted capital expenditure in this area. Most costs in this area relate to those required to meet

responsible landlord requirements for our pensioner housing.

Detailed Financial results can be found in the Corporate Functions Funding Impact Statement in Section 3

FUNDING IMPACT STATEMENT SUMMARY

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Leadership & Governance Operating Funding	6,997	8,305	7,576	6,929	7,272
Leadership & Governance Operating Costs	7,060	6,317	7,599	6,673	7,656
Surplus (deficit) of Leadership & Governance Operating Costs	(63)	1,988	(23)	256	(384)
Leadership & Governance Capital Funding	82	(1,723)	23	20	2,096
Leadership & Governance Capital Costs	19	265	-	276	1,712
Surplus (deficit) of Leadership & Governance Capital Funding	63	(1,988)	23	(256)	384

CORPORATE FUNCTIONS PERFORMANCE DATA

The following section outlines Council performance measures for our Corporate Functions activity. It includes data for the last two financial years, along with current year data to show trends in our achievement of

these measures over time. We use these performance measures to track how well we are delivering services against targets as set out in the Long-Term Plan 2021-2031.

Levels of Service	Performance Measure	2021/22 Actual	2022/23 Actual	2023/24 Target	2023/24 Actual	
To provide Council buildings that are compliant with legislative requirements	All pensioner housing units are proactively inspected six monthly	0%	100%	100%	100%	✓
Provide prompt responses for service	Percentage of requests responded to within 3 days (including safety defects)	92%	93%	>80%	50%	✗
To provide Council buildings that are well maintained	Percentage of defects in pensioner housing resolved within 24 hours	91%	85%	100%	100%	✓

COUNCIL CONTROLLED ORGANISATION

Quality Roading and Services (Wairoa) Limited or QRS is a Council Controlled Organisation 100% owned by Wairoa District Council.

Council-controlled organisations

Council Controlled Organisations (CCO) are defined by the Local Government Act 2002 as entities in which the Council holds over fifty percent shareholding or has the authority to appoint over fifty percent of directors. There are trading and non-trading CCOs, with trading ones like Council-Controlled Trading Organisations (CCTO) functioning akin to profit-making companies. An example is QRS, serving as both a CCO and CCTO.

Reasons for owning a CCO

Ownership of a CCO serves several purposes. It allows the Council to maintain expertise in construction, roading, and maintenance while fostering competition to reduce ratepayer costs. Supporting community initiatives is also central, with QRS being a major local employer and contributor to various community events, sports, and strategic sponsorships.

Accountability

Accountability is crucial, with QRS answerable to the Council, which sets objectives and monitors performance. The Council, in turn, is accountable to ratepayers for QRS' effectiveness and cost-efficiency. Annually, QRS agrees to a publicly available Statement of Corporate Intent with the Council, detailing activities, performance targets, reporting requirements, and more. QRS reports its performance against this statement at the financial year-end.

The Local Government Act 2002 outlines key objectives for CCOs, including meeting shareholders' objectives, being a responsible employer, exhibiting social and environmental responsibility, and for trading CCOs, adhering to sound business practices.

As per legal requirements, the Long-Term Plan includes information on Council-Controlled Organisations, with the following section summarising details from QRS' Statement of Corporate Intent.

Nature and scope of activities

QRS specialises in roading maintenance, civil construction, and quarrying, offering a comprehensive range of civil engineering services and equipment.

Its principal activities include:

- Roding maintenance and associated construction
- Civil construction projects
- Quarrying operations
- Heavy transport services
- Reserves maintenance
- Waste management solutions

Any surplus profits generated by QRS are directed to the Council in the form of dividends and community support initiatives.

Ownership policy and objectives

The Council's plans for QRS remain unchanged, with no intention to alter its ownership or control. The objectives set for QRS are:

- Maintain profitability and achieve all financial targets.
- Ensure positive cash flow for the company.
- Maintain effective governance within the company.

Further details can be found on QRS' website at www.qrs.co.nz



KEY PERFORMANCE INDICATORS

	30 June 2022	30 June 2023	2023/24	30 June 2024
	Actual	Target	Target	Actual
Net Profit as a percentage of opening Shareholder Funds (pre-tax)	17.4%	27.3%	6%	42.8%
Net Profit as a percentage of revenue (after tax)	5.4%	5.1%	3%	3.7%
Distributions to shareholder (uninflated)	\$250,000	\$1,050,000	\$250,000	\$1,050,000
Ratio of shareholder funds to total assets	68.4%	46.5%	45%	48.0%



NGĀ TAUĀKĪ PŪTEA

FINANCIAL STATEMENTS

UNDERSTANDING COUNCIL'S FINANCIAL STATEMENTS

The following descriptions have been provided to help explain the Council's Financial Statements.

For further information, please contact Wairoa District Council.

☎ 06 838 7309

✉ info@wairoadc.govt.nz

🌐 www.wairoadc.govt.nz

STATEMENT OF FINANCIAL POSITION

This is Wairoa District Councils Balance Sheet and shows its financial position at the end of the 2023/24 financial year. The council's financial position is determined by subtracting the value of all its liabilities, or what it owes, from all its assets, or what it owns. Wairoa District Councils assets include items such as cash and property, and its liabilities include items such as creditors and loans. The result is represented as equity and describes in financial terms what the Council is 'worth.' Due to the high investment in infrastructure, like roads and water networks, the value of Council's assets are significantly more than its liabilities and so its equity is substantial.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

This is the Council's Income Statement and shows how much total revenue or income Wairoa District Council received in the 2023/24 financial year versus how much it spent on running costs. Council's financial performance is determined by subtracting the value of its expenses or 'what it costs to run Council' from its total income. However, this is because the revenue includes capital subsidies from NZ Transport Agency Waka Kotahi (NZTA), the Department of Internal Affairs and Crown Regional Holdings Limited (CRHL). This money is spent on assets which are recorded in the balance sheet.

STATEMENT OF CHANGES IN EQUITY

This statement shows the changes to the Council's equity or 'worth.' The change is represented by the difference in equity at the start of the 2023/24 financial year versus the end. The equity at the end of the 2023/24 year is determined by adding the net surplus from the Council's Statement of Comprehensive Revenue and Expense to the value of the Council's equity at the beginning of the 2023/24 financial year.

Equity is divided into 3 components:

- 1. Ratepayer's Equity:** the total of all operating surpluses and deficits since Council began
- 2. Special Funds:** represent amounts accumulated and held for specific purposes, such as township development and asset renewals. When these funds are used or topped up there are transfers between Ratepayer Equity and Special Funds.
- 3. Revaluation Reserve:** this reflects changes in the value of infrastructure and the current cost of replacing assets that were built years ago. Wairoa District Councils roading and Water assets are revalued every 3 years or more frequently if required.

STATEMENT OF CASH FLOWS

This statement shows the flow of cash within Council's operating, investing and financing activities in the 2023/24 financial year. Council's cash at the end of the 2023/24 financial year is determined by subtracting the cash that flows out (is spent) from the cash that flows in (is received). The council's inflows of cash include rates and investment income, and its outflows of cash include payments to suppliers and loan repayments.

BUDGET DATA

The budget data used in the following financial statements is the third year of the Long Term Plan 2021-2031, which equates to the 2024 year (LTP 2024).

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

REPORTING ENTITY

Wairoa District Council is a territorial local authority governed by the Local Government Act 2000.

The Council group consists of Wairoa District Council and its 100% owned subsidiary, Quality Roding and Services (Wairoa) Limited. The reporting date of the Council and its controlled entity is 30 June.

The group operates in one geographic segment (New Zealand) and in two industries, being that of local government and construction and maintenance activities (operated by the 100% owned subsidiary). Both entities included within the Group are domiciled in Wairoa, New Zealand.

The primary objective of the Council and Group is to provide goods or services for the community or social benefit rather than making a financial return. As a defined public entity under the Public Audit Act 2001, the Council is audited by the Office of the Auditor General and is classed as a Public Sector Public Benefit Entity for financial reporting purposes.

COMPLIANCE

The Council and management of Wairoa District Council confirm that all statutory requirements in relation to the Annual Report, as outlined in Schedule 10 of the Local Government Act 2002, including the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) have been complied with.

The financial statements have been prepared to comply with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 1 entity* and were authorised for issue by the Council on 31 October 2024.

RESPONSIBILITY

The Council and management of Wairoa District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the Council and management of Wairoa District Council, the Annual Report for the year ended 30 June 2024 fairly reflects the financial position, results of operations and service performance of the Wairoa District Council and Group.



Craig Little

Te Kahika
Mayor

31 October 2024



Kitea Tipuna

Te Tumu Whakarae
Chief Executive Officer

31 October 2024

*Note: A Tier 1 entity is defined as being either publicly accountable or large (e.g. expenses over \$30m). Wairoa District Council exceeds the expenses threshold.

HE TAUĀKĪ PŪTEA WHIWHI ME TE PŪTEA WHAKAHAERE

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

for the year ended 30 June 2024

	NOTE	COUNCIL				GROUP	
		Actual 2024 \$000	AP 2024 \$000	LTP 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Revenue							
Rates	2	19,141	18,664	18,037	16,530	19,141	16,530
Subsidies and grants	2	58,491	29,380	12,978	39,836	58,491	39,836
Petrol tax		82	80	90	77	82	77
Construction revenue		-	-	-	-	16,858	10,156
Fees and charges		3,324	3,227	2,360	2,516	3,147	2,428
Investment revenue	2	1,077	1,183	594	536	779	368
Miscellaneous revenue		-	-	-	622	581	866
Total revenue		82,115	52,534	34,059	60,117	99,078	70,261
Expense							
Water supply		3,187	2,581	2,430	2,713	3,187	2,713
Stormwater		1,090	976	636	645	1,090	645
Wastewater		3,107	2,756	2,514	2,734	3,107	2,734
Solid waste		3,173	2,791	2,882	2,457	3,173	2,457
Transport		48,543	14,731	13,527	33,832	48,543	33,832
Community facilities		3,459	3,256	2,484	2,877	3,459	2,877
Planning and regulatory		7,446	3,038	2,221	9,062	7,446	9,062
Leadership and governance		4,423	4,943	3,810	3,192	4,423	3,192
Corporate		1,403	1,245	1,093	1,018	1,403	1,018
QRS		-	-	-	-	13,624	8,110
Total expense		75,831	36,317	31,597	58,530	89,455	66,640
Net surplus / (deficit) before taxation		6,284	16,217	2,462	1,587	9,623	3,620
Subvention income		-	-	100	1,000	-	-
Taxation	9	-	-	-	-	(2,548)	(666)
Net surplus / (deficit) for the year		6,284	16,217	2,562	2,587	7,075	2,954
Other comprehensive revenue and expense¹							
Fair value movement – property, plant and equipment		39,789	-	-	142,927	39,789	142,927
Fair value movement in financial assets		-	-	-	-	-	-
Total comprehensive revenue and expense for the year		46,073	16,217	2,562	145,514	46,864	145,881

The notes from pages 59 to 92 form part of, and should be read in conjunction with, the financial statements

¹Other comprehensive revenue or expense is non-cash in nature.

HE TAUĀKĪ TŪ PŪTEA

STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

	NOTE	COUNCIL				GROUP	
		Actual 2024 \$000	AP 2024 \$000	LTP 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Current assets							
Cash and cash equivalents	6	2,307	1,379	1,963	13,688	2,968	14,866
Inventories	7	53	82	85	71	1,082	749
Trade and other receivables	5	17,161	6,624	3,217	13,550	18,645	14,824
Other current assets		-	-	-	-	26	293
Financial assets at fair value	8	-	1,025	-	351	-	351
Total current assets		19,521	9,110	5,265	27,660	22,721	31,083
Current liabilities							
Trade and other payables	10	20,702	7,990	5,416	16,416	19,616	17,331
Borrowings	17	3,500	1,500	2,000	11,500	3,576	11,956
Taxes payable		-	-	-	-	870	277
Total current liabilities		24,202	9,490	7,416	27,916	24,062	29,564
Working capital		(4,681)	(380)	(2,151)	(256)	(1,343)	1,519
Non-current assets							
Property, plant and equipment	11	499,886	312,567	334,802	455,018	509,492	462,480
Work in progress	11	4,568	28,851	12,630	6,093	4,568	6,093
Assets held for sale	11	18	18	23	18	18	18
Intangible assets	12	373	12	12	568	430	639
Biological asset - forestry	13	115	115	115	115	115	115
Investment in subsidiary	14	1,250	1,250	1,250	1,250	-	-
Investment property	15	8,332	369	-	361	8,332	361
Loan to subsidiary	16	1,037	-	-	1,036	-	-
Financial assets at fair value	8	781	1,498	887	742	781	742
Deferred tax	9	-	-	-	-	-	415
Total non-current assets		516,360	344,680	349,719	465,201	523,736	470,863
Non-current liabilities							
Trade and other payables	10	56	5,214	72	49	123	109
Landfill aftercare	18	2,032	1,205	1,347	1,378	2,032	1,378
Quarry aftercare	18	-	-	-	-	86	87
Borrowings	17	7,526	11,686	21,451	7,526	11,233	9,643
Deferred tax	9	-	-	-	-	892	-
Total non-current liabilities		9,614	18,105	22,870	8,953	14,366	11,217
Net assets		502,065	326,195	324,698	455,992	508,029	461,165
Represented by							
Equity	19	502,065	325,195	324,698	455,992	508,029	461,165

The notes from pages 59 to 92 form part of, and should be read in conjunction with, the financial statements

HE TAUĀKĪ MANA TAURITE

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2024

	NOTE	COUNCIL				GROUP	
		Actual 2024 \$000	AP 2024 \$000	LTP 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Total equity - opening balance		455,992	309,478	322,136	310,478	461,165	315,284
Net surplus (deficit) for period		6,284	16,217	2,562	2,587	7,075	2,954
Other comprehensive income		39,789	-	-	142,927	39,789	142,927
Total comprehensive income		46,073	16,217	2,562	145,514	46,864	145,881
Total equity - closing balance		502,065	325,695	324,698	455,992	508,029	461,165
Components of equity							
Ratepayer's equity							
Ratepayer's equity - opening balance		163,798	162,843	170,962	163,343	167,980	167,158
Net surplus/(deficit) for period		6,284	16,217	2,562	2,587	7,075	2,954
Transfers to special reserves		(3,691)	4,062	3,766	(3,717)	(3,691)	(3,717)
Transfers from special reserves		5,641	(3,152)	(2,679)	1,585	5,641	1,585
Transfer from revaluation reserve		-	-	-	-	-	-
Ratepayer's equity - closing balance		172,032	179,970	174,611	163,798	177,005	167,980
Special funds							
Special reserves - opening balance		24,656	21,524	14,755	22,524	24,656	22,524
Transfer to ratepayer's equity		(5,641)	3,152	2,679	(1,585)	(5,641)	(1,585)
Transfer from ratepayer's equity		3,691	(4,062)	(3,766)	3,717	3,691	3,717
Special funds - closing balance		22,706	20,614	13,668	24,656	22,706	24,656
Revaluation reserves							
Revaluation reserves - opening balance		267,538	124,611	136,419	124,611	268,529	125,602
Net transfer to ratepayer's equity		-	-	-	-	-	-
Revaluation recognised in other comprehensive revenue and expense		39,789	-	-	142,927	39,789	142,927
Revaluation reserves - closing balance		307,327	124,611	136,419	267,538	308,318	268,529
Total equity - closing balance		502,065	325,195	324,698	455,992	508,029	461,165

The notes from pages 59 to 92 form part of, and should be read in conjunction with, the financial statements

HE TAUĀKĪ KAPEWHITI

STATEMENT OF CASHFLOWS

for the year ended 30 June 2024

	NOTE	COUNCIL				GROUP	
		Actual 2024 \$000	AP 2024 \$000	LTP 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Cash flows from operating activities							
Rates received		18,866	18,559	18,134	16,369	18,866	16,369
Other revenue		58,818	30,320	15,049	36,494	69,813	45,276
Investment income		1,077	1,183	594	1,536	1,000	1,368
Subvention Income		1,050	-	100	50	-	-
Payments to suppliers and employees		(61,211)	(36,406)	(24,538)	(40,924)	(68,612)	(47,596)
Taxation		-	-	-	-	(648)	(281)
Interest paid		(742)	(358)	(547)	(481)	(863)	(519)
Net cash flows from operating activities		17,858	13,298	8,792	13,044	19,556	14,617
Cash flows from investing activities							
Sale of property, plant and equipment		823	-	47	-	826	108
Insurance proceeds		-	-	-	-	-	-
Sale of financial assets		406	-	367	1,735	406	1,735
Purchase of financial assets		(87)	255	-	(63)	(87)	(63)
Purchase of property, plant and equipment		(22,575)	(19,337)	(11,893)	(12,776)	(25,887)	(17,913)
Purchase of intangibles		195	-	-	(551)	195	(551)
Loans made to subsidiary		(1)	-	-	(1,036)	(1)	-
Net cash flows used in investing activities		(21,239)	(19,082)	(11,479)	(12,691)	(24,548)	(16,684)
Cash flows from financing activities							
Loans raised		-	3,186	5,368	10,526	10,963	18,088
Borrowings repaid		(8,000)	-	(3,500)	(1,500)	(17,751)	(6,761)
Lease repayments		-	-	-	-	(118)	(136)
Net cash flows from/(used in) financing activities		(8,000)	3,186	1,868	9,026	(6,906)	11,191
Net increase/(decrease) in cash and cash equivalents		(11,381)	(2,598)	(819)	9,379	(11,898)	9,124
Cash and cash equivalents at beginning of year		13,688	4,309	2,782	4,309	14,866	5,742
Cash and cash equivalents at end of year		2,307	1,711	1,963	13,688	2,968	14,866
Made up of:							
Cash		2,307	12	416	13	2,968	1,191
Short term deposits		-	1,367	1,547	13,675	-	13,675
Cash and cash equivalents at end of year		2,307	1,379	1,963	13,688	2,968	14,866

The notes from pages 59 to 92 form part of, and should be read in conjunction with, the financial statements

HE TAUĀKĪ KAUPAPA HERE MŌ TE KAUTE ME NGĀ PITOPITO KŌRERO KI NGĀ TAUĀKĪ PŪTEA

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity Statement and Preparation of the Financial Statements	59
2. Revenue	60
3. Expenditure	62
4. Staff and Elected Members' Remuneration	64
5. Trade and Other Receivables	65
6. Cash and Cash Equivalents	66
7. Inventories	66
8. Financial Assets	66
9. Income Tax	68
10. Trade and Other Payables	70
11. Property, Plant and Equipment	71
12. Intangible Assets	78
13. Biological Assets - Forestry	80
14. Investments in Subsidiary	80
15. Investment Property	80
16. Loan to subsidiary	81
17. Borrowings	81
18. Landfill and Quarry Aftercare Provisions	82
19. Equity	83
20. Reconciliation of Operating Surplus with Net Cash Flow from Operating Activities	86
21. Transactions with Related Parties	86
22. Fair Value of Financial Assets and Financial Liabilities	86
23. Financial Instrument Risk	88
24. Contingencies	89
25. Commitments	90
26. Variances from the Annual Plan	91
27. Significant Events	91
28. Adoption of the Annual Report	92

1. REPORTING ENTITY STATEMENT AND PREPARATION OF THE FINANCIAL STATEMENTS

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 of the Council and group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with New Zealand Generally Accepted Accounting Policies (NZ GAAP).

The financial statements have been prepared in accordance with and comply with PBE Accounting Standards.

The financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Wairoa District Council (the Council) and its subsidiary Quality Roding and Services (Wairoa) Limited (QRS) Collectively the Group as at 30 June 2024.

Controlled entities are those over which the Council (the controlling entity) can govern the financial and operating policies to obtain benefits from their activities. All significant inter-entity transactions, balances and unrealised gains are eliminated on consolidation. The Council has a 100% interest in QRS (2023: 100%), a company incorporated in New Zealand (refer note 14). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

GOODS AND SERVICES TAX (GST)

All amounts in the financial statements are exclusive of GST, except for receivables and payables that are stated as GST-inclusive. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

BUDGET FIGURES

Long Term Plan 2021-2031

The Long-Term Plan for 2021-2031 was adopted by Council on 30 June 2021. The reporting period ended 30 June 2024 is the third year of this plan and has been replaced by the 2024/27 Long Term Plan from 1 July 2024. The budget figures were prepared in accordance with NZ PBE FRS-42, using accounting policies consistent with those adopted by Council for the preparation of the financial statements.

The Long-Term Plan budget figures included in these financial statements are for the Council as a separate entity. The budget figures do not include budget information relating to the controlled entity.

These figures do not include any additional expenditure subsequently approved by the Council outside the Long-Term Plan process. The Long-Term Plan figures have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements. Explanation of major variances between actual results and forecasted figures is provided in **note 26**.

COMPARATIVES

To ensure consistency with the current year, certain comparative information has been reclassified:

- where classifications have changed between periods.
- where the Council has made additional disclosure in the current year.
- where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy (there has been no change in the 2023/24 year).

OVERHEAD COST ALLOCATION

The Council has derived the cost of service for each significant activity, as reported within the Statements of Service Performance, in the following way:

Direct Costs

Direct costs, which can be traced directly to a specific significant activity, are expensed directly to the relevant activity.

Indirect Costs

Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. Indirect costs are allocated as overheads across all activities. Indirect costs are charged to activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

CAPITAL MANAGEMENT

For the Group's capital management, the Group's capital is its equity (or Ratepayer's Funds), including accumulated comprehensive revenue and expense and all equity reserves attributable to the Council. Equity is represented by net assets.

The Council manages its capital largely as a by-product of managing its revenue, expenses, assets, liabilities, and general financial dealings. The Local Government Act 2002 requires the Council to manage its revenue, expenses, assets, liabilities, and general financial dealings in a manner that promotes the current and future interests of the community. In addition, The Local Government (Financial Reporting and Prudence) Regulations 2014 set out a number of benchmarks for assessing whether the Council is managing its revenue, expenses, assets and liabilities prudently.

The primary objective of the Group's capital management is to achieve intergenerational equity, which is a principle promoted in the Local Government Act 2002 and applied by the Council.

Intergenerational equity requires the Council to spread the funding of the cost of its assets over the current and future generations of ratepayers, such that:

- Current ratepayers are required to meet the cost of using the assets, but not the full cost of long-term assets that will benefit ratepayers in future generations and
- Ratepayers in future generations are not required to meet the costs of deferred asset renewals and maintenance.

To achieve this overall objective, the Council has in place asset management plans for major classes of assets, detailing renewals and programmed maintenance to ensure that future generations of ratepayers are not required to meet the costs of deferred renewals and maintenance.

An additional objective of capital management is to ensure that the expenditure needs identified in the Council's Long-Term Plan and Annual Plan are met in the manner set out in these plans. The

Local Government Act 2002 requires the Council to make adequate and effective provision in its Long-Term Plan and in its Annual Plan to meet the expenditure needs identified in those plans. The factors the Council must consider when determining the most appropriate sources of funding for each of its activities are in the Local Government Act 2002. The sources and levels of funding are set out in the funding and financial policies in the Council's Long-Term Plan. The Council monitors actual expenditure incurred against the Long-Term Plan and Annual Plan.

No changes were made in the objectives, policies, or processes for managing capital during the year (2023: nil).

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements requires management to make judgements, estimates and assumptions concerning the future that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

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 as follows.

1. Classification of property

The Council owns a number of pensioner housing units. The receipt of rental income from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property. **Refer note 11 and 15.**

2. Landfill aftercare provisions

Note 18 discloses an analysis of the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

3. Infrastructural asset valuation

There are assumptions and estimates used when performing depreciated replacement cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then WDC could be over-or-under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense.

To minimise this risk WDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of WDC's asset management activities, which give WDC further assurance over its useful life estimates. Accredited independent valuers perform Council's infrastructural asset revaluations, refer to **Note 11.**

4. Classification of costs

Judgement is used over the classification of costs between capital and maintenance. Items are reviewed regularly to ensure the cost allocation is reasonable.

CHANGES IN ACCOUNTING POLICIES

No changes in accounting policies.

2. REVENUE

Revenue comprises rates, revenue from operating activities, contracting services, investment revenue, subsidies, petrol tax and fees and charges and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions. Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

EXCHANGE TRANSACTIONS

Exchange transactions are transactions where the Group receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange. Exchange revenue received by Group can be summarised into the following areas:

- **Revenue from water by meter**

Water billing revenue is recognised on an accrual basis. Unbilled usage as a result of unread meters at year end is accrued on an average usage basis.

- **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.

- **Sale of goods**

Sales of goods are recognised when a product is sold to the customer.

- **Construction contracts**

Revenue on construction contracts is recognised progressively over the period of each contract. The amount included in the statement of comprehensive revenue and expense, and the value of the contract assets or liabilities are established by assessment of the individual contracts taking into account the proportion of work completed, cost analysis and estimated final results. When the contract income cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

- **Interest revenue**

Interest revenue is recognised on an accrual basis with movements in fair value profits and losses disclosed in the overall income statement as interest on investments.

- **Dividend Revenue**

Dividend revenue is recognised when the right to receive payment is established which is generally when QRS approves the dividend.

- **Subvention Payments**

Subvention payments is recognised when the right to receive payment is established which is generally when QRS approves the payment.

The below table shows revenue received from investments for the year:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Interest on financial assets at fair value through profit and loss	881	322	683	354
Gain / (loss) in market value and sales of bond portfolio	13	(14)	13	(14)
Cash dividends received	100	200	-	-
Rental income on other investments	69	19	69	19
Other income	14	9	14	9
Total investment income	1,077	536	779	368

NON-EXCHANGE TRANSACTIONS

Non-exchange transactions arise when the Group receives value from another entity without directly giving approximately equal value in exchange. Revenue received from a non-exchange transaction cannot be deferred unless there is both a performance obligation and a return obligation attached to it. For example, where grant or subsidy funding is received without performance obligation then revenue is recognised when receivable. Where a performance obligation exists, revenue is recognised upon satisfactory completion of the performance. Revenue from non-exchange transactions received by Group can be summarised as:

- **Vested assets**

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised

as non-operating, or extraordinary revenue. Assets vested in Group are recognised as revenue when control over the asset is obtained.

- **Provision of services**

Non-exchange revenue from the rendering of services consists of services in activities where the Group subsidises the activity. Such revenue 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 service to be provided, only when there are conditions attached that require the funds to be returned if performance does not occur. Where no conditions are attached revenue is recognised when receivable.

- **Rates Revenue**

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when receivable.

	Council	
	2024 \$000	2023 \$000
General rates	13,779	12,109
Water	1,476	1,373
Sewerage	2,169	2,015
Waste management	1,628	1,068
Stormwater	483	409
Services	-	-
Roading	-	-
Recreation	-	-
Gross rates levied	19,535	16,974
Penalties charged	316	285
Less remissions	(710)	(728)
Less internal charges	-	(1)
Rating revenue received	19,141	16,530

Other Income

The Council received a dividend payment of \$1,050,000 for the year ended 30 June 2024. subvention payments involve the purchase of tax losses by QRS from the Council leading to a reduction in tax payable and therefore an ultimate greater cash benefit to the Wairoa District. **See note 9.**

Other Comprehensive Revenue

The below table shows other comprehensive revenue received for the year:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Fair value movement – property, plant and equipment	39,789	142,927	39,789	142,927
Total other comprehensive revenue	39,789	142,927	39,789	142,927

GOVERNMENT GRANTS AND SUBSIDIES

Grants and subsidies received are recognised as revenue when the Council obtains control of the transferred asset (cash, goods, other assets or services) and the transfer is free from conditions that require the Council to refund or return the asset if the conditions relating to the asset are not fulfilled. When grants and subsidies include a condition, liabilities are recognised until the Council has satisfied the conditions when revenue is recognised.

The Council receives the majority of grants and subsidies revenue from NZTA, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The right to receive the funding from NZTA arises once the work is performed therefore revenue is recognised when receivable as there are no further conditions attached to the funding.

The Government has invested in regional economic development through the CRHL. As the underlying CRHL contracts contain an obligation in substance to return the funds if conditions of the grant are not met, revenue from the CRHL is initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

The Government has invested in Three Waters upgrades through funding from the DIA. As the underlying contract contains an obligation in substance to return the funds if conditions of the grant are not met, revenue from the DIA is initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

During any year, other grants may be received towards the costs of constructing assets for the community's benefit or for passing to the community for supporting cultural and sporting activities, from government and other agencies. Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if the conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when the conditions of the grant are satisfied.

Subsidies and grants received and recognised as revenue for the year were:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
New Zealand Transport Agency roading subsidies	48,637	30,417	48,637	30,417
Crown Regional Holdings Limited	1,627	2,322	1,627	2,322
Three Waters subsidies	-	703	-	703
National Emergency Management Agency	139	4,735	139	4,735
Other recovery	2,155	654	2,155	654
Other grants	5,933	1,005	5,933	1,005
Total Government grants and subsidies	58,491	39,836	58,491	39,836

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

Due to the impact of Cyclone Gabrielle, the Council received the following additional funding to date:

- \$33.9m from Waka Kotahi for emergency works and preventative maintenance.
- \$4m from Hawkes Bay Regional Council for silt and debris recovery.
- \$489k from National Emergency Management Agency for costs incurred in collecting and disposing of residential household waste, and welfare.

3. EXPENDITURE LEASES

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term. Rent received from an operating lease is recognised as income on a straight-line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

Investment property and property used for social housing are leased under operating leases. Both investment property and social housing leases are periodic agreements, with the tenant having a right to cancel with between one to two months' notice. Therefore, there are no non-cancellable leases held. No contingent rents have been collected during the year (2023: nil).

Group as a Lessee

Finance leases are leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group. Assets held under a finance lease are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Group also recognises the associated lease liability at the inception of the lease, at the same amount as the capitalised leased asset.

After initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in surplus or deficit. Contingent rents shall be charged as expenses in the period in which they are incurred.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group. Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

INSURANCE OF ASSETS

Council ensures its buildings, contents, and critical plant and equipment primarily on a reinstatement basis, while motor vehicles are insured at their market value. The total material damage insurance coverage amounted to \$131.7 million in 2024 (2023: \$103.46 million).

In general, upon a major disaster the government will provide a 60% subsidy for infrastructure recovery costs. Council must demonstrate that it is able to meet the remaining 40% through insurance and other financial means.

The Council is a member of the New Zealand Local Authority Protection Program Disaster Fund (LAPP Fund) established by the New Zealand Local Government Association Incorporated. The LAPP fund is a mutual pool, created by local authorities to cater for the replacement of infrastructure following catastrophic damage by natural disaster.

The LAPP Fund is intended to provide coverage for the balance of the replacement cost that is not expected to be covered by the provisions of the Ministry of Civil Defence and Emergency Management (i.e., 40%) of underground infrastructure assets. Council has an asset value of \$93.5 million in declared coverage under the LAPP Fund (2023: \$81.3 million).

Council does not operate a formal self-insurance scheme or maintain a specific fund for that purpose. Various assets are however not covered by insurance. The bulk of this relates to the roading network. Roads and associated assets are not covered by Council's insurance as in a major disaster, support is expected from central government to reinstate the roading network.

Other assets including land, playgrounds and sports fields are also not covered by insurance or any risk sharing arrangements.

Funding of uninsured risks and amounts over and above any insurance recovery and government support would be provided from a combination of reserve funds, debt and the reprioritisation of Council's planned capital and operating expenditure.

BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. The Group have chosen not to capitalise borrowing costs directly attributable to the acquisition, construction, or production of assets.

Items included in the calculation of net surplus

The following expenditure items are included in the calculation of the net surplus:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Depreciation - Infrastructural assets	9,111	6,251	9,111	6,251
Depreciation - Operational assets	1,164	1,289	2,804	2,517
Amortisation charge - Intangible assets	2	4	16	22
Fees to auditors:				
• EY fees for financial statements audit	161	159	253	256

• EY fees for long term plan audit	-	-	-	-
• EY Fees for Debenture Trust fee	-	5	-	-
Fees to PWC for taxation advice	4	5	4	5
Interest paid - bank borrowings	742	481	963	519
Mayor and Councillor fees	451	375	451	375
Impairment of receivables (bad debts written off)	18	(2)	18	(2)
Impairment of receivables (provision for doubtful debts) (Note 6)	4,020	3,664	4,020	3,681
Impairment of property, plant and equipment	(5,022)	36,676	(5,022)	36,676
Operating lease expenses	34	34	34	34
Public ceremonies	11	8	11	8
Loss on disposal of assets	14	-	48	111
Directors fees	-	-	163	112
Donations	-	-	-	119

Items included in the calculation of total comprehensive revenue and expense for the year

The amounts in the table below show the value of the impairment of roading assets caused by damage from recent weather events.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Impairment - Roading assets	(5,022)	36,676	(5,022)	36,676

The valuation includes an allowance for impairment or the replacement of damaged assets and therefore reflects the post-Cyclone assessment of value. The assessment of fair value recognises the impairment as calculated by WDC at the end of the financial year.

4. STAFF AND ELECTED MEMBERS' REMUNERATION

MAYORAL AND COUNCILLOR REMUNERATION

The following people held office as elected members of the Council's governing body, during the reporting period. The total remuneration attributed to the Mayor and Councillors during the year was \$450,512 (2023: \$375,405) and is broken down and classified as follows:

	2024 \$	2023 \$
Craig Little, Mayor	116,979	112,062
Denise Eaglesome-Karekare, Deputy Mayor	76,968	50,718
Jeremy Harker*, Councillor	51,313	41,833
Melissa Kaimoana, Councillor	51,313	41,833
Chaans Tumataroa-Clarke, Councillor	51,313	43,369
Roslyn Thomas, Councillor	51,313	29,777
Benita Cairns, Councillor	51,313	29,777
Hine Flood, Deputy Mayor (to October 2022)	0	13,575
Danika Goldsack, Councillor (to October 2022)	0	12,461
Total remuneration paid to council members	450,512	375,405

*Councillor J Harker is also a senior manager of the Council subsidiary, Quality Roading and Services (Wairoa) Ltd (QRS).

CHIEF EXECUTIVE OFFICER'S REMUNERATION

The Chief Executive Officer of the Council was appointed under section 42 of the Local Government Act 2002. Under the terms of his agreement, the Chief Executive Officer of the Council chooses how he wishes to take his remuneration package (salary only or a combination of salary and benefits).

KEY MANAGEMENT PERSONNEL REMUNERATION

	Council	
	2024 \$	2023 \$
Council members		
Total remuneration	450,512	375,405
CEO and senior leadership team		
Kitea Tipuna - CEO	253,522	237,175
Senior leader remuneration	707,364	564,101
Total remuneration paid to key management personnel	1,411,398	1,176,681

As of 30 June 2024, key management personnel comprised 12 individuals: 7 elected members (2023: 7) and 5 executive leaders, comprising the Chief Executive Officer and four senior management personnel (2023: 4 executive leaders).

Severance payments

In accordance with Schedule 10, section 33 of the Local Government Act 2002, the Council must disclose the number of employees who received severance payments during the year and the amount of each payment made.

Severance payments include any consideration (monetary and

non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with the Council. Severance payments exclude any final payment of salary, holiday pay and superannuation contributions or other contractual entitlement.

No severance payments were made in the year 2024 (2023: Nil).

Employee staffing levels and remuneration

The following table identifies the number of full-time employees as at the end of the reporting period and the full-time equivalent (FTE) number of all other part-time, fixed-term and casual employees. The table further identifies the breakdown of remuneration levels of those employees into various bands.

	Council	
	2024	2023
Full-time and full-time equivalent employee numbers		
Number of full time employees	74	62
Full time equivalent number of all other employees	5	11
Total full-time equivalent employees	79	73
Remuneration bands		
The number of employees receiving total annual remuneration of less than \$60,000	19	26
<i>Of the employees in this band, 11 are part-time or casual (2023: 19)</i>		
The number of employees receiving total annual remuneration of more than \$60,000 in bands of \$20,000		
\$60,000 - \$79,999	28	25
\$80,000 - \$99,999	19	12
\$100,000 - \$119,999*	10	7
\$120,000 - \$259,999*	9	11
Total employees	85	81

*If the number of employees for any band was 5 or less then we are legally required to combine it with the next highest band.

Total annual remuneration has been calculated to include any non-financial benefits and other payments such as the employer KiwiSaver contribution. Total annual remuneration is reported as the higher of base salary including employer superannuation contributions or total gross payments in the year.

	Council	
	2024 \$000	2023 \$000
Employment expenses		
Salaries and wages	6,588	6,210
Employer contributions to Superannuation	-	-
Increase (decrease) in employee benefit liabilities	67	(22)
Total employee benefit expenses	6,655	6,188

5. TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at the original invoice amount as the effect of discounting is immaterial. Short-term receivables are recorded at the amount due, less any provision for un-collectability. The provision is calculated by applying an expected credit loss model. A receivable is considered uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

The below table provides a summary of all receivables at year end:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Rates receivable	5,387	4,794	5,387	4,794
Trade receivables	16,134	12,580	17,596	13,856
Prepayments	8	124	29	143
GST receivable / payable	(348)	(284)	(348)	(284)
Total receivables – gross	21,181	17,214	22,664	18,509
Less provision for impairment of receivables	(4,020)	(3,664)	(4,019)	(3,685)
Total receivables – net	17,161	13,550	18,645	14,824

Current trade, rates and sundry receivables are non-interest bearing and receipt is generally on 30-day terms, therefore the carrying value approximates their fair value. There is no concentration of credit risk with respect to receivables outside the group, as the group has many customers.

The Group provides for impairment provision on trade receivables and other debtors. The impairment provision has been calculated by applying an expected credit loss model based upon an analysis of the Group's losses in previous periods, and a review of specific debtors. The Group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. The provision is calculated by applying an expected credit loss model.

The Council provides for impairment on rates receivables, trade receivables and other debtors. The carrying amount is reduced directly when an asset is determined to be unrecoverable. An allowance for impairment is used when there is a reasonable likelihood that a debt may be impaired. A reversal to a write-down is made when an impaired debt is subsequently determined to be recoverable.

The impairment provision for rates has been calculated by applying an expected credit loss model based upon the percentage of rates debtors expected to be impaired. The impairment is collective and reflects the actual impairment of rates debtors over the past three years. The Council has power under the Local Government (Rating) Act 2002 to recover outstanding debts.

The Council can commence legal proceedings within 4 months after due date for payment. If payment has not been received within 3 months of the Court judgement, then the Council can apply to the Registrar of the High Court to have judgement enforced by sale or lease of the rating unit for land that is not Māori freehold land.

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

	2024 Council			2023 Council		
	Gross \$000	Impairment provision \$000	Net \$000	Gross \$000	Impairment provision \$000	Gross \$000
Not past due	15,796	-	15,796	12,535	-	12,535
Past due 30 - 60 days	23	-	23	8	-	8
Past due 60 - 90 days	13	-	13	13	-	13
Past due >90 days	302	228	74	296	189	107
Total trade receivables	16,134	228	15,906	12,852	189	12,663

	2024 Group			2023 Group		
	Gross \$000	Impairment provision \$000	Net \$000	Gross \$000	Impairment provision \$000	Gross \$000
Not past due	16,731	-	16,731	13,012	-	13,012
Past due 30 - 60 days	507	-	507	492	-	492
Past due 60 - 90 days	19	-	19	19	-	19
Past due >90 days	339	228	111	333	167	166
Total trade receivables	17,596	228	17,368	13,856	167	13,689

The ageing profile of rates receivables as at 30 June is detailed below:

	2024 Council & Group			2023 Council & Group		
	Gross \$000	Impairment provision \$000	Net \$000	Gross \$000	Impairment provision \$000	Gross \$000
Not past due	778	193	585	581	150	431
Up to 2 years	1,892	1,098	794	1,591	928	663
2 to 5 years	1,298	1,127	171	1,349	1,162	187
Over 5 years	1,419	1,375	44	1,273	1,235	38
Total rates receivables	5,387	3,793	1,594	4,794	3,475	1,319

The movement in the provision for impairment of total receivables is analysed follows:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Opening balance	3,664	4,008	3,685	4,012
Addition to provision	313	(342)	291	(325)
Bad debts written off	(18)	2	(18)	2
Release of provision	61	(4)	61	(4)
Provision for impairment of total receivables – closing balance	4,020	3,664	4,019	3,685

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits, and other short-term highly liquid investments, with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Cash at bank and in hand	2,307	13	2,968	1,191
Short term deposits	-	13,675	-	13,675
Total cash and cash equivalents	2,307	13,688	2,968	14,866

7. INVENTORIES

Inventory is measured at cost upon initial recognition. Costs of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing each product to its present location and condition.

The Group's finished goods inventory includes items held for resale, such as Council rubbish bags and items sold at the Gaiety Theatre and isite shop, as well as items held for distribution, such as recycle bins.

After initial recognition, inventories are valued at the lower of cost, determined on a first-in, first-out basis, and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The carrying amount of inventories held for distribution as at 30 June is:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Metal Stocks	-	-	829	490
Water reticulation spare parts	-	-	-	-
Water treatment chemicals	44	61	44	61

Other supplies	9	10	214	198
Work in progress	-	-	-	-
Total inventories	53	71	1,087	749

The write-down of inventories held for distribution amounted to nil (2023: nil), while reversal of write downs amounted to nil (2023: nil). The carrying amount of inventories pledged as security is nil (2023: nil) and for liabilities is nil (2023: nil).

8. FINANCIAL ASSETS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are classified at initial recognition. The classification depends on the purpose for which the financial assets were acquired.

Management determines the classification of its financial assets at initial recognition and re-evaluates this classification at each reporting date.

All financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which case the transaction costs are recognised in the statement of comprehensive revenue and expense.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially the risks and rewards of ownership. The fair value of financial instruments traded in active markets is based on the quoted market prices at the balance sheet date. The quoted price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions based on market conditions at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000

Financial assets at fair value through profit and loss - upon initial recognition

Shares and debentures	490	831	490	831
-----------------------	-----	-----	-----	-----

Financial assets at fair value through OCI

LGFA borrower notes	270	239	270	239
Civic Financial Services Limited	21	23	21	23

Financial assets at amortized cost

Cash and cash equivalents	2,307	13,688	2,968	14,866
Trade and other receivables	17,709	13,550	18,319	14,824
Other financial assets	-	-	-	-
Total financial assets	20,797	28,331	22,068	30,783

8.A. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

This category has two sub categories: financial assets held for trading and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Included in this category are short-term investments, which are valued at fair value.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of comprehensive revenue and expense.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Shares and debentures	490	831	490	831
Total financial assets at fair value through surplus or deficit	490	831	490	831
Current	-	351	-	351
Non-current	490	480	490	480
Total financial assets at fair value through surplus or deficit	490	831	490	831

Council has classified its investments as financial assets at fair value through surplus or deficit. The portfolio includes investments in local authority and Government stock, registered bank bills and bonds, and corporate stocks and bonds. The reason for the classification is that the investments were acquired for the purpose of selling and trading in the near term and they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a pattern of short-term profit-taking. In addition, there is a quoted market price in an active market where fair value can be reliably measured.

Financial assets at fair value through surplus or deficit are designated as such upon initial recognition because they are managed and their performance is evaluated on a fair value basis, in accordance with the Council's investment policy. Information is provided quarterly to Council on the performance of these financial assets.

The fair value of financial assets at fair value through surplus or deficit has been determined by reference to published price quotations in an active market. The maturity dates for financial assets through surplus or deficit are detailed in the following table:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
One year or less	-	351	-	351
Weighted average interest rate	0.00%	4.88%	0.00%	4.88%
Between one and five years	490	480	490	480
Weighted average interest rate	4.05%	4.05%	4.05%	4.05%
Over five years	-	-	-	-
Weighted average interest rate	0.00%	0.00%	0.00%	0.00%
Total financial assets at fair value through surplus or deficit	490	831	490	831

The stocks and debentures are local authority stocks and commercial bonds that are actively traded. The coupon rates vary from 3.94% to 4.15% (2023: 3.94% to 4.88%) with yields from 5.51% to 5.91% (2023: 5.51% to 6.23%). Purchases and sales are accounted for at settlement date. These assets are exposed to cash flow interest rate risk.

8.B. FAIR VALUE THROUGH REVENUE AND EXPENSE

Equity investments in non-listed companies (previously classified as AFS financial assets or held to maturity investments) are classified and measured as Equity instruments designated at fair value through OCI. The Group elected to classify irrevocably its non-listed equity investments under this category as it intends to hold these investments for the foreseeable future.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
LGFA borrower notes	270	239	270	239
Civic Financial Services Limited	21	23	21	23
Total financial assets at fair value through OCI	291	262	291	262

Civic Financial Services Limited (formerly Civic Assurance) is the trading name for the New Zealand Local Government Insurance Corporation Limited. The Council holds a 0.20% (2023: 0.20%) shareholding in this entity and has no present intention to sell. Due to the immaterial size and nature of the Council's investment in Civic Financial Services Limited, the Council has estimated the fair value of this investment based on net asset backing as at 30 June 2024.

DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from the Group's statement of financial position) primarily when:

- The rights to receive cash flows from the asset have expired **or**
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either **(a)** the Group has transferred substantially all the risks and rewards of the asset, **or (b)** the Group has neither transferred nor retained substantially all the risks and rewards of the asset by has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

IMPAIRMENT OF FINANCIAL ASSETS

At each balance date, the Group assesses if there is objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of comprehensive revenue and expense.

An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions

9. INCOME TAX

CURRENT INCOME TAX

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and laws used to compute the amount are those enacted or substantially enacted by balance date.

DEFERRED INCOME TAX

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arose 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 the accounting profit nor the taxable profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

At 30 June 2024, there was no recognised deferred tax liability (2023: nil) for taxes that would be payable on the unremitted

earnings of the Group's controlled entity. The Group has determined that undistributed profits of its controlled entity will not be distributed in the foreseeable future. The parent does not foresee such consent being given at the reporting date.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred income tax asset to be utilised.

Current and deferred tax is charged or credited to the statement of comprehensive revenue and expense, except when it relates to items charged or credited directly to equity, in which case the tax is charged or credited directly to equity.

BREAKDOWN OF TAXES AND FURTHER INFORMATION

The major components of taxation expense are:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current tax expense				
Current year income tax charge	-	-	1,241	526
Adjustments to current tax in prior years	-	-	-	-
Total current tax expense	-	-	1,241	526
Deferred tax expense				
Origination and reversal of temporary differences	-	-	1,308	140
Recognition of previously unrecognised tax losses	-	-	-	-
Total deferred tax expense	-	-	1,308	140
Income tax expense reported in the statement of financial performance	-	-	2,548	666

Reconciliation of tax on the surplus / (deficit) and tax expense:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Surplus / (deficit) for the period before taxation	6,484	4,360	10,706	3,620
Less: non assessable surplus / (non qualifying deficit)	(6,484)	(4,360)	(6,386)	(4,046)
Assessable profits	-	-	4,320	(426)
Income tax based on domestic tax rate – 28% (2021: 28%)	-	-	1,211	658
Plus taxation effect of permanent differences	-	-	1,332	-
Effect of non-deductible expenses	-	-	7	9
Income tax expense reported in the statement of financial performance	-	-	2,550	666

Movement in deferred tax asset:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Opening balance	-	-	248	388
Current year charge	-	-	(1,308)	(140)
Use of prior year recognised loss and other movement not recognised	-	-	-	-
Closing balance	-	-	(1,060)	248

The Council has taxable income from commercial operations at the Wairoa airport and the landfill (prior to Smart Environmental Limited providing Solid Waste management services for the Council). The imputation credits attached to dividends received from QRS offset the tax payable which results in a nil tax bill. These tax losses are not carried on the balance sheet as the Council does not expect to make taxable profits in the future against which these carry forward losses could be utilised.

The Council holds \$37,271 in tax losses which had accumulated over a number of years. These losses were primarily due to the “grossing-up” of excess imputation credits attached to dividends received from QRS. The balance of losses held by Council at 30 June 2024 is \$37,271 (2023: \$1,037,271).

Deferred income tax as at 30 June relates to the following:

	Council				Group			
	Statement of financial position		Statement of financial performance		Statement of financial position		Statement of financial performance	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Deferred tax liabilities								
Contract retentions	-	-	-	-	514	256	(258)	(185)
Future amortisation	-	-	-	-	14	15	2	1
Right of use assets	-	-	-	-	72	103	-	-
Gross deferred tax liabilities	-	-	-	-	1,036	104	(1,313)	-
	-	-	-	-	1,636	478	(1,569)	(184)
Deferred tax assets								
Doubtful debts	-	-	-	-	-	6	-	6
Subcontractor retentions	-	-	-	-	30	30	-	28
Provisions								
• Annual leave	-	-	-	-	115	110	5	12
• Staff gratuities	-	-	-	-	8	7	1	-
• Sick leave	-	-	-	-	9	8	1	(1)
• Time in lieu	-	-	-	-	58	52	6	16
Long service leave	-	-	-	-	19	17	2	1
Aftercare	-	-	-	-	24	25	(1)	(23)
Lease asset depreciation	-	-	-	-	-	-	(7)	17
Operating lease payments	-	-	-	-	-	-	7	(21)
Lease interest	-	-	-	-	-	-	(2)	6
ACC premiums	-	-	-	-	-	-	-	-
Maintenance accruals	-	-	-	-	-	-	-	-
Construction accruals	-	-	-	-	-	-	-	-
Corporate accruals	-	-	-	-	18	20	(1)	17
Contract liabilities	-	-	-	-	388	137	252	(9)
Future depreciation	-	-	-	-	(1)	272	-	(5)
Lease liability	-	-	-	-	76	106	-	-
Deferred tax assets	-	-	-	-	743	789	263	44
Net deferred tax assets/ (liabilities)	-	-	-	-	(893)	415	-	-
Deferred tax income/ (expense)	-	-	-	-	-	-	(1,306)	(140)

10. TRADE AND OTHER PAYABLES

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables as at 30 June are:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current				
Trade payable - exchange transactions	14,352	11,501	11,580	11,247
Taxes payable	38	21	732	346
Employee benefits	870	810	1,862	1,654
Trust funds and deposits	40	55	40	55
Revenue in advance	5,402	4,029	5,402	4,029
Total current	20,702	16,416	19,616	17,331
Non-current				
Employee benefits	56	49	123	109
Trade payable - exchange transactions	-	-	-	-
Total non-current	56	49	123	109
Total trade and other payables	20,758	16,465	19,739	17,440

EXCHANGE TRANSACTIONS, TRANSFERS AND TAXES PAYABLE

Payables under exchange transactions, transfers and taxes payable are non-interest bearing and are normally settled on terms varying between seven days and the 20th of the month following the invoice date, therefore the carrying value approximates their fair value. Most of Council's payables are exchange transactions as they are directly with another party on an arm's length basis. Non-exchange payables are classified as either taxes (e.g. PAYE and GST) or transfers payable (e.g. Council grants).

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Exchange transactions				
Trade payables and accruals	14,352	11,501	11,580	11,247
Total trade payable - exchange transactions	14,352	11,501	11,580	11,247
Taxes payable				
GST	-	-	694	325
PAYE	38	21	38	21
Total taxes payable	38	21	732	346

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of comprehensive revenue and expense net of any reimbursement. Refer to **Note 18** for further information about the recorded landfill and quarry aftercare provision.

EMPLOYEE BENEFITS

Short-term employee entitlements

Employee benefits, which the Group expects to be settled within 12 months of the balance date, are measured at nominal values based on accrued entitlements at current rates of pay.

A provision for employee benefit liabilities is recognised as a liability when benefits are earned but not paid. This provision includes salaries and wages accrued up to balance date, holiday leave earned, but not yet taken at balance date, retirement and long service leave entitlements expected to be settled within 12 months)

Holiday leave includes annual leave, long service leave, statutory time off in lieu and ordinary time off in lieu. Annual leave is calculated on an actual entitlement basis in accordance with section 21(2) of the Holidays Act 2003.

Long-term employee entitlements

Retirement gratuities

The Council's retirement gratuities provision is a contractual entitlement for a reducing number of employees who, having qualified with 10 years' continuous service will, on retirement, be entitled to a payment based on years of service (up to a maximum) and current salary. This entitlement has not been offered to Council employees since 1990. Based on the remaining participants' age, the provision may not be extinguished until 2030, assuming retirement at 65.

Retirement gratuities are calculated on an actuarial basis based on the likely future entitlements accruing to employees, after taking into account years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and other contractual entitlement information.

The gross retirement gratuities provision as at 30 June 2024, after discounting is \$55,857 (2023: \$49,388). This figure is inflation adjusted using the Treasury-defined long-term salary discount factor of 3.33% (2023: 3.01%).

Superannuation

Defined contribution pension plan obligations are recognised as an expense in the statement of comprehensive revenue and expense as incurred.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current				
Short-term benefits				
Payroll accruals	113	44	559	414
Holiday leave	757	766	1,303	1,240
Total current employee benefits	870	810	1,862	1,654
Non-current				
Long-term benefits				
Retirement gratuities provision	56	49	56	49
Long service leave	-	-	67	60
Total non-current employee benefits	56	49	123	109
Total employee benefit liabilities and provisions	926	859	1,985	1,763

TRUST FUNDS AND DEPOSITS

The trust funds are restricted cash with their purpose limited to use by the group "Safer Community Committee".

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Deposits	36	51	36	51
Trust funds	4	4	4	4
Total trust fund and deposits	40	55	40	55

REVENUE IN ADVANCE

Any exchange or non-exchange trade receivable where an overpayment of the account has been recorded is reclassified as a trade payable. The carrying amount is the actual amount of overpayment and is considered the fair value.

Subsidy and grants: Council and the Group have received non-exchange transfer monies for specific purposes, which apply to periods beyond the current year, with conditions that would require the return of the monies if they are not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Exchange transactions				
Other income in advance	91	62	91	62
Taxes				
Rates	775	637	775	637
Transfers				
Subsidies and grants	4,536	3,330	4,536	3,330
Total revenue in advance	5,402	4,029	5,402	4,029

11. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of:

- Operational assets – these include land, buildings, library books, furniture, office equipment and motor vehicles
- Restricted assets – restricted assets are parks and reserves owned by the Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- Infrastructure assets - infrastructure assets are the roads, bridges and fixed utility systems owned by the Council. Each asset class includes all items required for the network to function; for example, sewer reticulation includes reticulation piping and sewer pump stations.
- Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

INITIAL RECOGNITION AND SUBSEQUENT EXPENDITURE

Property, plant and equipment is measured initially at cost. Cost includes expenditure directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Group, and if the item's cost or fair value can be measured reliably.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to **Note 18** for further information about the recorded landfill and quarry aftercare provision. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of property, plant and equipment. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property.

MEASUREMENT SUBSEQUENT TO INITIAL RECOGNITION

Subsequent to initial recognition, property, plant and equipment are measured using either the cost model or the revaluation model. Roads and Three Waters assets are carried at fair value, less impairment losses and accumulated depreciation recognised after the date of the revaluation. All other asset classes are carried at depreciated historical cost.

Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

The valuation cycle for revalued asset classes is normally three years. Revaluation is performed on a class-by-class basis. If an item of property, plant and equipment is revalued, the entire class to which the asset belongs is revalued.

Increases in assets carrying amounts, due to revaluation, are recorded as a revaluation surplus in other comprehensive revenue and credited to the asset revaluation reserves in equity. Decreases in asset carrying amounts decrease revaluation reserves in equity only to the extent that the class of asset has sufficient reserves to absorb the reduction. All other decreases are charged to the statement of comprehensive revenue and expense. If a revaluation increase reverses a decrease previously recognised in the statement of comprehensive revenue and expense, the increase is recognised first in the statement of comprehensive revenue and expense to reverse any previous reduction.

Operational land and buildings were valued at fair value effective from 30 June 2005. The Council has elected to use the fair value of operational land and buildings as at 30 June 2005 as deemed cost. Operational land and buildings are no longer revalued.

Restricted land and buildings were valued at fair value effective from 30 June 2005. The Council has elected to use the fair value of restricted land and buildings as at 30 June 2005 as deemed cost. Restricted land and buildings are no longer revalued.

Infrastructure assets (roads, water treatment and reticulation, sewerage treatment and reticulation and stormwater systems) are carried at fair value on a depreciated replacement cost (DRC) basis as assessed by an independent valuer. At balance date the Council assesses the carrying values of its infrastructure assets to ensure that they do not differ materially from the assets' fair value. If there is a material difference, then the off-cycle asset classes are revalued. Any additions since valuation are carried at depreciated cost.

Land under roads was valued on the basis of fair value of adjacent land as at 30 June 2005. The Council has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost.

Plant and equipment (including leased equipment under finance leases) are measured at cost, net of accumulated depreciation and impairment losses, if any.

DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant and equipment for the Council other than land, at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

QRS uses the diminishing value basis for depreciating plant, equipment and motor vehicles, office equipment and furniture, and computer hardware.

Category	Estimated Life (Years)
Quarries	30-40
Buildings	30-40
Other improvements	10-50
Plant, equipment and vehicles	4-10
Library collection	2-10
Office equipment, furniture & fittings	5-10
Computer equipment	4-5

Sewerage	
Structures	50
Oxidation ponds	40
Pipes	80-120
Manholes	80
Pumps	10-35
Plant	10-35
Resource consents	25
Stormwater	
Reticulation piping	50-100
Culverts	50-120
Manholes/sumps	50-100
Open drains	Not depreciated
Water Supply	
Structures	50
Pumps	15-35
Reticulation piping	60-120
Meters	20
Hydrants	40
Resource consents	20-25
Reservoirs	80-100
Roads	
Top surface (seal)	14
Basecourse	100-120
Formation	Not depreciated
Bridges	20-80
Footpaths	15-40
Kerbs	50
Streetlights (poles)	50

Application of the estimated useful economic lives of assets is subject to change depending on the individual circumstances of the asset, particularly when assets are revalued, and the valuers provide an annual depreciation figure.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end. For revalued assets, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets. An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

ASSETS HELD FOR SALE

As at 30 June 2024, two properties held by the Group were classified as held for sale. Prior to reclassification, the properties were recognised within the Group's property, plant and equipment as part of operational land and buildings classes. The carrying value of the properties as at 30 June 2024 was \$18,025. As the fair value of the assets less the cost to sell is not materially different to the carrying value, no impairment loss was recognised upon the reclassification of the equipment as held for sale. The sale of the equipment is expected to be completed by December 2024. The Group had two properties held for sale in 2023.

POLICY ON REPLACEMENT OF ASSETS

The following policy was consulted on in 1999 and reconfirmed on 30th August 2006 with regards to depreciation. The Council has reviewed its assets and advises that the following assets will be depreciated but not rated for replacement.

1. Community halls
2. Housing
3. Camping ground
4. Roothing (NZTA subsidised portion of roading)
5. Community Centre
6. Loan-funded assets including the Māhia and Ōpoutama wastewater systems.

The above assets will be maintained on an ongoing basis at a level that meets the community's needs. Where appropriate the Council will cover each asset with insurance cover for fire, earthquake and natural catastrophe. The effects of this decision are that:

1. The existing assets will be available for many years to come.
2. Once an asset or part thereof reaches the point where it is considered unsafe to use then that asset will be removed and replaced if the Council's Long-Term Plan provides for this.
3. Should any asset under this policy be the subject of an insurance claim then, prior to reinstatement, Council will decide whether reinstatement of the asset should proceed or whether the service should be discontinued at the time of loss.
4. By not rating loss of service potential (depreciation) there is a reduction in rates payable by the present ratepayers.

2024 Depreciation not rated(Council Only)

	2024	
	Budget \$	Actual \$
Community halls	7	13
Housing	1	1
Camping ground	7	7
Roothing (Waka Kotahi subsidised portion of roading)	3,902	5,632
Community Centre	-	2
Loan-funded assets including the Māhia and Ōpoutama wastewater systems	1,154	1,280
Other assets	276	546
Total depreciation not funded	5,347	7,481

IMPAIRMENT OF NON-FINANCIAL ASSETS

Impairment of Cash Generating Assets

For non-financial cash-generating assets, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. An asset or CGU's recoverable amount is the higher of an assets or CGU's fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of comprehensive revenue and expense.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such an indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

The following assets have specific characteristics for impairment testing:

Intangible assets with indefinite useful life

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. 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

Impairment of Non-Cash Generating Assets

For non-financial non-cash-generating assets, the Group assesses at each reporting date whether there is an indication that the carrying amount may not be recoverable. If any indication exists, the Group estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

In assessing value in use, the Group has adopted the depreciated replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount.

For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

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

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the Group estimates the asset's recoverable service amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates

used to determine the asset's recoverable service amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

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

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

Impairment on infrastructural assets

The impairment to our transport network due to extreme weather

events consist of four critically damaged bridges (Te Puna Bridge, Te Reinga Bridge, Murphys No1 Bridge and Waikare Bridge) a further 13 bridges requiring repairs, and 39 road dropouts. These weather events have resulted in impairment adjustments of \$31,655,000 as at 30 June 2024 (Wairoa District Council 2024 fair value update of roading and three waters assets – WSP 28 October 2024).

DERECOGNITION

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit. Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to accumulated comprehensive revenue and expense.

	Council											
	30 June 2023			Current year						30 June 2024		
	Cost/ revaluation \$'000	Accumulated depreciation & impairment \$'000	Carrying amount \$'000	Revaluation \$'000	Disposal \$'000	Accumulated depreciation on disposals \$'000	Additions \$'000	Impairment (charges)/ recoveries \$'000	Depreciation charges \$'000	Carrying amount \$'000	Cost/ revaluation \$'000	Accumulated depreciation & impairment \$'000
Land	4,718	(4)	4,714	-	(382)	-	18	-	(1)	4,349	4,354	(5)
Buildings	14,673	(4,785)	9,888	-	(476)	49	134	-	(418)	9,177	14,331	(5,154)
Other Improvements	5,754	(3,325)	2,429	-	-	-	2,366	-	(431)	4,364	8,120	(3,756)
Vehicles	921	(756)	165	-	-	-	51	-	(96)	120	972	(852)
Furniture and office equipment	4,923	(3,851)	1,072	-	-	-	324	-	(201)	1,195	5,247	(4,052)
Library collections	723	(577)	146	-	-	-	45	-	(17)	174	768	(594)
Total non-infrastructural assets	31,712	(13,298)	18,414	-	(858)	49	2,938	-	(1,164)	19,379	33,792	(14,413)
Roading	394,368	(58,689)	335,679	7,366	-	-	11,698	1,896	(5,348)	351,291	413,432	(62,141)
Land under roads	5,344	-	5,344	-	-	-	-	-	-	5,344	5,344	-
Bridges	43,080	(22,860)	20,220	25,813	(14)	-	491	3,126	(1,526)	48,110	69,370	(21,260)
Water supply - treatment plant & facilities	9,103	(1,079)	8,024	17	-	-	50	-	(355)	7,736	9,170	(1,434)
Water supply - other assets	27,061	(2,580)	24,481	(965)	-	-	272	-	(711)	23,077	26,368	(3,291)
Sewerage - treatment plant & facilities	25,907	(1,949)	23,958	2,269	-	-	117	-	(776)	25,568	28,293	(2,725)
Sewerage - other assets	8,259	-	8,259	-	-	-	-	-	-	8,259	8,259	-
Stormwater	11,685	(1,297)	10,388	267	-	-	598	-	(395)	10,858	12,550	(1,692)
Parking	315	(64)	251	-	-	-	13	-	-	264	328	(64)
Total infrastructural assets	525,122	(88,518)	436,604	34,767	(14)	-	13,239	5,022	(9,111)	480,507	573,114	(92,607)
Total assets	556,834	(101,816)	455,018	34,767	(872)	49	16,177	5,022	(10,275)	499,886	606,906	(107,020)
Capital work in progress	6,093	-	6,093	-	-	-	(1,525)	-	-	4,568	4,568	-
Total assets including work in progress	562,927	(101,816)	461,111	34,767	(872)	49	14,652	5,022	(10,275)	504,454	611,474	(107,020)

	Group											
	30 June 2023			Current year						30 June 2024		
	Cost / revaluation \$'000	Accumulated depreciation & impairment \$'000	Carrying amount \$'000	Revaluation \$'000	Disposal \$'000	Accumulated depreciation on disposals \$'000	Additions \$'000	Impairment (charges)/recoveries \$'000	Depreciation charges \$'000	Carrying amount \$'000	Cost / revaluation \$'000	Accumulated depreciation & impairment \$'000
Land	5,141	(396)	4,745	-	(382)	-	18	-	(1)	4,380	4,777	(397)
Buildings	19,457	(5,326)	14,131	-	(476)	49	2,089	-	(553)	15,240	21,070	(5,830)
Other Improvements	5,755	(3,325)	2,430	-	-	-	2,366	-	(431)	4,365	8,121	(3,756)
Vehicles	16,125	(9,961)	6,164	-	(472)	437	2,623	-	(1,446)	7,306	18,276	(10,970)
Furniture and office equipment	5,424	(4,210)	1,214	-	-	-	392	-	(236)	1,370	5,816	(4,446)
Library collections	723	(576)	147	-	-	-	45	-	(17)	175	768	(593)
Total non-infrastructure assets	52,625	(23,794)	28,831	-	(1,330)	486	7,533	-	(2,684)	32,836	58,828	(25,992)
Roading	391,414	(58,690)	332,724	7,366	-	-	10,816	1,896	(5,362)	347,440	409,596	(62,156)
Land under roads	5,344	-	5,344	-	-	-	-	-	-	5,344	5,344	-
Bridges	43,080	(22,860)	20,220	25,813	(14)	-	491	3,126	(1,526)	48,110	69,370	(21,260)
Water supply - treatment plant & facilities	9,103	(1,079)	8,024	17	-	-	50	-	(355)	7,736	9,170	(1,434)
Water supply - other assets	27,061	(2,580)	24,481	(965)	-	-	272	-	(711)	23,077	26,368	(3,291)
Sewerage - treatment plant & facilities	25,907	(1,949)	23,958	2,269	-	-	117	-	(776)	25,568	28,293	(2,725)
Sewerage - other assets	8,259	-	8,259	-	-	-	-	-	-	8,259	8,259	-
Stormwater	11,685	(1,297)	10,388	267	-	-	598	-	(395)	10,858	12,550	(1,692)
Parking	315	(64)	251	-	-	-	13	-	-	264	328	(64)
Total infrastructural assets	522,168	(88,519)	433,649	34,767	(14)	-	12,357	5,022	(9,125)	476,656	569,278	(92,622)
Total assets	574,793	(112,313)	462,480	34,767	(1,344)	486	19,890	5,022	(11,809)	509,492	628,106	(118,614)
Capital work in progress	6,093	-	6,093	-	-	-	(1,525)	-	-	4,568	4,568	-
Total assets including work in progress	580,886	(112,313)	468,573	34,767	(1,344)	486	18,365	5,022	(11,809)	514,060	632,674	(118,614)

	Council											
	30 June 2022			Prior Year						30 June 2023		
	Cost / revaluation \$'000	Accumulated depreciation & impairment \$'000	Carrying amount \$'000	Revaluation \$'000	Disposal \$'000	Accumulated depreciation on disposals \$'000	Additions \$'000	Impairment charges \$'000	Depreciation charges \$'000	Carrying amount \$'000	Cost / revaluation \$'000	Accumulated depreciation & impairment \$'000
Land	4,718	(3)	4,715	-	-	-	-	-	(1)	4,714	4,718	(4)
Buildings	14,628	(4,372)	10,256	-	-	-	45	-	(413)	9,888	14,673	(4,785)
Other Improvements	5,453	(2,839)	2,614	-	-	-	301	-	(486)	2,429	5,754	(3,325)
Vehicles	921	(618)	303	-	-	-	-	-	(138)	165	921	(756)
Furniture and office equipment	4,784	(3,614)	1,170	-	-	-	139	-	(237)	1,072	4,923	(3,851)
Library collections	686	(563)	123	-	-	-	37	-	(14)	146	723	(577)
Total non-infrastructure assets	31,190	(12,009)	19,181	-	-	-	522	-	(1,289)	18,414	31,712	(13,298)
Roading	237,106	(36,151)	200,955	146,646	-	-	10,616	(19,224)	(3,314)	335,679	394,368	(58,689)
Land under roads	5,344	-	5,344	-	-	-	-	-	-	5,344	5,344	-
Bridges	30,764	(4,219)	26,545	13,096	(2,556)	-	1,776	(17,452)	(1,189)	20,220	43,080	(22,860)
Water supply - treatment plant & facilities	6,637	(861)	5,776	2,210	-	-	256	-	(218)	8,024	9,103	(1,079)
Water supply - other assets	20,254	(1,972)	18,282	6,637	-	-	170	-	(608)	24,481	27,061	(2,580)
Sewerage - treatment plant & facilities	15,623	(1,324)	14,299	7,638	-	-	2,646	-	(625)	23,958	25,907	(1,949)
Sewerage - other assets	8,259	-	8,259	-	-	-	-	-	-	8,259	8,259	-
Stormwater	8,098	(1,000)	7,098	3,376	-	-	211	-	(297)	10,388	11,685	(1,297)
Parking	315	(64)	251	-	-	-	-	-	-	251	315	(64)
Total infrastructural assets	332,400	(45,591)	286,809	179,603	(2,556)	-	15,675	(36,676)	(6,251)	436,604	525,122	(88,518)
Total assets	363,590	(57,600)	305,990	179,603	(2,556)	-	16,197	(36,676)	(7,540)	455,018	556,834	(101,816)
Capital work in progress	9,514	-	9,514	-	-	-	(3,421)	-	-	6,093	6,093	-
Total assets including work in progress	373,104	(57,600)	315,504	179,603	(2,556)	-	12,776	(36,676)	(7,540)	461,111	562,927	(101,816)

	Group											
	30 June 2022			Prior Year						30 June 2023		
	Cost / revaluation \$'000	Accumulated depreciation & impairment \$'000	Carrying amount \$'000	Revaluation \$'000	Disposal \$'000	Accumulated depreciation on disposals \$'000	Additions \$'000	Impairment charges \$'000	Depreciation charges \$'000	Carrying amount \$'000	Cost / revaluation \$'000	Accumulated depreciation & impairment \$'000
Land	5,141	(395)	4,746	-	-	-	-	-	(1)	4,745	5,141	(396)
Buildings	16,392	(4,873)	11,519	-	-	-	3,065	-	(453)	14,131	19,457	(5,326)
Other Improvements	5,454	(2,839)	2,615	-	-	-	301	-	(486)	2,430	5,755	(3,325)
Vehicles	14,300	(9,623)	4,677	-	(943)	815	2,768	-	(1,153)	6,164	16,125	(9,961)
Furniture and office equipment	5,238	(3,948)	1,290	-	(9)	4	195	-	(266)	1,214	5,424	(4,210)
Library collections	686	(562)	124	-	-	-	37	-	(14)	147	723	(576)
Total non-infrastructure assets	47,211	(22,240)	24,971	-	(952)	819	6,366	-	(2,373)	28,831	52,625	(23,794)
Roading	235,096	(36,152)	198,944	146,646	-	-	9,672	(19,224)	(3,314)	332,724	391,414	(58,690)
Land under roads	5,344	-	5,344	-	-	-	-	-	-	5,344	5,344	-
Bridges	30,764	(4,219)	26,545	13,096	(2,556)	-	1,776	(17,452)	(1,189)	20,220	43,080	(22,860)
Water supply - treatment plant & facilities	6,637	(861)	5,776	2,210	-	-	256	-	(218)	8,024	9,103	(1,079)
Water supply - other assets	20,254	(1,972)	18,282	6,637	-	-	170	-	(608)	24,481	27,061	(2,580)
Sewerage - treatment plant & facilities	15,623	(1,324)	14,299	7,638	-	-	2,646	-	(625)	23,958	25,907	(1,949)
Sewerage - other assets	8,259	-	8,259	-	-	-	-	-	-	8,259	8,259	-
Stormwater	8,098	(1,000)	7,098	3,376	-	-	211	-	(297)	10,388	11,685	(1,297)
Parking	315	(64)	251	-	-	-	-	-	-	251	315	(64)
Total infrastructural assets	330,390	(45,592)	284,798	179,603	(2,556)	-	14,731	(36,676)	(6,251)	433,649	522,168	(88,519)
Total assets	377,601	(67,832)	309,769	179,603	(3,508)	819	21,097	(36,676)	(8,624)	462,480	574,793	(112,313)
Capital work in progress	9,514	-	9,514	-	-	-	(3,421)	-	-	6,093	6,093	-
Total assets including work in progress	387,115	(67,832)	319,283	179,603	(3,508)	819	17,676	(36,676)	(8,624)	468,573	580,886	(112,313)

VALUATION: ROADING, BRIDGES AND PARKING INFRASTRUCTURAL ASSETS

Roading, bridges, and parking infrastructural assets are valued on a depreciated replacement cost basis. Replacement cost is the cost of building the existing infrastructure using present day technology but maintaining the originally designed level of service and performance. Replacement cost was calculated by multiplying asset quantities by unit cost rates factored to allow for other direct costs such as professional fees.

The following significant assumptions are used in determining the replacement cost of these assets:

- Estimating the replacement cost of the asset.
- Estimates of the useful lives for the purpose of calculating depreciation.
- Estimating any diminishment in the capacity of assets that would be required if the assets were replaced.

The revaluation for roading, bridges and parking were performed by WSP, as at 30 June 2024. The carrying value of assets are the assessed fair value of the assets as per the conclusions of the revaluation reports. This reflects the fair value as at 30th June 2024. The revaluation includes impairments to the roading infrastructure assets totalling \$31,655,000 resulting from flooding events in the Wairoa District. There are assumptions and estimates used when performing depreciated replacement cost valuations over infrastructural assets.

These include:

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

VALUATION: WATER NETWORKS, WATER TREATMENT PLANTS AND WASTEWATER PUMP STATIONS

Water Networks, Treatment Plants, and Wastewater Pump Stations are valued using the optimised depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the optimised depreciated replacement cost method.

These include:

- Estimating the replacement cost of the asset.
- Estimates of the remaining useful life over which the asset will be depreciated.

Useful lives were determined with reference to the NZ Infrastructure Asset Valuation and Depreciation Guidelines 2006 and local conditions and knowledge.

The revaluation for Water Networks, Treatment Plants, and Wastewater Pump Stations was performed by WSP, as at 30 June 2024.

12. INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made prospectively.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in surplus or deficit when the asset is derecognised.

SOFTWARE ACQUISITION AND DEVELOPMENT

The Group holds several computer software packages for internal use, including purchased software and software developed in-house by the Group. Staff training costs and costs associated with maintaining computer software are recognised as expenses in surplus or deficit when incurred.

Costs incurred to configure or customise software in a cloud computing arrangement are recognised as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria.

TRADEMARKS

A trademark is an exclusive right to use a phrase or term that has been approved on application by the New Zealand Intellectual Property Office. The Council owns three phrases: "Space Coast Aotearoa," "Space Coast New Zealand" and "Earth Base One." Acquired trademarks are capitalised on the basis of the costs incurred to acquire the specific trademark, which is considered to reflect the fair market value of the assets.

EMISSIONS UNITS (CARBON CREDITS)

Carbon Credits, recognised as intangible assets upon acquisition by the Council, have been initially measured at fair value. Council's primary objective in acquiring carbon credits is environmental mitigation rather than utilising them as financial instruments for profit or investment purposes. Consequently, they have not been subject to subsequent revaluation in accordance with applicable accounting standards.

AMORTISATION

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use, and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive revenue and expense. A summary of the policies applied to the Group's major classes of intangible assets is, as follows:

	Software	Trademarks	Emissions Trading Credits
Useful life	Finite: 3 years	Indefinite	Indefinite
Amortisation method	Straight line basis	Not amortised	Not amortised
Internally-generated or acquired	Some acquired and some internally-generated	Acquired	Acquired

IMPAIRMENT TESTING OF INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

Trademarks

The trademarks held by the group have been registered with New Zealand Intellectual Property Office with the option to renew at the end of the period at little cost to the Group, which has allowed the Group to determine that these assets have indefinite useful lives. As trademarks are a non-cash-generating intangible asset, they were not allocated to a cash generating unit for impairment testing.

The Group performed its annual impairment test for these trademarks in June 2024. No impairment loss has been recognised in relation to the trademarks (2023: nil).

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Software				
Cost as at 1 July	798	795	1,106	1,103
Additions	-	3	-	3
Disposals	-	-	-	-
Total cost as at 30 June	798	798	1,106	1,106

Accumulated amortisation and impairment 1 July	794	790	1,031	1,009
Current year amortisation charge	2	4	2	4
Disposals	-	-	14	18
Total accumulated amortisation and impairment at 30 June	796	794	1,047	1,031
Software carrying value 30 June				
	2	4	59	75
Trademarks				
Cost as at 1 July	12	12	12	12
Additions	-	-	-	-
Disposals	-	-	-	-
Total cost as at 30 June	12	12	12	12
Emissions Trading Credits				
Accumulated amortisation and impairment 1 July	-	-	-	-
Current year amortisation charge	-	-	-	-
Disposals	-	-	-	-
Total accumulated amortisation and impairment at 30 June	-	-	-	-
Trademarks carrying value 30 June	12	12	12	12
Emissions Trading Credits				
Cost as at 1 July	552	-	552	-
Additions	-	552	-	552
Disposals	193	-	193	-
Total cost as at 30 June	359	552	359	552
Accumulated amortisation and impairment 1 July				
	-	-	-	-
Current year amortisation charge				
	-	-	-	-
Disposals				
	-	-	-	-
Total accumulated amortisation and impairment at 30 June	-	-	-	-
Emissions Trading Credits carrying value 30 June	359	552	359	552
Net carrying value of intangible assets 1 July				
	568	17	639	106
Net carrying value of intangible assets 30 June	373	568	430	639

13. BIOLOGICAL ASSETS – FORESTRY

The Group's biological assets consist of forestry. Forestry assets are independently valued triennially at 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 silvicultural costs and environmental, operational and market restrictions.

Gains or losses arising on the initial recognition of biological assets at fair value less estimated sale costs and from a change in fair value less estimated point of sale costs are recognised in the statement of comprehensive revenue and expense. The costs to maintain forestry assets are included in the statement of comprehensive revenue and expense.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Balance at 1 July	115	115	115	115
Increases due to purchase	-	-	-	-
Gains / (losses) arising from changes in fair value	-	-	-	-
Balance at 30 June	115	115	115	115

The Council owns 29.3 hectares (2023: 29.3 hectares) of forest, mostly *Pinus radiata*, which are at varying stages of maturity. No trees have been harvested during the year (2023: nil).

There are no restrictions over the title of forestry assets. No forestry assets are pledged as security for liabilities.

Valuation Assumptions

Forestry assets are valued by fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. Future costs and revenue are discounted from the year in which they occur to the date of the valuation by applying an appropriate discount rate. The appropriate discount rate is determined by considering the implied discount rate based on recent sales of forests.

Council's forestry holdings were valued as at 30th June 2020 by registered valuer Trevor Kitchin of Telfer Young Limited (Hawkes Bay). This reflects the fair value as at 30th June 2020. Council considers that there have been no events that would give rise to a material change in this valuation during the year.

Significant assumptions applied in this determination of fair value are:

- A pre-tax discount rate of 8.00% has been used in discounting the present value of expected cash;
- Growing and harvesting costs and revenues are based on current and actual industry based costs and revenues experienced by similar forests in the wider district;
- The valuations involve the tree crop only and not the land under the trees;
- The valuation excludes any liabilities or credits associated with NZ units under the Emissions Trading Scheme.

Financial Risk Management Strategies

The valuer identified that the forests owned by Council are sensitive 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, 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.

14. INVESTMENTS IN SUBSIDIARY

The Council's investment in its subsidiary is carried at cost less any impairment charges in the Council's own "parent entity" financial statements. There are no significant restrictions on the ability of the controlled entity to transfer funds to the Council in the form of cash distributions or to repay loans or advances.

In accordance with the company's Statement of Intent, an independent valuation was conducted by Price Waterhouse Coopers in May 2019. The 'fair market value' was assessed as being between \$7.1 million and \$8.8 million. Council carries this investment at cost in its balance sheet.

Information on inter-company transactions is included in **Note 21**.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Quality Roding and Services (Wairoa) Limited	1,250	1,250	-	-
Total investment in subsidiary	1,250	1,250	-	-

15. INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Investment property is measured initially at its cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day maintenance of an investment property.

After initial recognition, the Council measures all investment property at cost less accumulated depreciation. Depreciation is provided on a straight-line basis on all investment property for the Council other than land, at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Category	Estimated Life (Years)
Buildings	30-40
Furniture and Fittings	5-20

Investment properties are derecognised when they have been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on derecognition of an investment property are recognised in the statement of comprehensive revenue and expense in the year of derecognition.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Cost at 1 July	401	401	401	401
Disposals	-	-	-	-
Prior Year Adjustment	53		53	
Transferred from land and building assets	7,923	-	7,923	-
Total cost at 30 June	8,377	401	8,377	401
Accumulated depreciation as at 1 July	(40)	(32)	(40)	(32)
Current year depreciation charge	(5)	(8)	(5)	(8)
Total accumulated depreciation as at 30 June	(45)	(40)	(45)	(40)
Net carrying value of investment properties 1 July	361	369	361	369
Net carrying value of investment properties 30 June	8,332	361	8,332	361

	Council and Group	
	2024 \$	2023 \$
Rental revenue	69	19
Direct operating expenses from investment property generating revenue	-	-

16. LOAN TO SUBSIDIARY

As of June 30, 2024, Council has extended a loan to its Subsidiary, in the amount of \$1,026 million. The loan features a fixed interest rate of 5.719% and is due for full repayment in April 2029. This receivable loan is classified as a non-current asset in accordance with applicable accounting standards. The accounting treatment for the loan is in accordance with applicable accounting standards, recognizing a current portion as of the reporting date, reflecting the interest income expected to accrue within the next twelve months. The remaining portion of the loan is classified as a non-current asset.

Council recognises interest income over the loan term using the effective interest rate method. As of the reporting date, there are no indications of impairment, and Council continues to accrue interest income in accordance with the agreed terms.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Quality Roding and Services (Wairoa) Limited	1,037	1,036	-	-
Total investment in subsidiary	1,037	1,036	-	-

17. BORROWINGS

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council or QRS has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current				
Secured loans	3,500	11,500	3,576	11,966
Total current	3,500	11,500	3,576	11,966
Non-current				
Secured Loans	7,526	7,526	11,233	9,643
Total non-current	7,526	7,526	11,233	9,643
Total borrowings	11,026	19,026	14,809	21,609

MATURITY ANALYSIS AND EFFECTIVE INTEREST RATES

The following is a maturity analysis of the Group's borrowings. There are no early repayment options.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Less than one year	3,500	11,500	3,588	11,966
Weighted average effective interest rate	3.97%	4.88%	3.94%	5.05%
Later than one year but less than two years	6,500	3,500	10,195	5,607
Weighted average effective interest rate	5.04%	3.93%	1.10%	1.16%
Later than two years but less than five years	1,026	3,000	1,026	3,000
Weighted average effective interest rate	5.72%	4.25%	5.72%	4.25%
Later than five years	-	1,026	-	1,026
Weighted average effective interest rate	0.00%	5.72%	0.00%	5.72%
Total borrowings	11,026	19,026	14,809	21,599

FAIR VALUE OF BORROWINGS

The fair values are based on cash flows discounted using a rate based on the weighted average borrowing rate of 4.76% Council (2023: 4.65%) and 3.83% Group (2023: 4.41%). The carrying amounts of borrowings repayable within one year approximate their fair value. The Council and the Group do not have any floating rate debt.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Carrying amounts	11,026	19,026	14,809	21,599
Fair values	10,997	18,466	11,270	18,888

SECURITY

The Council's loans are secured over either separate or general rates of the district.

QRS has term loan facilities secured over the carrying value of the companies assets. At 30 June 2024, QRS has a loan to finance the purchase of two excavators.

INTERNAL BORROWING

The Council manages its borrowings in accordance with its funding and financial policies which includes an Investment and Liability Management Policy.

The Council holds internal borrowings for the following groups of activities:

	01 July Opening balance \$'000	Borrowed (repaid) in year \$'000	30 June Closing balance \$'000
Water supply	1,640	(220)	1,420
Stormwater and drainage	1,510	(791)	719
Wastewater	5,530	864	6,394
Waste management	1,369	(912)	457
Transport	1,763	4,825	6,588
Community facilities	389	(710)	(321)
Leadership and governance	110	468	578
Planning and regulatory	(150)	2,081	1,931
Support services	2,905	2,084	4,989
Total internal borrowings	15,066	7,689	22,755

The Council uses an assumed internal interest rate of 4.76% (2023: 4.65%), consistent with its weighted average external borrowing rate, in relation to internal borrowing amounts. Interest charges for the year are:

	Interest charged	
	2024 \$	2023 \$
Water supply	67	76
Stormwater and drainage	34	70
Wastewater	304	257
Waste management	22	64
Transport	305	82
Community facilities	-15	18
Leadership and governance	27	5
Planning and regulatory	92	-7
Support services	238	135
Total internal interest charged	1,074	700

18. LANDFILL AND QUARRY AFTERCARE PROVISIONS

LANDFILL AFTERCARE PROVISION

The management of the landfill will influence the timing of recognition of some liabilities. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The cash outflows for landfill post-closure are expected to occur within the next 8 years. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises, which is when each stage of the landfill is commissioned and refuse begins to accumulate.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure including final cover application and vegetation; incremental drainage control features; completing facilities for leachate collection and monitoring; completing facilities for water quality monitoring; completing facilities for monitoring and recovery of gas. Amounts provided for landfill post-closure are capitalised to the landfill asset. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

This note discloses an analysis of the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision. The Council has assumed that the aftercare provision for Wairoa Landfill is operative until 2060, based upon the resource consent issued by the Hawke's Bay Regional Council which will need to be extended in 2031. There is capacity available for this extension. The Council has a responsibility under the resource consent to provide for ongoing maintenance and monitoring of the landfill site.

The following key assumptions have been used in calculating the landfill rehabilitation provision:

- Estimated year of closure: 2025 (2023: 2027)
- Length of post-closure monitoring period: 37 years (2023: 33 years)
- Total expected cash outflow – undiscounted: \$2.031m (2023: \$1.378m)
- Discount rate: 5.30% (2023: 4.85%)

There are closure and post-closure responsibilities such as the following:

Closure responsibilities

- Final cover application and vegetation
- Incremental drainage control features
- Completing facilities for leachate collection and monitoring
- Completing facilities for monitoring and recovery of gas

Post-closure responsibilities

- Treatment and monitoring of leachate
- Ground water and surface monitoring
- Gas monitoring and recovery
- Implementation of remedial measures such as needed for cover, and control systems
- Ongoing site maintenance for drainage systems, final cover and vegetation

Landfill post closure costs

The Māhia landfill was closed and capped in 2004 and aftercare of the landfill finished in 2014. There is however ongoing monitoring of the bores with an estimated annual cost (at today's dollar values) of \$3,000 per annum.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Opening balance	1,378	1,306	1,378	1,306
Movement in provision	654	72	654	72
Amount utilised	-	-	-	-
Landfill post closure costs – closing balance	2,032	1,378	2,032	1,378
Current	-	-	-	-
Non-current	2,032	1,378	2,032	1,378
Landfill post closure costs – closing balance	2,032	1,378	2,032	1,378

19. EQUITY

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is broken down and classified into a number of components to enable clearer identification of the specified uses of equity within the Council and the Group.

The components of equity are accumulated funds and retained earnings, revaluation reserves which include a fair value through other comprehensive revenue and expense reserve and restricted funds which comprise special fund reserves.

Special reserves are restricted by Council decision and subject to specific conditions of use. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met. The Council may alter them without references to any third party or the Courts. Transfers to or from these reserves are at the discretion of the Council.

Wairoa District Council has the following Council created special reserves:

- A disaster recovery reserve is held to fund Council's share of any costs relating to a natural disaster or unforeseen event.
- Reserves held for future asset purchases include proceeds from the sale of Council-owned infrastructure, land and buildings. These are held in the district development reserve and may be used towards the cost of purchasing or constructing new assets.
- A number of depreciation reserves are held to fund the renewal of infrastructure and other assets.
- Reserves held to meet future operational costs include administration reserves – funds carried over from one financial year to the next to match related expenditure, and retirement and restructuring reserves – to fund future retirement, redundancy, long service gratuities and costs associated with Council reorganisations.
- Reserves held for the repayment of debt as it matures.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Special reserves	22,706	24,656	22,706	24,656
Revaluation reserves	307,327	267,538	308,318	268,529
Ratepayer's equity	172,032	163,798	177,005	167,980
Total equity	502,065	455,992	508,029	461,165

EQUITY MANAGEMENT

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. Ratepayer funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The primary 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 does not expect them to meet the full cost of long term assets that will benefit ratepayers in future generations. These plans ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance. To achieve this objective the Council has asset management plans in place for major classes of assets, detailing renewal and programmed maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan and 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 levels of funding are set out in the funding and financial policies in the Council's Long Term Plan. The Council monitors actual expenditure incurred against the Long Term Plan and Annual Plan. No changes were made in the equity management objectives, policies or processes for the year ended 30 June 2024.

REVALUATION RESERVES

The revaluation reserves are used to record accumulated increases and decreases in the fair value of certain asset classes. Revaluation movements are non-cash in nature and represent the restating of the Council's assets, subject to revaluation, into current dollar values after taking into account the condition and remaining lives of the assets.

The result of any revaluation of the Group's property, plant and equipment is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is transferred to the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within surplus or deficit will be recognised firstly, within surplus or deficit up to the amount previously expensed, and with any remaining increase recognised within other comprehensive revenue and expense and in the revaluation reserve for that class of property, plant and equipment. Any impairment in a revalued class of asset is recognised within other comprehensive revenue and expense and the portion relating to previous revaluation gains is taken to the asset revaluation reserve.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount. While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Revaluation reserves - opening balance	267,538	124,611	268,529	125,602
Net transfer from asset revaluation reserve on disposal	-	-	-	-
Revaluation recognised in other comprehensive revenue and expense	39,789	142,927	39,789	142,927
Revaluation reserves - closing balance	307,327	267,538	308,318	268,529

RATEPAYERS EQUITY (RETAINED EARNINGS)

Retained earnings are accumulated surpluses and deficits from operations not transferred to special or restricted reserves over the life of the council.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Ratepayer's equity - opening balance	163,798	163,343	167,980	167,158
Surplus (deficit) for year	6,284	2,587	7,075	2,954
Transfers to special reserves	(3,691)	(3,717)	(3,691)	(3,717)
Transfers from special reserves	5,641	1,585	5,641	1,585
Transfers from revaluation reserves	-	-	-	-
Ratepayer's equity - closing balance	172,032	163,798	177,005	167,980

SPECIAL RESERVES

	01 July 2023 Opening balance \$000	Transfer to \$000	Transfer from \$000	30 June 2024 Closing balance \$000
Reserves held for emergency purposes				
Disaster recovery reserve	849	34	-	883
Total reserves held for emergency purposes	849	34	-	883
Reserves held for future asset purchases				
District development fund	292	12	-	304
Asset and vehicle depreciation reserve	1,913	723	(177)	2,459
Information systems renewal reserve	647	65	(69)	643
Water production depreciation reserve	1,278	104	(35)	1,347
Water reticulation depreciation reserve - Wairoa	3,668	473	-	4,141
Water reticulation depreciation reserve - peri urban	132	5	(243)	(106)
Water reticulation depreciation reserve - Tuai	62	2	(2)	62
Water reticulation depreciation reserve - Frasertown	54	2	-	56
Water reticulation depreciation reserve - Mahanga	16	1	-	17
Sewerage system depreciation reserve - Wairoa	2,413	568	(29)	2,952
Sewerage system depreciation reserve - Tuai	349	14	-	363
Stormwater reticulation depreciation reserve - Wairoa	3,133	107	-	3,240
Stormwater reticulation depreciation reserve - Mahia	14	1	-	15
Parking area depreciation reserve	108	4	-	112
Bridges depreciation reserve	(256)	(10)	(837)	(1,103)
Landfill/RTS depreciation reserve	1,237	49	(17)	1,269
Airport runway depreciation reserve	20	21	(2)	39
Roading depreciation reserve	936	986	(3,292)	(1,370)
Footpaths depreciation reserve	1,459	59	(61)	1,457
Library book stocks depreciation reserve	214	24	(45)	193
Pensioner housing depreciation reserve	217	47	(19)	245
Parks and reserves depreciation reserve	375	180	(813)	(258)
Total reserves held for future asset purchases	18,281	3,437	(5,641)	16,077
Reserves held for future operational costs				
General purpose fund	619	25	-	644
Wairoa urban fund	304	12	-	316
Retirement and restructuring reserve	112	4	-	116
Tuai village reserve	149	6	-	155
Total reserves held for future operational costs	1,184	47	-	1,231
Reserves held for repayment of maturing debt				
Loan repayment reserve - external	2,610	104	-	2,714
Loan repayment reserve - internal	1,732	69	-	1,801
Total reserves held for repayment of maturing debt	4,342	173	-	4,515
Total special funds reserves	24,656	3,691	(5,641)	22,706

20. RECONCILIATION OF OPERATING SURPLUS WITH NET CASH FLOW FROM OPERATING ACTIVITIES

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Net surplus/(deficit) for the period	46,073	145,514	46,864	145,881
Add/(deduct) non-cash items:				
Depreciation	10,210	7,540	11,850	8,768
Loss on disposal of assets	14	2,556	48	2,667
Gain on sale of assets	-	(102)	(1)	(186)
Amortisation	2	4	16	22
Decrease (increase) in deferred taxation	-	-	1,308	140
Increase (decrease) in employee benefit provision	67	(22)	74	(19)
Net (decrease) in bad debts provision	357	(344)	357	(344)
Unrealised loss (gain) on investments	(7)	13	(7)	13
(Decrease) in landfill aftercare provision	654	72	654	72
Increase in quarry aftercare provision	-	-	(1)	(86)
Loss / (gain) revaluation	(39,789)	(142,927)	(39,789)	(142,927)
Total non-cash items	17,581	12,304	21,373	14,001
Add/(deduct) movement in working capital¹:				
(Increase) decrease in rates receivable	(593)	201	(593)	201
(Increase) decrease in trade and other receivables	(3,438)	(9,168)	(3,626)	(8,398)
Increase (decrease) in trade and other payables	4,226	9,500	2,077	8,335
Increase (decrease) in loans and other receivables	64	-	64	-
(Increase) decrease in GST receivable	-	204	593	204
Increase (decrease) in taxation payable	18	-	(332)	247
(Increase) / decrease inventories	277	3	(1,817)	27
Total movement in working capital	77	740	(1,950)	616
Net cashflows from operating activities	17,858	13,044	19,556	14,617

¹ Excluding non-cash items

21. TRANSACTIONS WITH RELATED PARTIES

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include all members of the Group (Council and controlled entities) and key management personnel. Key management personnel include the Mayor and Councillors as elected members of the governing body of the Council reporting entity, the Chief Executive and all members of the senior leadership team, being key advisors to the Council and Chief Executive.

There were close family members of key management personnel employed by the Council and Group. The terms and conditions of those arrangements are no more favourable than the Council and Group would have adopted if there was no relationship to the key management Personnel.

Material related party transactions - key management personnel of Council

During the year, key management personnel, as part of normal local authority relationships, were involved in transactions with the Council such as payment of rates and purchases of rubbish bags or other Council services. These transactions were on normal commercial terms. Except for these transactions no key management personnel have entered into related party transactions with the Group.

- The Mayor and Councillor's disclose their personal interests in a register available on the Council website.
- There are no commitments from Council to key management personnel.

Material Related Party Transactions - QRS

Council's purchase of services and sales income from QRS for the year were as follows:

	2024 \$000	2023 \$000
Revenue received by Council for services provided to QRS	177	88
Expenditure payments made by Council for services provided by QRS	34,538	25,465
Dividend received from QRS	100	0
Subvention payment from QRS	0	1,000
Current receivables and recoverables owing to the Council from QRS	55	3
Current payables owed by the Council to QRS	4,756	4,967
Contract retentions	1,719	849

The receivable and payable balances are non-interest bearing and are to be settled on normal trading terms and conditions, except for \$6,474,775 (2023: \$848,885) of contract retentions which are payable at closure of defects liability period.

No related party transactions were forgiven or written off during the period (2023: nil).

22. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's and Council's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Group			
	Carrying amount		Fair value	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000

Financial assets

Other financial assets:

• At fair value through OCI	291	262	291	262
-----------------------------	-----	-----	-----	-----

Financial liabilities

Interest-bearing loans and borrowings:

• Fixed rate borrowings	14,809	21,599	11,270	18,888
-------------------------	--------	--------	--------	--------

	Council			
	Carrying amount		Fair value	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000

Financial assets

Other financial assets:

• At fair value through OCI	291	262	291	262
-----------------------------	-----	-----	-----	-----

Financial liabilities

Interest-bearing loans and borrowings:

• Fixed rate borrowings	11,026	19,026	10,997	18,584
-------------------------	--------	--------	--------	--------

Management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate borrowings are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the counterparty and the risk characteristics of the financed project.
- Fair value of the quoted shares and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- Fair value of the remaining AFS financial assets is derived from quoted market prices in active markets. Due to the immaterial size and nature of the Council's investment in Civic Financial Services Limited, the Council has estimated the fair value of this investment based on net asset backing as at 30 June 2024.
- Fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The carrying amounts of borrowings repayable within one year approximate their fair value.

FAIR VALUE HIERACHY

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

Level 1 – Quoted market price

Financial instruments with quoted prices for identical instruments in active markets.

Level 2 – Valuation techniques using observable inputs

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.

Level 3 – Valuation techniques with significant non-observable inputs

Financial instruments valued using models where one or more significant inputs are not observable.

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities as at 30 June:

	2024			2023		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000

Financial assets carried at fair value

Financial assets at fair value through other comprehensive revenue and expense	490	-	-	831	-	-
Financial assets at fair value through OCI	-	291	-	-	262	-

Financial liabilities measured at amortised cost

Fixed rate borrowings	14,809	-	-	21,599	-	-
-----------------------	--------	---	---	--------	---	---

The level 2 equity investments comprise the Group's LGFA borrower notes and investment in Civic Financial Services. There have been no transfers between Level 1 and Level 2 during the year.

23. FINANCIAL INSTRUMENT RISK

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

As part of its normal operations, the Group is exposed to a number of risks. The most significant are credit risk, liquidity risk and market risk, which includes interest rate risk. The Council's senior management oversees the management of these risks. The Council's senior management is supported by a Finance, Assurance and Risk (FAR) Committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The FAR Committee provides assurance to the Council that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Council is risk averse and seeks to minimise exposure from its treasury activities. The Council has approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

The Group's exposure to identified credit, liquidity and market risks and the action that the Group has taken to minimise the impact of these risks is outlined below.

MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and AFS investments.

The sensitivity analyses in the following sections relate to the position as at 30 June 2024. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt are all constant at 30 June 2024.

The analyses exclude the impact of movements in market variables on provisions and the non-financial assets and liabilities. The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of comprehensive revenue and expense item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 30 June 2024.

Interest Rate Risk

The interest rates on the Council's investments are disclosed in note 8 and on the Council's borrowings in note 17. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group can manage its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings, and a spread of maturities over several years. The Council's Investment and Liability Policy outlines the level of borrowing that is secured using fixed rate instruments. The Group's policy is to have no less than 50% of its borrowings at fixed rates of interest.

At 30 June 2024, 100% of the Group's borrowings are at a fixed rate of interest (2023: 100%). For the Council, 100% of all borrowings as at 30 June 2024 are at a fixed rate of interest (2023: 100%).

Interest Rate Sensitivity

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 50 bps is equivalent to a decrease in interest rates of 0.5%.

At 30 June 2024 the Council and Group have no floating rate debt. Therefore a movement in interest rates has no effect on the Council or Group's interest expense.

Commodity Price Risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of materials for road maintenance and therefore requires a continuous supply of roading metal. This risk is mitigated by the fact that QRS mines its own metal. The risk is further mitigated by Government subsidies relating to roading which offset the costs to Council. If there is an increase in the volatility of the price of the raw materials, the Group will consider entering into various forward commodity purchase contracts in the future.

Equity Price Risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages equity price risk through diversification of the investment portfolio in accordance with the limits set out in the Council's Investment policy. Reports on the equity portfolio are reviewed on a regular basis.

At the reporting date, the listed equity securities at fair value was \$490,000(2023: \$825,675). A decrease of 10% on the NZX market index could have an impact of approximately \$49,000 (2023: \$82,567) on the surplus or equity/net assets attributable to the Group, depending on whether the decline is significant or prolonged. An increase of 10% in the value of the listed securities would only impact equity/net assets and would not influence surplus.

LIQUIDITY RISK

Liquidity risk is the risk that the Group may encounter difficulties in meeting financial liabilities as they fall due. The Group monitors and manages this risk in accordance with the Council's Investment and Liability Policy. The Group maintains sufficient funds to cover all obligations as they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and facilities, debentures, finance leases and hire purchase contracts. The Group mitigates exposure to liquidity risk by managing the maturity of its borrowings programme within policy limits.

The Group's policy is that no more than 50% of borrowings should mature in the next 12-month period. Approximately 24% of the Group's debt will mature in less than one year at 30 June 2024 based on the carrying value of borrowings reflected in the financial statements (2023: 60%).

Expenses related to Cyclone Gabrielle and other extreme weather events have unexpectedly increased our need for operational funding, highlighting the importance of effective cash flow management, particularly given the ongoing variations in payment receipts and disbursements. Access to sources of funding is sufficiently available, and debt maturing within 12 months can be rolled over with existing lenders.

The Council remains adaptable to unforeseen events while maintaining a commitment to sound liquidity risk practices, promptly restoring liquidity risk management practices in line with established policies to ensure financial stability and continuity.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000

Contractual cashflows of financial liabilities

0-12 months	23,087	20,242	22,092	21,246
1-2 years	3,359	2,256	3,375	2,364
2-5 years	4,648	4,547	4,648	4,547
More than 5 years	56	49	123	109
Contractual cashflows of financial liabilities	31,150	27,094	30,239	28,266

Represented by

Carrying amount as per the Statement of Financial Position	30,284	26,527	29,368	27,691
Future interest payable	868	567	871	575
Contractual cashflows of financial liabilities	31,152	27,094	30,239	28,266

CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group's maximum credit risk exposure for each class of financial instruments is as follows:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Cash and cash equivalents	2,307	13,688	2,968	14,866
Trade and other receivables	17,509	14,106	18,993	15,380
Total financial instruments with credit risk	19,816	27,794	21,961	30,246

Trade Receivable From Exchange Transactions

Customer credit risk in relation to trade receivables from exchange transactions is managed by the Council and the Council-controlled organisation subject to the Group's established policy, procedures and control relating to customer credit risk management.

The Group evaluates the concentration of risk with respect to trade receivables as low, the majority of the Group's receivables from non-exchange transactions arise from the Council's statutory functions. 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 Group does not hold collateral as security. The Group is not exposed to a material concentration of credit risk around rates and other receivables from non-exchange transactions as it has a large number of credit customers, mainly ratepayers, and has powers under the

Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Group policy. Investments of surplus funds are made in accordance with the Council's Investment Policy. The Council's FAR Committee reviews investments as required. The Group aims to minimise the concentration of risks and therefore mitigate financial loss resulting from potential counterparty's failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2024 is the carrying amounts as illustrated above.

24. CONTINGENCIES

Contingent liabilities and contingent assets are disclosed at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility they will crystallise is not remote. Contingent assets are disclosed if it is probable the benefits will be realised.

CONTINGENT ASSETS

A contingent asset is a future expected cashflow arising out of council operations that has an inherent factor of uncertainty.

The Council entered into a 30 year targeted capital rating repayment plan for the connections of private individual's properties to a centralised wastewater network owned by the Council in the Māhia and Ōpoutama catchment areas. In terms of repayment of that cost, ratepayers were eligible to select an upfront payment, or to nominate between 3 and 30 years to repay the cost, plus interest through rates. The ordinary recovery of capital under a capital rating scheme is an instalment charged as a targeted rate, set with each year's rating resolution. In addition, an early repayment policy was adopted in 2016/17 for ratepayers to clear the remaining cost, exclusive of any future interest charges. The costs for the work commissioned by the Council on behalf of the ratepayers for these schemes were capitalised in the 2014/15 financial year.

The calculated value represents the amount owed and repayable under the scheme as at 30 June:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Balance at 1 July	779	856	779	856
Less: Charged through rates this financial year	(88)	(86)	(88)	(86)
Add back: Interest charged in rates	26	25	26	25
Less: Early repayment policy payments	(14)	(16)	(14)	(16)
Balance at 30 June	703	779	703	779

CONTINGENT LIABILITIES

A contingent liability is a debt that may be incurred in the future, but for which there is no current actual liability owing or an event giving rise to an obligation.

There were no contingent liabilities at 30 June 2024.

25. COMMITMENTS

FUTURE CONTRACTUAL COMMITMENTS

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Capital commitments				
Infrastructural assets - Water system	2,776	-	2,776	-
Infrastructural assets - Roading network	16,233	-	3,709	-
Other	2,805	-	2,805	117
Total capital commitments	21,814	-	9,290	117
Operational commitments				
Maintenance and service contracts	-	194	-	194
Total operational commitments	-	194	-	194
Total contractual commitments	21,814	194	9,290	311

At balance date, QRS had a capital commitment of \$133,196 for two excavators. (2023: \$117,932 for a grader).

The capital commitments above represent signed contracts in place at the end of the reporting period. The contracts will often span more than one financial year and may include capital expenditure carried forward from previous years.

NON-CANCELLABLE OPERATING LEASE COMMITMENTS

The Council leases photocopy machines and a building in the ordinary course of its business. New leases for each were negotiated in the current year for a 5 year term. Leases are generally renewable at the end of the lease period at market rates.

The leases have the following characteristics:

- The lease does not transfer substantially all the risks and rewards incidental to ownership;
- The lease does not transfer ownership to the Council or Group at the end of the lease term;
- The leased asset is not of a specialised nature that only the lessee can use without modifications;
- The lessee cannot cancel the lease unilaterally unless the lessor is in material breach of contract, and gains and losses in the value of the equipment remain the risk of the lessor.

The amount of minimum payments for non-cancellable operating leases is recognised as an expense in Note 3. The future expenditure committed by these leases is analysed in the following table:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Office equipment and vehicles				
Up to one year	25	34	25	168
Later than one year and not later than five years	-	25	-	309
Later than five years	-	-	-	-
Buildings				
Up to one year	21	32	21	32
Later than one year and not later than five years	-	21	-	21
Later than five years	-	-	-	-
Total non-cancellable operating lease commitments as lessee	46	112	46	530

26. VARIANCES FROM THE ANNUAL PLAN

Explanations for major variances from the Council's estimated figures in the 2023/24 budget (Annual Plan 2023/2024) are as follows:

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The Council's surplus was \$9.5 million lower than forecasted, and total comprehensive revenue and expense was \$30 million higher than forecasted. The net effect of the following items contributed to this variation:

- (a) Subsidy revenue of \$58 million was more than double the amount included in the budget. This was all used to pay for recovery operating expenses relating to road repair. As a result of this work, planned capital works totalling \$7.2 million were not undertaken. Capital subsidies are reported as 100% surplus because the revenue is used to improve assets.
- (b) Income from Council Fees and Charges was lower than budgeted by \$570K following a reduction in Building Permit fees as a result of decreased building work across the region following extreme weather events.
- (c) Solid Waste expenditure was \$382,000 higher than budgeted due to increases to Waste Levies, the Emissions Trading Scheme levies as well as weather events causing increased volumes of waste processed at the Wairoa landfill. These additional costs have been covered by a \$240K grant from NEMA. Additionally there have been costs incurred on the investigation of the expansion of the kerbside collection and expansion of waste minimisation education programmes which have also received subsidies.
- (d) Transport costs exceeded budgeted amounts by \$33 million in the 2023-24 year, of this emergency works accounted for \$31 million. Road maintenance costs were also higher on Special Purpose Road SH38 with emergency repairs required following weather events.

STATEMENT OF FINANCIAL POSITION

- (e) Current Assets increased by \$10 million during the 2023-24 year. This is due to an increase in income receivable from NZTA for works done in June 2024.
- (f) Our borrowings for the 2023-24 year were \$2 million higher than budgeted. Our total borrowings were \$5 million lower than last year due to repayment of loans. \$8 million was borrowed to account for costs related to Cyclone Gabrielle repairs, however due to the amount of subsidies and grants received this amount was able to be repaid during the year.
- (g) Property, plant, and equipment have exceeded the budget by \$187 million, primarily due to the 2023 revaluation of council assets, the effect of which had not been contemplated in the budget.
- (h) Landfill Aftercare Provision has increased by \$827,000 this year due to the impacts of Cyclone Gabrielle and the June 2024 flooding. Increased waste going to landfill has shortened the life expectancy of this cell by two years..
- (i) Equity is higher than budgeted by \$177 million, mainly due to revaluation and net of all other variances.

27. SIGNIFICANT EVENTS

Local Government Reform

In the past financial year, central government has announced three tranches of local government reform. These reforms may have impacts on the Wairoa District Council responsibilities, operations and financial statements in future periods.

Local Waters Done Well

The Water Services Reform Legislation (Three Waters) was repealed in February 2024 and replaced by the Local Water Done Well (LWDW) programme by the Coalition Government with a strong focus on water quality and infrastructure investment, ensuring that water services are resilient to the impacts of climate change.

The most recent legislation, Local Government (Waters Services Preliminary Arrangements), enacted in September 2024 requires Council to draft a Water Services Delivery Plan (WSDP) which needs to be consulted upon and submitted to the Department of Internal Affairs by September 2025.

A third Bill, the proposed Local Government Water Services Bill, is planned to be introduced to Parliament in December 2024 which will set out a range of changes to the water services delivery system and to the water services regulatory system. These new rules for water quality, including wastewater and stormwater discharges, will be developed and enforced by Taumata Arowai. These rules will set standards for acceptance discharges and mitigate environmental risks to rivers and beaches ensuring that water management practices meet the highest environmental standards.

For more information on the programme, please visit Water Services Policy and Legislation - www.dia.govt.nz/Water-Services-Policy-and-Legislation

Resource Management Reform

Over the last two years the Government has been on a journey to reform Aotearoa New Zealand's resource management system. The Natural and Built Environment Act and the Spatial Planning Act were passed into law on 23 August 2023. These Acts have since been repealed with the Resource Management Act 1991 in place while replacement legislation is developed.

Implementing a new resource management system comes at a time of change. The severe weather events in 2023 and 2024 demonstrated the reality of climate change, how widespread and costly the impacts can be, and the urgency to both reduce emissions and help communities be better prepared for the future. These events also underscored the importance of taking an integrated approach to effective resource management, climate mitigation and adaptation, and infrastructure planning to protect communities.

Local Government Reform

Central Government has indicated a need to rethink the form, function and funding of local government in New Zealand. This is as a result of the impact of the Resource Management and Water Reforms on local government responsibilities, combined with the need for a cohesive long term response to COVID-19, climate change and the opportunities that technological change present. It has been indicated that this reform will aim to incentivise and empower local government to work in partnership with central government to drive regional development, improve environmental outcomes and deliver on the wellbeing needs of communities.

This may result in new services, activities or responsibilities for Council. At this stage the outcome is uncertain, and the annual report has been prepared on the basis that the delivery model will not change in the foreseeable future.

For more information on the Local Government Reform, please visit <https://www.dia.govt.nz/Future-for-Local-Government-Review>

28. ADOPTION OF THE ANNUAL REPORT

Council adopted the 2023/24 Annual Report on 31 October 2024.



FINANCIAL PRUDENCE BENCHMARKS

The government has introduced the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations) which has a series of measures and benchmarks, disclosed in the following pages.

Readers are urged to read the commentary and explanations provided to give context to the information, as it is not always possible to compare Wairoa District Councils' results with other councils due to their size, location and provision of services.

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

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to

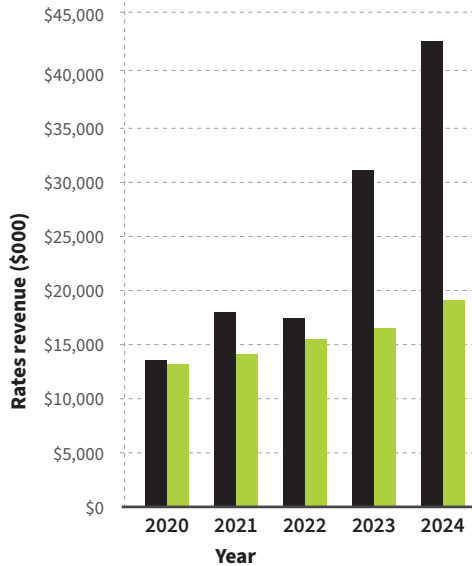
enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council must include this statement in its annual report in accordance with the regulations. Refer to the regulations for more information, including definitions of some of the terms used in this statement. Unless prescribed by the regulations the quantified limit for each benchmark is calculated using the financial information from the Council's Long Term Plan.

RATES AFFORDABILITY BENCHMARK

The council meets the rates affordability benchmark if:

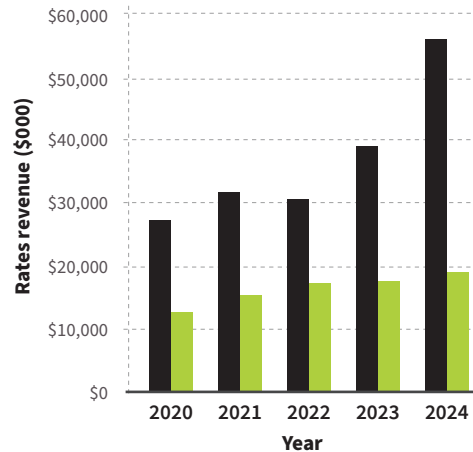
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases' equal or are less than each quantified limit on rates increases.



Quantified limit on rates revenue
 Actual rates revenue (at or within limit)
 Actual rates revenue (exceeds limit)

RATES (INCOME) AFFORDABILITY

The following graphs 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 Council has two measures for rates (income) affordability, and these are set out below.

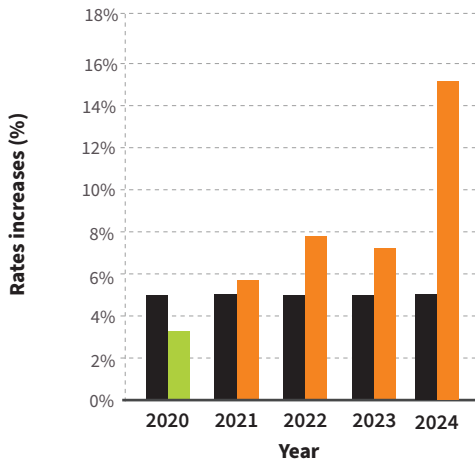


Total Rates as a Percentage of Operating Costs

The quantified limit is that total rates (excluding capital contribution rates) will not exceed 60% of operating costs.

Total Rates as a Percentage of Cash Revenue

The quantified limit is that total rates (including capital contribution rates) shall not exceed 70% of total cash revenue.



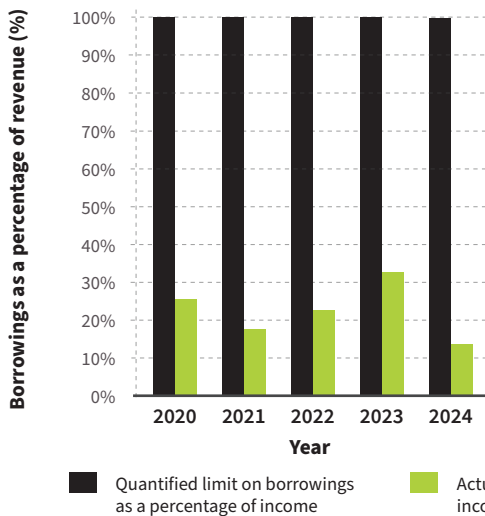
Rates (Increases) Affordability

The graph on the left compares the Council's actual rates increase with a quantifiable limit on rates increases contained in the financial strategy included in the Council's Long Term Plan.

The quantified limit is that the maximum annual total rates increase shall not exceed 5%.

In its Annual Plan 2023/24 Council adopted a budget with a 10.6% rates increase for the 2023/2024 year.

DEBT AFFORDABILITY BENCHMARK



The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The quantified limit described in the Long Term Plan is debt as a percentage of income.

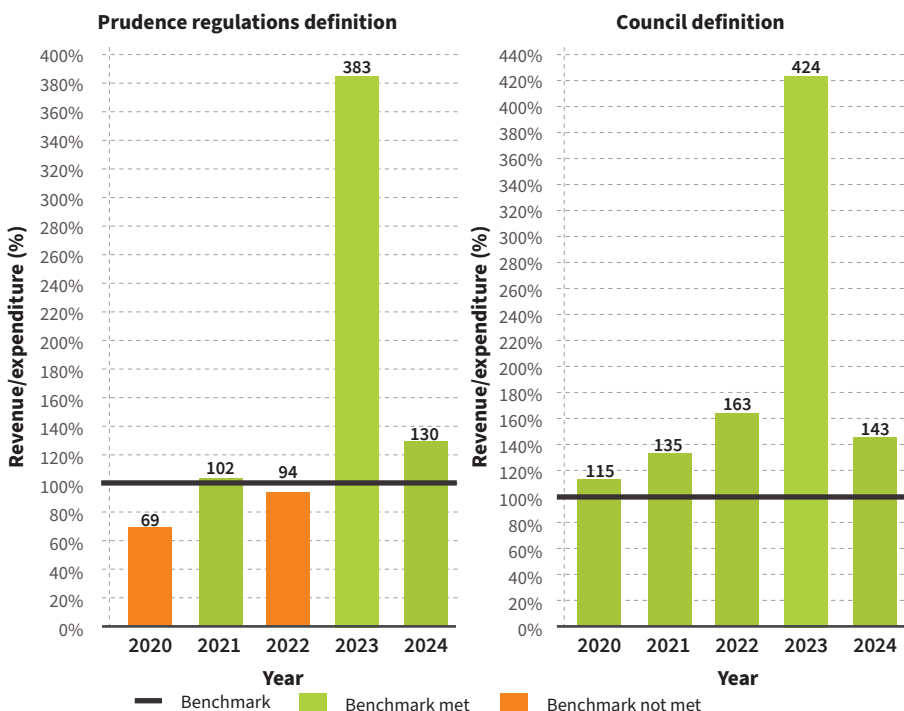
Debt as Percentage of Income

This graph compares the Council's debt with the quantified limits set out in the relevant Long Term Plan's financial strategy.

The quantified limit is that total borrowings will not exceed annual revenue.

BALANCED BUDGET BENCHMARK

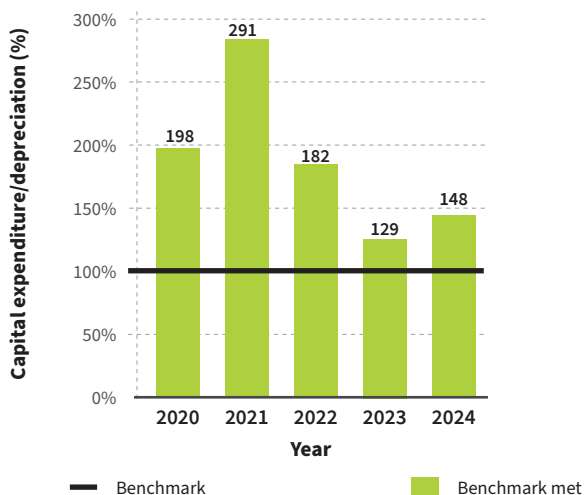
Section 100(1) of the Local Government Act 2002 (LGA) requires Council's to have a balanced budget. This is defined in the regulations as Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, 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.



The LGA does allow the Council to budget for a deficit, if it resolves that it is financially prudent to do so. The Council acknowledges that it runs deficits from a balanced budget perspective because it does not fully rate fund depreciation. For this reason, the Council has defined its balanced budget target as the above definition modified to exclude costs and gains from asset sales and the Waka Kotahi capital subsidies (from 2021, this has been refined to capital subsidies related to renewals) from the calculation of revenue, offset by the depreciation not funded.

The "Council definition" graph shows this adjusted balanced budget calculation and demonstrates the effect of Council not rating for all depreciation charges.

ESSENTIAL SERVICES BENCHMARK



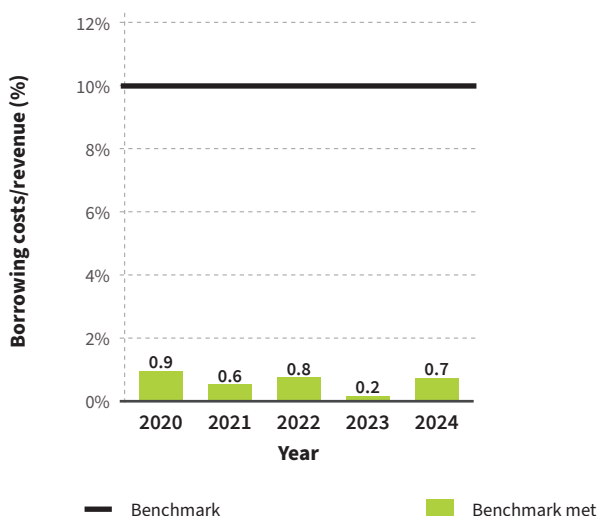
This graph displays the Council's capital expenditure on network services as a proportion of expected depreciation on network services.

The council meets the essential services benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

DEBT SERVICING BENCHMARK

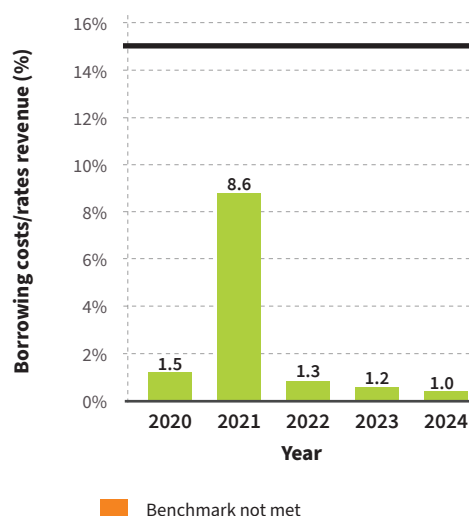
This graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative

financial instruments, and revaluations of property, plant, or equipment). The Council has two measures for debt servicing and these are set out below.



Borrowing costs as a percentage of revenue

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets this benchmark if its borrowing costs equal or are less than 10% of its revenue.

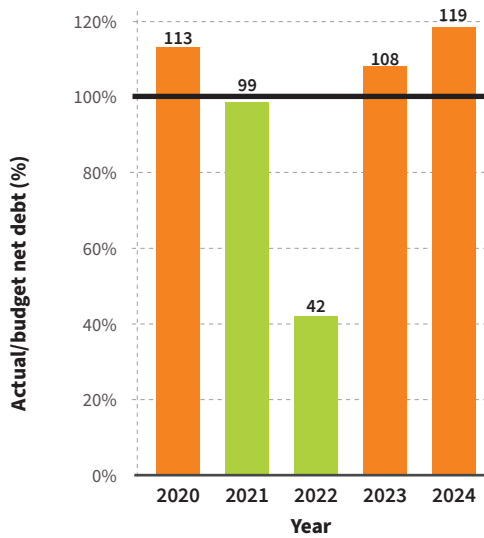


Debt servicing as a percentage of rates revenue

This graph displays the Council's debt servicing costs as a proportion of rates revenue with a quantified limit on debt servicing as a proportion of rates revenue contained in the financial strategy included in the Council's Long-Term Plan.

The quantified limit is that annual interest costs and loan repayments (debt servicing) shall not exceed 15% of rates revenue.

DEBT CONTROL BENCHMARK

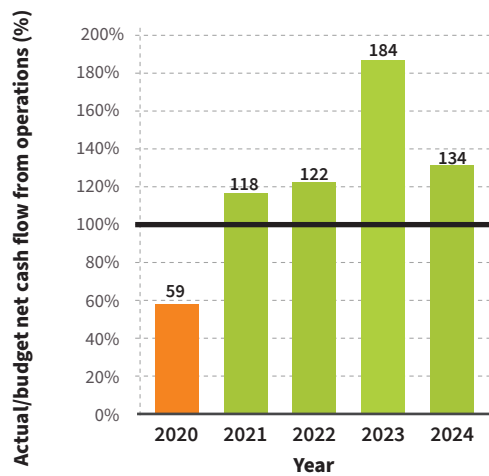


— Benchmark ■ Benchmark met ■ Benchmark not met

This graph on the left 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



— Benchmark ■ Benchmark met ■ Benchmark not met

The graph on the left displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

FUNDING IMPACT STATEMENTS

Annual report disclosure statement for year ending 30 June 2024

What is the purpose of these statements?

An annual report must include an audited funding impact statement for the financial year to which the report relates. The purpose of the Funding impact statements is to disclose the amount of funds produced from each source of funding, identify how the funds were applied and compare this information against the information included in the Long-Term Plan.

One statement is prepared for the whole of Council's activities and individual statements are prepared for each strategic activity.

Understanding Funding Impact Statements

These statements set out Council's sources of operating and capital funding for the financial year, and how this funding is applied.

The council's sources of operating funding include items such as fees and charges, and its applications of operating funding includes items such as payments to staff and suppliers.

The council's sources of capital funding include items such as subsidies and grants for capital expenditure, and its applications of capital funding include capital expenditure to improve levels of service or replace existing assets.

The difference between the value of total capital funding and application of this funding is the amount that Council needs to fund from rating for depreciation, both in the current year and from reserves built up over several years. These statements do not include depreciation as it is a non-cash item.

The Whole of Council Funding Impact Statement provides combined totals of all Council's sources of operating and capital sources of funding and application, and activity-level funding impact statements which separates this information into Council's key activity groups such as water supply and waste management.

FUNDING IMPACT STATEMENT FOR 1 JULY 2023 - 30 JUNE 2024
WHOLE OF COUNCIL

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	11,920	11,777	12,726	13,049	13,155
Targeted rates (other than a targeted rate for water supply)	4,807	4,750	5,311	5,616	5,986
Subsidies and grants for operating purposes	5,864	30,418	6,030	6,676	44,351
Fees and charges	2,377	2,513	2,441	3,227	3,324
Interest and dividends from investments	701	1,641	698	1,183	1,077
Local authorities fuel tax, fines, infringement fees, and other receipts	87	97	90	80	82
Total operating funding (A)	25,756	51,196	27,296	29,831	67,975
Applications of operating funding					
Payments to staff and suppliers	22,618	48,097	23,551	27,434	64,756
Finance costs	1,323	166	1,436	839	1,141
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	23,941	48,263	24,987	28,273	65,897
Surplus (deficit) of operating funding (A - B)	1,815	2,933	2,309	1,558	2,078
Sources of capital funding					
Subsidies and grants for capital expenditure	5,843	9,924	6,948	22,704	14,142
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	252	(1,868)	(440)	409	7,655
Gross proceeds from sale of assets	37	-	47	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	6,132	8,056	6,555	23,113	21,797
Application of capital funding					
Capital expenditure					
• to meet additional demand	599	146	-	105	-
• to improve the level of service	2,885	3,189	3,898	4,038	15,758
• to replace existing assets	6,292	9,237	8,732	24,706	5,913
Increase (decrease) in reserves	(1,829)	(1,583)	(3,766)	(4,178)	2,204
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	7,947	10,989	8,864	24,671	23,875
Surplus (deficit) of capital funding (C-D)	(1,815)	(2,933)	(2,309)	(1,558)	(2,078)
Funding balance ((A-B) + (C-D))	-	-	-	-	-

FUNDING IMPACT STATEMENT FOR 1 JULY 2023 - 30 JUNE 2024 WATER SUPPLY

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	156	154	165	165	185
Targeted rates (other than a targeted rate for water supply)	1,407	1,390	1,486	1,481	1,667
Subsidies and grants for operating purposes	-	83	-	-	13
Fees and charges	357	387	366	365	415
Internal charges and overheads recovered	-	-	-	-	-
Internal interest income	131	-	126	-	-
Interest and dividends from investments	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	14	-	-	-
Total operating funding (A)	2,051	2,028	2,143	2,011	2,280
Applications of operating funding					
Payments to staff and suppliers	1,182	1,402	1,223	1,190	1,571
Finance costs	55	-	57	-	-
Internal charges and overheads applied	413	344	449	413	421
Internal interest charged	-	76	-	43	67
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	1,650	1,822	1,729	1,646	2,059
Surplus (deficit) of operating funding (A - B)	401	206	414	365	221
Sources of capital funding					
Subsidies and grants for capital expenditure	-	216	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(370)	(193)	(371)	(364)	(222)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(370)	23	(371)	(364)	(222)
Application of capital funding					
Capital expenditure					
• to meet additional demand	31	-	-	-	-
• to improve the level of service	528	166	53	11	5
• to replace existing assets	140	154	849	1,072	301
Increase (decrease) in reserves	(668)	(91)	(859)	(1,082)	(307)
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	31	229	43	1	(1)
Surplus (deficit) of capital funding (C-D)	(401)	(206)	(414)	(365)	(221)
Funding balance ((A-B) + (C-D))	-	-	-	-	-

FUNDING IMPACT STATEMENT FOR 1 JULY 2023 - 30 JUNE 2024

STORMWATER

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	30	29	30	39	41
Targeted rates (other than a targeted rate for water supply)	267	264	267	349	366
Subsidies and grants for operating purposes	-	-	-	250	-
Fees and charges	-	-	-	-	2
Internal charges and overheads recovered	-	-	-	-	-
Internal interest income	70	-	71	-	-
Interest and dividends from investments	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	367	293	368	638	409
Applications of operating funding					
Payments to staff and suppliers	141	163	122	407	497
Finance costs	57	-	59	-	-
Internal charges and overheads applied	161	115	176	165	165
Internal interest charged	-	70	-	52	34
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	359	348	357	624	696
Surplus (deficit) of operating funding (A - B)	8	(55)	11	14	(287)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(8)	150	42	351	778
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(8)	150	42	351	778
Application of capital funding					
Capital expenditure					
• to meet additional demand	-	95	-	-	-
• to improve the level of service	-	-	-	-	594
• to replace existing assets	-	-	53	418	4
Increase (decrease) in reserves	-	-	-	(53)	(107)
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	-	95	53	365	491
Surplus (deficit) of capital funding (C-D)	(8)	55	(11)	(14)	287
Funding balance ((A-B) + (C-D))	-	-	-	-	-

FUNDING IMPACT STATEMENT FOR 1 JULY 2023 - 30 JUNE 2024

WASTEWATER

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	233	230	238	235	256
Targeted rates (other than a targeted rate for water supply)	2,095	2,070	2,145	2,212	2,305
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	35	-	-	16
Internal charges and overheads recovered	-	-	-	-	-
Internal interest income	33	-	43	-	-
Interest and dividends from investments	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	2,361	2,335	2,426	2,447	2,577
Applications of operating funding					
Payments to staff and suppliers	1,334	1,519	1,297	1,489	1,695
Finance costs	200	-	200	-	-
Internal charges and overheads applied	312	313	340	308	317
Internal interest charged	-	257	-	67	304
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	1,846	2,089	1,837	1,864	2,316
Surplus (deficit) of operating funding (A - B)	515	246	589	583	261
Sources of capital funding					
Subsidies and grants for capital expenditure	-	487	-	104	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(95)	(197)	(486)	(583)	(710)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(95)	290	(486)	(479)	(710)
Application of capital funding					
Capital expenditure					
• to meet additional demand	259	50	-	-	-
• to improve the level of service	52	265	1,369	104	41
• to replace existing assets	161	415	140	80	49
Increase (decrease) in reserves	(52)	(194)	(1,406)	(80)	(539)
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	420	536	103	104	(449)
Surplus (deficit) of capital funding (C-D)	(515)	(246)	(589)	(583)	(261)
Funding balance ((A-B) + (C-D))	-	-	-	-	-

FUNDING IMPACT STATEMENT FOR 1 JULY 2023 - 30 JUNE 2024

WASTE MANAGEMENT

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	115	114	157	175	183
Targeted rates (other than a targeted rate for water supply)	1,038	1,026	1,413	1,574	1,648
Subsidies and grants for operating purposes	-	-	-	-	415
Fees and charges	711	745	758	1,102	1,514
Internal charges and overheads recovered	-	-	-	-	-
Internal interest income	16	-	15	-	-
Interest and dividends from investments	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	1,880	1,885	2,343	2,851	3,760
Applications of operating funding					
Payments to staff and suppliers	1,605	1,849	1,875	2,366	2,602
Finance costs	83	-	84	35	-
Internal charges and overheads applied	228	182	248	227	232
Internal interest charged	-	64	-	40	22
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	1,916	2,095	2,207	2,668	2,856
Surplus (deficit) of operating funding (A - B)	(36)	(210)	136	183	904
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	(11)
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	571	224	96	(63)	(914)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	571	224	96	(63)	(925)
Application of capital funding					
Capital expenditure					
• to meet additional demand	309	-	-	20	-
• to improve the level of service	-	19	-	-	25
• to replace existing assets	252	5	380	100	-
Increase (decrease) in reserves	(26)	(10)	(148)	-	(46)
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	535	14	232	120	(21)
Surplus (deficit) of capital funding (C-D)	36	210	(136)	(183)	(904)
Funding balance ((A-B) + (C-D))	-	-	-	-	-

FUNDING IMPACT STATEMENT FOR 1 JULY 2023 - 30 JUNE 2024

TRANSPORT

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	4,211	4,161	4,568	4,742	4,963
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	5,785	23,231	5,949	5,943	37,894
Fees and charges	43	38	54	55	32
Internal charges and overheads recovered	-	-	-	-	-
Internal interest income	38	-	45	-	-
Interest and dividends from investments	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	10,077	27,430	10,616	10,740	42,889
Applications of operating funding					
Payments to staff and suppliers	7,414	25,186	7,609	7,933	40,507
Finance costs	65	-	105	183	-
Internal charges and overheads applied	1,655	1,452	1,805	1,603	1,674
Internal interest charged	-	82	-	52	305
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	9,134	26,720	9,519	9,771	42,486
Surplus (deficit) of operating funding (A - B)	943	710	1,097	969	403
Sources of capital funding					
Subsidies and grants for capital expenditure	5,843	7,186	6,895	18,693	11,401
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	98	(306)	307	(469)	4,830
Gross proceeds from sale of assets	9	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	5,950	6,880	7,202	18,224	16,231
Application of capital funding					
Capital expenditure					
• to meet additional demand	-	-	-	-	-
• to improve the level of service	2,289	289	2,408	3,893	10,176
• to replace existing assets	5,365	8,281	6,720	16,937	3,868
Increase (decrease) in reserves	(761)	(980)	(829)	(1,637)	2,590
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	6,893	7,590	8,299	19,193	16,634
Surplus (deficit) of capital funding (C-D)	(943)	(710)	(1,097)	(969)	(403)
Funding balance ((A-B) + (C-D))	-	-	-	-	-

FUNDING IMPACT STATEMENT FOR 1 JULY 2023 - 30 JUNE 2024 COMMUNITY FACILITIES

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	3,104	3,067	3,220	3,732	3,275
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	25	110	26	33	426
Fees and charges	72	53	73	76	237
Internal charges and overheads recovered	-	-	-	-	-
Internal interest income	11	-	11	-	-
Interest and dividends from investments	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	3,212	3,230	3,330	3,841	3,938
Applications of operating funding					
Payments to staff and suppliers	2,574	2,275	2,635	2,573	2,674
Finance costs	47	-	47	2	-
Internal charges and overheads applied	349	358	379	315	313
Internal interest charged	-	18	-	11	(15)
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	2,970	2,651	3,061	2,901	2,972
Surplus (deficit) of operating funding (A - B)	242	579	269	940	966
Sources of capital funding					
Subsidies and grants for capital expenditure	-	394	-	628	1,069
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(207)	(720)	(234)	(862)	(711)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(207)	(326)	(234)	(234)	358
Application of capital funding					
Capital expenditure					
• to meet additional demand	-	1	-	85	-
• to improve the level of service	16	310	16	20	491
• to replace existing assets	198	111	214	1,222	817
Increase (decrease) in reserves	(179)	(169)	(195)	(621)	16
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	35	253	35	706	1,324
Surplus (deficit) of capital funding (C-D)	(242)	(579)	(269)	(940)	(966)
Funding balance ((A-B) + (C-D))	-	-	-	-	-

FUNDING IMPACT STATEMENT FOR 1 JULY 2023 - 30 JUNE 2024 PLANNING & REGULATORY

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	1,084	1,071	1,148	1,048	1,095
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	-	5,990	-	-	4,970
Fees and charges	775	790	762	1,303	930
Internal charges and overheads recovered	-	-	-	-	-
Internal interest income	-	7	-	-	(92)
Interest and dividends from investments	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	1,859	7,858	1,910	2,351	6,903
Applications of operating funding					
Payments to staff and suppliers	1,476	8,054	1,483	2,555	6,914
Finance costs	12	11	12	-	14
Internal charges and overheads applied	650	774	684	402	532
Internal interest charged	-	-	-	-	-
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	2,138	8,839	2,179	2,957	7,460
Surplus (deficit) of operating funding (A - B)	(279)	(981)	(269)	(606)	(557)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	279	981	269	606	545
Gross proceeds from sale of assets	14	-	25	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	293	981	294	606	545
Application of capital funding					
Capital expenditure					
• to meet additional demand	-	-	-	-	-
• to improve the level of service	-	-	-	-	-
• to replace existing assets	46	7	84	-	-
Increase (decrease) in reserves	(32)	(7)	(59)	-	(12)
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	14	-	25	-	(12)
Surplus (deficit) of capital funding (C-D)	279	981	269	606	557
Funding balance ((A-B) + (C-D))	-	-	-	-	-

FUNDING IMPACT STATEMENT FOR 1 JULY 2023 - 30 JUNE 2024

LEADERSHIP & GOVERNANCE

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	2,749	2,716	2,843	3,344	4,003
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	54	744	56	450	560
Fees and charges	244	158	249	87	(42)
Internal charges and overheads recovered	-	-	-	-	-
Internal interest income	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	3,047	3,618	3,148	3,881	4,521
Applications of operating funding					
Payments to staff and suppliers	1,245	1,871	1,209	3,110	2,214
Finance costs	12	-	12	4	-
Internal charges and overheads applied	1,706	1,292	1,839	1,914	1,732
Internal interest charged	-	5	-	-	27
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	2,963	3,168	3,060	5,028	3,973
Surplus (deficit) of operating funding (A - B)	84	450	88	(1,147)	548
Sources of capital funding					
Subsidies and grants for capital expenditure	-	1,571	53	3,003	1,442
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(84)	(13)	(88)	2,050	2,207
Gross proceeds from sale of assets	-	-	21	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(84)	1,558	(14)	5,053	3,649
Application of capital funding					
Capital expenditure					
• to meet additional demand	-	-	-	-	-
• to improve the level of service	-	2,008	53	9	4,197
• to replace existing assets	18	-	77	3,907	-
Increase (decrease) in reserves	(18)	-	(56)	(10)	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	-	2,008	74	3,906	4,197
Surplus (deficit) of capital funding (C-D)	(84)	(450)	(88)	1,147	(548)
Funding balance ((A-B) + (C-D))	-	-	-	-	-

FUNDING IMPACT STATEMENT FOR 1 JULY 2023 - 30 JUNE 2024

CORPORATE FUNCTIONS

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	238	235	357	(432)	(846)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	-	260	-	-	73
Fees and charges	175	307	179	239	220
Internal charges and overheads recovered	5,712	5,078	6,168	5,509	5,591
Internal interest income	84	701	84	350	1,075
Interest and dividends from investments	701	1,641	698	1,183	1,077
Local authorities fuel tax, fines, infringement fees, and other receipts	87	83	90	80	82
Total operating funding (A)	6,997	8,305	7,576	6,929	7,272
Applications of operating funding					
Payments to staff and suppliers	5,647	5,778	6,098	5,814	6,082
Finance costs	792	155	862	615	1,127
Internal charges and overheads applied	239	249	248	158	209
Internal interest charged	382	135	391	86	238
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	7,060	6,317	7,599	6,673	7,656
Surplus (deficit) of operating funding (A - B)	(63)	1,988	(23)	256	(384)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	70	-	276	241
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	68	(1,793)	23	(256)	1,855
Gross proceeds from sale of assets	14	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	82	(1,723)	23	20	2,096
Application of capital funding					
Capital expenditure					
• to meet additional demand	-	-	-	-	-
• to improve the level of service	-	132	-	-	229
• to replace existing assets	112	265	214	971	874
Increase (decrease) in reserves	(93)	(132)	(214)	(695)	609
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	19	265	-	276	1,712
Surplus (deficit) of capital funding (C-D)	63	(1,988)	23	(256)	384
Funding balance ((A-B) + (C-D))	-	-	-	-	-

CAPITAL EXPENDITURE BY ACTIVITY

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Water Supply					
Capital expenditure					
• to meet additional demand	31	-	-	-	-
• to improve the level of service	528	166	53	11	5
• to replace existing assets	140	154	849	1,072	301
Total water supply	699	320	902	1,083	306
Stormwater					
Capital expenditure					
• to meet additional demand	-	95	-	-	-
• to improve the level of service	-	-	-	-	594
• to replace existing assets	-	-	53	418	4
Total stormwater	-	95	53	418	598
Wastewater					
Capital expenditure					
• to meet additional demand	259	50	-	-	-
• to improve the level of service	52	265	1,369	104	41
• to replace existing assets	161	415	140	80	49
Total wastewater	472	730	1,509	184	90
Waste management					
Capital expenditure					
• to meet additional demand	309	-	-	20	-
• to improve the level of service	-	19	-	-	25
• to replace existing assets	252	5	380	100	-
Total waste management	561	24	380	120	25
Transport					
Capital expenditure					
• to meet additional demand	-	-	-	-	-
• to improve the level of service	2,289	289	2,408	3,893	10,176
• to replace existing assets	5,365	8,281	6,720	16,937	3,868
Total transport	7,654	8,570	9,128	20,830	14,044
Community facilities					
Capital expenditure					
• to meet additional demand	-	1	-	85	-
• to improve the level of service	16	310	16	20	491
• to replace existing assets	198	111	214	1,222	817
Total community facilities	214	422	230	1,327	1,308

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Planning and regulatory					
Capital expenditure					
• to meet additional demand	-	-	-	-	-
• to improve the level of service	-	2,008	53	9	-
• to replace existing assets	18	-	77	3,907	-
Total planning and regulatory	18	2,008	130	3,916	-
Leadership and Governance					
Capital expenditure					
• to meet additional demand	-	-	-	-	-
• to improve the level of service	-	-	-	-	-
• to replace existing assets	46	7	84	-	4,197
Total leadership and governance	46	7	84	-	4,197
Corporate Functions					
Capital expenditure					
• to meet additional demand	-	-	-	-	-
• to improve the level of service	-	132	-	-	229
• to replace existing assets	112	265	214	971	874
Total corporate functions	112	397	214	971	1,103



Building a better
working world

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WAIROA DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

The Auditor-General is the auditor of Wairoa District Council (the District Council) and its subsidiary (the Group). The Auditor-General has appointed me, David Borrie, using the staff and resources of Ernst & Young, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2024. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 54 to 92:
 - present fairly, in all material respects:
 - the District Council's and Group's financial position as at 30 June 2024;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards,
- the funding impact statement on page 98, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan and annual plan.
- the statement of service provision (referred to as "Our Performance in Detail") on pages 24 to 49:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and



**Building a better
working world**

- the statement about capital expenditure for each group of activities on page 108 to 109, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan and long-term plan and
- the funding impact statement for each group of activities on pages 99 to 107, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan and annual plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 93 to 96, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "*Responsibilities of the auditor for the audited information*" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.



**Building a better
working world**

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan or long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision (referred to as "Our Performance in Detail"), as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.



**Building a better
working world**

- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 23, 50 to 53, 97 and 114 to 115 but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out an assurance engagement in relation to the District Council's debenture trust deed reporting, which is compatible with independence requirements. Other than these engagements we have no relationship with, or interests in, the District Council or its controlled entity.

A handwritten signature in dark ink, appearing to read 'D. Borrie', with a horizontal line extending to the right.

David Borrie
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Wellington, New Zealand

GLOSSARY OF ABBREVIATIONS USED

DIA	Department of Internal Affairs
FAR	Finance, Assurance and Risk (Committee)
LGFA	NZ Local Government Funding Agency Limited
CRHL	Crown Regional Holdings Limited
QRS	Quality Roothing and Services (Wairoa) Limited
The Council	Wairoa District Council
The Group	The consolidated entity comprising Wairoa District Council and Quality Roothing and Services (Wairoa) Limited
The Act	The Local Government Act 2002
The regulations	The Local Government (Financial Reporting and Prudence) Regulations 2014

GETTING IN TOUCH

Your feedback plays a big role in making our district a better place to live, work and play. We are keen to hear from you, and welcome your ideas and comments.

Here's how you can get in touch:



www.wairoadc.govt.nz



[@wairoadistrictcouncil](https://www.facebook.com/wairoadistrictcouncil)



info@wairoadc.govt.nz



(06) 838 7309



97-103 Queen Street,
Wairoa 4108



Wairoa District Council,
P.O. Box 54, Wairoa 4160

