

FOR ADOPTION



Whangarei
District Council



ANNUAL

REPORT

2023-24





Your Elected Members



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Councillor Nicholas Connop

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STATEMENT OF COMPLIANCE AND **RESPONSIBILITY**

HE KUPU TAUKĪ MŌ TE TAUTUKU ME TE HAEPAPA

FOR THE YEAR ENDED 30 JUNE 2024

Council confirms meeting all the statutory requirements in relation to the Annual Report, as outlined in Schedule 10 of the Local Government Act 2002.

Responsibility

Council accepts responsibility for preparation of annual financial statements and non-financial statement of service performance and the judgements used in them.

Council accepts internal responsibility for providing reasonable assurance of the integrity and reliability of financial and non-financial reporting.

Council believes the annual financial statements and statements of service performance for the year ended 30 June 2024 fairly reflect our financial position and operations.

Vince Cocurullo

Mayor

Simon Weston

Chief Executive

28 November 2024



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MAYOR'S MESSAGE

E KUPU NĀ TE KOROMATUA

TĒNĀ KOUTOU KATOĀ, BENVENUTO AND WELCOME

Whangārei is in a stronger position today than it has been for many years.

Continuing work on our Cyclone Gabrielle repairs has been a key priority this financial year, collaborating with councils across Northland to get roads re-opened and slips repaired.

We've finished the first phases of our emergency road repairs, and now we're focusing on engineering work for the final (and most complex) stage. While there's still work to be done, we've made significant repairs across our District's parks, coastal structures and walkways.

In this past year, we've also made good headway with our capital works programme, finishing long-awaited projects like the Port Road roundabout, which will help reduce congestion issues in the area.

Our Council supported new community events, including hosting the Oceania Cup hockey tournament, inaugural Maritime Festival, International Wahine Toa Female Boxing Championship, and NAZCAR Mega-Street Sprints, as well as enjoying regular favourites like the Puanga Matariki and Silver Festivals.

Together with our neighbouring Northland councils, we adopted the Te Tai Tokerau Accessibility Strategy with the aim of making our region more accessible to all. We also received our stage one accreditation of the national Welcoming Communities programme to make our place more welcoming for everyone.

Through all of this, inflationary pressures and a change in central government made the 2023-24 financial year a challenging time for local government. We had to be practical and flexible to manage both the uncertainty and budget constraints.

These issues were worked through during the creation of our 2024-34 Long Term Plan (LTP). We are now moving forward with a solid 'back to basics' LTP, which focuses on looking after what we've got and preparing for our future. This plan will also see Council reduce overall net debt by the end of its 10-year period.

We end this year in a strong position. We have a responsible and forward-looking work programme in the pipeline and a clear vision for where we are heading.

We look forward to delivering on this and seeing Whangārei District continue to thrive and grow.

Vince Cocurullo

Mayor





ABOUT US AND THIS REPORT

Welcome

This 2023-24 Annual Report sets out what Whangarei District Council (Council) has achieved in the past financial year (from 1 July 2023 to 30 June 2024), why these things were done, how well we did them, what they cost and how they were paid for.

It communicates our performance in year three of the 2021-31 Long Term Plan (LTP) by outlining our set targets, performance results and key achievements for that year.

This Annual Report is laid out in the following sections:

HOW WE PERFORMED

An overview of our financial and service performance for the year.

OUR WORK IN DETAIL

This section outlines the key achievements of each Council Activity Group (CAG) and details performance for the year against targets set through the 2021-31 LTP.

FINANCIAL STATEMENTS

Here are detailed financial statements and a report on Council Controlled Organisations (CCOs).

AUDIT REPORT

This section contains the Independent Auditor's Report provided by Deloitte for the year ended 30 June 2024.

GENERAL INFORMATION

This section details abbreviations and acronyms used throughout this report, including a glossary and index.

Governance structure

Mayor

HWM Vince Cocurullo

Deputy Mayor

Cr Phil Halse

Councillors

Cr Gavin Benney	Cr Scott McKenzie
Cr Nicholas Connop	Cr Marie Olsen
Cr Ken Couper	Cr Carol Peters
Cr Jayne Golightly	Cr Simon Reid
Cr Deb Harding	Cr Phoenix Ruka
Cr Patrick Holmes	Cr Paul Yovich

Committees of the Whole

COMMUNITY DEVELOPMENT COMMITTEE

Chair Cr Gavin Benney, Deputy Chair Cr Carol Peters and all Elected Members

INFRASTRUCTURE COMMITTEE

Chair Cr Simon Reid, Deputy Chair Cr Phil Halse and all Elected Members

STRATEGY, PLANNING AND DEVELOPMENT COMMITTEE

Chair Cr Ken Couper, Deputy Chair Cr Scott McKenzie and all Elected Members

Specialist committees

RISK AND AUDIT COMMITTEE

Independent Chair Rachael Dean, Deputy Chair Cr Patrick Holmes, HWM Vince Cocurullo and Councillors Ken Couper, Phil Halse, Deborah Harding, Simon Reid and Paul Yovich

DISTRICT LICENSING COMMITTEE

Chair Commissioner

CIVIC HONOURS SELECTION COMMITTEE

Chair Cr Jayne Golightly

CE REVIEW COMMITTEE

Chair HWM Vince Cocurullo

EXEMPTIONS AND OBJECTIONS SUBCOMMITTEE (OF STRATEGY, PLANNING & DEVELOPMENT COMMITTEE)

Chair Cr Ken Couper

AIRPORT NOISE MANAGEMENT COMMITTEE

Chair Cr Phil Halse

FINANCE COMMITTEE

Chair Cr Paul Yovich

Māori Partnership

TE KĀREAREA STRATEGIC PARTNERSHIP STANDING COMMITTEE

Chair Cr Deborah Harding – Whangarei District Council

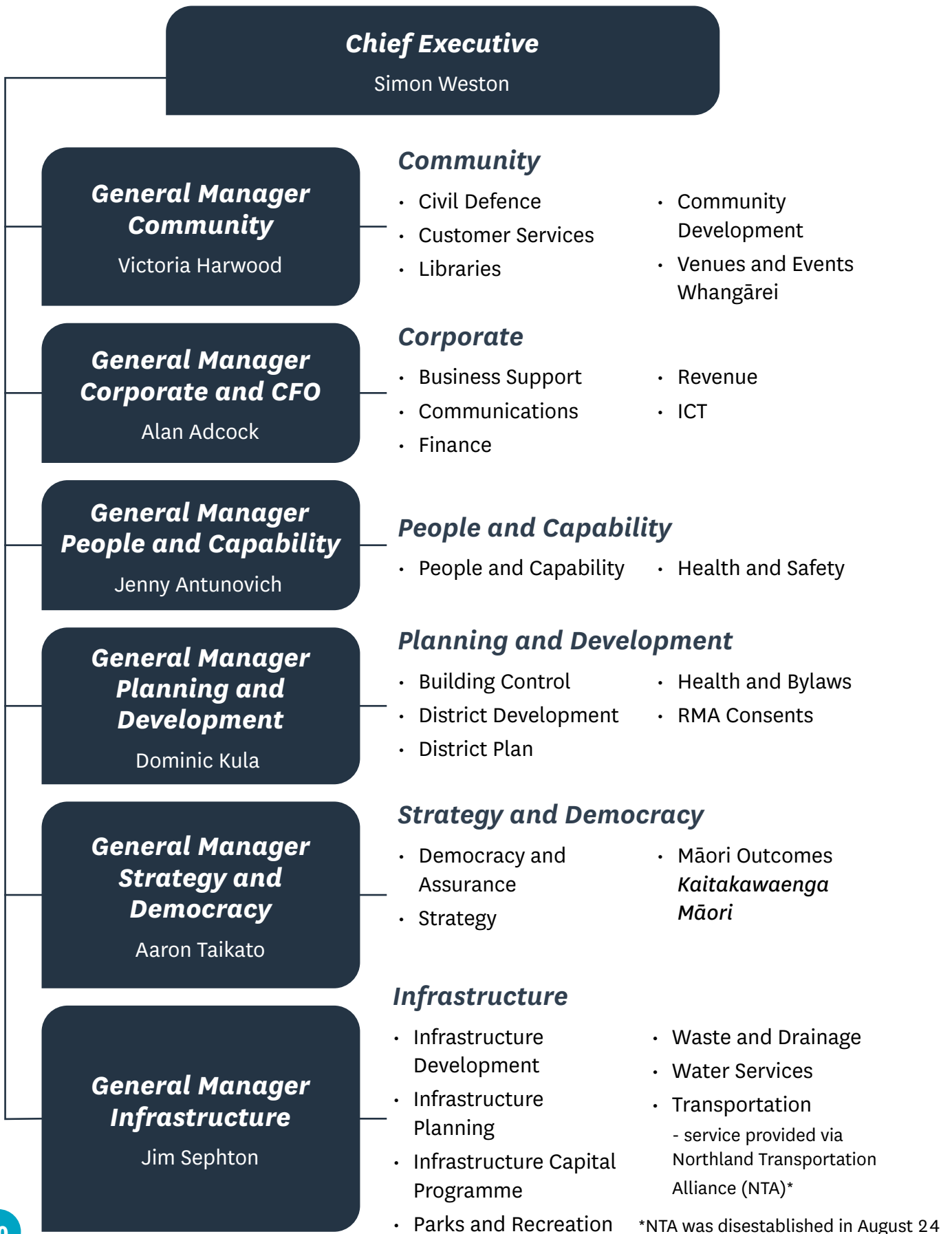
Deputy Chair Cr Phil Halse

Members: HWM Vince Cocurullo

Councillors: Nicholas Connop, Patrick Holmes, Carol Peters, Simon Reid and Phoenix Ruka

Eight mandated hapū representatives: Delaraine Armstrong, Sandra Hawken, Tame TeRangi, Simon Mitchell, Nicki Wakefield, Sean Walters, Hohipere Williams and Len Bristowe.

Organisational structure



Group entities

COUNCIL CONTROLLED ORGANISATIONS

Council currently delivers a variety of services through Council Controlled Organisations (CCOs).

Council delivers strategic services or initiatives through a CCO where it considers this is a more effective, efficient and financially viable option compared to other means of delivery.

The Local Government Act 2002 defines a CCO as either:

A company:

- in which equity securities carrying 50% or more of the voting rights at a meeting of the shareholders of the company are:
 - held by one or more local authorities; or
 - controlled, directly or indirectly, by one or more local authorities; or
- in which one or more local authorities have the right, directly or indirectly, to appoint 50% or more of the directors; or

An entity in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons:

- control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the organisation; or
- the right, directly or indirectly, to appoint 50% or more of the trustees, directors or managers (however described) of the entity.

Council has an interest in seven organisations that meet these definitions:

- Whangārei Art Trust
- Northland Events Centre (2021) Trust
- Whangārei District Airport
- Northland Regional Landfill Limited Partnership
- Whangārei Waste Ltd
- Springs Flat Contractors Ltd
- Local Government Funding Agency.

The Local Government Funding Agency is a CCO by nature of many local authorities jointly having at least 50 per cent shareholding. There are 31 shareholders, of which Council is one.

Each of these organisations are required to complete a Statement of Intent (SOI), unless an exemption under the Local Government Act 2002 has been granted. Under the Act if an entity is exempt then it is not a CCO. Whangārei Waste Ltd and Springs Flat Contractors Ltd are exempt organisations.

COUNCIL CONTROLLED TRADING ORGANISATIONS

A Council Controlled Trading Organisation (CCTO) is a CCO that operates a trading operation for making profit.

Council has one CCTO: the Northland Regional Landfill Limited Partnership.

COUNCIL ORGANISATIONS

Council has one Council Organisation that is required to be consolidated as part of the Group: Whangarei Quarry Gardens Trust.

LEGAL NAME - WHANGĀREI ART TRUST (WAT)

The Hātea Art Precinct Trust changed its name to the Whangārei Art Trust in April 2023, at the request of the Hundertwasser Foundation.

LOCAL GOVERNMENT FUNDING AGENCY

The Local Government Funding Agency (LGFA) is not a subsidiary of Council. It is a separate entity, jointly owned by the Crown and 30 local authorities, including Council. The LGFA raises debt funding either domestically and/or offshore in either New Zealand dollars or foreign currency and provides debt funding to New Zealand local authorities.

Council and Māori working in partnership

Council is committed to developing stronger relationships with tangata whenua at governance and operational levels. While progress has been made, more work is needed in some areas.

Whangārei District's iwi and hapū are in a pre-settlement phase for Treaty of Waitangi claims. As these settlements occur Council will continue to incorporate these outcomes into our partnership work with tangata whenua.

Council will continue to meet all its legal obligations to Māori under legislation, including the Resource Management Act and Local Government Act.

TE KĀREAREA

Te Kārearea, our strategic partnership forum with Māori, formed in 2012. It is made up of hapū representatives of the major hapū groupings from within our District. Together, these representatives advocate for hapū of Whangārei. They meet in their own forum, named Te Huinga, to discuss common issues that are then brought to Te Kārearea.

The purpose of this partnership is to build the relationship between Council and Whangārei hapū and to develop stronger partnerships over time.

Te Kārearea has the following vision, mission and principles:

Te pae tawhiti/vision

He whenua Rangatira – Whangārei, a District of prosperity, well-being and empowered communities.

Te kaupapa/mission

Ka tutuki te Kawanatanga a-rohe, ka puawai hoki te kotahitanga me ona tini kaupapa – Local Government that works through effective partnerships and provides practical solutions.

Nga tikanga/principles

- He kitenga mutunga kore, mahi tahi, mahi pono – Strategic partnership working collaboratively and in good faith.
- Kia maia – Providing leadership through courage.
- Te manawatopu – Of one heart and mind. We are stronger working together.
- Anga mua – Progressive and proactive.
- Me korero tika, tau noa nga take – Open and frank, mutually-agreed outcomes.

Te Kārearea was established as a Standing Committee in September 2020. The committee is made up of eight hapū representatives and eight councillors. Meetings are held monthly, alternating between meetings in chambers and meetings on marae.

MĀORI WARDS

On 25 March 2021, Council voted to establish a Māori ward for the 2022 and 2025 elections. The establishment of one District-wide Māori Ward was determined by Council and our hapū partners, Te Huinga and Te Kārearea Strategic Partnership Standing Committee as the best option for representation of Māori across our District.

Establishing a Māori ward for our District will:

- help bring forward the views and aspirations of whānau, hapū and iwi on Council matters
- ensure local decision-making is fairer and more inclusive
- represent a sector of the community that is currently not represented at the Council table
- provide stronger Māori representation as Whangārei District continues to learn more about its heritage and history.

WHANGAREI FUTURE DEVELOPMENT STRATEGY (NEW TITLE)

Continuing the progress made in earlier strategic projects, Whangarei District Council alongside Northland Regional Council established the Future Development Strategy Working Group. The Working Group will provide oversight and direction for the development of the Future Development Strategy for Whangarei (the FDS). The Working Group will provide leadership on behalf of Whangarei District Council, Northland Regional Council, and ngā hapū o Whangārei and is comprised of:

Local government Elected Members:

- Two Whangarei District Council representatives to be appointed by Whangarei District Council.
- Two Northland Regional Council representatives to be appointed by Northland Regional Council.

Tangata whenua members

- Two to be appointed by the Māori caucus of Te Kārearea Strategic Partnership Committee
- Two members who can represent Whangarei District, to be nominated by the Māori caucus of Te Taitokerau Maori and Council Working Party (TTMAC) and appointed by Northland Regional Council.

MĀORI WELLBEING FUND

The Māori Wellbeing Fund is a \$4 million contestable fund to support Māori and community well-being projects or initiatives within Whangārei. It is one of 10 projects to come through from the Better Off Funding, administered by Crown Infrastructure Partners (CIP).

The Better off Funding is an investment by the Crown to support Councils to transition to their post-Three Waters reform roles. This programme was allocated \$4 million of the total \$9.48 million Tranche 1 Better Off Funding Fund.

The approved scope of the Māori Wellbeing Fund project is: Implementing a trial of a rangatiratanga-based model for hapū. It involves allocating and earmarking funding for areas in alignment with hapū and haukāinga aspirations and needs for investment for community wellbeing, including hapū taiao environmental projects, hapū infrastructure development fund such as place-based infrastructure at marae and Papakāinga, and hapū wellbeing linking to hāpori and community wellbeing projects or initiatives. Includes support and resource from council to prepare proposals.

This approach to funding and decision making has been a very successful trial.



HOW WE PERFORMED

TE ĀHUA O Ā MĀTOU MAHI

Our performance at a glance

Local government has experienced a great deal of uncertainty and complexity this year as the sector navigated a change in government direction on water services delivery and infrastructure. This created some significant challenges and delays in the building and adoption of the 2024-34 Long Term Plan (LTP). As a result, temporary legislation was introduced to provide an extension for the adoption of this 2023-24 Annual Report.




The 2023-24 financial year has been challenging with continued high inflation and cost escalations. Council continues to focus on finding efficiencies while striving to maintain the level of service our ratepayers expect. Overall Council has managed its operating budgets well, achieving the targets set within our Financial Strategy and achieving six of the eight financial prudence benchmarks.

Council has also continued to fund and deliver important maintenance and resilience work as part of Cyclone Gabrielle recovery with significant progress made on roads, parks, walkways and coastal structures around the District.

Although Council has maintained a balanced budget in accordance with the Financial Strategy, this has largely been achieved by an ongoing reliance on capital subsidies and grants, as well as the surpluses created through targeted rates for Wastewater. Going forward, Council's 2024-34 Financial Strategy includes a new measure 'Everyday Funding'. This measure has been introduced to ensure that our everyday operating costs should be paid for from our everyday revenue. Council's performance against this measure will be included in future Annual Reports.



OUR FINANCIAL STRATEGY TARGETS

The Financial Strategy in the 2021-31 Long Term Plan contains a set of financial parameters that Council strives to work within. The tables below shows Council's performance against the targets set for the 2023-24 financial year:

Targets	Parameter	Actual Performance	Result
Achieve a balanced budget	=>100%	102%	
Limit rates revenue (excluding water) to maximum of 70% of total revenue	<=70%	48%	
External net debt no higher than 175% of total revenue	<=175%	92%	

FINANCIAL PRUDENCE BENCHMARKS

Financial prudence benchmarks are used to disclose Council's financial performance in relation to various measures and limits. Some of these are set by Council, while others are prescribed by legislation. The table below shows Council's performance against these benchmarks for the 2023-24 financial year. More detailed results are contained on pages 24 to 28.

Benchmark	Result
Rates (income) affordability benchmark	
Rates (increases) affordability benchmark	
Debt affordability benchmark	
Balance budget benchmark	
Essential services benchmark	
Debt servicing benchmark	
Debt control benchmark	
Operations control benchmark	

64% OF NON-FINANCIAL TARGETS MET COMPARED WITH 66% LAST YEAR

45 of 71 non-financial targets were met and 99% of the targets were measured. The sole target not measured was 7.1.2, the percentage annual increase in community participation in active recreation and sports activities. This measure is reliant on a third party's survey (Sport NZ). Unfortunately, the survey is outside of Council control and was not conducted in 2023-24.

Performance improved or stayed the same for 15 of Council's 18 activity groups with performance measures. Four activity groups: Flood Protection, Community Property, District Planning and Health & Bylaws all achieved 100% of their targets.

Only three activity groups achieved lower results than last year. These were Wastewater, Parks & Recreation, and Resource Consents.

Transportation and the roading network were again identified by residents as the most important areas requiring Council's attention. Climate change and sustainability were also highlighted with a call for more proactive measures to address the impacts of climate change.

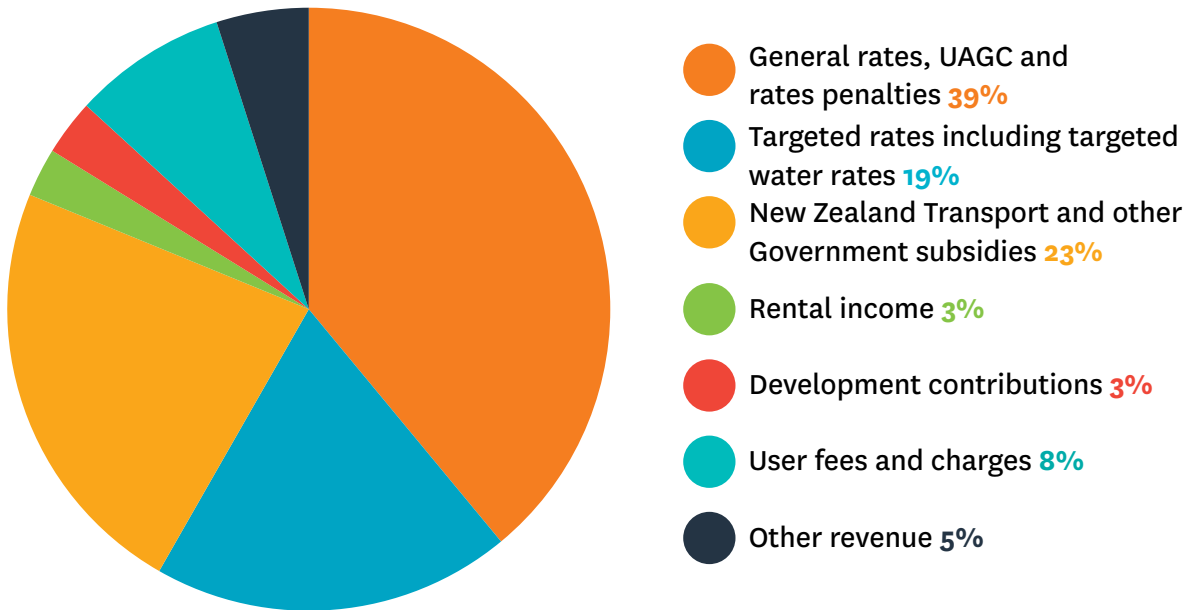
The most important community outcomes for residents are making Whangārei safer and having efficient and resilient core resources.

Financial Performance

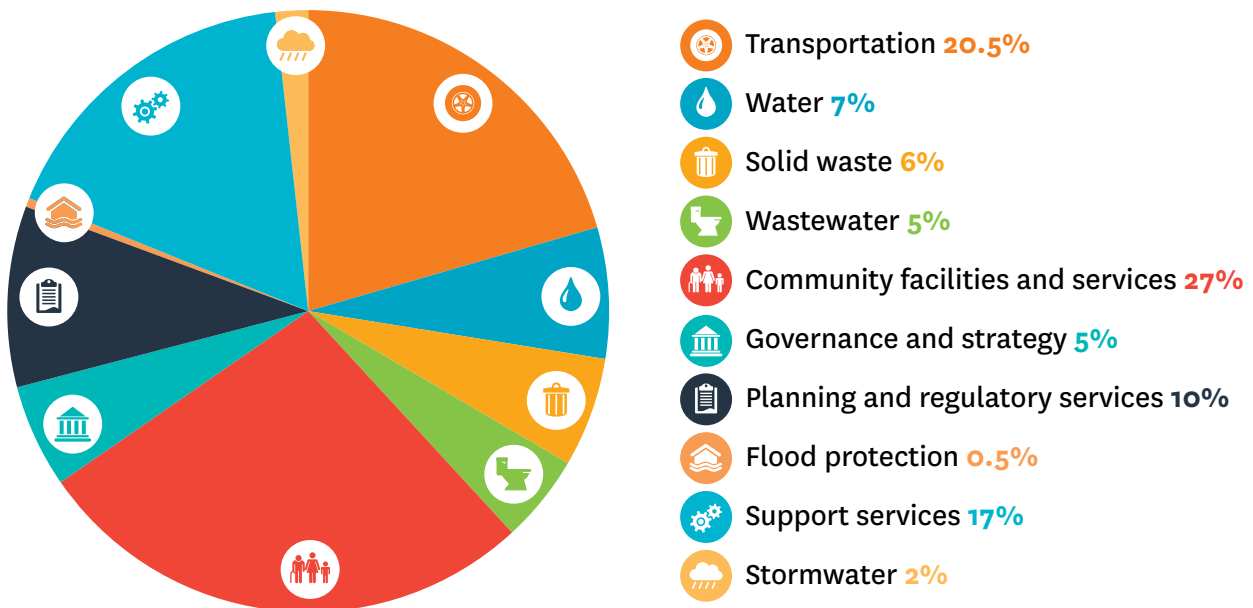
The following charts show operating revenue and expenses excluding accounting adjustments:

COUNCIL'S SOURCES OF FUNDING AND REVENUE

Council uses its funding through rates, user fees, government subsidies and other revenue to provide daily services, maintain our assets and service our debt. We borrow money to build new assets to cater for the current and future needs of our community.



COUNCIL'S OPERATIONAL EXPENDITURE BY ACTIVITY



*Figures are calculated using the Funding Impact Statements.

OPERATING RESULT – BEFORE ACCOUNTING ADJUSTMENTS

Confirming Council’s financial position at the end of the financial year, is a two-step process. First establishing the core operating results (income less expenses), then applying additional accounting adjustments as required by the International Public Sector Accounting Standards (IPSAS), and other non-cash adjustments.

The 2023-24 year has achieved a core operating surplus of \$12.1 million against a budgeted operating surplus of \$17.4 resulting in an unfavourable variance of \$5.3 million.

	Millions (\$)		
	Actual	Budget	Variance
Operating result - excluding non-cash adjustments			
Operational revenues	218.9	222.2	(3.3)
Operational costs	206.8	204.8	(2.0)
Operating surplus - excluding non-cash adjustments	12.1	17.4	(5.3)

This unfavourable operating variance is mainly due to:

- \$5.4m lower than budgeted subsidies and grants received due to the delay in completion of roading projects. This revenue shortfall is partially offset by higher than budgeted interest revenue and other revenue, reducing the overall operational revenue variance to \$3.3m.
- Total operating expenses were higher than budget by \$2.0m. This overspend mainly relates to emergency works undertaken by our Transportation activity, as well cost pressures with rising inflation and contractual increases.

Council remains committed to maintaining the current levels of service within the constraints of our operational budgets. Increased costs have posed considerable challenges for the 2023-24 financial year, necessitating prudent decision-making and prioritisation to ensure efficient use of available resources.

OPERATING RESULT – INCLUDING ACCOUNTING ADJUSTMENTS

Having established the core operating result, several accounting adjustments that do not impact on our cashflow or debt are made in accordance with accounting standards. After making these adjustments, Council has a total operating surplus before tax of \$18.2 million, a variance of \$7.6 million (including accounting adjustments) when compared to the budgeted surplus of \$25.8 million.

		Millions (\$)		
	Note	Actual	Budget	Variance
Operating surplus - excluding non-cash adjustments		12.1	17.4	(5.3)
Add/(Less): Income from vested assets	6	11.0	8.4	2.6
Add/(Less): Investment property revaluation	6	2.5	0.0	2.5
Add/(Less): Revaluation of debt instruments (SWAPs)	8	(3.2)	0.0	(3.2)
Less: Loss on disposal of assets	8	(4.2)	0.0	(4.2)
Total non-cash adjustments		6.1	8.4	(2.3)
Surplus/(deficit) before tax		18.2	25.8	(7.6)

Vested assets

Council recognised income of \$11.0 million from vested assets. Vested assets are infrastructure such as roading, water, wastewater and stormwater assets, which are created as part of commercial or private developments. These assets are transferred to Council at the completion of the development.

Investment property revaluation

Council's investment properties had a revaluation gain of \$2.5 million.

Loss on disposal of assets

Council recognised a total loss on disposal of assets of \$4.2 million. A loss on disposal occurs when an asset is disposed of before the end of its estimated useful life.

Revaluation of debt instruments

There was a \$3.2 million revaluation loss of debt instruments (swaps). Council purchases swaps to provide a 'corridor of certainty' for the short-to-long term funding of its operations and capital programme. Swaps allow us to lock-in interest rates for several years ahead. We are required to revalue these on an annual basis based on financial market movements. These value movements reflect the difference between current floating rates and the long-term fixed rates our swaps provide. If the value goes up, we disclose a gain and if the value goes down we disclose a loss, although these are not realised unless the swap is terminated early. This process can create large swings in value from year to year.

TOTAL COMPREHENSIVE INCOME

After the Operating Surplus is calculated, we recognise another category of items that go towards our Total Comprehensive Income position. This is the movement in the Asset Revaluation Reserve, which was a net increase of \$332 million for the year. This reflects the theoretical movements in the value of our property, plant and equipment assets, carbon credits, and shares which can never be realised as cash but are disclosed under IPSAS requirements. This process enables a better understanding of the value of Council's asset network, which assists us in developing plans for future asset renewal and allows us to calculate annual depreciation charges with more accuracy.

EXTERNAL NET DEBT

External Net Debt is made up of our gross external borrowings, offset by deposits held with banks until needed to fund projects:

	Millions (\$)
Gross External Debt	265
Less:	
Term Deposits	32
Bank Cash Balances	18
Total cash and deposits	50
Net External Debt	215

Closing external net debt for the 2023-24 financial year, was budgeted to be \$229 million. Actual closing net debt was \$14 million lower at \$215 million.

The lower than budgeted debt is largely attributable to unspent capital works compared to the Annual Plan due to projects being carried forward into the 2024-25 financial year.

CREDIT RATING – AA

- S&P Global have reaffirmed the credit rating for Whangarei District Council as AA with a stable outlook.
- S&P Global's independent evaluation compares our financial policies and practices, budgetary performance, liquidity, debt and revenue drivers against local government peers domestically and internationally.
- The stable outlook reflects Council's strong financial management and ability to maintain sufficient liquidity coverage.

TARGETED RATE RESERVES

Water Reserve

The Water Reserve reflects a surplus of water revenue, mainly volume usage based targeted rates, over and above operating and capital water expenditure. During the year, the water reserve increased by \$0.3 million (net) from \$28.3 million to end at \$28.6 million.

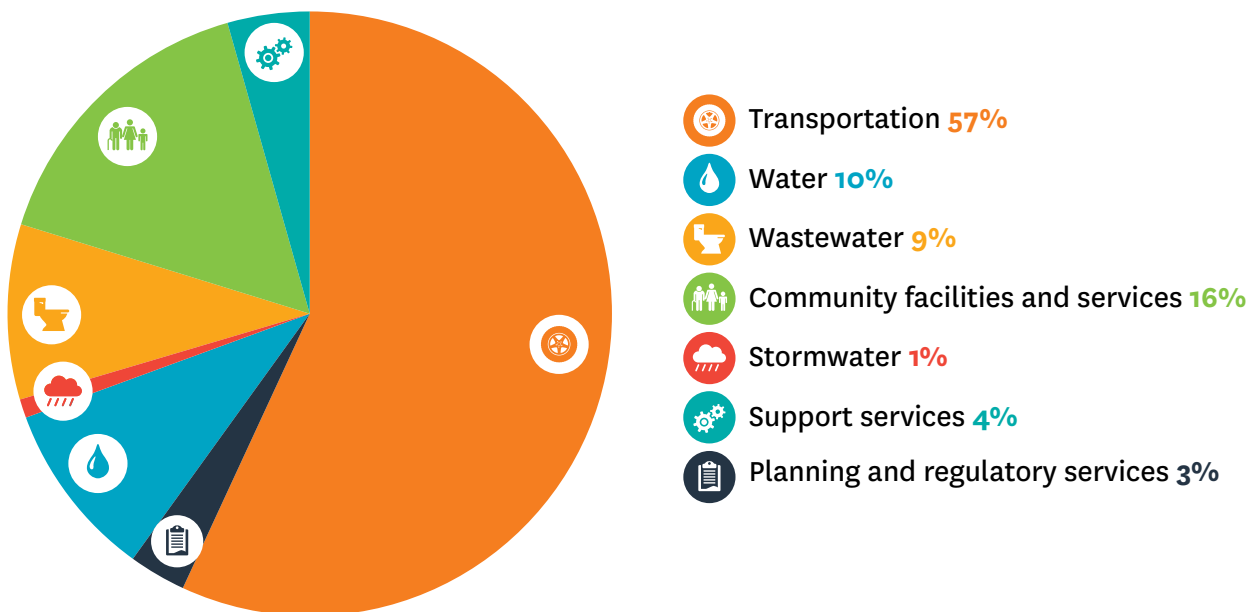
Wastewater Reserve

The Wastewater Reserve reflects a surplus of wastewater revenue, mainly targeted rates, over and above operating and capital wastewater expenditure. This reserve has a closing balance of \$38.5 million at 30 June 2024. The 2024-34 Long Term Plan sees this reserve continue to grow across the 10 years to fund significant capital projects that will be required in the future.

CAPITAL PROJECTS

2024 has seen another year of significant capital projects completed. Council are actively exploring ways to enhance efficiencies to address challenges in delivering our capital programme.

Capital expenditure by activity – total \$98.2 million



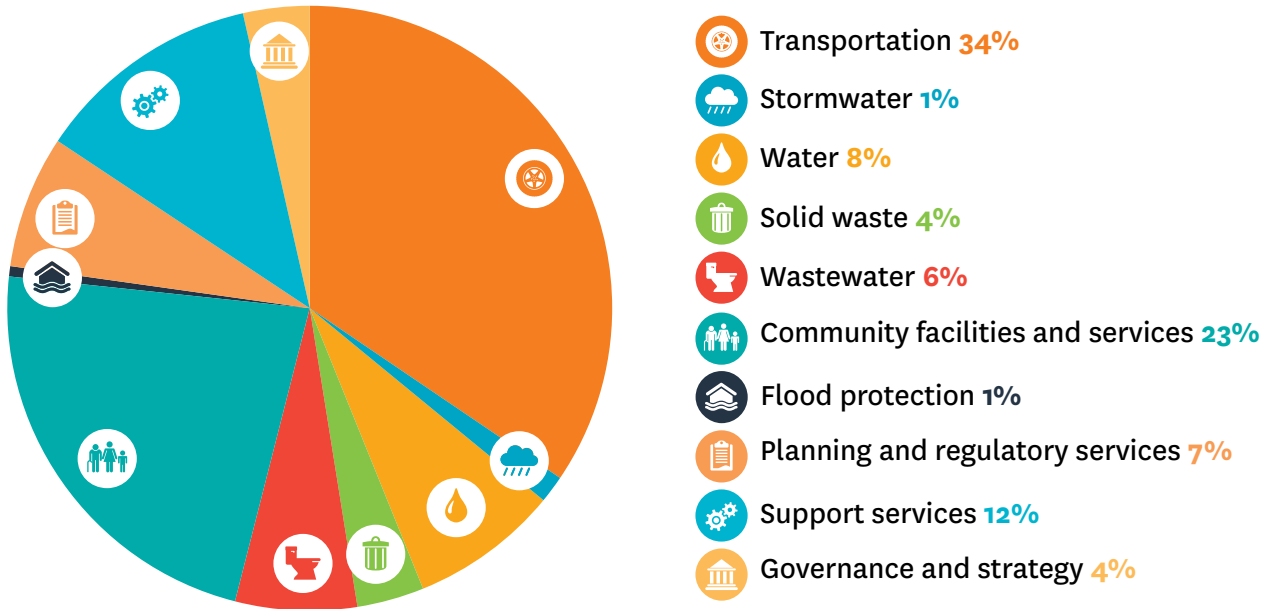
Governance and Strategy and Flood Protection and Control Works both had capital expenditure of less than 1% of the total. Because of the low percentage this spend does not appear in the above graph. Solid Waste had no capital expenditure.

*Figures are calculated using the Funding Impact Statements.

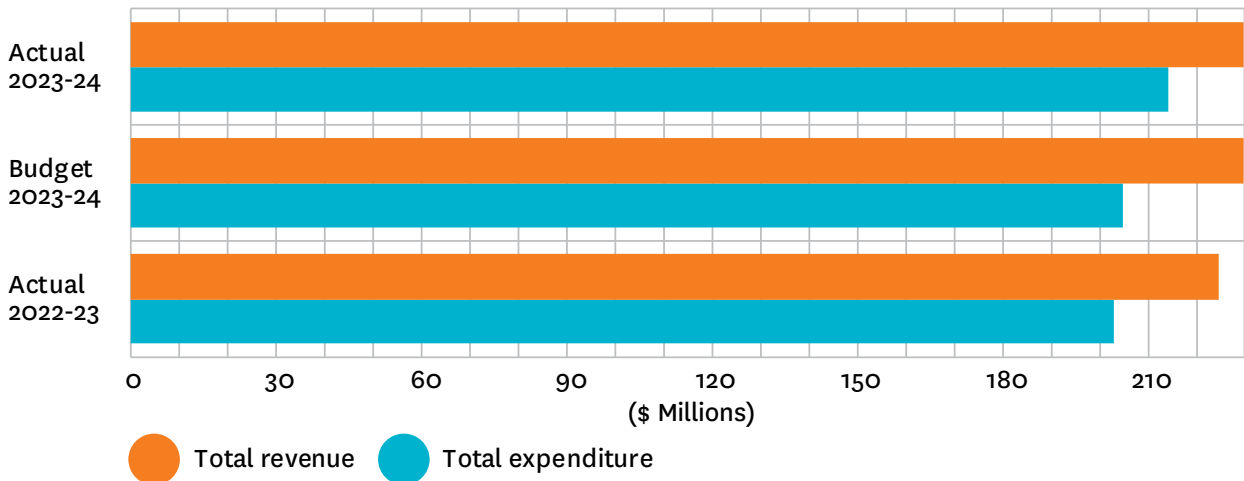
Financial Summary

TOTAL EXPENDITURE

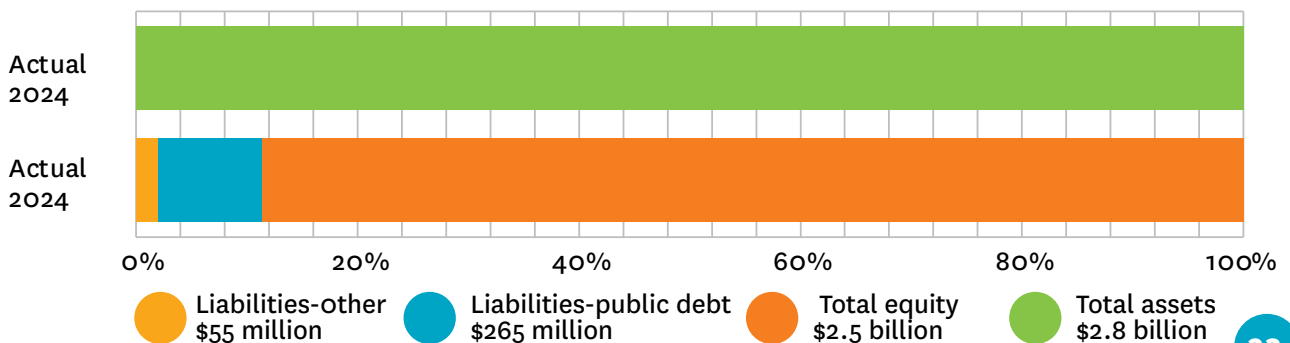
This chart represents Council's total expenditure by activity and combines the operational expenditure and capital expenditure as per the charts above.



TOTAL EXPENDITURE AND REVENUE



TOTAL ASSETS, LIABILITIES AND EQUITY



Financial prudence benchmarks

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

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations).

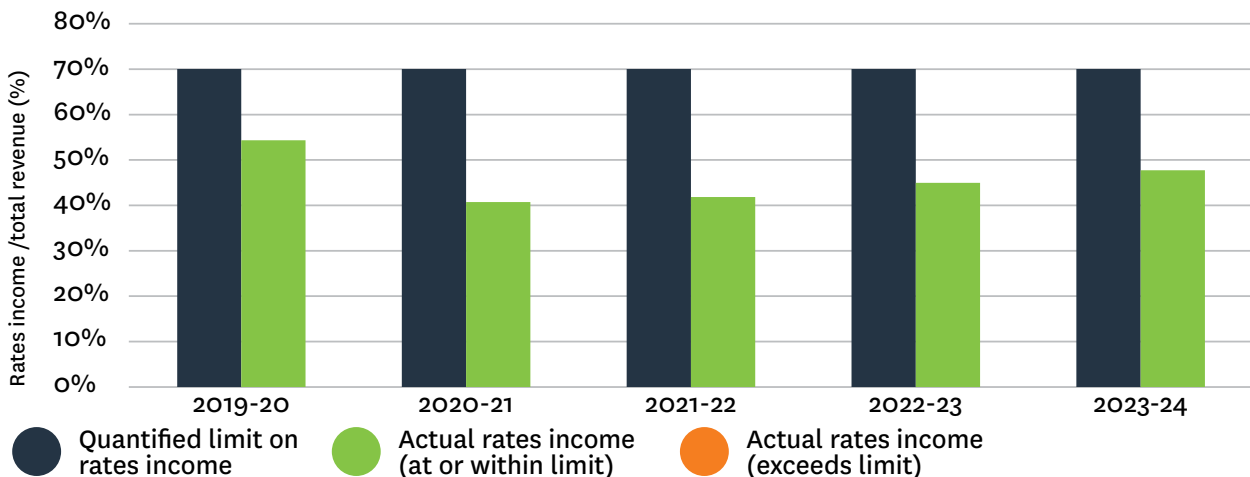
Rates affordability benchmarks

Council meets the rates affordability benchmark if:

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

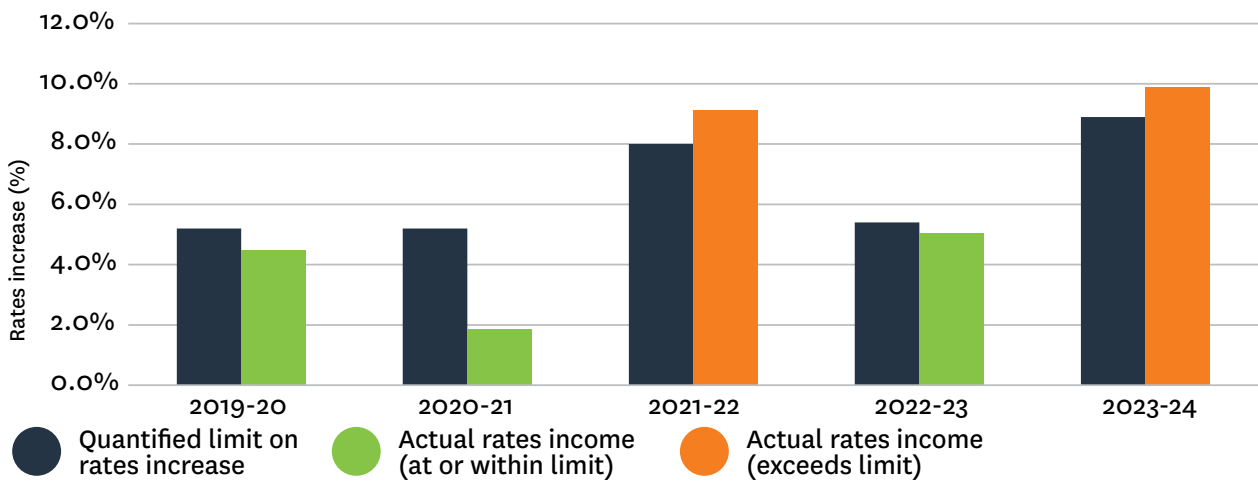
RATES (INCOME) AFFORDABILITY

The following graph compares Council's actual rates with a quantified limit on rates contained in the Financial Strategy included in Council's Long Term Plan. In the graph below, actual rates income (excluding water) is within the rates income limit of 70% of total revenue. Council has achieved this benchmark.



RATES (INCREASES) AFFORDABILITY

The following graph compares Council's actual rates increases with a quantified limit on rates increases contained in the Financial Strategy included in Council's Long Term Plan. The quantified limit for the 2023-24 year was that the general rates increase should not exceed LGCI plus 2%, plus growth of 1%. Council has not achieved this benchmark.



2023-24: The increase applied to our rates was as per the Financial Strategy. However, we achieved higher growth than budgeted. In addition, the 2022-23 financial year included a reduction to rates revenue due to a private plan change and its impact on the application of rating policy.

2021-22: The increase applied to our rates was as per the Financial Strategy. However, the impact of changes to our policy for penalties resulted in higher rates revenue overall compared to the previous year. In addition, write-off of rates arrears of Maori freehold land was much higher in 2021 due to the legislated changes to the rating of whenua Maori.

Debt affordability benchmark

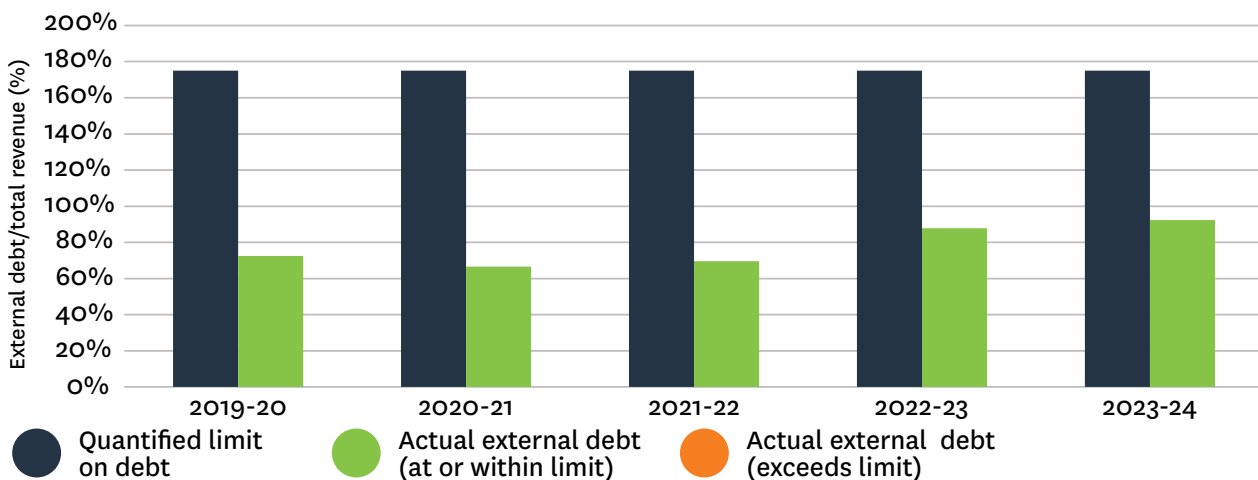
Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

EXTERNAL NET DEBT

The following graph compares Council's actual debt with a quantified limit on borrowing contained in the Financial Strategy included in Council's Long Term Plan.

The quantified limit in the 2023-24 year was that external net debt be no higher than 175% of total revenue.

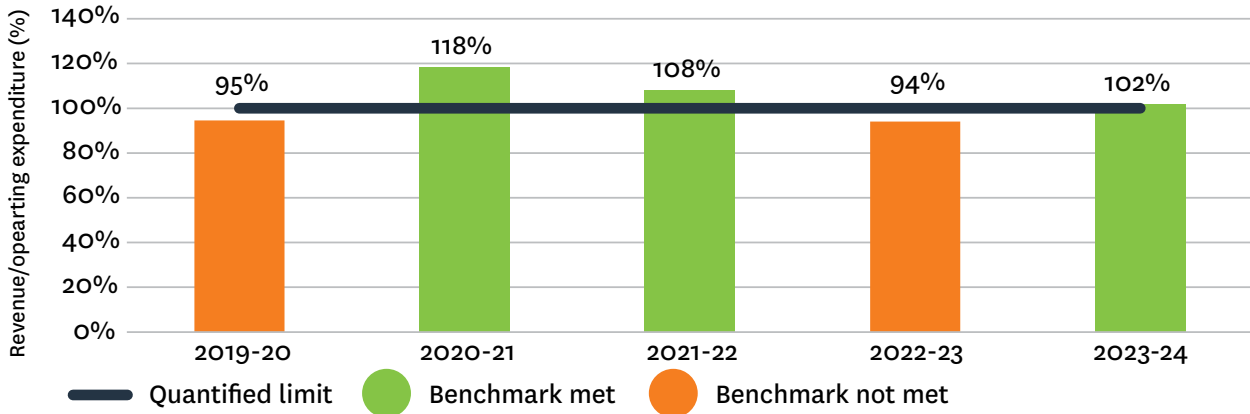
Council has achieved this benchmark.



Balanced budget benchmark

The following graph displays Council's actual revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment) as a proportion of actual operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). Council meets this benchmark if its actual revenue equals or is greater than its actual operating expenses.

Council has achieved this benchmark.

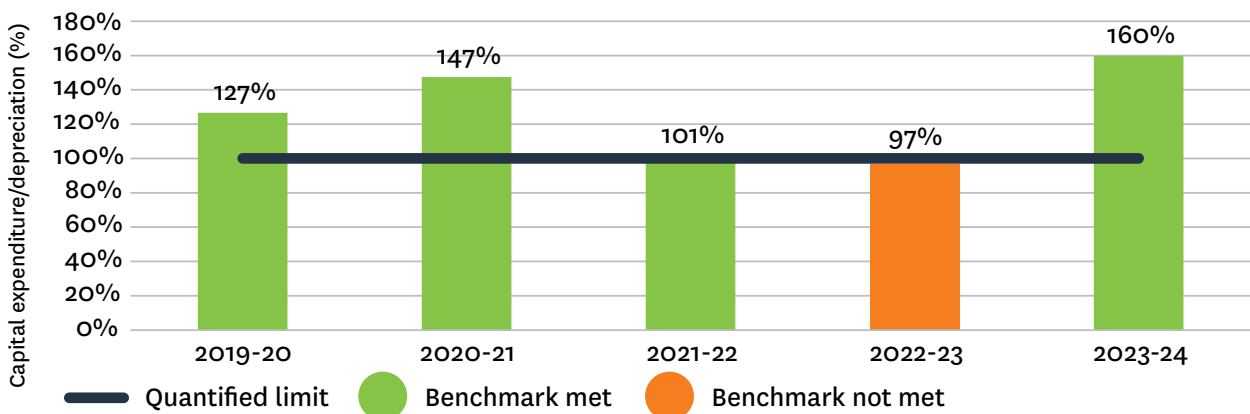


2022-2023: A series of extreme weather events resulted in unbudgeted maintenance costs. While this has been partially offset by emergency works Waka Kotahi subsidies, the additional work resulted in delays to our normal subsidised work programme, and other central government funded projects. This caused capital subsidies and grants revenue to be less than budget.

2019-2020: COVID-19 significantly impacted Council's revenue during the last quarter of the financial year. Minimal roading activity was able to be undertaken during lockdown. This resulted in roading programmes being deferred to the 2020-21 financial year. NZTA subsidies attached to these projects have also been carried forward, resulting in reduced subsidy revenue for the 2019-20 financial year.

Essential services benchmark

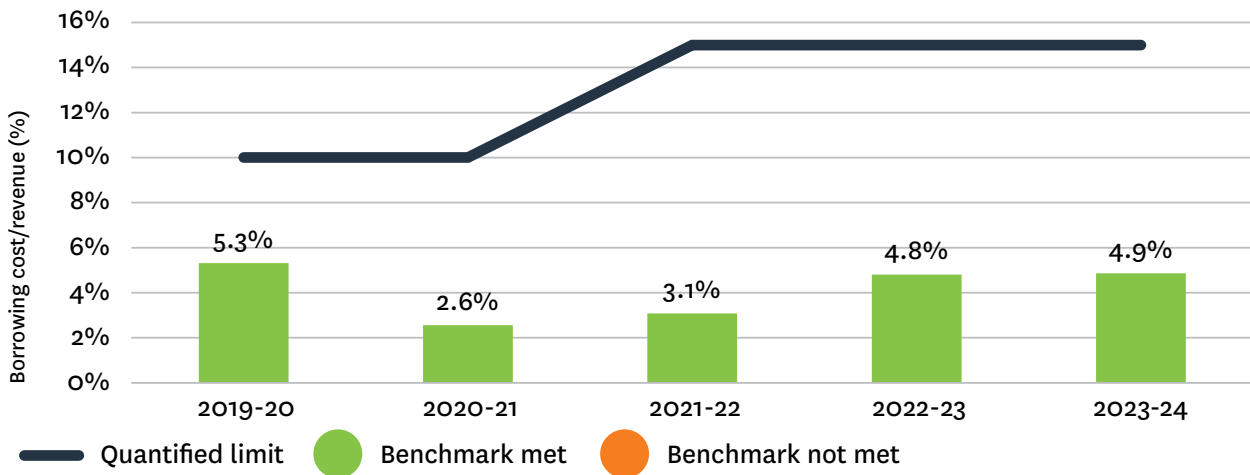
The following graph displays Council's capital expenditure on network services as a proportion of depreciation on those same network services. Council meets the essential services benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Council has achieved this benchmark.



2022-2023: Capital expenditure on Water, Wastewater and Stormwater has been lower than depreciation during the 2022-23 financial year.

Debt servicing benchmark

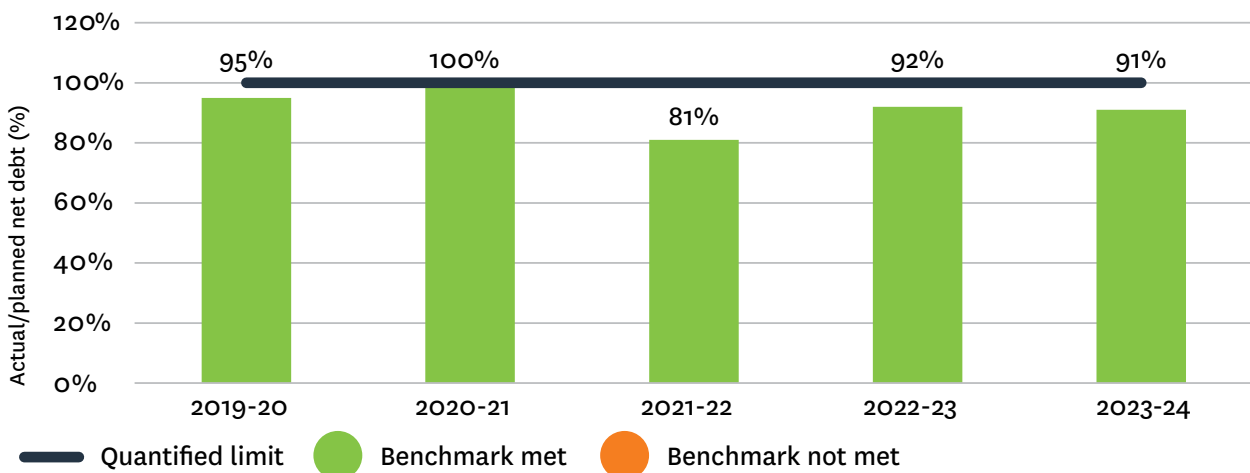
The following graph displays Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment). Because Statistics New Zealand projects Council's population will grow faster than the national population is projected to grow, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue. Council has achieved this benchmark for a number of years.



The limit for the 2019-20 and 2020-21 financial years was 10% as the District's growth was lower than the national population growth.

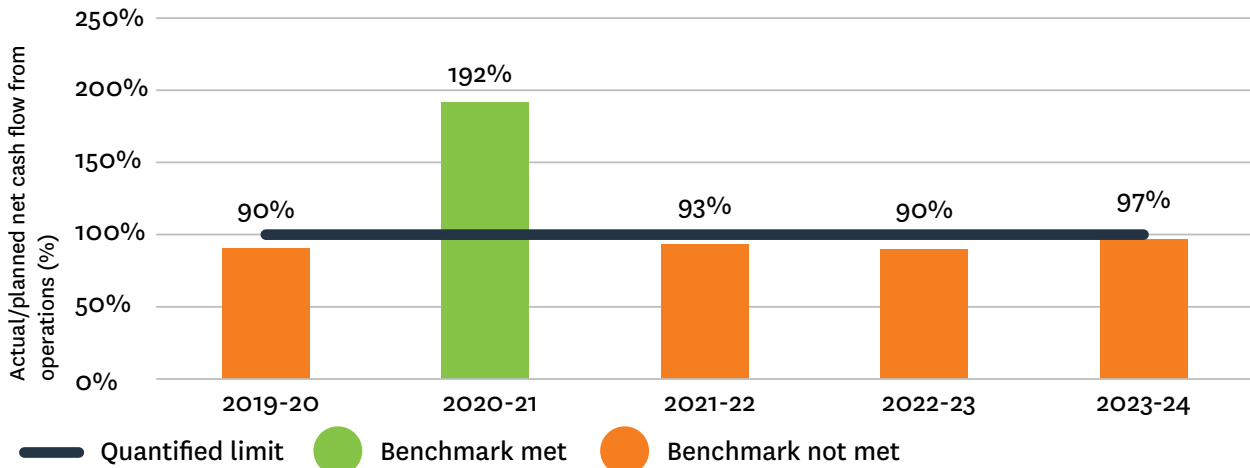
Debt control benchmark

The following graph shows Council's actual net debt as a proportion of planned net debt. For the purposes of this benchmark, net debt means financial liabilities less financial assets (excluding trade and other receivables). Council achieves this benchmark if actual net debt equals or is less than planned net debt. Council has achieved this benchmark.



Operations control benchmark

This graph shows Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. Council meets the operations control benchmark if actual net cash flow from operations equals or is greater than planned net cash flow from operations. Council has not achieved this benchmark.



2023-2024: Significantly less subsidies and grants were received compared to budget. This is mainly due to delays in completing Transportation projects and is a direct consequence of having a large capital expenditure programme that is partly funded by external funding.

2022-2023: A series of extreme weather events resulted in unbudgeted maintenance costs. While this has been partially offset by emergency works Waka Kotahi subsidies, the additional work resulted in delays to our normal subsidised work programme, and other central government funded projects. This has resulted in Council's net cash flow from operations to be less than what was budgeted for in the 2022-23 Annual Plan.

2021-2022: The 2022 budget included an ambitious transportation programme, which included subsidy revenue from Waka Kotahi. Due to delays in delivering the Transportation programme subsidy revenue received was less than budgeted, and has been carried forward to the 2023 financial year.

2019-2020: Covid-19 significantly impacted Council's revenue during the last quarter of the financial year. Minimal roading activity was able to be undertaken during lockdown. This resulted in roading programmes being deferred to the 2020-21 financial year. NZTA subsidies attached to these projects have also been carried forward, which resulted in reduced subsidy revenue for the 2019-20 financial year.

Non-financial performance

SIGNIFICANT WORKS AND ACHIEVEMENTS

Continued progress on severe weather repairs

Collaboration across the region helped to reestablish connections with our communities by getting roads reopened and major slip sites repaired. Council also worked closely with NZTA teams to manage the major Brynderwyns slip repair by providing and maintaining detour routes on the Council local roads during the 4 month road closure of SH1.

Overall, we have completed a total of \$9m of the \$20m emergency works repairs as a result of Cyclone Gabrielle covering Phase 1 (initial response) and phase 2 (medium sized repairs). All Phase 2 sites were remediated by the end of June. Design and investigation works have commenced for the repair of phase 3 works covering the major slip sites.

Port Road roundabout

A significant milestone was reached with the opening of the Port Road Roundabout project, which added to the Port Rd bridge upgrade project, and significantly addressed the congestion problems previously seen in this area.

Placemaking plans for Parua Bay and Waipu

Placemaking plans for Parua Bay and Waipu were completed and adopted, creating 20- to 30-year plans for these places with a shared vision for how these areas will change and grow.

Future Development Strategy

We prepared a draft Future Development Strategy for Whangārei with the Northland Regional Council, in partnership with tangata whenua, which provided a roadmap for managing growth over the next 30 years. Once community consultation is complete, the Future Development will be refined and adopted in 2024-25.

Envirohub opened

The He Awhi Rito Envirohub opened in central Whangarei to provide a location for community groups to collaborate and educate the public regarding environmental issues.

Quality water supply

Water Services continued to produce high quality water from all seven water treatment plants. All plants have both chlorine and UV disinfection to ensure full compliance with the New Zealand Drinking Water Standards and the Drinking Water Quality Assurance Rules 2022.

The Poroti water treatment plant upgrade project is still going through the final review process prior to construction. This project will provide drought resilience to the City supply. Projects have also been awarded for the construction of a new reservoir at Kamo.

Wastewater upgrades

Ongoing upgrades to have been made to the Hikurangi Wastewater Treatment Plant to improve discharge quality. A business case has been prepared for new administration building at the Kioreroa Road Wastewater Treatment Plant, as well as physical works on odour control.

Hikurangi Flood Management Scheme

We completed the strategic business case that identified the issues and opportunities for intervention. This has largely completed an extensive model of the river, its catchments and how the scheme operates. The model allows options to be tested. The business case has been developed in collaboration with hapu and farmers.

A new fish-friendly system was designed and built to drain flood water off Junction pocket. This was a spin off from the business case and result of a collaboration between hapu, farmers and council and reduces the schemes reliance on pumps.

A vibrant year of events

Our District enjoyed some significant events this year, including the Oceania Cup, Maritime Festival, International Wahine Toa Female Boxing Championship, and NAZCAR. These events promoted sportsmanship, cultural heritage, and gender equity, as well as enhancing tourism and community cohesion.

Growing use of libraries

Over the past 12 months 380,295 visits have been recorded, which is a 9% increase on the previous year. Compared to 2023, we also saw a 3% increase in the number of items borrowed. These statistics indicate a continuation of the return to pre-Covid levels of activity.

The library hosted many successful events and activities catering for all ages. The library functions as a community hub offering a diverse range of services to meet community needs. Justices of the Peace are now available at Central, Onerahi and Tikipunga libraries and Citizens Advice at Central on selected days of the week. The public demand for IT services is just as popular as ever with staff spending a considerable amount of time offering assistance and support.

Sportsfield progress

We continued upgrading our sports fields from soil to sand fields, installed drainage and lighting to improve resilience and hours of play. We also installed new sports fields in Ruakaka and Parua Bay.

Welcoming communities

As part of the Welcoming Communities, Te Waharoa ki ngā Hapori programme, we signed a Statement of Commitment alongside our partners, NZ Police, Multicultural Whangarei, Te Huinga, and the Multi-Ethnic Collective. Stage one accreditation of the programme has been achieved, with Whangarei District being recognised as a committed welcoming community. A stock take has been completed and planning has begun to create a Welcoming Communities Plan for the District.

Te Tai Tokerau Regional Accessibility Strategy

We adopted the Te Tai Tokerau Regional Accessibility Strategy, which was developed in response to the access needs of people such as disabled people older adults, people with chronic health conditions, and whanau with young children.

The Strategy was developed collaboratively with Far North, Kaipara and Northland Regional Councils. A working group of people with access needs alongside council staff developed the vision, values, and goals. The aim is to make our districts and region more accessible to everyone as much as possible. The Strategy provides guidance for each council to develop their own implementation plans, as well as joint action plans, where appropriate.

Kauri Dieback Mitigation

Kauri mitigation work on Parihaka and Coronation tracks have brought about two benefits. Primarily it is about the health of our Taonga but the improvements to the walking tracks have also improved the user experience.

Whale Tail Park upgrade

A renewal of the playground in Ngunguru has been well received by the community.

RESIDENT SATISFACTION SURVEY

Our resident satisfaction survey is undertaken annually to collect community feedback on Council performance. We continued to contact residents using both telephone and online techniques, with two samples taken rather than surveying at a single point in time.

The first wave of 300 responses was collected in November-December 2023 with the second wave collected in May-June 2024. This sampling methodology gives a broader representation of community views across the year.

Transportation and the roading network remain the most important area requiring Council's attention with 50% of respondents prioritising it. Concerns include poor road condition, lack of maintenance and the repair of road surfaces.

Climate change and sustainability (8%) was next with a call for more proactive measures to address the impacts of climate change in order to protect infrastructure and the community.

District promotion and economic development (6%) along with community services (6%) round out the top three.

The most important community outcomes for respondents are making Whangārei safer (92%) and having efficient and resilient core resources (89%). These outcomes are consistently prioritised.

Caring for the environment, being positive about the future and making Whangārei attractive and welcoming are important secondary outcomes.

Overall, 92% of respondents used at least one Council-provided facility with high usage of tracks, walkways, cycleways, parks and beaches.

In terms of Council's performance, 47% of respondents expressed satisfaction which is largely the same as the 48% for 2022-23. Satisfaction is lowest among respondents aged between 40 and 59 years.

With some fluctuations, satisfaction with Council performance has decreased over time from a peak of 71% in 2017.

SERVICE LEVEL PERFORMANCE

Overall, 64% of service performance targets were achieved. This is comparable with 66% in 2022-23 and 69% in 2021-22.

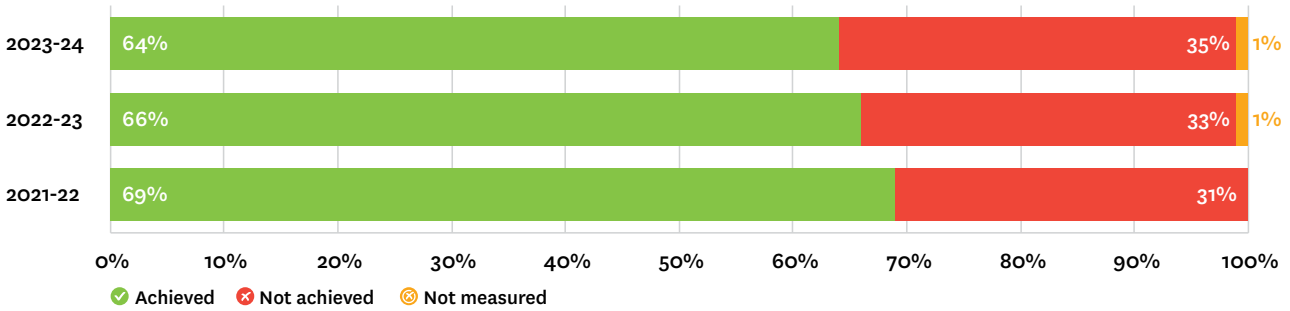
These are summarised on the next few pages with more information about performance for each activity found in pages 36-142 of this report.

All our levels of service and targets for 2023-24 were set in the 2021-31 Long Term Plan, which can be viewed on www.wdc.govt.nz/LTP.

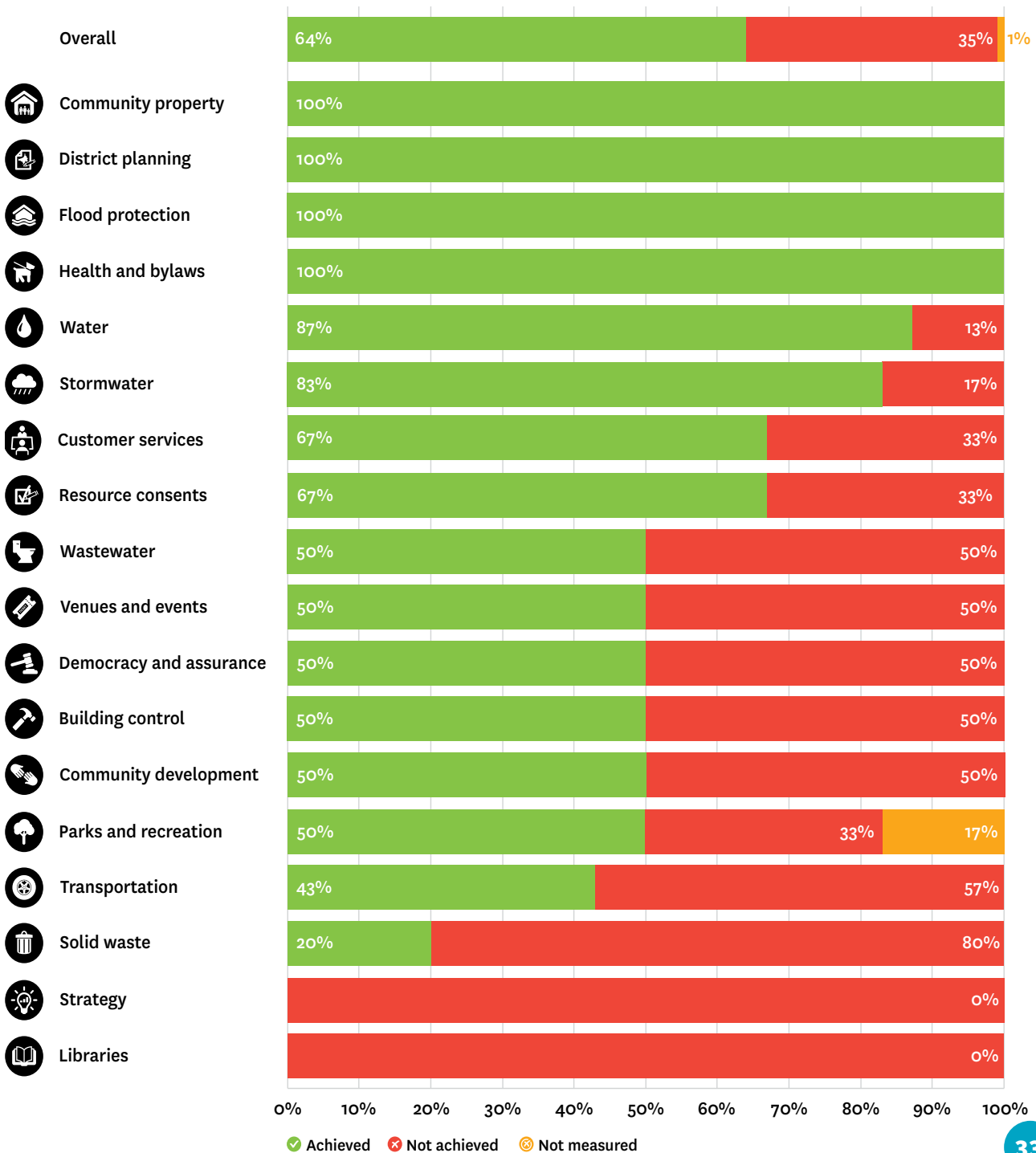
OVERALL NON-FINANCIAL PERFORMANCE

The following graphs summarise our overall performance.

Overall service performance by year
















Overall service performance by activity




Comparative performance results

















The table below provides comparative data of performance results. For further details please see each activity.


 Achieved
  Not achieved
  Not measured









Activity	Measures	2023-24		2022-23
		Achieved	Not achieved or not measured	Achieved
 Transportation	7 measures 3 achieved	 43%	 57%	 29%
 Water	15 measures 13 achieved	 87%	 13%	 87%
 Solid waste	5 measures 1 achieved	 20%	 80%	 20%
 Wastewater	6 measures 3 achieved	 50%	 50%	 83%
 Stormwater	6 measures 5 achieved	 83%	 17%	 83%
 Flood protection	2 measures 2 achieved	 100%	 0%	 100%
 Community facilities and services				
 Parks and recreation	6 measures 3 achieved 1 not measured	 50%	 33%  17%	 66%
 Libraries	2 measures 0 achieved	 0%	 100%	 0%
 Community property	2 measures 2 achieved	 100%	 0%	 100%
 Community development	2 measures 1 achieved	 50%	 50%	 50%
 Venues and events	2 measures 1 achieved	 50%	 50%	 50%
 Customer services	3 measures 2 achieved	 67%	 33%	 67%

Activity	Measures	2023-24		2022-23
		Achieved	Not achieved or not measured	Achieved

 Planning and regulatory

 District planning	1 measure 1 achieved	 100%	 0%	 100%
 Resource consents	3 measures 2 achieved	 67%	 33%	 100%
 Building control	2 measures 1 achieved	 50%	 50%	 50%
 Health and bylaws	4 measures 4 achieved	 100%	 0%	 75%

 Governance and Strategy

 Democracy and assurance	2 measures 1 achieved	 50%	 50%	 50%
 Strategy	1 measure 0 achieved	 0%	 100%	 0%



OUR WORK IN DETAIL

HE TAIPITOPITO MŌ Ā MĀTOU MAHI

About this section

WHAT DOES THIS SECTION INCLUDE?

- what we do
- identified effects on the community
- which community outcomes the activity primarily contributes to
- each activity's contribution to the four well-beings
- the key achievements of the reporting year
- levels of service (what Council provides and to what extent)
- the performance measures, targets and results for 2023-24 (how you will be able to tell whether we have done what we said we would do – noting we provide comments where we have not achieved a set target, or the results require further explanation)
- where appropriate, an explanation of any variance in the operational and capital expenditure budgets from that planned.

Some information is also included about the support services provided to the rest of Council – enabling services such as information technology, human resources and financial management. The costs for these activities are apportioned over the nine significant activity areas.

For more detailed information on the performance measures, associated targets and background information on the levels of service, please refer to the relevant sections of the 2021-31 Long Term Plan (LTP).

OUR ACTIVITIES

The work that Council does has been grouped into 10 key activities.

	Activity	What it covers
	1. Transportation	Integrated transport system, public transport infrastructure, walking and cycling, carparking
	2. Water	Water quality and safety and resilience of supply
	3. Solid Waste	Waste minimisation, collection and disposal
	4. Wastewater	Wastewater network and treatment
	5. Stormwater	Stormwater management and freshwater quality and catchment planning
	6. Flood Protection	Hikurangi Flood Protection Scheme
	7. Community Facilities and Service	
	Parks and Recreation	Sports and active recreation, playgrounds, walking tracks, natural areas, cemeteries and public toilet facilities
	Libraries	Public libraries
	Community Property	Pensioner housing and community halls
	Community Development	Community-led development, grants and community funding, community safety and advisory groups
	Venues and Events	Council-owned venues and events
	Customer Services	Contact centres and visitor information centre
	Civil Defence	Civil defence response

	Activity	What it covers
	8. Planning and Regulatory Services	
	District Planning	District Plan
	Resource Consents	Resource consents and consent monitoring
	Building Control	Building control, Project Information Memorandums and Land Information Memorandums
	Health and Bylaws	Environmental health and bylaw enforcement
	9. Governance and Strategy	
	Democracy and Assurance	Democracy, legal support and assurance and risk
	Strategy	Strategy development, place-based planning, statutory policies and bylaws and corporate planning
	Māori Relationships	Relationships with hapū and iwi
	District Development	Economic development, destination marketing and commercial property
	10. Support Services	Finance services, rates and revenue, people and capability, information and communications technology (ICT), communications and business support

OUR COMMUNITY OUTCOMES

Everything Council does is guided by our four Community Outcomes – these are based on what our community tells us is most important to them.



Efficient and resilient core services

- it is easy and safe for everyone to travel around the District
- there are opportunities to walk and cycle
- the District is well prepared for growth and can adapt to change
- services are supplied in ways that benefit the environment.



Positive about the future

- the District has productive land, people and a thriving City Centre
- there is a fair urban/rural balance
- Council has clear, simple documents and rules
- the District embraces new technology and opportunities.



Caring for the environment

- communities work to keep the environment clean and healthy
- access to the coast is protected
- open spaces in parks and streets are places where nature thrives
- the District is positively adapting to climate change.



Proud to be local

- the District is neat, tidy and looks attractive
- public areas feel and are safe
- there is always something to do and see
- there are opportunities for people of all abilities, ages and life stages to be active
- all of our cultures are valued and celebrated.

THE FOUR WELL-BEINGS

The four well-beings are outlined within the Local Government Act 2002. It sets out that as a council we play a broad role in promoting social, economic, environmental and cultural well-being of our communities. Each well-being is described below.



Social well-being

Involves individuals, their families, whānau, hapū, iwi, and a range of communities being able to set goals and achieve them, such as education, health, the strength of community networks, financial and personal security, equity of opportunity, and rights and freedoms.



Economic well-being

Looks at whether the economy can generate the employment and wealth necessary to provide many of the requirements that make for social well-being, such as health, financial security, and equity of opportunity.



Environmental well-being

Considers whether the natural environment can sustainably support the activities that constitute healthy community life, such as air quality, fresh water, uncontaminated land, and control of pollution.



Cultural well-being

Looks at the shared beliefs, values, customs, behaviours and identities reflected through language, stories, visual and performing arts, ceremonies and heritage that make up our communities.

Summary Funding Impact Statement

\$'000

	2022-23 LTP	2022-23 Annual Report	2023-24 Annual Plan	2023-24 Actual
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties	78,124	77,482	85,451	85,291
Targeted rates	40,019	40,076	42,998	42,141
Subsidies and grants for operating purposes	8,400	15,699	17,093	17,657
Fees and charges	17,027	18,015	18,085	18,055
Interest and dividends from investments	2,283	3,534	3,330	5,555
Local authorities fuel tax, fines, infringement fees and other receipts	9,123	10,658	9,780	10,979
Total Operating Funding	154,976	165,463	176,737	179,679
Applications of Operating Funding				
Payments to staff and suppliers	117,987	130,534	133,779	136,047
Finance costs	8,992	9,172	10,631	10,452
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding	126,979	139,706	144,410	146,498
Surplus / (Deficit) of Operating Funding	27,997	25,757	32,327	33,181
Sources of Capital Funding				
Subsidies and grants for capital expenditure	31,541	25,754	38,435	32,505
Development and financial contributions	7,078	11,737	7,078	6,539
Increase / (decrease) in debt	42,000	39,000	29,000	34,000
Gross proceeds from sale of assets	-	2,939	-	191
Other dedicated capital funding	-	-	-	-
Lump sum contributions	-	-	-	-
Total Sources of Capital Funding	80,619	79,429	74,513	73,235

\$000

	2022-23 LTP	2022-23 Annual Report	2023-24 Annual Plan	2023-24 Actual
Applications of Capital Funding				
Capital expenditure				
to meet additional demand	23,822	6,183	10,848	9,128
to improve levels of service	74,614	40,176	68,246	39,978
to replace existing assets	44,332	42,611	56,618	49,097
Increase / (decrease) in reserves	(34,152)	16,217	(28,872)	8,212
Increase / (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	108,816	105,187	106,840	106,416
Surplus / (Deficit) of Capital Funding	(27,997)	(25,758)	(32,327)	(33,181)
Funding Balance	-	-	-	-

FUNDING IMPACT STATEMENTS - MOVEMENTS IN GENERAL RATES, DEBT AND RESERVES

General rates are allocated across all activities at the end of the year, with allocation significantly dependent on the operating position per activity before rates are allocated. This can vary from the budgeted allocation due to other movements in revenue and expenditure.

Debt in Council's Funding Impact Statement relates to the movement in total external debt between the last financial year and this financial year. It has been allocated between Transportation, Community Facilities and Services, Support Services and Planning & Regulatory. A number of major infrastructure activities are funded by targeted rates. Movements in internal debt are allocated evenly between Transportation and Community Facilities and Services and are classified as an increase/(decrease) in reserves.

The movement in reserves relates to the net movement in operating surplus, capital funding and capital expenditure. This can vary from budgeted movement in reserves as other balances change.

Reconciliation between Statement of Comprehensive Revenue and Expenditure and Whole of Council Funding Impact Statement

	\$000			
	2022-23 LTP	2022-23 Annual Report	2023-24 Annual Plan	2023-24 Actual
Surplus/(deficit) after taxation per Statement of Comprehensive Revenue and Expenditure	21,541	21,644	25,100	17,644
Items recognised as revenue in the Statement of Comprehensive Revenue and Expenditure and as capital expenditure funding sources in the Summary Funding Impact Statement:				
Subsidies and grants for capital expenditure	(31,541)	-25,754	(38,435)	(32,505)
Development and financial contributions	(7,078)	-11,737	(7,078)	(6,539)
Non-cash items recognised in the Statement of Comprehensive Revenue and Expenditure and not included in the Summary Funding Impact Statement:				
Depreciation and amortisation	53,479	56,158	60,437	59,843
Vested asset revenue	(8,405)	(17,641)	(8,403)	(10,987)
Investment property revaluation gains	-	387	-	(2,515)
Gains on derivatives	-	(4,321)	-	3,231
Gains on property sales	-	(109)	-	(21)
Impairment of assets	-	2,545	-	-
Loss on assets disposed of	-	3,611	-	4,199
Taxation expense	-	17	706	525
Other items	-	957	-	305
Surplus/(Deficit) of Operating Funding per Council Summary Funding Impact Statement	27,997	25,757	32,327	33,180



1. Transportation

WHAT WE DO

The ease of movement of people and goods is of critical importance to our District. The way we move supports economic transactions, growth and development, social cohesion, health, and the day-to-day running of our communities. It is one of the most important functions we provide and has been identified by our Council as one of the key strategic drivers for our Long Term Plan.

Strategically, as a core service it is important that our transport network is efficient and provides choice. As our District continues to grow, walking, cycling and public transport infrastructure will become more important.

An integrated, safe, responsive, and sustainable land transport system is a fundamental requirement of every district council under the Local Government Act 2002. We are the road-controlling authority for our District, and we are responsible for planning, creating, operating, maintaining, and rehabilitating all roads (except State Highways) in a financially responsible manner.

IDENTIFIED EFFECTS ON THE COMMUNITY

Transportation activities contribute to various negative environmental effects including water quality, air quality, noise, and safety-related issues. However, all activities are undertaken in accordance with environmental standards. We invest in walking and cycling across the District to help reduce some of these impacts.

KEY ACHIEVEMENTS

2023-24 was again a very challenging year for Transportation due to ongoing impacts of major weather events across the District, including Cyclone Gabrielle. One of the biggest achievements was the way in which our teams and contractors were able to collaborate across the region to reestablish connections with our communities by getting roads reopened and major slip sites repaired. Council also worked closely with NZTA teams to manage the major Brynderwyns slip repair by providing and maintaining detour routes on the Council local roads during the 4 month road closure of SH1.

Overall, we have completed a total of \$9m of the \$22m emergency works repairs required as a result of Cyclone Gabrielle including Phase 1 (initial response) and phase 2 (medium sized repairs). All Phase 2 sites were remediated by the end of June 2024. Investigation and design work has commenced for the repair of the phase three, major slip sites.





Following the impact of the severe weather events over the last two construction seasons Council was able to complete a full construction season and catch up of the Capital Programme including a continuation of footpaths, shared paths, and safety improvements.

A significant milestone was reached with the opening of the Port Road Roundabout which added to the Port Rd bridge upgrade and significantly addressed the congestion problems previously seen in this area. We also concluded the speed review for the Whangarei Heads and Patau areas with safe and appropriate speed limits now in place.





We're set up well for next year with the continuation of the funding secured through Waka Kotahi for Climate Emergency Response Fund (CERF) - Transport Choices with a number of the projects completed and the remainder programmed for completion coming year.

CONTRIBUTION TO THE FOUR WELL-BEINGS

A well-functioning, safe and integrated transport system makes an important contribution across all four well-beings:






Key Transportation functions	Contribution to social, economic, environmental, and cultural well-being
INFRASTRUCTURE FOR PUBLIC TRANSPORT, WALKING AND CYCLING	<p>Active transport improves health (physical and mental) which supports social well-being.</p> <p>Reduction in pollution and greenhouse gas emissions contributes to our environmental well-being.</p> <p>More travel options for people to get to work, education and services supports both social and economic well-being.</p>
	
INTEGRATED TRANSPORT SYSTEM	<p>Transportation is aligned with and supports growth and development. Provides access to places of work and education. Access to community assets and places of cultural importance including marae.</p>
	
FREIGHT NETWORK AND THE MOVEMENT OF GOODS	<p>Ease and efficient movement of goods supports economic activity. This also supports existing local businesses and helps attract new businesses to our District.</p>
	
SAFE TRANSPORT OPTIONS	<p>Reduced accidents and death which supports all four well-beings.</p> <p>A safer transport system will encourage more people to walk and cycle which supports social, environmental and economic well-being.</p>
	

CONTRIBUTION TO COMMUNITY OUTCOMES


Community Outcomes	Contribution to Community Outcomes
High contribution	
EFFICIENT AND RESILIENT CORE SERVICES 	<p>Provide a transportation network that enables a range of transport options to facilitate easy and safe travel around our District.</p> <p>Transport networks are managed and planned in a way that ensures they align with our District’s growth and are supplied in an efficient way.</p>
POSITIVE ABOUT THE FUTURE 	<p>Our transport network is of strategic importance to our future prosperity. Our transport networks are used by residents to travel to and from work, by business to transport goods and by visitors to travel around our District.</p>
PROUD TO BE LOCAL 	<p>Maintenance of our local streets helps our District look neat and tidy. The quality design of our streets can make our District safe and more attractive.</p>
Medium contribution	
CARING FOR THE ENVIRONMENT 	<p>Future transport infrastructure will recognise the need to adapt to effects of climate change.</p> <p>Walking and cycling can help to protect our environment.</p>

HOW WE PERFORMED


Levels of Service


-  Mandatory performance measures
-  Achieved
-  Not achieved
-  Not measured
-  Target differs from current year

1.1 Our District’s roading network will be maintained in a satisfactory condition and in accordance with national safety and engineering standards.


-  **PERFORMANCE MEASURE 1.1.1** The change from the previous financial year in the number of fatalities and serious injury crashes on local road network, expressed as a number.*

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≤0	 -6	 +12	 +4

-  **PERFORMANCE MEASURE 1.1.2** The average quality of a ride on a sealed local road network, measured by smooth travel exposure.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥85%	 82%	 84%	 85%

The road network is showing signs of continued deterioration and the programmed works were not fully delivered. Continued weather impacts from 2022-23 and higher than expected cost escalations in 2023-24 are leading to ongoing deferrals and are starting to impact the ride quality of the network. The works programme aims to improve this indicator.

-  **PERFORMANCE MEASURE 1.1.3** The percentage of the sealed local road network that is resurfaced.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥9%	 8.26%	 6.61%	 7.2%

The total reseal program was not completed due to increased costs, particularly in the price of bitumen, and some programmed works were deferred. The works programme aims to improve this indicator.

PERFORMANCE MEASURE 1.1.4 The maintenance of the roads meet Council’s level of service targets as specified in our road maintenance contracts.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥85%	88.7%	87.9%	91.1%

PERFORMANCE MEASURE 1.1.5 The percentage of the sealed local road network that is rehabilitated.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥0.4%	0.21%	0.24%	0.4%

Increased costs on programme delivery resulting from higher than expected cost escalations led to some programmed sites being deferred to fit within the available budget. The works programme aims to improve this indicator.

PERFORMANCE MEASURE 1.1.6 The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds ¹ within the time frame specified in the LTP.²

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥95%	65.08%	62.09%	76.9%

During the last 3 year period of the Long Term Plan, Council replaced the customer services request module and the method of calculating this LOS measure which has impacted the final result. That said, the impact of the severe weather events that occurred in the District during the last 2 years has seen a significant increase in the number of requests received by Council and the final result also shows Council has struggled to keep up with this increased volume within the specified time frames.

1.2 We will support alternative transport methods.

PERFORMANCE MEASURE 1.2.1 The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its Annual Plan, Activity Management Plan, Asset Management Plan, annual works programme or LTP).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥90% in fair or better condition	98%	98%	99%

¹ A response constitutes either:

- i. the physical work requested has been inspected and carried out to completion, or
- ii. the physical work has been inspected and put on a programme to be completed at a later specified date, or
- iii. the request has been reviewed, a decision that no further work is required, and the customer informed.

² The time periods used are the response periods required of Council's maintenance contractors specified in their contracts:

- 2 working days for the contractor to acknowledge the customer request
- 15 working days for the contractor to investigate, action and close off the request.

This is the requirement for the measure in the LTP.

WHAT TRANSPORTATION COST

	\$000		
	2022-23 LTP	2023-24 LTP	2023-24 Actual
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	19,091	21,540	22,264
Targeted rates	140	212	101
Subsidies and grants for operating purposes	8,061	8,301	10,166
Fees and charges	1,791	1,836	1,903
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	715	727	1,927
Total Operating Funding	29,798	32,616	36,361
Applications of Operating Funding			
Payments to staff and suppliers	17,861	18,560	26,269
Finance costs	2,678	3,186	5,167
Internal charges and overheads applied	1,318	1,350	3,071
Other operating funding applications	-	-	-
Total Applications of Operating Funding	21,857	23,096	34,507
Surplus / (Deficit) of Operating Funding	7,941	9,520	1,854
Sources of Capital Funding			
Subsidies and grants for capital expenditure	16,640	21,836	29,055
Development and financial contributions	2,973	2,973	2,565
Increase / (decrease) in debt	5,621	7,544	19,671
Gross proceeds from sale of assets	-	-	139
Other dedicated capital funding	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	25,233	32,353	51,430

\$000

	2022-23 LTP	2023-24 LTP	2023-24 Actual
Applications of Capital Funding			
Capital expenditure			
to meet additional demand	6,159	9,141	7,574
to improve levels of service	13,489	21,271	25,977
to replace existing assets	15,358	16,983	21,726
Increase / (decrease) in reserves	(1,831)	(5,522)	(1,993)
Increase / (decrease) of investments	-	-	-
Total Applications of Capital Funding	33,174	41,873	53,284
Surplus / (Deficit) of Capital Funding	(7,941)	(9,520)	(1,854)
Funding Balance	-	-	-

Operational variance explanations

Subsidies and grants for operating purposes have a favourable variance due to increased revenue from central government. Operating expenditure is higher than LTP due to increased salaries and an expanded NZTA programme including ongoing storm recovery works.

Capital variance explanations

Capital subsidies and grants is higher than LTP due to increased NZTA funding. Capital expenditure is higher than LTP due to completing the final year of the NZTA 3 year programme that was delayed in year 1 of the LTP. The increase in debt is largely due to additional operational expenditure not funded by Rates.



2. Water

WHAT WE DO

We provide fresh, clean, healthy water to our District. Our water supply provides water for households to drink and also plays an important role in many industrial, commercial and some agricultural businesses. Water is also provided to fight fires within the spread of our network. The water is delivered via a network of treatment plants, reservoirs, pump stations and pipelines.

Strategically, the focus for the future is on the quality and resilience of this service. We provide water that meets the new Drinking Water Standards and the Water Quality Assurance rules set by the drinking water regulator, Taumata Arowai. We also ensure our water supply is resilient to change through water efficiency programmes and infrastructure upgrades.

IDENTIFIED EFFECTS ON THE COMMUNITY

We provide an adequate supply of safe, clean, potable water as needed by the community, with the key driver being health and wellbeing. Water is also provided for fire-fighting purposes within reticulated areas and is available to those with alternate supplies during times of drought via water tankers from designated filling stations.

Various statutes set out Council's responsibilities for water supply. These include the Local Government Act 2002, the Resource Management Act 1991, the Health Act 1956 and the Water Services Act 2021. New legislation due in 2024 will allow for water services to be provided in a different way to the community in future. Council will be investigating how these options may benefit the community.

Provision of water is generally a positive activity; however, it can contribute to various negative environmental effects through the abstraction of water from rivers, bores and dams. Water abstraction and use is closely monitored and is managed in line with environmental standards and consent conditions. We also continue to upgrade equipment and improve methods to reduce environmental impacts.

KEY ACHIEVEMENTS

Water Services continued to produce high quality water from all of our seven water treatment plants. All plants have both chlorine and UV disinfection to ensure full compliance with the New Zealand Drinking Water Standards and the Drinking Water Quality Assurance Rules 2022.



The Poroti water treatment plant upgrade project is still going through the final review process prior to construction. This project will provide drought resilience to the City supply. Projects have also been awarded for the construction of a new reservoir at Kamo

and an upgrade of the water system along Three Mile Bush Road. Both projects are due for completion in 2025.



We delivered an increasing volume of asset renewals during the year including water mains at several locations in the City, water meters throughout the network and equipment at water treatment plants. Work was also undertaken at Whau Valley Dam to improve the drainage. A Ministry of Health project to install fluoridation equipment at the Whau Valley, Ruddells, Ruakaka and Ahuroa water treatment plants is well underway and expected to be completed in 2025.


CONTRIBUTION TO THE FOUR WELL-BEINGS

Water quality and resilience makes an important contribution across all four well-beings:

Key Water functions	Contribution to social, economic, environmental, and cultural well-being
WATER QUALITY AND SAFETY 	<p>Safe drinking water is essential for community health across the District.</p> <p>Environmental standards help protect environmental and cultural well-being.</p>
RESILIENCE OF SUPPLY 	<p>A resilient supply helps support community health and well-being, particularly in periods of drought. Resilience is also necessary to support our economic, industrial and agricultural activities.</p> <p>Water efficiency and limiting water takes can support cultural, environmental and economic well-being.</p>






CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
EFFICIENT AND RESILIENT CORE SERVICES 	<p>The provision of water is a core service. It supports our economic, industrial and agricultural activities.</p> <p>Water is supplied in a planned, managed and efficient way to ensure it aligns with our District's growth.</p>
CARING FOR THE ENVIRONMENT 	<p>The management of our water supply can support a clean and healthy environment through initiatives such as water conservation.</p>

Community Outcomes	Contribution to Community Outcomes
POSITIVE ABOUT THE FUTURE 	<p>New technology will be used to monitor the quality of our drinking water.</p> <p>The provision of water to appropriate locations across urban and rural areas of our District enables productivity.</p>

HOW WE PERFORMED

Levels of Service

-  Mandatory performance measures  Achieved  Not achieved
-  Not measured  Target differs from current year

2.1 We provide safe, high-quality drinking water to all our customers

PERFORMANCE MEASURE 2.1.1 Whangārei District’s four water supply areas have approved Water Safety Plans as determined by a Ministry of Health drinking water assessor.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
4	 4	 4	 4

All plans submitted to Taumata Arowai as required and now being reviewed annually.

PERFORMANCE MEASURE 2.1.2 Compliance with the 2005 New Zealand Drinking Water Standards’ requirements for bacterial monitoring.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
100%	 100	 98.5%	 99.7%

PERFORMANCE MEASURE 2.1.3 Residents satisfaction with the water quality provided by Council (Recorded through the Residents Survey).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥90%	 91	 90%	 95%

From 2024 residents satisfaction survey. The total includes those who are neutral to align with results provided in previous years

PERFORMANCE MEASURE 2.1.4 The extent to which the local authority’s drinking water supply complies with:

- (a) part 4 of the drinking water standards (bacteria compliance criteria), and
- (b) part 5 of the drinking water standards (protozoal compliance criteria).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
Fully complies	100%	100%	Doesn't comply

- **PERFORMANCE MEASURE 2.1.5** The total number of complaints received by the local authority (LA) about any of the following:
 - (a) drinking water clarity
 - (b) drinking water taste
 - (c) drinking water odour
 - (d) drinking water pressure or flow
 - (e) continuity of supply; and
 - (f) the LA's response to any of these issues
 expressed per 1000 connections to the LA's networked reticulation system.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≤17	10.2	13	15

- **PERFORMANCE MEASURE 2.1.6** Where the LA attends a callout in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:
 - **2.1.6 (a)** attendance for urgent callouts: from the time the LA received notification to the time service personnel reach the site

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≤ less than 1hr	35 mins	40 mins	33 mins

- **2.1.6 (b)** resolution of urgent callouts: from the time the LA received notification to the time that service personnel confirm resolution of the fault or interruption

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≤ less than 4hrs	1.83hrs	1.97hrs	1.6hrs

2.1.6 (c)

attendance for non-urgent callouts: from the time that the LA receives notification to the time that the LA receives notification to the time that service personnel reach the site; and

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≤ less than 12hrs	3.48hrs	3.33hrs	1.5hrs

2.1.6 (d) resolution of non-urgent callouts: from the time that the LA receives notification to the time that service personnel confirm resolution of the fault or interruption.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≤ less than 24 hrs	18.28hrs	13.5hrs	3hrs

2.2 The water supplied is continuous and is adequate for customers’ use.

PERFORMANCE MEASURE 2.2.1 Residents satisfaction with the water flow and pressure provided by Council. (Recorded through the Residents Survey).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥90%	93%	92%	94%

This measure includes neutral, satisfied and very satisfied responses in the annual Residents’ Survey.

2.3 In times of emergency there is adequate water supply available.

PERFORMANCE MEASURE 2.3.1 Whangārei City Water Supply Area can meet a one in 50-year drought (based on 2009-10 event data adjusted for growth and losses).


2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥81%	95.43%	99%	85%

PERFORMANCE MEASURE 2.3.2 Water restrictions imposed due to drought (less than one in 50 years).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
0	0	0	0


2.4 We manage the water supply system in a sustainable way that also caters for growth.

PERFORMANCE MEASURE 2.4.1 Residents in our District annually adopt water conservation techniques in their homes and/or businesses. (Recorded through the Residents Survey).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥65%	 54%	 45%	 46%




Last year was very wet and the effects carried through into 2023-24. Consequently water supplies were in a good state and Council did not need to publicise water conservation. This resulted in only 54% of respondents having adopted water conservation techniques during the year.

PERFORMANCE MEASURE 2.4.2 The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this). WaterNZ Benchloss

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≤ Less than 25%	 28.06%	 23.9%	 24.8%

The loss percentage is slightly above target amount. There are a number of factors that have led to this. Firstly the shutdown of the Refinery has resulted in a significant drop in demand compared to previous years. Also, the extremely wet 2023 year followed by a dry start to 2024 has meant that recorded consumptions have been generally lower while treatment outputs have been starting to rise. This is caused by the delay in meter reading because of the six-monthly meter reading schedule. The number of leaks each year continues to trend downward.

PERFORMANCE MEASURE 2.4.3 The average consumption of drinking water per day per resident within the territorial authority district.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≤ Less than 500 litres	 331.5 litres	 345 litres	 414 litres

WHAT WATER COST

	\$000		
	2022-23 LTP	2023-24 LTP	2023-24 Actual
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	16,408	16,941	16,517
Subsidies and grants for operating purposes	-	-	930
Fees and charges	199	207	222
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	622	589	1,337
Total Operating Funding	17,228	17,737	19,006
Applications of Operating Funding			
Payments to staff and suppliers	8,524	9,308	10,781
Finance costs	-	27	-
Internal charges and overheads applied	2,468	2,482	2,751
Other operating funding applications	-	-	-
Total Applications of Operating Funding	10,992	11,817	13,532
Surplus / (Deficit) of Operating Funding	6,236	5,920	5,474
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	2,516
Development and financial contributions	1,564	1,564	1,480
Increase / (decrease) in debt	-	1,106	-
Gross proceeds from sale of assets	-	-	-
Other dedicated capital funding	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	1,564	2,670	3,997

\$000

	2022-23 LTP	2023-24 LTP	2023-24 Actual
Applications of Capital Funding			
Capital expenditure			
to meet additional demand	4,292	14,767	123
to improve levels of service	2,248	5,577	3,437
to replace existing assets	3,335	5,455	5,638
Increase / (decrease) in reserves	(2,075)	(17,209)	273
Increase / (decrease) of investments	-	-	-
Total Applications of Capital Funding	7,801	8,590	9,470
Surplus / (Deficit) of Capital Funding	(6,236)	(5,920)	(5,474)
Funding Balance	-	-	-

Operational variance explanations

Operating funding has increased due to Three Waters transition funding received from central government. Operational expenditure is higher than LTP due to Three Waters related costs and increased repairs and maintenance.

Capital variance explanations

Capital funding is higher than LTP due to Central government subsidy for Fluoridation. Capital expenditure is lower than LTP largely due to delay of the Poroti Water Treatment Plant upgrade project.



3. Solid waste

WHAT WE DO

The purpose of Council's Solid Waste activity is to ensure our District is clean, attractive, vibrant and resilient. We do this by performing the following functions:

- Collect, process, dispose of and recycle solid waste
- Deliver and support waste minimisation initiatives
- Manage and maintain the District's public toilets
- Litter control
- Graffiti control
- Planning for future growth

This core service also supports our District's economic activities by supporting our growth and development.

Our aim is to do this in a way that, over time, will reduce the amount of waste we are required to process. Solid waste management is governed by several pieces of legislation, including the Waste Minimisation Act (WMA) 2008 and the Local Government Act 2002.

IDENTIFIED EFFECTS ON THE COMMUNITY

If not appropriately collected and disposed of, solid waste can have significant negative effects on public health. To reduce these effects, we have a reliable collection service and transfer station network throughout our District. To limit any negative impacts, we comply with consents relating to the operation of our transfer station network and the volumes of rubbish disposed of are minimised through effective recycling.

The management of public toilets and graffiti are key to making the district a great place to live and visit. Clean and functional public toilets are critical to ensuring people's enjoyment of our public spaces such as parks, reserves and beaches.

KEY ACHIEVEMENTS

- The District's Waste Management and Minimisation Plan was revised. The public consultation undertaken produced valuable feedback which helped to inform the final document.
- EcoSolutions has continued to deliver waste minimisation lessons to school children and provide support to events and community groups to assist them with their waste minimisation programmes. The Waste Minimisation Fund was made available to support waste minimisation activities in the district.
- The He Awhi Rito Envirohub opened in Whangarei to provide a location for community groups to collaborate and educate the public regarding environmental issues.



- Opening of the new Ruakaka Beach toilets and changing facilities
- Opening of the new Matapouri composting eco public toilet
- Over 2,800 pieces of graffiti removed.


CONTRIBUTION TO THE FOUR WELL-BEINGS

The management of solid waste plays an important contribution across all four well-beings:

Key Solid Waste functions	Contribution to social, economic, environmental, and cultural well-being
WASTE MINIMISATION 	<p>Waste minimisation and recycling help reduce the potential adverse effects of waste on our environment.</p> <p>Waste minimisation and circular economy principles can have positive economic, social and cultural outcomes.</p>
WASTE COLLECTION AND DISPOSAL 	<p>Safe collection and disposal of waste supports community health and environmental outcomes.</p> <p>The management of waste is an important service for local businesses and industry contributing to economic well-being.</p>






CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
CARING FOR THE ENVIRONMENT 	<p>Waste minimisation, recycling and waste collection limits potential adverse effects on our environment.</p>
PROUD TO BE LOCAL 	<p>A clean environment across our District is vital to our well-being as well as our attractiveness to visitors and investors.</p>

Community Outcomes	Contribution to Community Outcomes
Medium contribution	
EFFICIENT AND RESILIENT CORE SERVICES 	Council and its partners provide waste management infrastructure and services for the District including providing a network of rubbish and recycling transfer stations and landfill.

HOW WE PERFORMED

Levels of Service

-  Mandatory performance measures
-  Achieved
-  Not achieved
-  Not measured
-  Target differs from current year

3.1 Council will provide kerbside waste and recycling collection services and transfer stations will be operated throughout our District.

PERFORMANCE MEASURE 3.1.1 Residents' satisfaction with solid waste collection and recycling services and transfer stations (Recorded through the Residents Survey).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥85%	 86.5%	 87%	 84%

This measure includes neutral, satisfied and very satisfied responses in the annual Residents' Survey.

3.2 Council will foster waste minimisation by supporting recycling and waste reduction practices.

PERFORMANCE MEASURE 3.2.1 To reduce waste disposed of to landfill to below 500 kg per person.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
<500kg	 535kg	 575kg	 589kg

PERFORMANCE MEASURE 3.2.2 To recycle at least 35% of waste collected at the roadside from households.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥35%	 30%	 33%	 32%

While not yet achieved, progress is being made towards achieving this target.


PERFORMANCE MEASURE 3.2.3 Council will recycle, compost or reuse at least 50% of materials at transfer stations.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥50%	 45%	 48%	 46%

Council and the contractor are striving to reach this target.

3.3 Council will provide and empty public litter bins and undertake litter control throughout public places in our District.

PERFORMANCE MEASURE 3.3.1 Residents satisfaction with litter control.
(Recorded through the Residents Survey).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥75%	 67%	 64%	 72%

We continue to work with our contractors and community groups to find efficiencies.

WHAT SOLID WASTE COST

	\$000		
	2022-23 LTP	2023-24 LTP	2023-24 Actual
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	5,682	6,107	6,930
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	2,616	2,671	3,078
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	988	1,336	1,588
Total Operating Funding	9,286	10,114	11,596
Applications of Operating Funding			
Payments to staff and suppliers	9,072	9,898	8,991
Finance costs	25	25	32
Internal charges and overheads applied	137	138	202
Other operating funding applications	-	-	-
Total Applications of Operating Funding	9,234	10,060	9,225
Surplus / (Deficit) of Operating Funding	53	54	2,371
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Other dedicated capital funding	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	-	-	-

\$000

2022-23
LTP

2023-24
LTP

2023-24
Actual

Applications of Capital Funding

Capital expenditure

to meet additional demand

-

-

-

to improve levels of service

-

-

-

to replace existing assets

53

54

-

Increase / (decrease) in reserves

2,371

Increase / (decrease) of investments

-

-

-

Total Applications of Capital Funding

53

54

2,371

Surplus / (Deficit) of Capital Funding

(53)

(54)

(2,371)

Funding Balance

-

-

-

Operational variance explanations

No material variances.

Capital variance explanations

Reserves are higher than LTP due to establishment of a Waste Minimisation Reserve.



4. Wastewater

WHAT WE DO

Wastewater management is a core service that keeps our communities and our waterways safe, healthy and clean. This is essential to being a vibrant, attractive and thriving District.

Our population produces a large amount of wastewater every year. Our job is to develop and manage systems to collect this wastewater, treat it and dispose of it in a way that meets legal standards and cultural expectations. This protects the health and wellbeing of our communities and the environment.

Our wastewater network includes wastewater systems and treatment plants, and processes wastewater from over 25,000 connections across our District.

IDENTIFIED EFFECTS ON THE COMMUNITY

Sewage discharges to air, land and water affect the environment and public health. We have invested in targeted programmes to prevent and mitigate the effects of treated and untreated sewage discharges. Compliance with resource consent conditions ensures adverse effects to the environment are avoided, mitigated or remedied.

KEY ACHIEVEMENTS

Hikurangi Waste Water Treatment Plant (WWTP): Ongoing upgrades made to this plant to improve discharge quality and address gaps in our consenting requirements – Anolyte system has been installed and we are in the process of commissioning.

Kioreroa Road WWTP:

- Business case has been prepared for a new administration building.
- Odour control contract has been let and physical works have started.
- Continued with asset information gathering to inform augmentation and upgrade works (includes tertiary filtration and UV upgrades). Prepared Business case for augmentation works and for the 30-year strategy that is included in the WWTP consent application. Waiting for final consent approval from Northern Regional Council (NRC)
- Unused aeration basin brought back into service and new aerators installed.
- Working though, with NRC, queries relating to the plant re-consenting received under section 92 (Further Information) of the Resource Management Act 1991.

Portland and Tutukaka WWTPs: Resource consent applications have been prepared and submitted to NRC for the continued operation of these plants.



Ruakaka WWTP: Floating wetlands have been constructed.

Network:



- The City’s wastewater model has been calibrated and updated. This updated model will be used for various purposes including but not limited to growth planning, capacity checks, and identifying potential spill locations.
- Various wastewater lines were renewed - primarily including the emergency renewals in the Kepa Road industrial area of Ruakaka.
- Preparation of a wastewater network consent application is ongoing. We are working through a gap analysis exercise with our technical advisors.
- Investigations continue into the cause of reported wastewater spillages at the Parua Bay sewer pump station including data acquisition and inflow investigations planning.
- Kioreroa rising mains contract has been let and physical works have started.


CONTRIBUTION TO THE FOUR WELL-BEINGS

The management of wastewater plays an important contribution across all four well-beings:

Key Wastewater functions	Contribution to social, economic, environmental, and cultural well-being
WASTEWATER NETWORK 	The collection of wastewater is essential for the health of our communities as well as supporting economic activity.
WASTEWATER TREATMENT 	Safe treatment of wastewater that meets environmental, public health and Resource Management Act requirements is essential for both cultural and environmental outcomes.






CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
EFFICIENT AND RESILIENT CORE SERVICES 	<p>The management of wastewater is a core service. It supports our communities, our commercial, industrial and agricultural activities and aligns with our District’s growth.</p> <p>Wastewater is managed and planned in a way that is efficient and is able to withstand large rainfall events.</p>
CARING FOR THE ENVIRONMENT 	Managing wastewater to agreed standards, with discharges from wastewater treatment plants having no detrimental environmental impact.


Community Outcomes	Contribution to Community Outcomes
Medium contribution	
POSITIVE ABOUT THE FUTURE 	<p>New technology will be used at our wastewater treatment plants, including waste-to-energy processes.</p> <p>The management of wastewater in appropriate locations across urban and rural areas of our District enables productivity.</p>

HOW WE PERFORMED

Levels of Service


-  Mandatory performance measures
-  Achieved
-  Not achieved
-  Not measured
-  Target differs from current year

4.1 In defined areas, Council will collect, treat and dispose of wastewater through a reliable wastewater network which is managed to ensure blockages, breaks or spillages are kept to a minimum.

-  **PERFORMANCE MEASURE 4.1.1** Compliance with Territorial Authority (TA) resource consents for discharge from its sewerage system measured by the number of:
 - (a) abatement notices
 - (b) infringement notices
 - (c) enforcement orders, and
 - (d) convictions
 received by the territorial authority in relation those resource consents.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
0	 2	 0	 1

NRC issued Infringement Notices regarding odour discharge at Whangarei WWTP in March and May 2024. The completion of the Odour Control Project in the first year of the LTP should reduce or eliminate infringement notices received due to odour complaints.

-  **PERFORMANCE MEASURE 4.1.2** The number of dry weather sewerage overflows from the TA's sewerage system, expressed per 1000 sewerage connections to that sewerage system.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≤1.35	 3.21	 2.8	 2.04

Total dry weather flow in June is 6 events recorded from tech1.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
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PERFORMANCE MEASURE 4.1.3 Residents' satisfaction with the wastewater network and treatment (Recorded through the Residents Survey).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥70%	78%	78%	97%

PERFORMANCE MEASURE 4.1.4 The total number of complaints received by the TA about any of the following:

- (a) sewage odour
- (b) sewerage system faults
- (c) sewerage system blockages; and
- (d) the TA's response to issues with its sewerage system expressed per 1000 connections to the TA's sewerage system.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≤20	4.28	16.88	1.94

PERFORMANCE MEASURE 4.1.5 Where the TA attends to sewerage overflows resulting from a blockage or other fault in the TA's sewerage system, the following median response times are measured:

4.1.5 (a) attendance time: from the time that the TA receives notification to the time that service personnel reach the site; and

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≤1 hr	2.4hrs	47mins	47mins

The contractor has failed to meet contractual requirements as this was not properly captured, measured or enforced. Over the last 12 months there has been ongoing development of KPI reporting and this is now monitored weekly, if not daily. Contractual changes have been made placing more focus on KPI achievement and we expect to see improvements in this indicator over the next year.

4.1.5 (b) resolution time: from the time that the TA receives notification to the time that service personnel confirm resolution of the blockage or other fault.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≤7 hr	4.32hrs	2.3hrs	2.2hrs

WHAT WASTEWATER COST

	\$000		
	2022-23 LTP	2023-24 LTP	2023-24 Actual
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	22,306	23,488	24,759
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,081	1,108	1,436
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	411	848	1,520
Total Operating Funding	23,797	25,444	27,715
Applications of Operating Funding			
Payments to staff and suppliers	5,628	5,323	7,243
Finance costs	-	-	-
Internal charges and overheads applied	1,037	1,040	2,412
Other operating funding applications	-	-	-
Total Applications of Operating Funding	6,665	6,363	9,655
Surplus / (Deficit) of Operating Funding	17,133	19,081	18,060
Sources of Capital Funding			
Subsidies and grants for capital expenditure	51	52	-
Development and financial contributions	1,491	1,491	1,179
Increase / (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Other dedicated capital funding	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	1,542	1,543	1,179

\$000

	2022-23 LTP	2023-24 LTP	2023-24 Actual
Applications of Capital Funding			
Capital expenditure			
to meet additional demand	1,163	1,208	783
to improve levels of service	2,682	4,960	1,955
to replace existing assets	2,157	2,854	6,363
Increase / (decrease) in reserves	12,672	11,602	10,138
Increase / (decrease) of investments	-	-	-
Total Applications of Capital Funding	18,674	20,624	19,239
Surplus / (Deficit) of Capital Funding	(17,133)	(19,081)	(18,060)
Funding Balance	-	-	-

Operational variance explanations

Targeted rates are higher than LTP due to increased LGCI and growth. Operating expenses are higher than LTP due to increased repairs and maintenance of the wastewater network.

Capital variance explanations

No material variances. The decrease in level of service expenditure is offset by increased renewal expenditure.



5. Stormwater

WHAT WE DO

Our stormwater network reduces the impact of flooding on properties. The infrastructure and assets that make up stormwater systems are diverse and can include pipes, swales, detention areas, ponds, wetlands, and urban (modified and unmodified) streams and rivers. Many stormwater assets deliver multiple outcomes for the transport system, recreation, amenity, and the environment.

Stormwater management is a core service and needs to align with the following legislative requirements:

- Delivery of Whangarei District Council's agreed Level of Service
- Assess, from a public health perspective, the adequacy of stormwater services available to communities. This includes the actual or potential consequences of discharges
- Compliance with the Northland Regional Plan.

IDENTIFIED EFFECTS ON THE COMMUNITY

Inadequate stormwater services have the potential to increase flood damage to property, incurring costs and elevating insurance premiums. This can be reduced by identification of flood-susceptible land, through catchment management and identification of this in District Plans, and setting design standards for new builds.

Insufficient management of stormwater has the potential to adversely affect our environment. This can be addressed by resource consents for stormwater discharges being monitored for compliance against consent conditions. Catchment management plans and environmental engineering standards identify issues and specify treatment, respectively, in relation to the stormwater activities.

KEY ACHIEVEMENTS

We increased resources for this activity including appointing an Acting Stormwater Manager.

We completed an options assessment to address flooding in Morningside and obtained crown funding of up to \$3m, in addition to Council's contribution, to construct a flood pump station and undertake other mitigation measures.

We did the work to set up a Council Activity to consider the effects of coastal inundation and its interaction with stormwater.



We undertook physical works to address known flood areas including Dune Lake, Brook Rd, Bank Street, Finch Street and Sorrento Street and developed plans for Hatea Drive and Pacific Bay Road.

We drafted an assessment of effects to support a stormwater consent application for the Whangarei urban area.



We developed programmes for the Long Term Plan to consider protecting Whangarei City from flooding and also manage stormwater water in a high growth zone in the northern part of the city.

CONTRIBUTION TO THE FOUR WELL-BEINGS

The management of stormwater makes an important contribution across all four well-beings:

Key Stormwater functions	Contribution social, economic, environmental, and cultural well-being
STORMWATER MANAGEMENT 	<p>The management of stormwater is essential to protect against flood damage. Flooding can cause loss of life and property. Therefore, this activity is essential in relation to all four well-beings.</p>
FRESHWATER QUALITY AND CATCHMENT PLANNING 	<p>Catchment planning supports our biodiversity and water quality and therefore our environmental and cultural well-being.</p> <p>A healthy water and marine environment also supports economic and social well-being, through tourism and water based activities.</p>

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
EFFICIENT AND RESILIENT CORE SERVICES 	<p>The management of stormwater is a core service. It supports our communities, our commercial, industrial and agricultural activities and aligns with our District’s growth.</p> <p>Stormwater is managed in a way that is efficient and climate change rainfall events and sea level rise is planned for.</p>
CARING FOR THE ENVIRONMENT 	<p>Investment into infrastructure and natural systems seeks to minimise environmental effects of stormwater run-off into our waterways.</p> <p>Stormwater water management through catchment management plans, resource consents and engineering standards mitigate and manage potential adverse environmental effects.</p>

Community Outcomes	Contribution to Community Outcomes
Medium contribution	






POSITIVE ABOUT THE FUTURE




The management of stormwater in appropriate locations across urban and rural areas of our District enables productivity.

HOW WE PERFORMED

Levels of Service

-  Mandatory performance measures  Achieved  Not achieved
-  Not measured  Target differs from current year

5.1 Council will manage the stormwater network to minimise flood risks within defined service areas.

-  **PERFORMANCE MEASURE 5.1.1** Compliance with the territorial authority's (TA) resource consents for discharge from its stormwater system, measured by the number of:
 - (a) abatement notices
 - (b) infringement notices
 - (c) enforcement orders; and
 - (d) convictions
 received by the TA in relation to those resource consents.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
0	 0	 0	 0

PERFORMANCE MEASURE 5.1.2 Residents' satisfaction with stormwater drainage service (Recorded through the Residents Survey).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥70%	68%	65%	77%

Stormwater works are now more visible and increased focus in the LTP is likely to see an improvement in this score.

PERFORMANCE MEASURE 5.1.3 The number of complaints received by a TA about the performance of its stormwater system, expressed per 1000 properties connected to the TA's stormwater system.^c

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≤16	4.04	3.28	0.9

5.1.3 (a) The number of flooding events^a that occur in a TA district; and

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
0	0	0	0

No flood events recorded - as per level of service definition.

5.1.3 (b) for each flooding event^a the number of habitable floors affected^b expressed per 1000 properties connected to the TA's stormwater system.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
0	0	0	0

No flood events recorded - as per level of service definition.

PERFORMANCE MEASURE 5.1.4 The median response time to attend a flooding event, measured from the time that the TA receives notification to the time service personnel reach the site.^a

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≤1 hr	0 mins	0 mins	0 mins

No flood events recorded - as per level of service definition.

Notes

- a A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor (Department of Internal Affairs, 2014). It does not therefore apply outside declared stormwater service areas, or to non-habitable structures such as garages and sheds, or to flooding of yards.
- b While all flooding events will be recorded as per DIA requirements, the target is immunity from storm events with an annual exceedance probability (AEP) of more than 2% (one in 50 year ARI). This is consistent with District Plan rules for minimum floor level.
- c This target expresses per 1000 properties rather than a total, which would have resulted in a target of 15.7 per 1000 properties. In 2017-18 Annual Plan this was expressed as per 400 properties across the District.

WHAT STORMWATER COST

	\$000		
	2022-23 LTP	2023-24 LTP	2023-24 Actual
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	4,751	4,742	4,168
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	638
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	39
Total Operating Funding	4,751	4,742	4,845
Applications of Operating Funding			
Payments to staff and suppliers	1,195	1,209	2,700
Finance costs	-	-	-
Internal charges and overheads applied	1,284	1,286	1,248
Other operating funding applications	-	-	-
Total Applications of Operating Funding	2,478	2,495	3,948
Surplus / (Deficit) of Operating Funding	2,272	2,246	897
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	75
Development and financial contributions	-	-	-
Increase / (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Other dedicated capital funding	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	-	-	75

\$000

2022-23
LTP2023-24
LTP2023-24
Actual**Applications of Capital Funding**

Capital expenditure

to meet additional demand	214	219	3
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to improve levels of service	1,102	1,047	169
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to replace existing assets	957	981	800
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Increase / (decrease) in reserves	-	-	-
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Increase / (decrease) of investments	-	-	-
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Total Applications of Capital Funding	2,272	2,246	973
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Surplus / (Deficit) of Capital Funding	(2,272)	(2,246)	(897)
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Funding Balance	-	-	-
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Operational variance explanations

Operating expenses are higher than LTP due to increased maintenance expenses.

Capital variance explanations

Capital expenses are lower than LTP due to resources being utilised in operational expenditure.



6. Flood Protection

WHAT WE DO

The Hikurangi Flood Management Scheme helps reduce the impact of flooding across the 5,600 hectares of farmland within the Hikurangi Swamp area.

The aim of the scheme is to manage the way floods impact the farming productivity of land within the swamp area.

We work with hapū and landowners to meet the objectives of the scheme while attempting to minimise the cultural and environmental impact.

We are responsible for managing, operating and maintaining the Hikurangi Scheme to ensure the required environmental, cultural and economic results are achieved. The scheme is funded by targeted rates from properties within the area and those upstream.

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

This is highly productive agricultural land that generates considerable economic benefit to the region. However, the scheme does have some negative environmental and cultural impacts. It is a constant and changing challenge to maintain the benefits and mitigate the effects.

Last year Council obtained Crown funding to draft a business case to look closely at the benefits and effects of the scheme and consider options that support the economy and the environment.

KEY ACHIEVEMENTS

Council completed the strategic business case that identified the issues and opportunities for intervention.

It has largely completed an extensive model of the River, its catchments and how the scheme operates. The model allows options to be tested. The business case has been developed in collaboration with hapu and farmers.


Remedial works were completed on stopbanks in Okarika, Te Mata and Otonga.

A new pump has been procured. This takes 57 weeks to build and costs \$540,000.



A new fish friendly system was designed and built to drain flood water off Junction pocket. This was a spin off from the business case and the result of collaboration between hapū, farmers and Council, and reduces the schemes reliance on pumps.

CONTRIBUTION TO THE FOUR WELL-BEINGS

Flood protection makes an important contribution across all four well-beings:






Key Flood Protection functions	Contribution to social, economic, environmental, and cultural well-being
FLOOD PROTECTION IN HIKURANGI SWAMP 	<p>The management of floodwater maintains the economic activity associated with agriculture, which contributes to the wider economic well-being of the District.</p> <p>Working alongside hapū, farmers, DoC and Fonterra to update Fishery Management Plans and practices will protect native biodiversity and support cultural and environmental well-being outcomes.</p>

CONTRIBUTION TO COMMUNITY OUTCOMES


Community Outcomes	Contribution to Community Outcomes
High contribution	
EFFICIENT AND RESILIENT CORE SERVICES 	<p>Flood protection provides resilience for agricultural land in Hikurangi.</p>
CARING FOR THE ENVIRONMENT 	<p>Investment in flood protection assists in the improvements in water quality within the Kaipara Moana catchment.</p>



HOW WE PERFORMED

Levels of Service


-  Mandatory performance measures
-  Achieved
-  Not achieved
-  Not measured
-  Target differs from current year

6.1 Council will provide a reliable and sustainable flood protection scheme, which is managed to mitigate flooding within the Hikurangi Swamp Scheme area to an acceptable level.

-  **PERFORMANCE MEASURE 6.1.1** That major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the local authority’s relevant planning documents (such as its Activity Management Plan, Asset Management Plan, annual works programme or Long Term Plan).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
Yes	 Yes	 Yes	 Yes

- PERFORMANCE MEASURE 6.1.2** The number of infringement or abatement notices issued by Northland Regional Council in relation to the scheme consent.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
0	 0	 0	 0

WHAT FLOOD PROTECTION COST

	\$000		
	2022-23 LTP	2023-24 LTP	2023-24 Actual
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	1,190	1,220	1,218
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	24	33	30
Total Operating Funding	1,214	1,253	1,249
Applications of Operating Funding			
Payments to staff and suppliers	545	564	752
Finance costs	-	-	-
Internal charges and overheads applied	10	10	-
Other operating funding applications	-	-	-
Total Applications of Operating Funding	555	574	752
Surplus / (Deficit) of Operating Funding	659	679	496
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Other dedicated capital funding	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	-	-	-

\$000

2022-23
LTP

2023-24
LTP

2023-24
Actual

Applications of Capital Funding

Capital expenditure

to meet additional demand

-

-

-

to improve levels of service

-

43

22

to replace existing assets

412

302

608

Increase / (decrease) in reserves

247

335

(133)

Increase / (decrease) of investments

-

-

-

Total Applications of Capital Funding

659

679

497

Surplus / (Deficit) of Capital Funding

(659)

(679)

(497)

Funding Balance

-

-

-

Operational variance explanations

No material variances.

Capital variance explanations

No material variances.



7. Community facilities and services

Community facilities and services are a key contributor our District's social, economic, environmental and cultural well-being. These facilities and services are also highly valued by our community and contribute to our vision of an inclusive, resilient and sustainable District.

This activity includes our:



Parks and Recreation



Libraries



Community Property



Community Development (including Community Funding and Community Safety)



Venues and Events



Customer Services



Civil Defence Emergency Management



Parks and Recreation

WHAT WE DO

Council provides parks and reserves for our communities to play sport, keep fit, have fun, enjoy nature and to enhance the environment we live in.

We administer 2,123.8 hectares of land as open space, with an asset value of \$50.8 million. This includes:

- Sports fields, playgrounds and skateparks
- Natural areas such as native bush, river and coastal margins and regenerating bushlands
- Coastal structures such as wharves, jetties, boat ramps and coastal protection structures
- Tracks and walkways
- City parks, gardens, street trees and public art
- Cemeteries
- Pest and weed control
- Provides financial support for key strategic assets Council does not own such as McKay Stadium and Whangarei Aquatic Centre

Strategically, our objective is to create a resilient environment where the community's wellbeing is enhanced through providing facilities, spaces and places the community can use for leisure and recreation.

We do this by planning, operating, maintaining, renewing, acquiring and disposing of assets to provide for existing and future users in the most cost-effective manner.

Our Active Recreation and Sports Strategy sets out a pathway to ensure our community has access to and can participate in sports and recreation across our District.

The quality of our spaces and the activities that take place on them contribute to the attractiveness, vibrancy and identity of our District. Our parks and associated facilities are significant assets that are used and appreciated by residents and visitors.

IDENTIFIED EFFECTS ON THE COMMUNITY

The under-supply of public space and particularly sports facilities could be detrimental to the health and wellbeing of the wider community, particularly in urban areas. To address this, the Sports Field Demand Study, the Indoor and Outdoor Courts Strategy and the Northland Aquatics Facilities Strategy have been completed to quantify the current and projected shortfalls.






KEY ACHIEVEMENTS

Over the past 12 months:

- We continued upgrading our sports fields from soil to sand and installed drainage and lighting to improve resilience and hours of play
- Despite record rainfalls, the majority of sports events around the District took place and all codes of sport were able to continue to be played
- Installed new sports fields in Ruakaka and Parua Bay
- Renewed the Whale Tail playground
- Upgraded key walking tracks to improve Kauri die back resilience
- Continued to recover from the effects of Cyclone Gabrielle
- Completed the Whangarei Aquatic Centre Review
- Strengthened partnerships with our community on a number of initiatives such as the Quarry Gardens cyclone repairs, weed and pest control initiatives and Aquatic Facility resilience.

CONTRIBUTION TO THE FOUR WELL-BEINGS

The provision of Parks and Recreation makes an important contribution across all four well-beings:

Key Parks and Recreation functions	Contribution to social, economic, environmental, and cultural well-being
SPORTS AND ACTIVE RECREATION 	The provision of sports and active recreation facilities supports a healthy community. Sports hubs can also act as important community focal points.
WALKING TRACKS   	Walking tracks provide access to our natural environment and places of cultural importance. They also promote and support activity which benefits health and well-being.
NATURAL AREAS    	The management of natural areas plays an important role in maintaining biodiversity and managing pests and will ultimately be of benefit to our cultural and environmental well-being. Access to our natural areas can also have both economic and social well-being outcomes.
CEMETERIES  	The provision of cemeteries is an essential service and has important social and cultural outcomes.

Key Parks and Recreation functions	Contribution to social, economic, environmental, and cultural well-being
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PUBLIC TOILET FACILITIES



Public toilet facilities are used by both our community and visitors. They play an important role in our social and economic well-being.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
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High contribution

CARING FOR THE ENVIRONMENT



Our Parks team supports community initiatives to improve biodiversity such as community planting days, as well as managing weeds and pests.

Design and landscaping in our public spaces and streets enables nature to thrive.

PROUD TO BE LOCAL



Maintenance of our parks and public spaces ensures our District looks neat and tidy. Our public spaces and parks are the venue for many community and cultural events and activities.

Our parks, sports grounds and walking tracks provide opportunities for people to be active and healthy.

Medium contribution

EFFICIENT AND RESILIENT CORE SERVICES



The adequate provision of open space is needed to support the development of an attractive, vibrant and thriving community.

Opportunities for walking and cycling are provided through public spaces.

POSITIVE ABOUT THE FUTURE








Open space is distributed across our District, therefore contributing to a fair urban and rural balance.

Population growth is supported through the provision of neighbourhood parks and reserves as part of new developments.

HOW WE PERFORMED

Levels of Service

-  Mandatory performance measures
-  Achieved
-  Not achieved
-  Not measured
-  Target differs from current year

7.1 Council will provide and maintain recreational facilities to support and promote active recreation in the community through participation in both organised and informal recreational activities aligned with the Active Recreation and Sports Strategy.

PERFORMANCE MEASURE 7.1.1 Sportsparks will be provided to meet the community’s needs by providing minimum hours available at a sportspark per 10,000 people during the winter season.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥180hrs	 177.81hrs	 182.09hrs	 177hrs

There is a known undersupply of sports fields in the District. Efforts to improve supply include making upgrades to existing fields, building new fields and planning for new technologies.

Several programmed field projects were not completed during 2023-24 (e.g. Onerahi airport field) however these are in progress and will be completed in the next LTP. Some projects completed restored capacity without adding additional usable hours.

PERFORMANCE MEASURE 7.1.2 Percentage annual increase in community participation in active recreation and sports activities (recorded through the Sport NZ Survey).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥1%	 Not measured	 Not measured	 2%

The indicator is reliant on a third party’s survey (Sport NZ). The survey is outside of our control and was not conducted in 2022-23 and 2023-24. Measure discontinued in 2024-34 Long Term Plan.

7.2 Council will provide and maintain a range of parks, reserves and playgrounds to meet the needs of the community as well as protecting and enhancing the natural environment.

PERFORMANCE MEASURE 7.2.1 Residents’ satisfaction with the range and quality of public spaces, including parks, reserves and playgrounds. (Recorded through the Residents Survey).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥90%	 92.44%	 93%	 94%

PERFORMANCE MEASURE 7.2.2 Residents have adequate access to a local recreational opportunities.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
0.9Ha/ 1000 people	 1.02Ha	 0.9138Ha	 0.97Ha

Based upon current loaded land of 104.6 Ha, population of 102,816.



7.3 Council will provide and maintain cemeteries and a crematorium in a satisfactory manner.

PERFORMANCE MEASURE 7.3.1 Residents’ satisfaction with cemeteries.
(Recorded through the Residents Survey).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥90%	 94%	 97%	 96%

7.4 Council will provide well-maintained and accessible public toilets in high use areas.

PERFORMANCE MEASURE 7.4.1 Residents’ satisfaction with public toilets
(Recorded through the Residents Survey).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥75%	 66%	 67%	 65%

Toilets are serviced once a day. Between servicing it is possible a customer has a less than desirable experience. There is also an ongoing issue with vandalism at public toilets.

This issue was recognised in the LTP but Council was unable to increase funding. Through some changes to contracts we are looking to maximise efficiencies with the resources available.



Libraries

WHAT WE DO

Libraries provide the people in our community with opportunities for life-long learning, access to information, leisure and reading. This all contributes to an inclusive, resilient and sustainable district. Public libraries provide free and open access to knowledge and services. They are a neutral, respected gateway to information and a safe place that offers equal access for all community members. Libraries provide public civic spaces which play a major role in the development of socially cohesive, informed and inclusive communities.

IDENTIFIED EFFECTS ON THE COMMUNITY


An increase in anti-social behaviours has been experienced by staff and customers at our libraries. A comprehensive health and safety programme has been developed to reduce the impacts and risks of these occurrences.

KEY ACHIEVEMENTS



Over the past 12 months 380,295 visits have been recorded, which is a 9% increase on the previous year. Compared to 2023 the number of items borrowed, 762,771, is a 3% increase. These statistics indicate a continuation of the return to pre-Covid levels of activity. It has been another busy year as the library organised and hosted a number of successful events and activities catering for all ages. The library functions as a community hub offering a diverse range of services to meet community needs. Justices of the Peace are now available at Central, Onerahi and Tikipunga libraries with Citizens Advice at Central library on selected days of the week. The public demand for IT services is just as popular as ever with staff spending a considerable amount of time offering assistance and support. We continue to welcome new staff due to resignations as staff reach retirement age.

CONTRIBUTION TO THE FOUR WELL-BEINGS

The provision of and access to libraries makes an important contribution across all four well-beings:






Key Libraries functions	Contribution to social, economic, environmental, and cultural well-being
PUBLIC LIBRARIES 	Libraries and their resources provide the community with free access to knowledge and services. This is a key contributor to social and cultural well-being. Learning and knowledge gained through the library can also contribute to economic and environmental outcomes.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
PROUD TO BE LOCAL 	<p>Our libraries are key community facilities providing equitable access to life-long learning as well as fulfilling leisure and recreational needs.</p> <p>Access to information about our culture and heritage through the library can help promote positive cultural outcomes.</p>
Medium contribution	
POSITIVE ABOUT THE FUTURE 	<p>Our libraries embrace technology to improve the customer's access to information through initiatives such as providing internet access, e-books and self-service checkouts.</p>




HOW WE PERFORMED

Levels of Service

-  Mandatory performance measures
-  Achieved
-  Not achieved
-  Not measured
-  Target differs from current year

7.5 Council will provide library services to our District via the central library, the mobile and branch libraries.

PERFORMANCE MEASURE 7.5.1 Percentage of population who have used a library in the past year.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥60%	 53%	 55%	 52%

This result probably does not include all of the ways the library may be used in addition to borrowing e.g. meeting spaces, visiting the cafe, accessing online resources.

PERFORMANCE MEASURE 7.5.2 Residents’ satisfaction with the resources (books, magazines, etc.) the library service provides. (Recorded through the Residents Survey).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥95%	 77.25%	 72.75%	 77%

Monthly statistics collected by the library more accurately show the actual number of users to be significantly higher than the Residents Survey sample.

Performance measures for libraries have been adjusted in the 2024-34 LTP, with new measures being used in the coming year which should better reflect libraries' service levels.



Community property

WHAT WE DO

Council is committed to providing appropriate pensioner housing and community buildings for the use and enjoyment of communities across the District. Our property approach helps to build thriving, vibrant and resilient communities. Where community halls are not Council-owned, operational grants may be provided to assist in the maintenance of these important community facilities.

IDENTIFIED EFFECTS ON THE COMMUNITY

Poor quality of housing for older adults can have negative effects on the health and wellbeing of the occupants. This is mitigated through funding Council’s pensioner housing maintenance and refurbishment programmes.

KEY ACHIEVEMENTS

The Asset Management programme initiated in 2015 continues with more pensioner units undergoing maintenance and enhancements, including continued compliance with Healthy Homes standards.

Worked to resolve damage to pensioner housing properties caused by Cyclone Gabrielle.



Completed partial roof replacement at Hikurangi Memorial Hall.

Completed exterior paint and roof replacement at the Old Library building.



Granted a long-term lease of the Old Hikurangi BNZ to support a community led restoration of the building.

CONTRIBUTION TO THE FOUR WELL-BEINGS

Community property makes an important contribution to the social well-being of our community:






Key Community Property functions	Contribution social, economic, environmental, and cultural well-being
 PENSIONER HOUSING	The provision of rental housing for elderly people in our community contributes significantly to their health and well-being and this in turn has broad social well-being benefits for our District.
 COMMUNITY HALLS	Community halls are a social and cultural hub for communities across the District, particularly in rural and coastal areas.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
PROUD TO BE LOCAL 	Our community facilities ensure activities and facilities are available across our District for people of all abilities, ages and lifestyles.
Medium contribution	
POSITIVE ABOUT THE FUTURE 	Our community facilities are located across our District to ensure there is a fair urban and rural balance.

HOW WE PERFORMED

Levels of Service



-  Mandatory performance measures
-  Achieved
-  Not achieved
-  Not measured
-  Target differs from current year

7.6 Council will provide rental accommodation that meets the specific needs of eligible elderly members of the community.

PERFORMANCE MEASURE 7.6.1 Percentage occupancy rate of housing for elderly people.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥90%	 99.2%	 99.7%	 98%

PERFORMANCE MEASURE 7.6.2 Residents' satisfaction with the standard of housing for elderly people.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥80%	 99%	 97%	 91%



Community development

WHAT WE DO

Council's continued commitment to our Community Development Framework has enabled us to work alongside more communities to meet needs, address challenges and work toward achieving aspirations that communities identify as important.

The overarching aim is to develop a vibrant, thriving, resilient and cohesive district. This is achieved through various initiatives including:

- community-led development programmes,
- grants and community funding,
- crime reduction and community safety programmes such as enhanced CCTV and City Safe
- advisory group activities (positive ageing, disability, youth and Multi-Ethnic Collective).

IDENTIFIED EFFECTS ON THE COMMUNITY

No potential negative effects have been identified for community services.

KEY ACHIEVEMENTS

Community Development continued to progress on several fronts this year.

Advisory Groups

Our advisory groups continued to provide Council with valuable input into key pieces of work including the Rose Street Bus Hub Design, the Cafler Park to Lovers Lane connection, the Future Development Strategy and the Long-Term Plan. Our Disability Advisory Group members played a key role in supporting the development of the Te Tai Tokerau Accessibility Strategy which has been adopted by Council.

Community Led Projects

We continued to progress the Community Led Projects programme working alongside Maungatapere, Raumanga, Tikipunga, Waipu and Onerahi. This year Raumanga and Onerahi had their community plans approved.

As each community continues to move through the programme, opportunities to enhance outcomes through collaboration and partnership have been realised in ways that are unique to the aspirations of each community. Examples of this include the community pool partnership with Raurimu School in Onerahi, the local community contributions to the Riverwalk in Waipu and the local community events being held in Raumanga.

Welcoming Communities | Te Waharoa ki nga Hapori

As part of the Welcoming Communities| Te Waharoa ki ngā Hapori programme, Council signed a Statement of Commitment alongside its partners, NZ Police, Multicultural Whangarei, Te Huinga, and the Multi-Ethnic Collective. Stage one accreditation of the programme has been achieved, with Whangarei District being recognised as a committed welcoming community. A stock take has been completed and planning has begun to create a Welcoming Communities Plan for the District.

Community Funding

The Community Funding Programme supported over 250 grant applications, delivering over \$2.5 million in support to the Whangārei community. This included support to maintain, upgrade and further develop community facilities; support for at least 20 community events, including the District's Christmas Parades; and support for community organisations to continue their valued work.

To increase fundraising capability and capacity in our communities we funded workshops on best practice grant-making, and continued providing free access to GEM Local, a platform that enables community groups and organisations to identify other avenues of funding that are available to them.

An internal review of Community Funding processes was undertaken, with improvements identified and implemented during this financial year. Improvements included making the application process for the community easier and clearer through Council's website and moving to monthly funding approvals to improve the timeliness of processing applications.

Community Safety

The CitySafe Community Officer programme continued to be delivered in the Civic Precinct, Inner City and Town Basin areas with additional dedicated community officers placed at Rose Street Bus station to deter anti-social behaviour. The CitySafe Officer remuneration was also increased to the Living Wage.

Through our CCTV program we increased the CCTV network in Whangarei and Business Community CCTV in Hikurangi and Kamo. We have also been able to continue the Summer Safe Carparks Programme for the 14th year at our high-risk carparks over the summer season through the generous support of our community volunteers, providing a safe destination for our residents and visitors to the district.

Te Tai Tokerau Regional Accessibility Strategy

This year Council adopted the Te Tai Tokerau Regional Accessibility Strategy, which was developed in response to the access needs of people such as disabled people, older adults, people with chronic health conditions, and whanau with young children.

The Strategy was developed collaboratively with Far North, Kaipara and Northland Regional Councils. A working group of people with access needs alongside Council staff developed the vision, values, and goals. The aim is to make our districts and region more accessible to everyone as much as possible. The Strategy provides guidance for each council to develop their own implementation plans, as well as joint action plans, where appropriate.



The Community Development team also continue to support a wide range of other works including Civil Defence Emergency Management, the Kai Ora Fund and Council’s Play Trailer – Waka Takaro.

CONTRIBUTION TO THE FOUR WELL-BEINGS

Community development makes an important contribution to the social well-being of our community:






Key Community Development functions	Contribution to social, economic, environmental, and cultural well-being
COMMUNITY LED DEVELOPMENT 	This programme provides opportunities for the community to lead projects and programmes in their own community. The process and outcomes can make a significant contribution to a community’s social well-being.
GRANTS AND COMMUNITY FUNDING   	Grants and funding enable the community to deliver projects which can have wide ranging social, cultural and economic benefits.
COMMUNITY SAFETY  	Community safety is largely focused on our City Centre. A safer City Centre can lead to lower crime rates, and also support economic activity and well-being.
ADVISORY GROUPS    	Advisory groups provide the key sectors of the community with the opportunity to engage directly with Council and inform decision making.

CONTRIBUTION TO COMMUNITY OUTCOMES


Community Outcomes	Contribution to Community Outcomes
High contribution	
POSITIVE ABOUT THE FUTURE 	Through the Community Development Framework our communities will be involved across both rural and urban parts of our District.
PROUD TO BE LOCAL 	Community development enhances and strengthens our communities to ensure people feel safe and can participate in a range of events and opportunities.

HOW WE PERFORMED

Levels of Service

-  Mandatory performance measures  Achieved  Not achieved
 Not measured  Target differs from current year



7.7 Council will support our District's social and cultural well-being through its involvement in activities and programmes which support and develop the community.

-  **PERFORMANCE MEASURE 7.7.1** Percentage of grant applicants who understand and are satisfied with the grants' application process.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥80%	 96%	 100%	 98.6%

7.8 Council is actively involved in youth, positive ageing, accessibility and other groups of interest issues.

- PERFORMANCE MEASURE 7.8.1** Effectiveness of Advisory Group engagement with Council to inform projects, programmes and District developments.
(Measured through the survey of participants in Advisory Group engagement projects.)

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥80%	 64.2%	 67.5%	 70%

We remain committed to enhancing the effectiveness of all Advisory Groups. Areas of focus include enhancing the feedback loop so advisory group members can see how their advice is being considered in Council work programmes and ensuring that members have a comprehensive understanding of the Council's context, which has been especially unique over the past year. A full review of advisory groups is due, and this presents the opportunity to identify strategies to better support our advisory groups and enhance their effectiveness in informing Council's work.



Venues and Events

WHAT WE DO

We provide events and event spaces in Whangārei and throughout the Whangārei District. We support and empower Community to produce events that contribute to the cultural, social and economic fabric of our District and deliver the Whangārei Event Development Fund which supports new, diverse and innovative events. These events and event spaces form a prominent contribution to our District's attractiveness and vibrancy while fostering a sense of pride among residents and offering economic benefits through increased visitor engagement.

Quality and appropriate venues are important to enable events to take place in our District and therefore contribute to our cultural and economic well-being. The wide range of events play an important role in promoting and celebrating our diverse cultures. Events also provide an opportunity for our communities to come together to enjoy and celebrate a diverse range of performances, art and sport which supports social well-being.

IDENTIFIED EFFECTS ON THE COMMUNITY

The 2023-24 financial year has marked a significant shift towards sustainability and community engagement. A series of successful events focused on environmental stewardship and local benefits has resulted in a noticeable enhancement in community well-being. These initiatives have not only fostered a sense of local pride but have also contributed to providing a platform for communities to showcase our unique cultures and innovations, further enriching the social fabric and driving economic benefits.

The focus on sustainability is in line with global trends and looks to change the events landscape for Whangārei over time by encouraging events best practices and supporting events to measure diversion of waste from landfill. These strategies include implementing clear recycling guidelines, enhancing waste sorting infrastructure, and encouraging community participation in sustainable waste practices.

KEY ACHIEVEMENTS

Whangārei has demonstrated exceptional organisational skills and cultural vibrancy through the successful execution of four major events: the Oceania Cup, Maritime Festival, International Wahine Toa Female Boxing Championship, and NAZCAR.

These events have not only promoted sportsmanship, cultural heritage, and gender equity but also enhanced tourism and community cohesion. The 'Experience Local Whangārei Events Strategy 2019-2024' has been fully implemented, ensuring local values are at the forefront of event experiences, contributing to local engagement categories, and achieving significant waste reduction.

The Whangārei Event Development fund supported the delivery of 14 key events offering two or more of the following local experience categories (derived from the events strategy): Taste Local, Explore Local, Play Local and Connect Local.

The Forum North Entertainment Centre continues to be a cultural beacon in the region. The sell-out of major commercial events is a testament to the community's robust appetite for diverse experiences and the Centre's ability to cater to a broad spectrum of interests. The community theatre's contribution to the culture of the region is immeasurable, fostering a sense of unity and appreciation for the arts across various demographics. It is through collective experiences that the Centre not only entertains but educates and enriches, solidifying its position as an invaluable asset in the region's landscape.


Venues and Events successfully implemented Year THREE of the 'Experience Local Whangārei Events Strategy 2019-2024'. The program has achieved 100% of this measure by assuring "Local value" amplifies the value of Local for Whangārei events. This strategy is used to enhance all events we partner, sponsor or support, assuring that all events contribute to at least two of our local experience categories.


CONTRIBUTION TO THE FOUR WELL-BEINGS

Our venues and events make an important contribution to the social, cultural and economic well-being of our community:

Key Venues and Events functions	Contribution to social, economic, environmental, and cultural well-being
VENUES 	Quality and appropriate venues are important to enable events to take place in our District and therefore contribute to our cultural and economic well-being.
EVENTS 	The wide range of events play an important role in promoting and celebrating our culture. Events also provide an opportunity for our communities to come together to enjoy a range of performances and art which supports social well-being.






CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
POSITIVE ABOUT THE FUTURE 	Venues and Events have a District focus, ensuring there is a fair balance between rural and urban areas.

Community Outcomes	Contribution to Community Outcomes
Medium contribution	
PROUD TO BE LOCAL 	Venues and Events provide a wide variety of activities to ensure there always something to see and do for both residents and visitors. Events can promote and celebrate our culture.

HOW WE PERFORMED

Levels of Service

-  Mandatory performance measures
-  Achieved
-  Not achieved
-  Not measured
-  Target differs from current year

7.9 Our venues and events will deliver the outcomes of the Experience Local: Whangārei Events Strategy and will provide for customer satisfaction.

PERFORMANCE MEASURE 7.9.1 Percentage of Council delivered events that include two or more of the local experience categories (as per the Experience Local Whangārei Events Strategy 2019-24).

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥70%	 100%	 100%	 100%

The Whangarei district thrives on its commitment to local culture, successfully integrating various aspects of the community's heritage and contemporary life into its events. By achieving a full score in incorporating local experiences, the district's events are a testament to its vibrant community spirit. By embracing 'TASTE LOCAL', 'EXPLORE LOCAL', 'CONNECT LOCAL', and 'PLAY LOCAL' initiatives, these events not only celebrate regional specialties but also foster a sense of unity and pride. The inclusion of indigenous knowledge and traditional skills further enriches the cultural tapestry, making Whangarei a model for community-driven event planning that honors its roots while looking to the future.

PERFORMANCE MEASURE 7.9.2 Customer satisfaction with the quality of Council venues. (Recorded through the Residents Survey of people who attended an event at a Council-run venue.)

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥80%	 51%	 58%	 100%

The recent survey results indicate a decline in residents' satisfaction with the quality of Council venues, showing a 7% decrease to 51% for the year 2023-24. This downturn in satisfaction levels could be attributed to the operational changes at key venues such as Stadium and Forum North, with the latter undergoing modifications to open exclusively for events. Such changes can significantly impact public perception, especially when they affect the availability and accessibility of services that residents have come to expect. It's essential for Council to consider these factors and strive for improvements that align with the community's needs and expectations.



Customer Services

WHAT WE DO

Customer Services are the front face of Council. Whether you want to learn about how to build a house, pay an infringement, enjoy a tour at Claphams Clocks, need tourist information at our isite, find out about council services, collect a recycling bin or tell us about an issue, a member of our welcoming and knowledgeable Customer Services team will be able to help you.

You can reach us through our Contact Centre either on the phone or face to face at:

- Te Iwitahi civic building on Rust Ave
- our Ruakaka Service Centre
- our isite Visitor Information Centre at Tarewa Park.

The team also allocates queries and issues reported through the Council's website to the relevant department for attention.

Providing a positive experience with the right information is essential for our District to be inclusive, resilient, and sustainable.

IDENTIFIED EFFECTS ON THE COMMUNITY

No potential negative effects have been identified for Customer Services.

KEY ACHIEVEMENTS

The last year has been a busy one. Customer Services has seen a consistently high volume of enquiries through all channels. We have opened another satellite office for customer enquiries at the isite, Tarewa Park, and this service is growing in popularity and will hopefully take some pressure off the front desk team at Te Iwitahi.



Our new resourcing and remedial plan for improving our customer relationships through our request system has made good progress. As an organisation we are upskilling our people, providing technical learning and development and working hard on improving the quality and consistency of our communication.

The first cruise ships docked in Northport last summer and all three were an overwhelming success for the District. Over the summer, our isite enjoyed increased visitor numbers and, in February 2024, Claphams Clocks had their biggest revenue day on record.



LIMs and PIMs volumes have remained steady through the year and despite staff shortages the team have worked hard to process these within the statutory timeframes.

CONTRIBUTION TO THE FOUR WELL-BEINGS

Customer services makes an important contribution to the four well-beings of our District:






Key customer service functions	Contribution to social, economic, environmental, and cultural well-being
<p>CUSTOMER SERVICE (CONTACT CENTRE)</p> 	<p>Customer service requests are an important mechanism for the community to let Council know of problems in the District and this can support all four of the well-beings.</p>
<p>CUSTOMER SERVICE (VISITOR INFORMATION CENTRE)</p> 	<p>Providing information and guidance to the visitors of our District is important to promote and support our tourism sector. This in turn supports the economic well-being of the District.</p>

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
<p>PROUD TO BE LOCAL</p> 	<p>Our Customer Services are a key point of contact with our community. This interface enables us to work with the community to ensure our District is inclusive, resilient and sustainable.</p>
Medium contribution	
<p>POSITIVE ABOUT THE FUTURE</p> 	<p>Customer Services assists the community to do business and to understand our documents, rules and processes.</p>

HOW WE PERFORMED

Levels of Service

-  Mandatory performance measures
-  Achieved
-  Not achieved
-  Not measured
-  Target differs from current year




7.10 The community has access to Council’s activities through our service centres and contact centre, which provide a ‘first point of contact’ service.

PERFORMANCE MEASURE 7.10.1 Contact centre service calls answered in under 20 seconds.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥85%	 83.08%	 74.73%	 79.02%

This measure was not achieved due to high call volumes. System issues relating to the retention of certain data occurred upon quantifying this measure. Changes in our processes have been made to ensure improved data retention going forward.

PERFORMANCE MEASURE 7.10.2 Wait time for walk-in customers.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
No more than six mins	 2.71 mins	 2.94 mins	 1.07 mins

7.11 Council will provide, through the Whangārei visitor centres, an accurate booking and information service which influences more visitors to stay longer and spend more.

PERFORMANCE MEASURE 7.11.1 Visitors’ satisfaction with the service provided by the information consultants at our information centre.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥80%	 93.58%	 95.75%	 100%



Civil Defence

WHAT WE DO

The Civil Defence Emergency Management Act 2002 sets out how Civil Defence is to be managed in New Zealand. The Northland Civil Defence Emergency Management Group Plan (2021-2026) is also in place and Whangarei District Council is part of the Northland Civil Defence Emergency Management (CDEM) Group that manages our Civil Defence activities. The other Northland councils and agencies such as the Police and FENZ (Fire and Emergency New Zealand), are all members of this group.

The CDEM Group works together to:

Reduce the potential effects of hazards: Identifying hazard risk to the district and implementing a risk reduction plan will reduce the impacts of a disaster, improve the response, strengthen resilience, and aid a more effective recovery. This in turn saves lives and reduces overall costs to the community and economy.

Promote community and council readiness: Engaging with communities, Hapu, Iwi and Marae and providing public education to highlight the need for preparedness and the development of collaborative and agreed response plans to use during a disaster response. This helps everyone be more prepared and resilient and saves lives and communities.

Respond: The coordinated actions taken immediately before, during or directly after an emergency help to save lives, protect property and support communities to recover.

Help the community to recover after an event: Our ability to recover and support our communities is crucial for our economy. Council and CDEM lead the recovery process.

The higher risk emergency events for our community include:

Flooding: River flooding caused by localised heavy rain/thunderstorms. A changing climate will make such events more frequent and severe.

Storms: High winds from severe storms can cause severe damage to infrastructure, homes, roading and property.

Tsunami: A locally generated tsunami resulting in 0-5m inundation above sea level can cause severe damage.

Electricity failure: The network has a single point of vulnerability with the potential to cause widespread loss of service. Cyber-attack could also cause failure in some lifeline utilities.

Human pandemic: We have experienced the impact of COVID-19 and the risk of future pandemics is acknowledged as a key risk.

IDENTIFIED EFFECTS ON THE COMMUNITY

Negative consequences may potentially occur following failure to implement the Northland Civil Defence Emergency Management Plan (2021-26) by resulting in negative impacts to our community during and following an emergency.

An ineffective Council Emergency Operations Centre (EOC) may also hamper Council response and the transition to recovery.

KEY ACHIEVEMENTS

There are 19 Community Response Groups and Marae Preparedness Plans within the District.

The Emergency Operations Centre (EOC) has successfully transitioned from Forum North to Te Iwitahi civic building. ICT (Information and Communication Technology) aspects have been changed and implemented.

EOC staff have been recruited, and many have completed the Coordinated Incident Management System 4 course and some EOC Functions courses. Ongoing recruitment and training of Council staff is needed due to staff turnover.


12 EOC courses have been provided to council staff (and other agencies) during 2023-24.

CDEM trained staff are on call 24/7/365 days a year to respond to CDEM emergencies affecting the District. Staff successfully activated the EOC in response to the regional power outage in June.


The Tsunami Siren Replacement Project is well underway within the Whangārei District and the development of a Multi-Agency Coordination Centre is underway, led by the Northland CDEM Group.

CONTRIBUTION TO THE FOUR WELL-BEINGS

Civil Defence makes an important contribution to all four well-being:

Key Civil Defence functions	Promotion of social, economic, environmental, and cultural well-being
<p>CIVIL DEFENCE RESPONSE</p> 	<p>Civil Defence response to an emergency can save lives and enable quicker recovery, which is important to the overall well-being of communities impacted by an event.</p> <p>Our ability to recover and support our communities is crucial for our economy.</p>

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
PROUD TO BE LOCAL 	A co-ordinated emergency response and recovery is key to our community and economy and can support greater resilience.

WHAT COMMUNITY FACILITIES AND SERVICES COST

	\$000		
	2022-23 LTP	2023-24 LTP	2023-24 Actual
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	31,149	35,144	36,325
Targeted rates	-	-	-
Subsidies and grants for operating purposes	73	75	5,378
Fees and charges	836	856	874
Internal charges and overheads recovered	2,535	2,565	2,713
Local authorities fuel tax, fines, infringement fees and other receipts	2,269	2,309	4,493
Total Operating Funding	36,862	40,949	49,783
Applications of Operating Funding			
Payments to staff and suppliers	29,728	32,415	35,165
Finance costs	4,059	5,172	6,544
Internal charges and overheads applied	8,382	8,426	8,814
Other operating funding applications	-	-	-
Total Applications of Operating Funding	42,168	46,013	50,523
Surplus / (Deficit) of Operating Funding	(5,307)	(5,064)	(741)
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	858
Development and financial contributions	1,050	1,050	1,314
Increase / (decrease) in debt	17,494	23,961	11,953
Gross proceeds from sale of assets	-	-	-
Other dedicated capital funding	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	18,544	25,011	14,125

\$000

	2022-23 LTP	2023-24 LTP	2023-24 Actual
Applications of Capital Funding			
Capital expenditure			
to meet additional demand	1,583	2,136	389
to improve levels of service	5,935	5,986	6,588
to replace existing assets	7,551	17,348	8,400
Increase / (decrease) in reserves	(1,831)	(5,522)	(1,993)
Increase / (decrease) of investments	-	-	-
Total Applications of Capital Funding	13,238	19,947	13,384
Surplus / (Deficit) of Capital Funding	5,307	5,064	741
Funding Balance	-	-	-

Operational variance explanations

Operating funding is higher than LTP due to central government operating subsidies and increased interest income. Operating expenditure is higher due to the pass through of central government subsidy to community organisations.

Capital variance explanations

Capital expenditure is lower than LTP largely due to delayed commencement of the NEC Roof replacement.



8. Planning and Regulatory Services

We undertake planning, monitoring and enforcement activities that comply with a wide range of legislation, such as the Resource Management Act (RMA), and the Health Act and Food Act. This includes:



Maintenance and review of the District Plan.



Issuing resource consents and ensuring they meet required conditions.



Issuing building consents and Project Information Memorandums and Land Information Memorandums.



Monitoring and registering health, food and alcohol premises, enforcing bylaws, providing animal and noise control, and parking enforcement.

The functions of this activity are performed by four separate departments: District Planning, Resource Consents, Building Control and Health and Bylaws.

The outcomes of these functions are important to ensure our District is inclusive, resilient and sustainable.



District Planning

WHAT WE DO

As Whangārei continues to grow, it is important that we appropriately manage the District's resources. Council's District Planning function delivers planning outcomes and environmental regulation through the Resource Management Act (RMA).

Our District Plan manages how and where our District develops. It is therefore essential for ensuring our District is inclusive, resilient and sustainable through good design and protecting our valuable natural environment.

IDENTIFIED EFFECTS ON THE COMMUNITY

Lack of appropriate planning controls can lead to adverse environmental effects. This is mitigated through adherence to the RMA and an ongoing review of our District Plan.

KEY ACHIEVEMENTS

This year has seen the completion of our ePlan, an online interactive version of our District Plan. This online tool fulfills our legislative requirements for electronic accessibility under the National Planning Standards.

Our Natural Hazards plan change has made its way through the submissions, further submissions and hearings processes, and is pending a recommendation from independent planning commissioners.


Work has continued toward notification of a General Amendments plan change which seeks to address efficiency and effectiveness issues within the District Plan. The pre-notification feedback process for this plan change was completed in the first half of this year.

Work has commenced with hapu to scope the way in which we will partner, to deliver plan reviews for the following District Plan matters: Tangata whenua; Sites and Areas of Significance to Māori; and Ecosystems and Indigenous Biodiversity.





The department has also completed updates to Housing and Business Capacity models for the District. This has informed the completion of a Housing and Business Capacity Assessment as required by the National Policy Statement for Urban Development 2020.

CONTRIBUTION TO THE FOUR WELL-BEINGS

District Planning makes an important contribution across all four well-beings:






Key District Planning functions	Contribution to social, economic, environmental, and cultural well-being
DISTRICT PLAN 	<p>The District Plan is an RMA document that addresses a number of matters relating the environment (such as biodiversity), land use and development, cultural heritage and community. It therefore promotes all four well-beings.</p>

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
CARING FOR THE ENVIRONMENT 	<p>The District Plan is a key regulatory tool to manage the effects on our environment.</p> <p>Provisions in our District Plan ensure existing public access to coastal areas are maintained and new opportunities are provided, where appropriate.</p>
PROUD TO BE LOCAL 	<p>This District Plan can support urban design outcomes which promote activity, safety and attractive built forms and public spaces. The District Plan manages the effects on sites of cultural significance.</p>
Medium contribution	
EFFICIENT AND RESILIENT CORE SERVICES 	<p>The District Plan aligns with core infrastructure provision to enable planned and integrated growth in appropriate locations.</p>
POSITIVE ABOUT THE FUTURE 	<p>The District Plan enables productive land uses and activities across our District.</p>

HOW WE PERFORMED

Levels of Service

-  Mandatory performance measures  Achieved  Not achieved
 Not measured  Target differs from current year

8.1 Develop, implement and maintain a District Plan in accordance with the RMA whilst reflecting the desires of the community and issues of sustainability.

PERFORMANCE MEASURE 8.1.1 Plan changes are researched, proposed, consulted and reported on as required by Council in accordance with the relevant statutory requirements.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
100%	 100%	 100%	 100%



Resource Consents

WHAT WE DO

The Resource Management Act (RMA) directs the resource consent process in conjunction with our District Plan. Resource consent outcomes can cover a range of activities and development and the appropriate consenting of these will:

- promote the sustainable management of natural and physical resources in our District.
- ensure the District is resilient, inclusive and sustainable.

IDENTIFIED EFFECTS ON THE COMMUNITY

Negative environmental effects can result from poor decision making on resource consent applications. This is mitigated by the approval of applications being delegated to senior staff members. Negative economic results can occur if consents are not processed in a timely manner and there are delays to the start of activities. External resources are used to ensure that statutory timeframes are met during times of high volume.

KEY ACHIEVEMENTS

Resource consent applications decreased by 5% over the previous year with a total of 547 applications received (578 previous year).

The number of completed non-notified resource consents for 2023-24 decreased by 18% over the previous year to 314 applications (384 previous year).

Post-approval applications decreased by 16% over the previous year with a total of 347 applications received (412 the previous year).



The number of completed s223/224 applications for 2023-24 decreased by 20% with a total of 292 applications completed (364 previous year).

Compliance Monitoring decreased by 13% with a total of 1099 applications monitored (1258 previous year).




The decrease is attributable to the slowdown in the economy during this period. Staff numbers have been relatively stable over the year and the continued use of some external consultants has allowed for the majority of consents to be processed within legislative timeframes. Reductions in consents numbers flow through to reduced use of consultants.

CONTRIBUTION TO THE FOUR WELL-BEINGS

Resource consents makes an important contribution across all four well-beings:

Key Resource Consents functions	Contribution to social, economic, environmental, and cultural well-being
RESOURCE CONSENTS 	<p>The processing of resource consents in a timely manner helps support our economic well-being. The decision making process in line with the RMA and the outcomes specified in our District Plan help ensure our environmental, social and cultural well-being.</p>
CONSENT MONITORING 	<p>The monitoring of consents ensures that the conditions of a consent are being followed. This helps to ensure the environment, social, economic and cultural well-being of our District.</p>

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
CARING FOR THE ENVIRONMENT 	<p>Resource consents enact the District Plan and RMA to ensure the long-term maintenance and protection of significant stands of bush, outstanding landscapes and other natural features that contribute to a valued environment.</p>
PROUD TO BE LOCAL 	<p>Ensuring compliance with District Plan rules and conditions of resource consents contributes to the appearance of the District and a community's enjoyment of places and spaces.</p> <p>The consent process can help identify and protect places of cultural and heritage value for our District.</p>
Medium contribution	
POSITIVE ABOUT THE FUTURE 	<p>The resource consent processes are clear and simple, guided by the District Plan and RMA.</p>

HOW WE PERFORMED

Levels of Service

- Mandatory performance measures
- ✔ Achieved
- ✘ Not achieved
- 🔄 Not measured
- 🎯 Target differs from current year

8.2 Council will process resource consent and associated applications within statutory timeframes.

- PERFORMANCE MEASURE 8.2.1** Percentage of non-notified resource consent applications processed within statutory timeframes.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥95%	✘ 93.58%	✔ 100%	✔ 99%

The primary reason this target was not achieved was due to capacity challenges in the development engineering team. A lack of capacity slowed down the engineering input into these applications leading to some consents not being processed within statutory timeframes.

- PERFORMANCE MEASURE 8.2.2** Percentage of Section 223 and Section 224 applications for subdivision consents under the RMA within Statutory timeframes.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥95%	✔ 100%	✔ 100%	✔ 99%

8.3 Council will ensure compliance with land-use consents by monitoring consents issued.

- PERFORMANCE MEASURE 8.3.1** Percentage of land-use consent conditions monitored

Note: time frames will be dependent on priorities based on potential environmental risk associated with non-compliance.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
100%	✔ 100%	✔ 100%	✔ 100%



Building Control

WHAT WE DO

Building Control ensures that buildings in our District are designed and constructed to the required standards and quality. These standards are set by central government through the Building Act 2004.

The Building Control processes are important to ensure the safe and sanitary use of residential and public facilities, as well as ensuring accessibility for all members of our community. We ensure that building owners take action to address any risk to the general safety and well-being of the public.

IDENTIFIED EFFECTS ON THE COMMUNITY


Negative effects from not administering the related statutes can range from dangerous and insanitary public use and residential buildings and housing stock not meeting required standards. Not issuing building consents and failing to meet the responsibilities of an accredited Building Consent Authority may result in a loss of confidence from our community, result in delays for the building industry and could lead to the inability to perform these functions.

KEY ACHIEVEMENTS




The biennial accreditation audit of April 2024 identified some areas of non-compliance and work has been done on those issues. Issues associated with Compliance Schedules (which could impact on public safety in commercial buildings) have been addressed with a recheck from IANZ likely in 2025. Work continues in the earthquake prone area with the continuation of building assessments. Auditing of Building Warrant of Fitness is being further reviewed and amended to ensure better compliance. A small number of buildings impacted by Cyclone Gabrielle continue to be managed through the emergency management provisions of the Building Act 2004.

CONTRIBUTION TO THE FOUR WELL-BEINGS

Building Control makes an important contribution across all four well-beings:

Key Building Control functions	Contribution to social, economic, environmental, and cultural well-being
BUILDING CONTROL 	<p>The processing of building consents in a timely manner helps support our economic well-being. Ensuring that buildings are safe and constructed to the appropriate standard promotes the health and social well-being of our community.</p>

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
POSITIVE ABOUT THE FUTURE 	<p>Building control processes are clear and simple and enable economic activity while appropriately protecting our communities from unsafe and poor quality building practices.</p>
Medium contribution	
CARING FOR THE ENVIRONMENT 	<p>The building control measures around construction methods ensure our environment is protected.</p>
PROUD TO BE LOCAL 	<p>Building compliance ensures that built structures are safe and durable.</p>

HOW WE PERFORMED

Levels of Service

● Mandatory performance measures
 ✔ Achieved
 ✘ Not achieved

🕒 Not measured
 🎯 Target differs from current year

8.4 Council will responsively and accurately manage the building consents and compliance process.

PERFORMANCE MEASURE 8.4.1 Percentage of building consents applications processed within statutory timeframes.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥96%	✘ 94.82%	✘ 78.87%	✘ 25.25%

Although the target was not achieved, it was substantially better than recent years. While significant efforts to meet the measure have been made, the scale of large commercial developments create difficulties for BCAs to process them within the statutory timeframes and this contributes to the target not being met. While the result was very close for the 2023-24 year, meeting this measure will continue to be a focus.

PERFORMANCE MEASURE 8.4.2 Percentage of inspections completed within two days.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥95%	✔ 97.2%	✔ 98.03%	✔ 98.42%



Health and Bylaws

WHAT WE DO

This department undertakes monitoring and enforcement functions across a wide cross section of statutes focusing on the protection of community health, safety, and amenity. We have two teams:

- Environmental Health is responsible for registering, monitoring, verifying, inspecting, enforcing, and ensuring general compliance in the food, health, and alcohol licensing work areas.
- Bylaws – Armourguard Security is contracted to provide services relating to animal management, (mainly dog and stock control), parking enforcement, excessive noise control, freedom camping and general bylaw enforcement.

IDENTIFIED EFFECTS ON THE COMMUNITY

Local authorities are required to monitor and enforce central government legislation. Failure to effectively enforce and monitor legislation can lead to significant adverse environmental, health and nuisance concerns across our District. This is mitigated through an appropriate enforcement and monitoring regime.

KEY ACHIEVEMENTS




Overall, the department and Council's regulatory enforcement contractor, Armourguard, have responded very well considering the significant impact of staff shortages and the difficulties in filling vacant positions.

Armourguard have substantially exceeded their 85% response time measure, an excellent result.




The department's Environmental Health team has three key performance measures relating to food, health, and alcohol. The team have exceeded all their statutory measures. Again, an excellent outcome.

CONTRIBUTION TO THE FOUR WELL-BEINGS

Health and Bylaws make an important contribution across all four well-beings:






Key Health and Bylaws functions	Contribution to social, economic, environmental, and cultural well-being
ENVIRONMENTAL HEALTH 	Ensuring compliance with food, health and alcohol licensing is an important function that promotes the health and well-being of our District. The timely processing of licensing helps ensure our economic well-being is maintained.
BYLAW ENFORCEMENT  	Bylaw enforcement and the control of dogs, stock and noise helps to ensure the environment, social, economic and cultural well-being of our District.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
CARING FOR THE ENVIRONMENT 	The enforcement of bylaws and the implementation of the Health Act 1956 through the Environmental Health team ensures our environment is protected.
PROUD TO BE LOCAL 	Ensuring compliance with our bylaws and the Health Act 1956 contributes to the appearance of our District and the community's enjoyment of places and spaces.
Medium contribution	
POSITIVE ABOUT THE FUTURE 	Regulatory processes are clear and simple and enable economic activity while appropriately protecting our communities from nuisance activities.

HOW WE PERFORMED

Levels of Service

-  Mandatory performance measures
-  Achieved
-  Not achieved
-  Not measured
-  Target differs from current year


8.5 Council will ensure responses to complaints relating to parking, excessive noise, dogs, stock and bylaws are carried out within contracted timeframes.

PERFORMANCE MEASURE 8.5.1 Percentage of complaints responded to within contracted timeframes.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
≥85%	 92.25%	 85.92%	 71.6%

8.6 Council will protect and promote public health by monitoring those premises, which under the Health Act 1956 require annual registration and inspection.

PERFORMANCE MEASURE 8.6.1 Percentage of Health Act registered premises inspected annually.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
100%	 100%	 82%	 99%

100% of premises inspected with 3% of these inspected twice.

8.7 Council will promote food safety by registering and verifying those food businesses which the Food Act 2014 specifies that local authorities can register and verify.


PERFORMANCE MEASURE 8.7.1 Percentage of food businesses verified within timeframes as specified by the Food Act 2014.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
100%	 100%	 119.8%	 111%

100% of premises inspected with 16% of these inspected twice.

8.8 Council will aim to reduce alcohol-related harm by annually inspecting alcohol licensed premises to ensure compliance with the Sale and Supply of Alcohol Act 2012 and licensing conditions in general.

PERFORMANCE MEASURE 8.8.1 Percentage of alcohol licensed premises inspected annually.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
100%	 100%	 102.2%	 105%

100% of premises inspected with 1% of these inspected twice.

WHAT PLANNING AND REGULATORY COST

	\$000		
	2022-23 LTP	2023-24 LTP	2023-24 Actual
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	10,349	8,741	9,406
Targeted rates	-	-	-
Subsidies and grants for operating purposes	273	280	188
Fees and charges	9,508	9,789	9,905
Internal charges and overheads recovered	4,192	4,276	2,063
Local authorities fuel tax, fines, infringement fees and other receipts	1,739	1,740	2,314
Total Operating Funding	26,061	24,827	23,877
Applications of Operating Funding			
Payments to staff and suppliers	14,134	14,417	14,700
Finance costs	-	-	188
Internal charges and overheads applied	10,351	10,410	8,989
Other operating funding applications	-	-	-
Total Applications of Operating Funding	24,485	24,827	23,877
Surplus / (Deficit) of Operating Funding	1,576	-	-
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	1
Development and financial contributions	-	-	-
Increase / (decrease) in debt	-	-	2,964
Gross proceeds from sale of assets	-	-	-
Other dedicated capital funding	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	-	-	2,965

\$000

2022-23
LTP2023-24
LTP2023-24
Actual**Applications of Capital Funding**

Capital expenditure

to meet additional demand

-

-

-

to improve levels of service

788

-

-

to replace existing assets

788

-

2,965

Increase / (decrease) in reserves

-

-

-

Increase / (decrease) of investments

-

-

-

Total Applications of Capital Funding**1,576**

-

2,965**Surplus / (Deficit) of Capital Funding****(1,576)**

-

-

Funding Balance

-

-

-

Operational variance explanations

No material variances.

Capital variance explanations

Capital expenditure variance to LTP is due to delayed completion of the new Dog Shelter, as reflected by the increase in debt.



9. Governance and Strategy

The Governance and Strategy activity includes a number of important functions that support our District being inclusive, resilient and sustainable. These include:



Democracy and Assurance, which runs our governance functions and manages our risks.



The Strategic Planning Department focuses on key issues such as climate change while also looking after policies and bylaws, spatial planning projects and corporate plans like the Long Term Plan (LTP).



Māori Relationships work to build strong relationships with Tiriti partners and the Te Kārearea Strategic Standing Committee.



District Development and Commercial Property, which support economic activity in the District and manage our commercial property portfolio.

The combined functions of Governance and Strategy promote the social, economic, environmental and cultural well-being of the District.



Democracy and Assurance

WHAT WE DO

This activity performs the democratic functions of our organisation, which drive robust and transparent decision-making through Council meetings, briefings and workshops. This includes supporting hearings for Council consultations.

The activity also oversees Council's risk and assurance processes, working across the business to identify, categorise and manage risks. This supports the information and advice presented to Council's quarterly Risk and Audit Committee.

IDENTIFIED EFFECTS ON THE COMMUNITY



No potential negative effects have been identified for the Democracy and Assurance activity.

KEY ACHIEVEMENTS



Key achievements this year included increasing the maturity of the Risk Management processes through the Risk and Audit Committee, maintaining legislative processes, and supporting the democratic functions of Council in Te Iwitahi, the civic building.

CONTRIBUTION TO THE FOUR WELL-BEINGS

Democracy and Assurance make an important contribution across all four well-beings:






Key Democracy and Assurance functions	Contribution to social, economic, environmental, and cultural well-being
<p>DEMOCRACY</p> 	<p>Participation in the democratic process is a crucial component of social well-being. The democracy function also ensures that decision making happens appropriately and is transparent.</p>
<p>ASSURANCE AND RISK</p> 	<p>Identification and management of risk is crucial to Council and the wider District. Risks can relate to social, economic, environmental and cultural outcomes and therefore this function helps to promote all four well-beings.</p>

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
POSITIVE ABOUT THE FUTURE 	Democracy functions ensure transparent and robust decision-making.
PROUD TO BE LOCAL 	The democracy function enables community participation in local governance.

HOW WE PERFORMED

Levels of Service

-  Mandatory performance measures
-  Achieved
-  Not achieved
-  Not measured
-  Target differs from current year

9.1 Our democratic functions are transparent and meet the legislative requirements.

PERFORMANCE MEASURE 9.1.1 Responses to requests for information made under the Local Government Official Information Act 1987 and the Privacy Act 2020 are provided within relevant statutory timeframes.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
95%	 98.60%	 98.25%	 95.4%

PERFORMANCE MEASURE 9.1.2 Percentage of Council, committee and hearing agendas that meet relevant legislative timeframes.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
100%	 98.89%	 99.08%	 100%

Two agendas were not published within the statutory timeframes specified in the LGOIMA Act, in May 2024. The tight deadlines for agenda reports and the current review process impacts on the Democracy team's ability to meet the statutory timeframes for the publication of agendas.



Strategy

WHAT WE DO

This activity addresses the key strategic issues facing the District and ensures that Council responds in an integrated way. This includes:

- strategy development for matters such as District growth and climate change, some of which are statutory
- place-based planning across the District
- statutory policies and bylaws
- corporate planning, including our Long Term Plan (LTP)
- monitoring and reporting on key trends and data.

The review of existing, or the development of new bylaws, plans, policies and strategies generally involves public consultation or engagement.

Strategy is also subject to shifts in the legislative context, which have been significant in recent years. This is expected to continue over the coming years.

IDENTIFIED EFFECTS ON THE COMMUNITY

Ineffective bylaws, policies or strategies, or the absence of strategic direction could lead to adverse effects for our community across the four well-beings (cultural, economic, environmental and social). This is mitigated by reviewing Council's work plan to ensure it is relevant and based on current information, national direction and District needs. The 2023-24 work programme for Council was significant and continues to be so, particularly when factoring in existing staff resources. This presents a risk to the work programme, which will need to be managed by Council.

KEY ACHIEVEMENTS

The 2024-34 LTP and associated documentation was prepared and consulted on during a period of substantial political and legislative upheaval, and a cost of living crisis for households, businesses and Council. However, everyone's efforts ensured we were able to adopt the LTP in a timely manner. Progress made ahead of public consultation on the draft Future Development Strategy was also used to inform the LTP.

Placemaking Plans for Parua Bay and Waipu were completed and adopted.

The Easter Sunday Shop Trading Policy and the Trade Waste Bylaw were reviewed, consulted on and readopted. The Psychoactive Substances Policy was also reviewed, consulted on and revoked as proposed and good progress was made on the review of the Dog Bylaw.





Implementation of recently adopted projects such as He Rautaki Whare o Whangarei (the Housing Strategy for Whangarei) and the Placemaking Plan for Hikurangi progressed well.

CONTRIBUTION TO THE FOUR WELL-BEINGS

Strategy make an important contribution across all four well-beings:

Key Strategy functions	Contribution to social, economic, environmental, and cultural well-being
<p>STRATEGY AND MONITORING</p> 	<p>Strategy development covers issues which can support all four well-beings, including climate change mitigation and adaptation, economic development, biodiversity and housing.</p>
<p>PLACE-BASED PLANNING</p> 	<p>Place-based planning, such as our placemaking programme, enables communities to directly engage with the future of their communities. This supports all four well-beings.</p>
<p>STATUTORY POLICIES AND BYLAWS</p> 	<p>Bylaws and statutory policies help protect the environment and amenity of our District as well as the safety of our communities.</p>
<p>CORPORATE PLANNING</p> 	<p>Our Long Term Plan and Annual Plan set out what Council will do how we pay for it. It can therefore contribute to all four well-beings.</p>






CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
EFFICIENT AND RESILIENT CORE SERVICES 	Our strategic planning ensures that core infrastructure is provided to meet the demands of growth in a managed and coordinated way.
CARING FOR THE ENVIRONMENT 	Strategic planning ensures our environment is cared for and that we plan for future climate related risks.
POSITIVE ABOUT THE FUTURE 	Strategic planning and implementation of key projects allow our City Centre to thrive.
Medium contribution	
PROUD TO BE LOCAL 	Placemaking allows the community to plan for the future of their community.






HOW WE PERFORMED

Levels of Service

-  Mandatory performance measures
-  Achieved
-  Not achieved
-  Not measured
-  Target differs from current year

9.2 Our policies and strategies remain up to date and relevant to the community.

PERFORMANCE MEASURE 9.2.1 Percentage of policies, bylaws and strategies that are reviewed within the relevant statutory timeframes.

2023-24 Target	2023-24 Result	2022-23 Result	2021-22 Result
100%	 96.55%	 98%	 100%

The position of responsible officer for this measure was vacant for a sustained period and this resulted in a backlog of statutory policies and bylaws to review. While noting this is a pass / fail measure, significant progress has been made in the work review programme during this financial year. This will continue to be the focus.



Māori Relationships

WHAT WE DO

Māori engagement: Under legislative frameworks local government have statutory obligations to take account of the principles of the Treaty of Waitangi (Tiriti o Waitangi) and to maintain and improve opportunities for Māori (mātāwaka, mana whenua, hapū and iwi) to contribute to local government decision-making processes.

Fostering genuine relationships with mātāwaka, mana whenua, hapū, and iwi is fundamental to our mission. These connections ensure that our decision-making processes uplift and recognise the invaluable contributions of Māori to the social, cultural, economic, and environmental wellbeing of both Māori communities and the wider Whangārei District.

Cultural capability: Cultural capability involves nurturing the cultural awareness and competence of Council staff in engaging with Māori. This development includes acquiring knowledge, cultivating attitudes, and embracing values that reflect openness and respect for mātāwaka, mana whenua, hapū, and iwi, as well as their culture and traditions linked to their ancestral lands, waterways, sites of significance, wāhi tapu, and other taonga.

IDENTIFIED EFFECTS ON THE COMMUNITY

The Māori Outcomes department at the Whangārei District Council significantly impacts the community by fostering meaningful engagement and relationships with mātāwaka, mana whenua, hapū, and iwi. By recognising the legacy and enduring presence of hapū as the original people and custodians of the Whangārei District, long before the Treaty of Waitangi, the department ensures that Māori heritage and perspectives are honoured and integrated into local government. This active involvement of Māori in decision-making processes promotes inclusivity and respect for their culture and traditions.

This approach enhances the social, cultural, economic, and environmental wellbeing of both Māori communities and the wider Whangārei District. Additionally, by improving the cultural capability of Council staff, the department ensures that interactions with Māori are conducted with greater awareness and respect, contributing to a more harmonious and cohesive community.

KEY ACHIEVEMENTS

Whangārei District Council continues to actively assess and enhance its ability to meet its statutory obligations to engage with Māori, guided by the principles of the Treaty of Waitangi (Tiriti o Waitangi). The Council aims to maintain and improve opportunities for mātāwaka, mana whenua, hapū, and iwi to contribute to local government decision-making processes.

Operationally, the Council prioritises engagement with mana whenua and hapū, and builds relationships with respective tribal entities who have affiliated hapū based within the Whangārei district. The Council is committed to strengthening formal relationships with


mātāwaka (Māori who reside in the Whangārei district whose tribal affiliations are not of the hapū of the district) and tribal entities based outside the Whangārei district.

Engagement protocols are designed to foster proactive working relationships through various programs, key projects, and events across all functions and activities. The Council is dedicated to understanding the values, aspirations, and interests of mana whenua, hapū, and iwi, and is committed to building its capability and capacity to engage through culturally responsive practices.



In acknowledging its commitment under the Tiriti o Waitangi to strengthening relations with Māori, the Whangārei District Council recognises the importance of internal capability and capacity. As part of this commitment, the former Māori Relations Department was rebranded to be the Māori Outcomes Department.

CONTRIBUTION TO THE FOUR WELL-BEINGS

Māori Relationships make an important contribution to our cultural well-being:

Key Māori relationship functions	Promotion of social, economic, environmental, and cultural well-being
MĀORI RELATIONSHIPS 	Partnership with hapū is essential to ensure our decision making promotes the cultural well-being of our District. This approach has wider benefits to the environmental, social and economic well-being of our Māori communities.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
CARING FOR THE ENVIRONMENT 	Partnership helps promote the importance of the environment and native biodiversity.
PROUD TO BE LOCAL 	Partnership with hapū and relationships with Māori communities are essential for the social and cultural well-being of the District.



District Development

WHAT WE DO

District development works with our communities to ensure a vibrant, thriving, and sustainable economy. This is achieved through various initiatives including:

- Monitoring and shaping the strategic direction of the District and Regional economic development.
- Building the capability of local businesses.
- Identifying and promoting our unique selling point for businesses and visitors' groups.
- Managing Council's commercial property portfolio at both a strategic and operational level in a manner that has a positive benefit on our communities.
- Providing proactive support to businesses in the relationships and contact with council to ensure the response is customer friendly.
- Managing the Whangarei Airport (contracted).

IDENTIFIED EFFECTS ON THE COMMUNITY

While Council must maintain its role as an independent regulator there is scope to provide sector advocacy/leadership. Underpinning this is a need for experience and resourcing across the teams. Developing a business ecosystem that is enabling and attractive provides employment, and goods and services needed by our communities. Failure to fully consider the impact of Council policies, strategies and decisions on local business potentially impacts on their ability to grow, employ more people and create a perception that Whangārei is not attractive to business and act as a disincentive inward investment.

KEY ACHIEVEMENTS

Working with private sector developers and specifically pursuing opportunities for new visitor accommodation. Developing visitor and inward investment value proposition and campaign based on creating your best life.



The department has working closely with local businesses and Northland Inc to provide business capability building opportunities on matters that directly impact their ability to attract workers and engage with local government on procurement and development.

The Department has continued to work on developing a more business-friendly community first focus on private sector dealings with Council. This involves working with individual Council departments to understand their existing interactions with members of the public and how they can be done better.

The department continues to work with Northland Inc and other Northland councils in the development of a regional economic development strategy.

CONTRIBUTION TO THE FOUR WELL-BEINGS

District Development make an important contribution to our economic and social well-being:

Key District Development functions	Contribution to social, economic, environmental, and cultural well-being
DISTRICT DEVELOPMENT 	Promoting our District and supporting business activity benefits our economic well-being. The creation of jobs and income can support our social well-being.
COMMERCIAL PROPERTY 	The management of our commercial property enables economic activity to take place.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution to Community Outcomes
High contribution	
POSITIVE ABOUT THE FUTURE 	<p>Strategic management of commercial property will enable our District to grow and thrive.</p> <p>Promotion of tourism will support a number of local businesses across the District.</p>
PROUD TO BE LOCAL 	Partnership with local businesses will support our District's economy.

WHAT GOVERNANCE AND STRATEGY COST

	\$000		
	2022-23 LTP	2023-24 LTP	2023-24 Actual
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	4,324	4,633	3,390
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	150
Fees and charges	-	-	-
Internal charges and overheads recovered	429	435	480
Local authorities fuel tax, fines, infringement fees and other receipts	5,410	5,338	7,161
Total Operating Funding	10,163	10,405	11,181
Applications of Operating Funding			
Payments to staff and suppliers	7,422	7,725	8,155
Finance costs	220	231	352
Internal charges and overheads applied	2,242	2,229	2,706
Other operating funding applications	-	-	-
Total Applications of Operating Funding	9,885	10,185	11,212
Surplus / (Deficit) of Operating Funding	279	220	(31)
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Other dedicated capital funding	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	-	-	-



\$000

	2022-23 LTP	2023-24 LTP	2023-24 Actual
Applications of Capital Funding			
Capital expenditure			
to meet additional demand	-	-	-
to improve levels of service	3,152	4,308	-
to replace existing assets	-	-	421
Increase / (decrease) in reserves	(2,873)	(4,087)	(452)
Increase / (decrease) of investments	-	-	-
Total Applications of Capital Funding	279	220	(31)
Surplus / (Deficit) of Capital Funding	(279)	(220)	31
Funding Balance	-	-	-

Operational variance explanations

Operating income is higher than LTP due to increased earnings from subsidiaries, interest and rental income.

Capital variance explanations

Capital expenditure is lower than the LTP due to reduced commercial property purchases. The variance in reserves is a result of this property variances and their impact on the Property Revaluation Reserve.



10. Support Services

Support Services are focused on supporting the twelve activity areas so that they are best positioned to deliver their various goods and services to the community. The following provides a brief background to the various support activities.

FINANCE

This department plays a key stewardship role. As well as facilitating the development of an effective Financial Strategy, we support Council in managing its financial resources on a day-to-day basis, as well as in the long-term. This department provides services in respect of planning, monitoring and reporting to Council's financial and business resources and our treasury function actively manages Council's debt and investment positions for both the short and long-term. Our accounts payable team manage a high volume of invoices to ensure our suppliers get paid. We manage the relationship and optimise our lending with the Local Government Funding Agency.

Financial expertise and support is provided to all departments throughout Council, as well as some Council Controlled Organisations by providing shared financial services to them.

Finance operates in an increasingly complex environment with expanding reporting requirements and opportunities to enhance our services and the reporting we provide through improved automation.

REVENUE

We account for a large volume of Council's financial transactions including setting and billing land rates, invoicing water rates and other revenue, and processing all customer payments. Direct debit processing and timely follow up of overdue amounts mean that arrears are kept to a minimum. We manage the rating e-billing and self-service portals. The efficient administration and maintenance of property records ensures the Rating Information Database and other property information systems are kept up to date.

PEOPLE AND CAPABILITY

This group works across the business supporting and leading through day-to-day transactions, including recruitment and payroll and longer-term strategic matters such as employee development and change management. Ensuring that Council meets its health and safety and employment legislation obligations (both for staff and with our contractors) is also a key function of People and Capability.

The department's vision is to have the right people, motivated, engaged and delivering. To enable us to attract the right people into our business, it is important that Council is perceived as a good place to work.

ICT

This department supports the information and communications technology of Council.

- The User Support team manages support tickets from across the organisation. They support over 200 applications used by the services.
- The Systems Engineering team maintains our ICT infrastructure across one primary and 13 satellite sites and the infrastructure related support tickets.
- The Projects team deliver projects providing upgraded or new applications to prioritised projects from the business, together with a large volume of 'minor works' such as configuration changes.
- Our Information Management team maintain our document management systems (both paper and electronic) to meet business needs and to ensure Council complies with all its legislative requirements.
- We manage a range of security systems to protect against cyber-attacks and insure against information and data loss and provide systems for fast recovery in the event of a disaster or interruption to services.

ICT also supports Council's website which plays a vital role as an interactive service for our ratepayers with extensive resources for public information, documents and publications, consultations and GIS (Geographic Information System) mapping (including District Plan and hazard overlays).

The ICT team lead Council efforts to provide the most efficient and effective digital services, internally and to our communities, through responsible use of new technologies.

CAPITAL PROJECTS, PLANNING AND DEVELOPMENT ENGINEERING

The Infrastructure Planning activity ensures a long-term view of how infrastructure is provided across the District including how it is funded, and how to meet all external legislation and regulations. We ensure that we and our development community are building quality infrastructure.

Council must deliver capital programmes and projects across the infrastructure portfolio in a timely and cost-effective manner as well as ensuring our strategic plans are developed and implemented to meet the increasing needs and growth of the District. Infrastructure Development ensures that developments happening in the District are an acceptable quality through the development and monitoring of engineering standards, and ensuring asset information is provided to Council punctually and to the required standards.

This department provides technical and administrative support to the Infrastructure Group. This includes planning, contract and general administration, asset management systems, databases and project and contract management.

COMMUNICATIONS

How we communicate with the community is essential in raising awareness of what Council does and why. It is also key to promoting projects and events that occur across our District. This team drives strategic communications, branding and internal, digital, corporate and daily media communications through various channels to acknowledge our District's diversity. The Communications Department also supports community engagement on Council's infrastructure projects.

The department produces all written, visual and audio content for digital and print publication – ensuring it is aligned to strategy, brand, legislation, media law and our audience's needs. Additionally, we support all Council functions in responding to daily media enquiries and various team members also serve as Public Information Managers in any Civil Defence events within our District.

With the continued expansion of digital media use (New Zealanders now spend more time using digital media than traditional media), the Communications team has a strong focus on developing and expanding our use of new technologies to engage with our communities.

BUSINESS SUPPORT

Business Support enables business continuity of our organisation operationally. Managing goods and services contracts, such as Cleaning, Security and Electricity, Business Support ensures that things run smoothly and our staff can focus on performing their duties and responsibilities.

The main areas for focus are:

- Procurement advisory: Business Support provide advice and guidance on procurement for Council and support for local business owners to encourage them to more easily work with Council.
- Contracts advisory: this role monitors our contracts (values, terms, KPIs, expiries etc.) and supports the organisation's contract managers to ensure that we are getting what we pay for, and we are consistent in our approach to dealing with suppliers.
- Property leases and licenses: we establish, review, and renew leases and licences across all Council property, including commercial property, parks (club rooms etc.), and roading.
- Fleet management: Business Support is responsible for the purchase, maintenance, and sale & disposal of our organisation's fleet (more than 60 vehicles), keeping our staff mobile and able to reach the entire District.
- Corporate sustainability: This role supports Council to become more efficient, resilient and sustainable.
- Facilities maintenance: We assist with whatever property repairs and maintenance we are asked to do for the better of staff and community.

WHAT SUPPORT SERVICES COST

	\$000		
	2022-23 LTP	2023-24 LTP	2023-24 Actual
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	4,130	2,931	4,823
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	208
Fees and charges	685	702	638
Internal charges and overheads recovered	21,840	21,845	27,701
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	419
Total Operating Funding	26,655	25,479	33,788
Applications of Operating Funding			
Payments to staff and suppliers	19,346	19,316	23,759
Finance costs	1,550	1,613	2,464
Internal charges and overheads applied	1,767	1,750	2,765
Other operating funding applications	-	-	-
Total Applications of Operating Funding	22,663	22,679	28,988
Surplus / (Deficit) of Operating Funding	3,992	2,800	4,800
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	6,396	-	(588)
Gross proceeds from sale of assets	-	-	52
Other dedicated capital funding	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	6,396	-	(536)

\$000

2022-23
LTP2023-24
LTP2023-24
Actual**Applications of Capital Funding**

Capital expenditure

to meet additional demand	441	291	257
to improve levels of service	8,045	1,131	1,831
to replace existing assets	1,902	1,378	2,176

Increase / (decrease) in reserves			-
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Increase / (decrease) of investments	-	-	-
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Total Applications of Capital Funding	10,388	2,800	4,264
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Surplus / (Deficit) of Capital Funding	(3,992)	(2,800)	(4,800)
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Funding Balance	-	-	-
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Operational variance explanations

Payments to Staff & Suppliers is higher due to higher salary uplift than anticipated in the LTP, additional external contractor cost, increased insurance cost and the implementation of software as a service. These increases in costs were offset by similar increases in internal charges and recoveries.

Capital variance explanations

Total capital expenditure is higher than LTP due to delayed completion of Civic Centre.



FINANCIAL

INFORMATION

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Financial statements

Statement of Comprehensive Revenue and Expenditure

<i>For the year ended 30 June 2024</i>					\$'000	
					Council	Group
	Note	Actual 2024	Budget 2024	Actual 2023	Actual 2024	Actual 2023
Revenue						
Rates	2	127,432	128,449	117,559	127,432	117,559
Development contributions		6,539	7,078	11,737	6,539	11,737
Subsidies and grants	3	50,162	55,527	41,454	50,178	41,548
Fees and charges	4	18,056	18,085	18,014	18,056	18,014
Interest revenue	5	3,230	1,835	1,302	3,384	1,406
Other revenue	6	24,749	18,221	32,380	27,161	34,888
Share of profit/(loss) from joint ventures		2,274	1,459	2,195	2,201	2,226
Total revenue		232,442	230,654	224,641	234,951	227,378
Expenses						
Personnel costs	7	35,764	36,029	32,778	37,893	35,084
Depreciation and amortisation	20	59,843	60,437	56,158	60,830	57,143
Finance costs	5	10,452	10,631	9,171	10,452	9,175
Other expenses	8	108,214	97,751	104,873	109,111	105,163
Total expenses		214,273	204,848	202,980	218,286	206,565
Surplus/(deficit) before tax		18,169	25,806	21,661	16,665	20,813

<i>For the year ended 30 June 2024</i>		\$'000				
		Council			Group	
	Note	Actual 2024	Budget 2024	Actual 2023	Actual 2024	Actual 2023
Income tax expense	9	511	706	17	692	1,256
Surplus from continuing operations		17,658	25,100	21,644	15,973	19,557
Surplus/(deficit) after tax		17,658	25,100	21,644	15,973	19,557
Other comprehensive revenue and expense						
Items not classified to surplus/(deficit)						
Gain/(loss) on infrastructure revaluations	27	331,218	50,284	7,542	331,218	7,542
Gain/(loss) on other asset revaluations	27	314	-	(1,170)	314	(1,170)
Fair value movement of unlisted shares		245	-	(8)	245	(8)
Total comprehensive income		349,435	75,384	28,008	347,750	25,921

Surplus is attributable to:

Explanations of major variances against budget are provided in note 33.

The Accounting Policies and Notes on pages 150 -262 form part of these financial statements.

Statement of Changes in Equity

<i>For the year ended 30 June 2024</i>		\$'000				
		Council			Group	
	Note	Actual 2024	Budget 2024	Actual 2023	Actual 2024	Actual 2023
Opening balance as at 1 July		2,136,339	2,141,744	2,108,331	2,168,083	2,142,162
Total comprehensive revenue and expense		349,435	75,384	28,008	347,750	25,921
Balance at 30 June	27	2,485,774	2,217,128	2,136,339	2,515,833	2,168,083

The Accounting Policies and Notes on pages 150 -262 form part of these financial statements.

Statement of Financial Position

<i>As at 30 June 2024</i>		\$000				
		Council			Group	
Note	Actual 2024	Budget 2024	Actual 2023	Actual 2024	Actual 2023	
ASSETS						
Current assets						
Cash and cash equivalents	10	30,197	31,011	33,825	32,161	36,319
Debtors and receivables	11	30,127	27,782	29,281	30,759	30,068
Derivative financial instruments	21	1,015	-	179	1,015	179
Other financial assets	13	20,736	461	6,382	20,736	6,382
Other current assets	12	1,703	1,309	1,777	2,251	2,234
Assets held for sale	14	-	-	410	-	410
Total current assets		83,778	60,563	71,854	86,922	75,592
Non-current assets						
Derivative financial instruments	21	5,399	6,011	9,465	5,399	9,465
Other financial assets:	13					
- Investment in other entities		14,891	4,303	8,258	14,891	8,261
- Investment in CCO's and similar entities		14,399	11,129	12,425	12,202	10,321
Property, plant and equipment	18	2,577,909	2,320,715	2,202,127	2,609,497	2,234,667
Intangible assets	19	8,217	12,858	7,566	8,254	7,617
Forestry assets	16	910	854	854	910	854
Investment properties	15	98,384	100,940	95,838	98,384	95,838
Other non-current assets	17	1,715	7,809	2,288	1,715	2,288
Total non-current assets		2,721,824	2,464,619	2,338,821	2,751,252	2,369,311
Total assets		2,805,602	2,525,182	2,410,675	2,838,174	2,444,903

As at 30 June 2024		\$'000				
		Council			Group	
	Note	Actual 2024	Budget 2024	Actual 2023	Actual 2024	Actual 2023
LIABILITIES						
Current liabilities						
Payables and deferred revenue	22	49,044	40,977	38,211	49,450	38,765
Derivative financial instruments	21	-	-	-	-	-
Current borrowings	25	30,000	30,000	28,000	30,000	28,000
Employee benefits liabilities	26	3,869	3,957	3,889	3,974	3,998
Provisions	23	63	64	68	63	68
Tax Provision	24	502	706	-	502	-
Total current liabilities		83,478	75,704	70,168	83,989	70,831
Non-current liabilities						
Derivative financial instruments	21	-	687	-	-	-
Non-current borrowings	25	235,000	230,000	203,000	235,000	203,000
Employee benefits liabilities	26	548	576	517	548	517
Provisions	23	461	480	543	461	543
Payables and deferred revenue	22	341	607	108	341	108
Deferred tax liability	9	-	-	-	2,002	1,821
Total non-current liabilities		236,350	232,350	204,168	238,352	205,989
Total liabilities		319,828	308,054	274,336	322,341	276,820
Net assets		2,485,774	2,217,128	2,136,339	2,515,833	2,168,083
EQUITY						
Accumulated funds	27	1,055,743	1,064,414	1,047,923	1,085,797	1,079,662
Reserves and special funds	27	104,934	92,066	92,976	104,939	92,981
Asset revaluation reserve		1,325,097	1,060,648	995,440	1,325,097	995,440
Total equity		2,485,774	2,217,128	2,136,339	2,515,833	2,168,083

Explanations of major variances against budget are provided in note 33.

The Accounting Policies and Notes on pages 150 -262 form part of these financial statements.

Cash Flow Statement

For the year ended 30 June 2024	\$000				
	Council			Group	
	Actual 2024	Budget 2024	Actual 2023	Actual 2024	Actual 2023
Cash flows from operating activities					
Receipts from rates revenue	127,299	129,666	115,646	127,299	115,646
Subsidies and grants received	47,078	56,053	39,047	47,078	39,086
Other revenue including development contributions	17,518	17,097	22,396	20,443	25,678
Fees and charges received	21,754	18,256	13,955	21,754	13,955
Interest received	2,964	1,853	1,185	3,084	1,264
Dividends received	51	36	36	51	36
Payments to suppliers and employees	(132,021)	(136,317)	(125,624)	(135,727)	(128,972)
Income tax refund/(paid)	(5)	-	-	(5)	-
Interest paid	(10,118)	(10,631)	(8,400)	(10,118)	(8,400)
GST (net)	(988)	-	1,285	(988)	1,285
Net cash flow from operating activities	73,532	76,013	59,526	72,871	59,578
Cash flows from investing activities					
Proceeds from sale of fixed assets	222	-	3,184	234	3,185
Receipts from investments and loans	6,588	1,905	1,270	6,588	1,868
Purchase and development of fixed assets	(92,800)	(108,118)	(94,523)	(92,935)	(94,618)
Purchase of investments & loans provided	(21,475)	(6,094)	(7,475)	(21,521)	(7,475)
Net cash flow from investing activities	(107,465)	(112,307)	(97,544)	(107,634)	(97,040)

<i>For the year ended 30 June 2024</i>	\$000				
	Council			Group	
	Actual 2024	Budget 2024	Actual 2023	Actual 2024	Actual 2023
Cash flows from financing activities					
Proceeds from borrowing	72,000	29,000	79,000	72,000	79,000
Loan repayments received	459	-	145	459	145
Guarantee funds received from WAT	-	-	1,250	-	-
Repayment of borrowings	(38,000)	-	(40,000)	(38,000)	(40,000)
Loans granted	(3,854)	-	-	(3,854)	-
Guarantee funds transferred to WAT	(300)	-	(500)	-	-
Net cash from financing activities	30,305	29,000	39,895	30,605	39,145
Net (decrease)/increase in cash, cash equivalents, and bank overdrafts	(3,628)	(7,294)	1,877	(4,158)	1,683
Cash, cash equivalents, and bank overdrafts at the beginning of the year	33,825	38,305	31,948	36,319	34,636
Cash, cash equivalents, and bank overdrafts at the end of the year	30,197	31,011	33,825	32,161	36,319

During the period property, plant and equipment totalling nil (2023: nil) was acquired by means of finance leases.

The Accounting Policies and Notes on pages 150 -262 form part of these financial statements.

Reconciliation of Net Surplus/(Deficit) to Net Cash Flow from operating activities

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Surplus/(deficit) after tax	17,658	21,644	15,973	19,557
Share of associate's surplus	(2,274)	(2,195)	(2,201)	(2,226)
Depreciation and amortisation expense	59,843	56,158	60,830	57,143
Property, plant, and equipment impairment	-	2,545	-	2,545
Net vested and found assets	(10,987)	(17,641)	(10,987)	(17,641)
(Gains)/losses in fair value of forestry assets	(56)	-	(56)	-
(Gains)/losses in fair value of investments	(2,515)	387	(2,515)	387
Other non-cash items	537	1,568	537	1,568
Change in fair value of derivatives	3,231	(4,321)	3,231	(4,321)
(Gains)/losses in value of Community Loans	(140)	(1)	(140)	(1)
Total non-cash items	47,639	36,500	48,699	37,454
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant, and equipment	4,178	3,502	4,187	3,511
Add/(less) movements in working capital items				
(Inc)/Dec in debtors and other receivables	(845)	(1,217)	(690)	(1,489)
(Inc)/Dec in other current assets	74	(168)	(17)	(357)
Inc/(Dec) in creditors and other payables	4,904	4,757	4,618	5,181
Inc/(Dec) in provisions	(87)	(5,787)	(87)	(5,787)
Inc/(Dec) in deferred tax liability	-	-	181	1,239
Inc/(Dec) in employee entitlements	11	295	7	269
Net movement in working capital items	4,057	(2,120)	4,012	(944)
Net cash inflow/(outflow) from operating activities	73,532	59,526	72,871	59,578

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NOTE 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2024

1.1 Reporting entity

Whangarei District Council (Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. Council provides local infrastructure, local public services, and performs regulatory functions to the community.

The relevant legislation governing the Council's operations includes the Local Government Act 2002 and the Local Government (Rating) Act 2002.

The Group financial statements provide the consolidated results of Council and its controlled entities (Springs Flat Contractors Limited, Whangarei Art Trust, Northland Events Centre (2021) Trust, Whangarei Waste Limited and Whangarei Quarry Gardens Trust) and the equity accounted results of the joint venture entities in which the Council is a venturer (Whangarei District Airport and Northland Regional Landfill Limited Partnership).

For the purposes of complying with generally accepted accounting practice in New Zealand (NZ GAAP), Council and Group are public benefit entities (PBEs).

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

1.2 Basis of preparation

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

STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 and in accordance with generally accepted accounting practice (GAAP). For the purposes of complying with GAAP, Council is a Tier 1 Public Benefit Entity.

PRESENTATION CURRENCY AND ROUNDING

The functional currency of Council, each of its subsidiaries and each of the joint ventures in which Council is a venturer, is New Zealand dollars. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

LOCAL WATER DONE WELL (PREVIOUSLY AFFORDABLE WATER REFORMS)

The Water Services Acts Repeal Act 2024 repealing the previous Government's Water Services Entities Act 2022 (referred to as Affordable Water Reform (or previously Three Waters)) received Royal assent on the 17 February 2024.

The Act is an omnibus Act that will repeal the key legislation that underpinned the Affordable Water Reform - the Water Services Entities Act 2022, the Water Legislation Act 2023, and the Water Services Economic Efficiency and Consumer Protection Act 2023. This means the end of the 10-entity model which envisaged control of water assets by new statutory water services entities.

Contents of the Act

The Act returns responsibility for water services delivery to local authorities. The Act will also make the following changes:

- Disestablish the Northland and Auckland entity, its establishment board, and its establishment CEO, given this was the only entity out of the 10 planned entities that had been formally established so far.
- Make consequential amendments to the Local Government Act 2002 to enable local authorities to:
 - Include water services provision in their 2024-2034 long term plans (LTPs) (in some cases, without reconsulting). There are also a range of other options available to local authorities, including extending the statutory deadline for adoption of the 2024 LTP and annual reports.
 - Defer reviews of bylaws relating to water services.
 - Make technical amendments to the Taumata Arowai – the Water Services Regulator Act 2020 and the Water Services Act 2021 relating to the regulation of water services by Taumata Arowai. A more substantive amendment relates to the definition of "stormwater network", which retains, in substance, the definition under the Affordable Water Reform legislation, by extending the definition to include overland flow paths and relevant green water services infrastructure and watercourses.

Next steps – new legislation

The repeal completes step one of the National Party's Local Water Done Well policy. Two further bills are expected over the next two years to complete delivery of the Local Water Done Well policy:

- The first bill, The Local Government (Water Services Preliminary Arrangements) Bill, was introduced to Parliament on 30 May 2024, will set out provisions relating to council service delivery plans and transitional economic regulation. The Government has indicated that this bill will enable councils to voluntarily start shifting the delivery of water services into more financially stable models. The Water Services Preliminary Arrangements Act received royal assent on 2 September 2024.
- The second bill, The Local Government Water Services Bill, is expected to be introduced in December 2024 and passed by mid-2025, will provide for long-term requirements for financial sustainability, a complete economic regulation regime, and new types of structural and financing tools, including a novel financially independent council-controlled organisation structure.

The impact of these reforms is not yet known for Whangarei District Council.

STANDARDS ISSUED AND NOT YET EFFECTIVE THAT HAVE BEEN EARLY ADOPTED

There have been no standards issued that have been early adopted during the financial year.

STANDARDS ISSUED AND NOT YET EFFECTIVE THAT HAVE NOT BEEN EARLY ADOPTED

2022 Omnibus Amendments to PBE Standards

The 2022 Omnibus Amendments include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards. The revised PBE standards are effective from the year ending 30 June 2024. They will not have any significant impact on the parent or group financial statements.

PBE IFRS 17 Insurance Contracts

PBE IFRS 17 Insurance Contracts for public sectors was issued in June 2023. This standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. It is effective for reporting periods beginning on or after 1 January 2026 with early adoption permitted. The group has not assessed in detail the effect of the new standard.

Disclosure of Fees for Audit Firms' Services (Amendments to PBEIPSAS1)

Disclosure of Fees for Audit Firms' Services (the amending Standard) was issued in May 2023. This amending standard updates the required disclosures for fees relating to services provided by the entity's audit or review firm. The fees must be disaggregated into specified categories and there is guidance to assist entities in determining the types of services to include in each category.

This standard is effective for reporting periods beginning on or after 1 January 2024 with early adoption permitted. There will be no financial effect on the financial statements as the amendment only requires greater disclosure of incurred expenditure.

CHANGES IN ACCOUNTING POLICIES

There have been no standards issued that have been adopted during the financial year.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1.3 Basis of consolidation

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

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when the Council obtains control of the entity and ceases when the Council loses control of the entity.

Control over an entity is determined when the Council has exposure, or rights, to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The Council considers all relevant facts and circumstances in assessing whether it has power over another entity.

For example, the ability to appoint or remove a majority of the entity's governance and management, binding arrangements the Council enters into, group voting rights, and pre-determination mechanisms. The Council reassesses whether or not it controls another entity if facts and circumstances change.

The Council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the consideration transferred is lower than the net fair value of the Council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in surplus or deficit.

SUBSIDIARIES

A subsidiary is an entity that Council controls. Control is the capacity to govern an entity's financing and operating policies so as to obtain benefits from its activities.

This capacity exists where:

- Council controls the majority voting power of the governing body
- an entity's financing and operating policies have been irreversibly predetermined by Council
- the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary
- Council benefits from the activities of the subsidiary

Subsidiaries are consolidated into the Group financial statements from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

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

Inter-entity transactions, balances and unrealised gains on transactions between the Group entities are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been aligned where necessary to ensure consistency with the policies adopted by Council and the Group.

JOINT VENTURE

A joint venture is a binding arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control. Joint control is the agreed sharing of control over an activity. Council is a joint venturer in jointly controlled entities.

Council's interest in the Northland Regional Landfill Limited Partnership (NRLLP) and Whangarei District Airport (WDA) are equity accounted in both Council and the Group's financial statements. This means that the investments are initially recognised at cost and adjusted thereafter for the post-acquisition change in Council's share of the joint venture's net assets/equity. Council's share of the surplus or deficit of the joint ventures is included in Council and the Group's surplus or deficit.

Profits or losses on transactions establishing the jointly controlled entity and transactions with the joint venture are eliminated to the extent of the Group's ownership interest until such time as they are realised by the jointly controlled entity on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred. Accounting policies of jointly controlled entities have been aligned where necessary to ensure consistency with the policies adopted by Council and the Group.

1.4 Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, excluding Goods and Services Tax, rebates and discounts and after eliminating sales within the Group.

Revenue may arise from exchange or non exchange transactions. Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Non exchange transactions are transactions that are not exchange transactions. In a non exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Where a non exchange transaction stipulates that the Group must provide specified services in exchange for revenue, the Group determines whether that stipulation constitutes a restriction or a condition:

- a restriction specifies the services that must be performed, but does not require funds to be returned if they are not spent as stipulated. Revenue from a non exchange transaction with restrictions is recognised when received, or when the Group becomes entitled to it.
- a condition specifies the services that must be performed and requires funds to be returned if they are not spent as stipulated. Non exchange transactions with conditions are recognised as liabilities when received and revenue is recognised and the associated liability extinguished as the specified services are provided.

Revenue from non exchange transactions that do not stipulate that the Group must provide specified services in exchange for revenue is recognised on receipt.

Pledges are not recognised as revenue as the Group is unable to control the access to the funds. Pledges are disclosed as a contingent asset when the money is pledged and recognised as revenue when the pledged money is received.

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

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

1.5 Goods and services tax

Items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from or payable to Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Cash Flow Statement.

Commitments and contingencies are disclosed exclusive of GST.

1.6 Budget Figures

The budget figures are those approved by Council in its 2023-24 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

1.7 Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- the assessed useful life of an item of property, plant and equipment impacts the carrying amount of that item and the amount of depreciation recognised in relation to that item (more information on the useful lives of items of property, plant and equipment is provided in note 18)
- assumptions and estimates are applied in determining the fair value of infrastructure assets (more information is provided in note 18)
- the impairment assessment of non-financial assets requires the use of key assumptions and estimates (more information is provided in note 13)
- the determination of the landfill aftercare provision requires the use of key assumptions and estimates (more information is provided in note 23)
- Council relies on the assumptions and estimates made by external valuers when performing the investment property revaluation, pensioner housing revaluation and infrastructure asset revaluation (more information is provided in note 15)

1.8 Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2024:

- classification of property: 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 Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property.
- revenue from exchange and non exchange transactions: Council has exercised professional judgement when determining whether the substance of a transaction is that of non exchange or exchange. Council has reviewed its revenue streams and referred to its Revenue and Financing Policy to identify activities partially funded by rates revenue. When this occurs, the revenue from that activity is treated as non exchange. Council believes revenue recognition materially complies with the PBE accounting standards.
- determine control/joint control: Council has determined in respect to associated entities its control or joint control when deciding inclusion or non inclusion in Council and the Group's financials. Council considers various factors to determine control including: its capacity to control financing and operating policies, benefits obtained from the activities of the subsidiary, majority voting power on the governing body, trust deeds, as well as external advice.

NOTE 2: RATES

Accounting policy

The following policies for rates have been applied:

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

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
General rates	88,743	80,519	88,743	80,519
Less internal rates on Council properties	(2,016)	(1,866)	(2,016)	(1,866)
Total general rates revenue	86,727	78,653	86,727	78,653
Targeted rates:				
Wastewater rates	25,288	23,033	25,288	23,033
Metered water supply	15,015	15,317	15,015	15,317
Hikurangi swamp	1,221	1,153	1,221	1,153
Water rates	983	943	983	943
Roading scheme	101	70	101	70
Total targeted rates	42,608	40,516	42,608	40,516

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Rate remissions	(2,746)	(2,346)	(2,746)	(2,346)
Rate penalties	843	736	843	736
Total rates, excluding targeted water supply rates	127,432	117,559	127,432	117,559

Council is required by the Local Government Funding Agency (LGFA) Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. The Indemnity Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates revenue of Council for the year ended 30 June 2024 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	\$'000	
	Council	
	Actual 2024	Actual 2023
Rates	127,432	117,559
Internal rates	2,016	1,866
Total annual rates income	129,448	119,425

Rating base information

The number of rating units within Council's District at the end of the year was 47,190 (June 2023: 46,875).

The total capital value of rating units within Council's District at the end of the year was \$42,312,091,732 (June 2023: \$41,824,044,732).

The total land value of rating units within Council's District at the end of the year was \$21,631,839,832 (June 2023: \$21,523,352,832).

NOTE 3: SUBSIDIES AND GRANTS

Accounting policy

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

Additional funding has been received from Waka Kotahi for emergency works due to the damaged caused by Cyclone Gabrielle.

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Waka Kotahi roading subsidies	39,220	34,137	39,220	34,137
Other grants	1,440	4,853	1,440	4,853
Affordable waters funding	9,502	2,464	9,502	2,464
Subsidiaries	-	-	16	94
Total subsidies and grants	50,162	41,454	50,178	41,548

At balance date, there are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2023: nil).

Affordable Waters Reform Programme

The New Zealand Government is undertaking a reform programme for “Affordable water reform” (drinking water, wastewater and stormwater) service delivery for communities.

Council has various funding agreements from Department of Internal Affairs (DIA) for Better off Funding, Three Waters Services Reform and Transitional Funding. The funding received under this agreement is non-exchange revenue, as the services provided are not of approximately equal value as the funding received. Revenue is recognised by Council when all milestones and obligations have been met for each instalment under the contract.

Other Grants

Other grants is largely made up of funding from New Land Search and Rescue, City Safe-CCTV and Freedom Camping, as well as other various minor grants and funding received by Council.

Ministry of Business, Innovation and Employment

In Budget 2020, Cabinet agreed to provide a \$3 billion investment in infrastructure to support New Zealand's economic recovery as part of the 11 May COVID-19 Response and Recovery Fund.

The Government established the Infrastructure Reference Group (IRG) to identify a pipeline of shovel-ready projects to support the economy during the COVID-19 rebuild.

Council has an Infrastructure Reference Group funding agreement of \$10m for a Port Road Upgrade, and \$6m for Active Modes Urban Share Paths Programme.

Council recognised \$856k of subsidies and grants revenue as a final claim from these funding agreements for the year ended 30 June 2024.

Better off Funding

In July 2021 the then Prime Minister and Minister of Local Government announced a Three Waters support package for councils to invest in their local communities, as part of the Three Waters programme. This package included \$500m of Crown 'Better off' funding (BOF) to enable councils to focus on the wellbeing and aspirations of their communities. Funding was available from 1 July 2022.

Of this fund, Whangarei District Council were allocated \$9.48m from the Department of Internal Affairs.

Council recognised \$6.3m of subsidies and grants from this funding agreement for the year ended 30 June 2024.

NOTE 4: FEES AND CHARGES

Accounting policy

BUILDING AND RESOURCE CONSENT REVENUE

Fees and charges for building and resource consent services are recognised when complete.

SALE OF GOODS

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

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Building and resource consent charges	6,329	7,374	6,329	7,374
Sale of goods	2,983	2,533	2,983	2,533
Other fees and charges	6,665	5,905	6,665	5,905
Parking fees	1,815	1,870	1,815	1,870
Transfer station fees	264	332	264	332
Total fees and charges	18,056	18,014	18,056	18,014

NOTE 5: INTEREST REVENUE AND FINANCE COSTS

Accounting Policy

Borrowing costs are expensed in the financial year in which they are incurred.

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Interest revenue				
Interest revenue:				
- cash and term deposits	2,940	1,298	2,940	1,298
- community loans	290	3	290	3
- other	-	1	154	105
Total interest revenue	3,230	1,302	3,384	1,406
Finance costs				
Interest expense:				
- discount unwind on provision (note 23)	32	31	32	31
- interest on bank borrowings	14,849	9,499	14,849	9,503
- interest paid/(received) on derivatives	(4,429)	(359)	(4,429)	(359)
Total finance costs	10,452	9,171	10,452	9,175
Net finance costs	7,222	7,869	7,068	7,769

NOTE 6: OTHER REVENUE

Accounting policy

VESTED OR DONATED PHYSICAL ASSETS

For assets received for no or nominal consideration, the asset is recognised at its fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue.

The fair value of vested or donated assets is usually determined by reference to Councils most recent valuation rates and useful lives.

	Note	\$'000			
		Council		Group	
		Actual 2024	Actual 2023	Actual 2024	Actual 2023
Forestry asset revaluation gains/(losses)	16	56	-	56	-
Traffic and parking infringements		1,619	1,683	1,619	1,683
Rental revenue		5,714	5,765	6,002	6,061
Investment property revaluation gains/(losses)	15	2,515	(387)	2,515	(387)
Donations and bequests		-	384	91	400
Other		2,993	2,154	5,026	4,350
Petrol tax		653	673	653	673
Vested assets		10,987	17,641	10,987	17,641
Dividend revenue		51	36	51	36
Fair value gains		140	1	140	1
Gains on property sales		21	109	21	109
Gain on derivatives		-	4,321	-	4,321
Total other revenue		24,749	32,380	27,161	34,888

NOTE 7: PERSONNEL COSTS

Accounting Policy

SALARIES AND WAGES

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

SUPERANNUATION SCHEMES

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Salaries and wages	34,790	31,726	36,915	34,012
Other personnel costs	146	132	150	152
Defined contribution plan employer contributions	936	848	936	848
Increase/(decrease) in employee entitlements/liabilities	(108)	72	(108)	72
Total personnel costs	35,764	32,778	37,893	35,084

Remuneration

KEY MANAGEMENT PERSONNEL REMUNERATION

	\$'000	
	Council	
	Actual 2024	Actual 2023
Elected members		
Remuneration	1,092	1,038
Full time equivalent (FTE) members	14	14
Executive leadership team, including the Chief Executive		
Remuneration	2,069	1,883
Full time equivalent (FTE) members	8	8
Total key management personnel remuneration	3,161	2,921
Total key management personnel FTE members	22	22

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

During the year key management personnel as part of normal local authority relationships were involved in transactions of a minor and routine nature with Council (such as paying rates).

Chief Executive remuneration

The total remuneration (including any non-financial benefits) paid for the year to the Chief Executive was \$382,325 (2023: \$361,915).

	\$'000	
	Council	
	Actual 2024	Actual 2023
Elected Members		
Mayor - COCURULLO	164	110
Councillor - BENNEY	76	74
Councillor - COCURULLO	-	20
Councillor - CONNOP	58	57
Councillor - COUPER	82	72
Councillor - GOLIGHTLY	63	61
Councillor - HALSE	91	81
Councillor - HARDING	75	48
Councillor - HOLMES	73	47
Councillor - MCKENZIE	73	46
Councillor - OLSEN	59	40
Councillor - PETERS	70	63
Councillor - REID	75	65
Councillor - RUKA	58	39
Councillor - YOVICH	75	47
Previous Elected Members		
Mayor - MAI	-	50
Councillor - CUTFORTH	-	18
Councillor - DEEMING	-	26
Councillor - INNES	-	29
Councillor - MARTIN	-	26
Councillor - MURPHY	-	19
Total elected representatives' remuneration	1,092	1,038

Remuneration is disclosed based on amounts paid for the financial year.

The Remuneration Authority is responsible for setting elected members' remuneration levels. In the case of Council, it was resolved that the chairs of the standing committees should receive a higher salary than the remaining elected members.

Variation in elected members remuneration is due to participation on additional committees, as well as their length of term.

	Number of employees	
	Actual 2024	Actual 2023
< \$60,000	131	148
\$60,000 - \$79,999	131	141
\$80,000 - \$99,999	87	75
\$100,000 - \$119,999	51	36
\$120,000 - \$139,999	19	14
\$140,000 - \$159,999*	7	4
\$160,000 - \$179,999*	8	6
\$180,000 - \$399,999	9	8
Total employees	443	432

* An additional remuneration band category was created in 2024, this changes the prior year comparatives of \$140,000 - \$179,999 in 2023 (10), to \$140,000 - \$159,999 in 2023 (4) and \$160,000 - \$179,999 in 2023 (6).

Total remuneration includes non-financial benefits provided to employees.

At balance date, Council employed 351 (2023: 343) full-time employees, with the balance of staff representing 56 (2023: 57) full-time equivalent employees. A full-time employee is determined on the basis of a 37.5 hour working week.

SEVERANCE PAYMENTS

For the year ended 30 June 2024, Council made two severance payment to employees totalling \$21,825 (2023: nil). The value of each of the severance payments was \$9,325 and \$12,500 (2023: nil).

NOTE 8: OTHER EXPENSES

Accounting policy

GRANT EXPENDITURE

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria. They are recognised when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants that are awarded at the discretion of Council. They are recognised when a grant has been approved by Council and that approval has been communicated to the applicant. Council's grants awarded have no substantive conditions attached.

OPERATING LEASES

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

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Fees to Deloitte for audit of the Council's financial statements	404	326	495	405
Fees to Deloitte for the review of the debenture trust deed	8	5	8	5
Fees to Deloitte for the audit of Council's Long Term Plan 2024-34	178	-	178	-
Fees to Audit New Zealand for audit of the Council's prior year financial statements	-	28	-	28
Councillor remuneration	1,099	1,049	1,099	1,049
Electricity costs	4,034	4,284	4,297	4,555
Impairment of receivables	(103)	378	(103)	378
Operating lease expense	310	1,141	349	1,180
Repairs and maintenance expenses	-	-	164	122

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Loss on derivatives	3,231	-	3,231	-
Insurance premiums	4,034	2,794	4,140	2,885
Directors' fees	-	-	172	158
General grants	11,223	6,874	9,764	5,001
Property, plant and equipment impairment	-	2,545	-	2,545
Software expenses	2,529	3,002	2,566	3,043
Loss on assets disposed of	4,199	3,611	4,208	3,620
Bad debts written off	139	231	174	231
Professional fees and consultants	11,873	11,048	11,940	11,096
Legal fees*	505	741	518	781
Contractors	56,308	57,512	56,772	57,850
Other expenses*	8,243	9,304	9,139	10,231
Total other expenses	108,214	104,873	109,111	105,163

*The comparatives have been restated in the Group to reflect an expense classification correction.

NOTE 9: INCOME TAX

Accounting policy

Council is not subject to income tax except for revenue derived from Council Controlled Organisations (Northland Regional Landfill Limited Partnership and Whangarei District Airport).

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

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

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

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

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

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Components of tax expense				
Current tax	511	17	511	17
Deferred tax	-	-	181	1,239
Tax expense	511	17	692	1,256

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Relationship between tax expense and accounting profit				
Surplus/(deficit) before tax	18,169	21,661	16,665	20,813
Tax at 28%	5,087	6,065	4,666	5,828
Plus/(less) tax effect of:				
Non-taxable income	(5,125)	(6,103)	(4,149)	(5,272)
Council share of NRLLP revenue	549	596	-	-
Deferred tax adjustment	-	-	175	700
Recognised tax losses	-	(541)	-	-
Tax expense	511	17	692	1,256

	\$'000			
	PP&E	Other	Tax losses	Total
Deferred tax assets/(liabilities)				
Council				
Balance at 30 June 2022	-	-	-	-
Charged to surplus or deficit	-	-	-	-
Charged to other comprehensive revenue	-	-	-	-
Balance at 30 June 2023	-	-	-	-
Opening balance 1 July 2023	-	-	-	-
Charged to surplus or deficit	-	-	-	-
Charged to other comprehensive revenue	-	-	-	-
Balance at 30 June 2024	-	-	-	-

\$'000

	PP&E	Other	Tax losses	Total
Group				
Balance at 30 June 2022	(1,860)	-	1,278	(582)
Charged to surplus or deficit	(113)	-	(1,126)	(1,239)
Credited (charged) to other comprehensive revenue	-	-	-	-
Balance at 30 June 2023	(1,973)	-	152	(1,821)
Opening balance 1 July 2023	(1,973)	-	152	(1,821)
Charged to surplus or deficit	(177)	-	(4)	(181)
Credited (charged) to other comprehensive revenue	-	-	-	-
Balance at 30 June 2024	(2,150)	-	148	(2,002)

NOTE 10: CASH AND CASH EQUIVALENTS

Accounting policy

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

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

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

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Cash on hand	5	5	9	10
Bank balances - HWMAC	-	-	467	767
Bank deposits	12,308	11,311	12,682	11,681
Bank balances	17,884	22,509	19,003	23,861
Total cash and cash equivalents	30,197	33,825	32,161	36,319

Assets recognised in a non-exchange transaction that are subject to restrictions

The Council holds unspent funds included in cash and cash equivalents of \$4.5 million (2023; \$0.9 million) that are subject to restrictions. These unspent funds relate to contract retentions held, loan funds not yet advanced to the Whangarei Harbour Marina Management Trust and some reserve balances. These restrictions generally specify how the funds are to be spent.

Group

For further information regarding the Hundertwasser Wairau Maori Arts Centre (HWMAC) refer to note 29.

NOTE 11: DEBTORS AND RECEIVABLES

Accounting policy

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

A receivable is considered to be 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.

Rates are “written-off”:

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

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

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Sundry debtors	9,103	15,132	9,770	15,919
Accrued revenue	11,683	5,470	11,683	5,470
Rates receivable	10,019	9,460	10,019	9,460
Less allowance for expected credit losses	(678)	(781)	(713)	(781)
Total debtors and receivables	30,127	29,281	30,759	30,068

Exchange and non-exchange transactions

Receivables from exchange transactions of \$6.8 million (2023: \$6.5 million) include outstanding amounts for interest and fees and charges that have not been subsidised by rates.

The remaining debtors and receivables are from non-exchange transactions and include outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates.

Fair value

Debtors and receivables (excluding community loans) are non-interest bearing and receipt is normally on 30 day terms, therefore the carrying value of receivables approximates their fair value.

Expected credit losses

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

Due to the historical experience of non-payment of council rates assessed on Maori freehold land, Council can make a reasonable expected calculation of the amount that will not be paid. The expected amount of non-collectible rates has been deducted from the gross revenue and rates receivable. The expected amount of uncollectible Maori freehold land rates for 2024 was based on the proportion written off over the past two years.

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

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

Section 90A: \$8,919 (2023: \$14,696)

Section 90B: nil (2023: \$105,721)

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

				\$'000		
	2024			2023		
	Gross	Impairment	Net	Gross	Impairment	Net
Council						
Current	22,213	-	22,213	22,299	-	22,299
30 days	710	-	710	830	-	830
60 days	1,592	-	1,592	1,580	-	1,580
90 days and over	6,290	(678)	5,612	5,353	(781)	4,572
Total	30,805	(678)	30,127	30,062	(781)	29,281
Group						
Current	22,837	-	22,837	22,967	-	22,967
30 days	718	-	718	831	-	831
60 days	1,594	-	1,594	1,584	-	1,584
90 days and over	6,323	(713)	5,610	5,467	(781)	4,686
Total	31,472	(713)	30,759	30,849	(781)	30,068

The allowance for expected credit losses has been calculated based on a review of specific overdue receivables and a collective assessment. The collective assessment is based on an analysis of past collection history and debt write-offs.

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

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Individual allowance for expected credit losses	(421)	(542)	(456)	(542)
Collective allowance for expected credit losses	(257)	(239)	(257)	(239)
Total provision for impairment	(678)	(781)	(713)	(781)

An analysis of impaired debtors is as follows:

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
90 days and over	(678)	(781)	(713)	(781)
Total individual impairment	(678)	(781)	(713)	(781)

Council and the Group hold no collateral as security or other credit enhancements over receivables that are either past due or impaired.

NOTE 12: OTHER CURRENT ASSETS

Accounting policy

INVENTORIES

The cost of other inventories is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Inventory includes water chemicals used for the treatment of water that are expensed at the time of purchase, therefore no amount is recognised as inventory at year end.

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Other current assets				
Inventories	-	-	531	424
Prepayments	1,703	1,777	1,716	1,799
Lease receivable	-	-	4	11
Total other current assets	1,703	1,777	2,251	2,234

NOTE 13: OTHER FINANCIAL ASSETS

Accounting policy

The Group classifies its financial assets in the following categories: financial assets at fair value through surplus or deficit, loans and receivables, held to maturity financial assets and financial assets at fair value through the statement of comprehensive revenue and expense. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its investments at initial recognition and re evaluates this designation at every reporting date.

FINANCIAL ASSETS AT FAIR VALUE THROUGH SURPLUS OR DEFICIT

This category has two sub categories: financial assets held for trading and those designated at fair value through profit or loss 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. Derivatives are also categorised as held for trading unless they are designated as hedges. 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 balance date.

The Group's financial assets at fair value through surplus or deficit comprise in the money derivatives (principally interest rate swaps).

LOANS AND RECEIVABLES

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after balance date, which are included in non current assets.

The Group's loans and receivables comprise cash and cash equivalents, trade and other receivables, loans to community organisations and related party loans.

Loans to community organisations at nil or below market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The difference between the face value and present value of expected future cash flows of the loan is recognised in surplus or deficit as a grant.

HELD TO MATURITY INVESTMENTS

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity.

The Group currently has no financial assets classified as held to maturity.

FINANCIAL ASSETS AT FAIR VALUE THROUGH THE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Financial assets at fair value through the statement of comprehensive revenue and expense are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets unless management intends to dispose of the investment within 12 months of balance date.

The Group's shares in public companies are included in this category as they are not classified in any other category. These are held for strategic purposes and there is no intention to sell.

MEASUREMENT

Purchases and sales of financial assets are recognised on trade date (which is the date on which the Group commits to purchase or sell the asset). Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case they are recognised at fair value and the transaction costs are expensed.

After initial recognition, all financial assets are measured at fair value. Council uses a variety of methods to determine fair value of financial assets. Some of these include quoted market prices and estimated discounted cashflows. Realised and unrealised gains and losses arising from changes in the fair value of financial assets are included in surplus or deficit in the period in which they arise.

The Group assesses at each balance date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment is recognised in surplus or deficit.

DE-RECOGNITION

Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Current portion				
Short term deposit	20,175	6,000	20,175	6,000
Community loans	241	94	241	94
LGFA borrower notes	320	288	320	288
Total current portion	20,736	6,382	20,736	6,382
Non-current portion				
Investments held in CCO's and similar entities	14,399	12,425	12,202	10,321
Total investment CCO's and similar entities	14,399	12,425	12,202	10,321
Community Loans	5,571	163	5,571	163
LGFA borrower notes	5,506	4,526	5,506	4,526
Shares held	3,814	3,569	3,814	3,569
Lease receivable	-	-	-	3
Total investment in other entities	14,891	8,258	14,891	8,261
Total non-current portion	29,290	20,683	27,093	18,582
Total other financial assets	50,026	27,065	47,829	24,964

Civic Financial Services Limited

Shares held by Council: 63,524, \$59,000 (2023: 63,524, \$57,000) in Civic Financial Services Limited.

New Zealand Local Government Funding Agency (LGFA)

Council is a shareholder in the LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from S&P Global Ratings of AA.

The carrying amount of shares in LGFA approximates their fair value. Shares held by Council: 1,492,784, \$3.75 million (2023: 1,492,784, \$3.51 million). Council has estimated the fair value of this investment based on the LGFA's net asset backing at 30 June 2024.

Council is one of 31 shareholders of the NZLGFA. When aggregated with the uncalled capital of other shareholders, \$20 million unpaid Ordinary Shares are available to be called where the NZLGFA Board has determined that there is an imminent risk of default. Also, together with other shareholders, Council is a guarantor of all NZLGFA's borrowings. As at 30 June, NZLGFA had issued bonds totalling \$23.841 billion (2023: \$18.570 billion).

Investments held in joint ventures and subsidiaries

- Council owns 100 shares (2023: 100) in Springs Flat Contractors Limited, valued at \$1 each. This is a dormant company.
- Council's investment in the joint venture with the Ministry of Transport in Whangarei District Airport is \$1.49 million (2023: \$1.47 million).
- Council's investment in the Northland Regional Landfill Limited Partnership is \$12.91 million (2023: \$10.96 million).

Impairment

There have been no impairments recognised during the year (2023: nil).

COMMUNITY LOANS

- The fair value of community loans is \$5.81 million (2023: \$0.26 million). Fair value has been determined using cash flows discounted using a weighted average cost of capital 4.28% (2023: 4.58%).
- The face value of community loans is \$5.69 million (2023: \$0.28 million).
- Movements in the carrying value of loans are as follows:

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Opening Balance at 1 July	257	395	257	395
Amount of new loans granted during the year	5,859	-	5,859	-
Loans repaid during the year (principal and interest)	(459)	(144)	(459)	(144)
Unwind of discount and interest charged	155	6	155	6
At 30 June	5,812	257	5,812	257

NOTE 14: NON-CURRENT ASSETS HELD FOR SALE

Accounting policy

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs are recognised in the surplus or deficit.

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

Non-current assets are not depreciated or amortised while they are classified as held for sale.

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Non-current assets held for sale				
Opening balance	410	410	410	410
Transfers (to)/from property, plant and equipment	(410)	-	(410)	-
Total assets held for sale	-	410	-	410

NOTE 15: INVESTMENT PROPERTIES

Accounting policy

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or for both and generate cash flows largely independent of other assets held by the entity.

An investment property is measured initially at its cost, including transaction costs. After initial recognition, investment property is measured at fair value at each reporting date. Gains or losses arising from a change in the fair value of investment property are recognised in surplus or deficit.

Investment properties do not include property held primarily for strategic purposes or to provide a social service (such as pensioner housing), even though such property may earn rentals or appreciate in value. Such properties are instead classified as items of property, plant and equipment.

When the use of a property changes from investment property to owner occupied property, the property is reclassified as owner occupied property and recorded at its fair value at the date of transfer.

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Opening Balance at 1 July	95,838	97,463	95,838	97,463
Additions from acquisitions	31	1,412	31	1,412
Fair value gains/(losses) on valuation	2,515	(387)	2,515	(387)
Disposals and transfers	-	(2,650)	-	(2,650)
Balance at 30 June	98,384	95,838	98,384	95,838

Council's investment properties are valued annually at fair value effective 30 June. Values for the investment properties have been assessed primarily on a market related basis where sufficient data is available for rentals, investment return rates and land and improvement levels related directly to a wide range of Northland sales evidence. The valuation was performed by a member of the Associate New Zealand Institute of Valuers (ANZIV) TelferYoung (Northland) Limited, an experienced valuer with extensive market knowledge of the types of investment property owned by Council.

Information about the revenue and expenses in relation to investment property is detailed below:

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Rental revenue	3,382	3,546	3,382	3,546
Direct operating expenses from investment property generating revenue	(1,281)	(1,231)	(1,281)	(1,231)
Direct operating expenses from investment property not generating revenue	(39)	(9)	(39)	(9)

Council has no contractual obligations for capital or operating expenditure for investment properties (2023: nil).

NOTE 16: FORESTRY ASSETS

Accounting policy

Standing forestry assets are independently revalued to fair value less estimated costs to sell every three years. Forestry assets were last revalued as at 30 June 2024.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the surplus or deficit when incurred.

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

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Forestry assets	910	854	910	854
Balance at 30 June 2024	910	854	910	854

Council ownership of forestry assets

FORESTRY ACTIVITIES DURING THE YEAR

No activity has been undertaken in relation to the Forestry Assets this year.

Valuation assumptions

Independent registered valuers, Woodlands Pacific Consulting Limited, have valued Council's forestry assets as at 30 June 2024. The following significant valuation assumptions have been used in determining the fair value of forestry assets:

- log prices are based upon a five-year export log price index series
- notional land rental costs have been included for freehold land
- no allowance for inflation has been provided
- it is assumed due to the age of the forests, with the exception of Sargents Hill and Purua, no expenditure will be required on forest development. It is assumed Sargents Hill and Purua will be managed under an unpruned regime, requiring one waste thin and fertilizer.
- notional land rental costs have been included for freehold land
- a discount rate of 9% has been used in discounting the present value of expected future cash flows
- costs have been reviewed and updated based upon the current industry rates and the management regimes being applied

Financial risk management strategies

Council is exposed to financial risks arising from changes in log prices and production costs. However, the sales value of harvested trees does not represent a significant proportion of Council's revenue stream so the potential financial risk involved is not considered material.

Forestry Assets

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Balance at 1 July	854	854	854	854
Gains/(losses) arising from changes in fair value	56	-	56	-
Balance at 30 June	910	854	910	854

NOTE 17: OTHER NON-CURRENT ASSETS

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Other non-current assets				
Prepayments	1,715	2,288	1,715	2,288
Total other non-current assets	1,715	2,288	1,715	2,288

NOTE 18: PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment is initially recognised at cost.

The cost of an item of property, plant and equipment includes its purchase/ construction price and costs directly attributable to bringing it to the location and condition necessary for it to operate as intended. In the case of landfills, post closure costs and restoring the site on which it is located are included.

Where an item of property, plant and equipment is self constructed, its construction cost includes the cost of materials and direct labour and an appropriate proportion of production overheads. Costs are recognised as work in progress and are transferred to the relevant asset class only when construction is complete.

Where an item of property, plant and equipment is donated or received at a subsidised amount, it is initially recognised at fair value. This applies to some infrastructure assets and land which has been vested to the Group and as part of the subdivision consent process:

- the vested reserve land has been recognised at the time of transfer at market value, which is recognised as vested asset revenue and deemed to be its initial cost.
- vested infrastructure assets have been valued on initial recognition based on the actual quantities of infrastructure components vested and the current 'in the ground' cost of providing identical services.

REVALUATION

Property, plant and equipment that is carried under the revaluation model is revalued with sufficient regularity to ensure that the carrying amount does not materially differ from fair value. All revalued property, plant and equipment is revalued at least every three years, except for roading which is revalued annually, and pensioner housing, which is revalued every five years. The valuation method employed is optimised depreciated replacement cost, except pensioner housing which is valued at market value.

Revaluations are accounted for on a class of asset basis.

An increase in carrying amount is recognised in an asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrement for the same asset class previously recognised in surplus or deficit, in which case the increment is recognised in surplus or deficit. Decreases that offset previous increases of the same asset class are recognised in the asset revaluation reserve in equity; all other decreases are recognised in surplus or deficit. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

ADDITIONS

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

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

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

Costs incurred subsequent to initial acquisition are recognised when the recognition criteria above is met. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

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

DISPOSALS

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

SUBSEQUENT MEASUREMENT

Subsequent to initial recognition, items of property, plant and equipment are carried under either the cost model (cost less accumulated depreciation and accumulated impairment) or the revaluation model (fair value at the date of the revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses).

When the use of a property changes from owner-occupied to investment property, the property is reclassified as an investment property at its carrying value at the date of the transfer, and then revalued annually in line with the investment property accounting policy.

DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant, and equipment (excluding land and work in progress), at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Where material parts of an item of property, plant and equipment have different useful lives, or where significant parts of an item of property, plant and equipment are required to be replaced at intervals, they are accounted for as separate items of property, plant and equipment.

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

Class of PP&E	Estimated useful life
Operating assets	
Land	Indefinite
Buildings	10-100
Strategic land	Indefinite
Strategic buildings	35-50
Pensioner housing - land	Indefinite
Pensioner housing - buildings	14-80
Library books	10
Motor vehicles	5
Office furniture and fittings	3-20
Plant and equipment	3-80
Infrastructural assets	
Land for roads*	Indefinite
Roading network	
Bridges	15-100
Carriageways	4-70
Formation	Indefinite
Culverts	35-80
Footpaths	10-55
Kerbs and channels	60
Street and road signs	15
Traffic services	15-40

Class of PP&E	Estimated useful life
Water	
Pipes	50-107
Plant and equipment	5-80
Treatment plant	60
Wastewater	
Pipes	30-101
Pumps and pump stations	20-100
Manholes	80-101
Treatment plant	15-100
Stormwater	
Pipes	11-125
Manholes	11-100
Parks and Recreation	
Walkways, reserves and sport	10-100
Restricted assets	
Heritage assets**	Indefinite
Parks and reserve land	Indefinite
Marina structures***	40-44

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

* Land under roads was valued based on fair value of adjacent land, effective 30 June 2005. On transition to NZ IFRS Council elected to use the fair value of land under roads as at 30 June 2007 as deemed cost. Land under roads is no longer revalued.

** Valued at the estimated current market value as at 30 June 2002 by the Art Museum Curator. Subsequent additions are recorded at cost or market value. Donated assets do not form part of the cyclical valuation.

*** Historical assets situated at Whangarei Marina and Tutukaka Marina (under the management of the Whangarei Harbour Marina Trust and the Tutukaka Marina Management Trust respectively).

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group conducts an annual review of asset values, which is used as a source of information to assess for any indicators of impairment.

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 its value in use.

If an asset's service amount exceeds its recoverable amount, the asset is regarded as impaired and the service amount is written-down to the recoverable amount. Impairment losses for revalued items are recognised in the same manner as revaluation decrements. Impairment losses for items carried at cost are recognised in the surplus or deficit.

VALUE IN USE FOR NON-CASH-GENERATING ASSETS

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

For non-cash-generating assets, value in use is determined as the present value of the asset's remaining service potential, which is the depreciated replacement cost of the asset.

VALUE IN USE FOR CASH-GENERATING ASSETS

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

The value in use for cash-generating assets is the estimated present value of expected future cashflows.

COUNCIL 2024	Cost / revaluation 1-Jul-23	Accumulated depreciation 1-Jul-23	Carrying amount 1-Jul-23	Transfers from WIP	Current year additions	Net current year disposals*
Operating assets						
At cost & valuation						
Land	46,137	-	46,137	12	-	-
Buildings	40,205	(14,671)	25,534	55,006	-	-
Strategic land	1,735	-	1,735	-	-	-
Strategic buildings	400	(94)	306	-	-	(9)
Pensioner housing - land	7,938	-	7,938	-	-	-
Pensioner housing - buildings	31,262	(2,301)	28,961	718	-	(242)
Library books	6,307	(4,178)	2,129	655	-	-
Motor vehicles	2,968	(1,240)	1,728	433	-	(26)
Office furniture and fittings	7,723	(1,610)	6,113	372	-	-
Plant & equipment	8,635	(2,251)	6,384	914	-	-
Capital work in progress	61,062	-	61,062	(58,712)	12,215	156
Total operating assets	214,372	(26,345)	188,027	(602)	12,215	(121)
Infrastructure assets						
At cost & valuation						
Land for roads	34,812	-	34,812	140	-	-
Roading	953,149	-	953,149	36,534	2,897	(1,706)
Stormwater	259,166	(4,056)	255,110	1,007	4,307	(326)
Flood protection	35,288	(377)	34,911	-	-	-
Solid waste	10,482	(256)	10,226	834	40	(209)
Wastewater	307,652	(9,120)	298,532	3,395	1,915	(1,325)
Parks and recreation	94,195	(4,310)	89,885	996	261	(396)
Water	262,947	(7,719)	255,228	6,805	1,604	(260)
Capital work in progress	58,603	-	58,603	(49,109)	83,703	-
Total infrastructure assets	2,016,294	(25,838)	1,990,456	602	94,727	(4,222)

\$'000

Current year impairment charges	Current year depreciation	Reclassifications / Transfers*	Revaluation surplus*	Cost / revaluation 30-Jun-24	Accumulated depreciation 30-Jun-24	Carrying amount 30-Jun-24
-	-	-	-	46,149	-	46,149
-	(2,708)	410	-	95,619	(17,377)	78,242
-	-	-	-	1,735	-	1,735
-	(3)	-	-	390	(96)	294
-	-	-	-	7,938	-	7,938
-	(2,327)	-	-	31,700	(4,590)	27,110
-	(268)	-	-	5,937	(3,421)	2,516
-	(338)	-	-	3,272	(1,475)	1,797
-	(954)	-	-	8,095	(2,564)	5,531
-	(649)	-	-	9,549	(2,900)	6,649
-	-	-	-	14,721	-	14,721
-	(7,247)	410	-	225,105	(32,423)	192,682
-	-	-	-	34,952	-	34,952
-	(24,600)	-	115,497	1,081,771	-	1,081,771
-	(4,373)	-	49,317	305,042	-	305,042
-	(366)	-	(1,159)	33,386	-	33,386
-	(294)	-	1,069	11,666	-	11,666
-	(8,941)	-	62,299	355,875	-	355,875
-	(4,235)	-	28,627	115,138	-	115,138
-	(8,362)	-	75,568	330,583	-	330,583
-	-	-	-	93,197	-	93,197
-	(51,171)	-	331,218	2,361,610	-	2,361,610

COUNCIL 2024	Cost / revaluation 1-Jul-23	Accumulated depreciation 1-Jul-23	Carrying amount 1-Jul-23	Transfers from WIP	Current year additions	Net current year disposals*
Restricted assets						
At cost & valuation						
Reserve land	22,090	-	22,090	-	-	-
Heritage assets	1,282	-	1,282	-	-	-
Marina facilities	697	(425)	272	-	-	-
Total restricted assets	24,069	(425)	23,644	-	-	-
Total Council assets	2,254,735	(52,608)	2,202,127	-	106,942	(4,343)

Current year impairment charges	Current year depreciation	Reclassifications / Transfers*	Revaluation surplus*	Cost / revaluation 30-Jun-24	Accumulated depreciation 30-Jun-24	Carrying amount 30-Jun-24
-	-	-	-	22,090	-	22,090
-	-	-	-	1,282	-	1,282
-	(27)	-	-	697	(452)	245
-	(27)	-	-	24,069	(452)	23,617
-	(58,445)	410	331,218	2,610,784	(32,875)	2,577,909

\$'000

	Cost / revaluation 1-Jul-23	Accumulated depreciation 1-Jul-23	Carrying amount 1-Jul-23	Transfers from WIP	Current year additions	Net current year disposals*
GROUP 2024						
Subsidiaries property, plant and equipment						
At cost & valuation						
Land developments	512	(227)	285	-	28	(10)
Buildings	32,142	(1,362)	30,780	3	7	(3)
Other plant & equipment	1,252	(411)	841	27	59	(6)
Artworks	634	-	634	-	-	(50)
Work in progress	-	-	-	(30)	58	-
Total subsidiaries	34,540	(2,000)	32,540	-	152	(69)
Total Group assets	2,289,275	(54,608)	2,234,667	-	107,094	(4,412)

* Net Current Year Disposals and Reclassification/Transfers are net of accumulated depreciation.

Core infrastructure asset disclosures

Included within Council's infrastructure assets above are the following core Council assets:

	Closing book value	Additions constructed by Council	Additions transferred to Council	Replacement cost
\$'000				
Water supply				
Treatment plants and facilities	27,493	2,414	114	46,177
Other assets	303,092	4,531	1,490	606,400
Sewerage				
Treatment plants and facilities	51,924	2	-	100,263
Other assets	303,951	3,513	1,915	599,574
Stormwater	305,041	1,347	4,307	462,306
Flood protection	33,386	-	-	64,953
Roads and footpaths	1,081,771	36,534	2,897	1,755,321
Total	2,106,658	48,341	10,723	3,634,994

\$'000

Current year impairment charges	Current year depreciation	Reclassifications / Transfers*	Revaluation surplus*	Cost / revaluation 30-Jun-24	Accumulated depreciation 30-Jun-24	Carrying amount 30-Jun-24
-	(17)	-	-	513	(226)	287
-	(879)	-	-	32,164	(2,242)	29,922
-	(137)	-	-	1,294	(527)	767
-	-	-	-	584	-	584
-	-	-	-	28	-	28
-	(1,033)	-	-	34,583	(2,995)	31,588
-	(59,478)	410	331,218	2,645,367	(35,870)	2,609,497

COUNCIL 2023	Cost / revaluation 1-Jul-22	Accumulated depreciation 1-Jul-22	Carrying amount 1-Jul-22	Transfers from WIP	Current year additions	Net current year disposals*
Operating assets						
At cost & valuation						
Land	45,323	-	45,323	814	-	-
Buildings	40,108	(13,769)	26,339	226	-	(74)
Strategic land	1,735	-	1,735	-	-	-
Strategic buildings	400	(91)	309	-	-	-
Pensioner housing - land	7,925	-	7,925	13	-	-
Pensioner housing - buildings	31,280	-	31,280	538	-	(489)
Library books	6,239	(4,313)	1,926	532	-	-
Motor vehicles	2,449	(1,102)	1,347	806	-	(132)
Office furniture and fittings	5,568	(4,091)	1,477	5,167	-	(113)
Plant & equipment	10,540	(4,112)	6,428	626	-	(52)
Capital work in progress	39,072	-	39,072	(8,729)	30,868	(149)
Total operating assets	190,639	(27,478)	163,161	(7)	30,868	(1,009)
Infrastructure assets						
At cost & valuation						
Land for roads	34,812	-	34,812	-	-	-
Roading	931,186	-	931,186	36,179	3,256	(777)
Stormwater	249,790	(16)	249,774	759	8,841	(204)
Flood protection	35,288	(1)	35,287	-	-	-
Solid waste	8,834	(1)	8,833	1,647	-	-
Wastewater	300,090	(26)	300,064	4,892	2,994	(213)
Parks and recreation	87,400	(11)	87,389	7,240	327	(281)
Water	260,290	(24)	260,266	3,518	2,236	(1,076)
Capital work in progress	57,636	-	57,636	(54,235)	55,202	-
Total infrastructure assets	1,965,326	(79)	1,965,247	-	72,856	(2,551)

\$'000

Current year impairment charges	Current year depreciation	Reclassifications / Transfers*	Revaluation surplus*	Cost / revaluation 30-Jun-23	Accumulated depreciation 30-Jun-23	Carrying amount 30-Jun-23
-	-	-	-	46,137	-	46,137
-	(957)	-	-	40,205	(14,671)	25,534
-	-	-	-	1,735	-	1,735
-	(3)	-	-	400	(94)	306
-	-	-	-	7,938	-	7,938
-	(2,368)	-	-	31,262	(2,301)	28,961
-	(329)	-	-	6,307	(4,178)	2,129
-	(293)	-	-	2,968	(1,240)	1,728
-	(418)	-	-	7,723	(1,610)	6,113
-	(618)	-	-	8,635	(2,251)	6,384
-	-	-	-	61,062	-	61,062
-	(4,986)	-	-	214,372	(26,345)	188,027
-	-	-	-	34,812	-	34,812
-	(24,237)	-	7,542	953,149	-	953,149
(17)	(4,043)	-	-	259,166	(4,056)	255,110
-	(376)	-	-	35,288	(377)	34,911
-	(254)	-	-	10,482	(256)	10,226
(104)	(9,101)	-	-	307,652	(9,120)	298,532
(458)	(4,332)	-	-	94,195	(4,310)	89,885
(1,966)	(7,750)	-	-	262,947	(7,719)	255,228
-	-	-	-	58,603	-	58,603
(2,545)	(50,093)	-	7,542	2,016,294	(25,838)	1,990,456

\$'000

COUNCIL 2023	Cost / revaluation 1-Jul-22	Accumulated depreciation 1-Jul-22	Carrying amount 1-Jul-22	Transfers from WIP	Current year additions	Net current year disposals*
Restricted assets						
At cost & valuation						
Reserve land	22,090	-	22,090	-	-	-
Heritage assets	1,275	-	1,275	7	-	-
Marina facilities	712	(406)	306	-	-	(7)
Total restricted assets	24,077	(406)	23,671	7	-	(7)
Total Council assets	2,180,042	(27,963)	2,152,079	-	103,724	(3,567)

\$'000

GROUP 2023	Cost / revaluation 1-Jul-22	Accumulated depreciation 1-Jul-22	Carrying amount 1-Jul-22	Transfers from WIP	Current year additions	Net current year disposals*
Subsidiaries property, plant and equipment						
At cost & valuation						
Land developments	512	(210)	302	-	-	-
Buildings	32,089	(486)	31,603	64	4	(14)
Other plant & equipment	1,242	(300)	942	11	39	(19)
Artworks	634	-	634	-	-	-
Work in progress	-	-	-	(75)	75	-
Total subsidiaries	34,477	(996)	33,481	-	118	(33)
Total Group assets	2,214,519	(28,959)	2,185,560	-	103,842	(3,600)

* Net Current Year Disposals and Reclassification/Transfers are net of accumulated depreciation.

							\$'000
Current year impairment charges	Current year depreciation	Reclassifications / Transfers*	Revaluation surplus*	Cost / revaluation 30-Jun-23	Accumulated depreciation 30-Jun-23	Carrying amount 30-Jun-23	
-	-	-	-	22,090	-	22,090	
-	-	-	-	1,282	-	1,282	
-	(27)	-	-	697	(425)	272	
-	(27)	-	-	24,069	(425)	23,644	
(2,545)	(55,106)	-	7,542	2,254,735	(52,608)	2,202,127	

							\$'000
Current year impairment charges	Current year depreciation	Reclassifications / Transfers*	Revaluation surplus*	Cost / revaluation 30-Jun-23	Accumulated depreciation 30-Jun-23	Carrying amount 30-Jun-23	
-	(17)	-	-	512	(227)	285	
-	(877)	-	-	32,142	(1,362)	30,780	
-	(132)	-	-	1,252	(411)	841	
-	-	-	-	634	-	634	
-	-	-	-	-	-	-	
-	(1,026)	-	-	34,540	(2,000)	32,540	
(2,545)	(56,132)	-	7,542	2,289,275	(54,608)	2,234,667	

Core infrastructure asset disclosures

Included within Council's infrastructure assets above are the following core Council assets:

	Closing book value	Additions constructed by Council	Additions transferred to Council	Replacement cost
\$'000				
Water supply				
Treatment plants and facilities	23,420	1,493	-	29,369
Other assets	231,807	2,056	2,214	475,803
Sewerage				
Treatment plants and facilities	46,345	307	-	36,633
Other assets	252,186	4,692	2,887	538,719
Stormwater	255,110	977	8,623	383,460
Flood Protection	34,911	-	-	50,942
Roads and footpaths	952,023	36,179	3,601	1,529,056
Total	1,795,802	45,704	17,325	3,043,982

Valuation

INFRASTRUCTURE ASSETS

Council's infrastructural assets (excluding roading and land under roads) are valued at fair value.

INFRASTRUCTURE ASSETS (EXCLUDING ROADING)

Fair value is determined using market-based evidence and relevant data. Using the previous valuation dated 30 June 2022 updated for subsequent additions and disposals, WDC management conducted the most recent valuation effective 30 June 2024. This valuation primarily was derived from the indexation of unit pricing for applicable assets. This was also sense checked against recent contract pricing for reasonableness where applicable.

The valuation has been undertaken in accordance with the following documents:

- PBE IPSAS 17 Property Plant and Equipment, New Zealand Accounting Standards Board, January 2019
- New Zealand Infrastructure Asset Valuation and Depreciation Guidelines, Edition 2.0, National Asset Management Steering Group, February 2006

Infrastructure assets are valued using the optimised depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- estimating any obsolescence or surplus capacity of the asset. There have been no optimisation adjustments in the most recent valuation.
- estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- estimates of the remaining useful life over which the asset will be depreciated. Useful lives have been determined with reference to the Infrastructure Valuation Guidelines and have been adjusted based on local conditions and past experience. Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

This is a change in approach from the previous 30 June 2022 valuation whereby an external valuer, WSP New Zealand Limited conducted the full valuation.

Given this is a management valuation, a peer review by an independent external expert was required. This was conducted by WSP New Zealand given their previous experience and history with the Council valuation. The peer review included checking the unit rates derived through indexation and base lives for water utilities (water supply, wastewater and stormwater), flood protection, parks and solid waste infrastructure assets included in the valuation. They also completed a thorough review of the assumptions, criteria, and methods used, and their application thereof on the valuation.

LAND UNDER ROADS

Land under roads was valued based on fair value of adjacent land, effective 30 June 2005. On transition to NZ IFRS Council elected to use the fair value of land under roads as at 30 June 2007 as deemed cost. Land under roads is no longer revalued.

ROADING

Council's roading assets are valued at fair value as determined by an independent valuer. The most recent valuation was performed by WSP New Zealand Ltd and the valuation is effective as at 30 June 2024. Fair value was determined on an optimised depreciated replacement cost basis. Values are calculated from unit rates, based on the recent tendered construction and renewal contracts, and indexed using relevant Waka Kotahi cost adjustment factors.

OPERATIONAL ASSETS

Pensioner Housing (non-investment) is valued at fair value on a five-year basis by independent registered valuers. The most recent valuation was performed by TelferYoung (Northland) Limited, and the valuation is effective as at 30 June 2022. Fair value was determined on a market value basis. Between valuations, expenditure on asset improvements is capitalised at cost. All other operational assets are carried at depreciated historical cost.

IMPAIRMENT

Council's process for impairment assessment requires asset managers to assess for any impairment (including as a result of any seismic strengthening requirements) in their activity area on a regular basis. No impairment has been recognised as at 30 June 2024 against infrastructure assets (2023: \$2.5m).

INSURANCE OF ASSETS

		\$'000,000's	
		2024	2023
a)	The total value of all assets of Council that are covered by insurance contracts is:	1,397	1,122
	The total value of assets covered for material damage is:	892*	695*
b)	Total replacement value of all assets of Council that are covered by financial risk sharing arrangement is:	3,653	3,007
	Maximum amount available to Council under these arrangements.	Nil**	Nil**
c)	The total value of all assets of Council that are self-insured, is \$1,182 million (2023: \$1,002 million).	1,182	1,002
	Fund for the purpose of self insurance is not maintained by Council.	Nil	Nil

* Limit per event for above ground assets is \$50 million for fire loss and \$250 million for everything else. For below ground assets the limit is \$125 million.

** Subject to meeting defined criteria, the cost associated with the immediate response, reopening and/or restoration of Roading assets, as a result of a short natural event eg cyclone, may be subsidised by Waka Kotahi. Maximum subsidy available to Council is 53% to 95%. In addition subject to meeting defined criteria the Government may contribute up to 60% of the costs to repair other essential infrastructure.

Work in progress

The total amount of PPE work in progress is \$107.2 million (2023: \$119.6 million). Work in progress are capital projects that have not been capitalised into Council's asset management system at 30 June.

PPE work in progress by asset class is detailed below:

		\$'000	
		Council	
		Actual 2024	Actual 2023
	Parks	26,601	17,239
	Wastewater	12,993	7,255
	Roading	35,772	16,072
	Water	15,200	10,754
	Other*	16,663	68,285
Total work in progress		107,229	119,605

* Included within work in progress (2023) was approximately \$58m relating to the Civic Centre building (Te Iwitahi). Final completion including quantity surveying and componentisation of the underlying work in progress was completed in 2024 and all costs have been capitalised and transferred from work in progress.

NOTE 19: INTANGIBLE ASSETS

Accounting policy

COMPUTER SOFTWARE

Acquired computer software licences are capitalised based on the costs incurred to acquire and prepare the software for use.

Costs directly associated with the development of identifiable and unique software products, where the criteria for capitalisation have been met, are recognised as an asset.

Staff training costs are recognised in the surplus or deficit when incurred.

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

Computer software assets are amortised using the straight line method over their estimated useful lives (3 to 10 years).

EASEMENTS

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

CARBON CREDITS

The Group participates in the New Zealand Emission Trading Scheme (ETS). Purchased New Zealand Units (NZU's) are recognised at cost on acquisition, and NZU's which represent carbon credits received from the Government are recognised at fair value as at the date of transfer. NZU's have an indefinite useful life and consequently aren't amortised, but are tested for impairment annually.

After initial acquisition, NZU's are recorded at the NZU spot rate at 30 June. This is considered to be fair value.

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 financial year is recognised in the surplus or deficit.

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

<i>Class of intangible asset</i>	<i>Estimated useful life (years)</i>
Computer software	3-10

IMPAIRMENT OF INTANGIBLE ASSETS

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.

For further details, refer to the policy for impairment of property, plant and equipment in note 18. The same approach applies to the impairment of intangible assets.

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

	\$'000				
COUNCIL	Easements	Intangibles work in progress	Forestry carbon credits	Software assets*	Total
At 1 July 2022					
Cost or valuation	159	3,213	2,540	6,522	12,434
Accumulated amortisation and impairment	-	-	-	(3,220)	(3,220)
Net book amount	159	3,213	2,540	3,302	9,214
Additions	68	645	-	3,381	4,094
Transfers/disposals at cost	-	(3,438)	-	(1,128)	(4,566)
Fair value gain	-	-	(1,170)	-	(1,170)
Amortisation charge *	-	-	-	(6)	(6)
Closing net book amount 30 June 2023	227	420	1,370	5,549	7,566
Additions	-	1,774	-	879	2,653
Transfers/disposals at cost	-	(910)	-	-	(910)
Fair value gain	-	-	314	-	314
Amortisation charge*	-	-	-	(1,406)	(1,406)
Closing net book amount 30 June 2024	227	1,284	1,684	5,022	8,217
At 30 June 2024					
Cost or valuation	227	1,284	1,684	9,655	12,850
Accumulated amortisation and impairment	-	-	-	(4,633)	(4,633)
Net book amount	227	1,284	1,684	5,022	8,217

\$'000

GROUP	Easements	Intangibles work in progress	Forestry carbon credits	Software assets*	Total
At 1 July 2022					
Cost or valuation	159	3,213	2,540	6,599	12,511
Accumulated amortisation and impairment	-	-	-	(3,232)	(3,232)
Net book amount	159	3,213	2,540	3,367	9,279
Additions	68	645	-	3,381	4,094
Transfers/disposals at cost	-	(3,438)	-	(1,128)	(4,566)
Fair value gain	-	-	(1,170)	-	(1,170)
Amortisation charge *	-	-	-	(20)	(20)
Closing net book amount 30 June 2023	227	420	1,370	5,600	7,617
Additions	-	1,774	-	879	2,653
Transfers/disposals at cost	-	(910)	-	-	(910)
Fair value gain	-	-	314	-	314
Amortisation charge*	-	-	-	(1,420)	(1,420)
Closing net book amount 30 June 2024	227	1,284	1,684	5,059	8,254
At 30 June 2024					
Cost	227	1,284	1,684	9,732	12,927
Accumulated amortisation and impairment	-	-	-	(4,673)	(4,673)
Net book amount	227	1,284	1,684	5,059	8,254

*Accumulated amortisation charge on transfers/disposals at cost is recognised in the amortisation charge.

Impairment

EASEMENTS

Easements are not cash-generating in nature, as they give Council the right to access private property where infrastructural assets are located. As such, impairment of an easement is determined by considering the future service potential of the easement. No impairment losses have been recognised for easements, as they all have ongoing service potential.

Easements have been assessed as having an indefinite useful life because they provide Council with access to infrastructural assets for an indefinite time period.

CARBON CREDITS

Council considers that the carbon credits held are expected to be fully utilised in satisfying carbon obligations from its landfill operations.

Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

NOTE 20: DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY

		\$'000			
		Council		Group	
	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Directly attributable depreciation and amortisation expense by group of activity					
Transportation	18	24,642	24,269	24,642	24,269
Water	18	8,400	7,780	8,400	7,780
Solid Waste	18	295	255	295	255
Wastewater	18	8,968	9,116	8,968	9,116
Stormwater	18	4,374	4,045	4,374	4,045
Flood Protection	18	367	376	367	376
Community Facilities & Services	18	8,349	8,481	8,349	8,481
Governance & Strategy	18	80	83	80	83
Planning & Regulatory	18	69	42	69	42
Support Services	18	2,894	620	2,894	620
Subsidiaries	18	-	-	973	971
Total depreciation expense	18	58,438	55,067	59,411	56,038
Directly attributable amortisation expense by group of activity					
Support Services	19	1,399	1,081	1,399	1,081
Water	19	4	5	4	5
Community Facilities & Services	19	2	5	2	5
Subsidiaries		-	-	14	14
Total amortisation expense		1,405	1,091	1,419	1,105
Total directly attributable depreciation and amortisation by group of activity		59,843	56,158	60,830	57,143

NOTE 21: DERIVATIVE FINANCIAL INSTRUMENTS

Accounting policy

The Group uses derivative financial instruments (principally interest rate swaps) to hedge various risks (principally those associated with borrowing at variable interest rates).

Derivatives are initially recognised at fair value on the date a derivative contract is entered into. Any associated transaction costs are expensed.

Derivatives are subsequently carried at fair value. In the money derivatives are classified as financial assets at fair value through surplus or deficit and out of the money derivatives are classified as financial liabilities at fair value through surplus or deficit.

The method of recognising changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. None of the Group's derivatives is designated as a hedging instrument. All changes in the fair value of the Group's derivatives are recognised in surplus or deficit and fair value is assessed annually.

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Current asset portion				
Interest rate swaps - fair value	1,015	179	1,015	179
Total current asset portion	1,015	179	1,015	179
Non-current asset portion				
Interest rate swaps - fair value	5,399	9,465	5,399	9,465
Total non-current asset portion	5,399	9,465	5,399	9,465
Current liability portion				
Interest rate swaps - fair value	-	-	-	-
Total current liability portion	-	-	-	-
Non-current liability portion				
Interest rate swaps - fair value	-	-	-	-
Total non-current liability portion	-	-	-	-

The Group's derivative financial instruments such as interest rate swaps and forward rate agreements are used to manage interest rate risk of the Group's borrowings.

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arms-length transaction. The fair values of all derivative financial instruments are determined using a discounted cash flows valuation technique based on the market values of the derivatives as at 30 June 2024. Due to fluctuations in interest rates the fair value of these instruments may change after being recognised as an asset or a liability in the Group's Financial Statement.

Gains and losses arising from changes in the fair value of derivatives are recognised in notes 6 and 8.

Interest rate swaps

The notional amount of derivative financial instruments as at 30 June 2024 for Council and the Group was \$233.0 million (2023: \$264.0 million). This is made up of:

- \$178.0 million of active derivative financial instruments hedging floating rates to fixed rates at rates between 1.63% to 4.93%.
- \$55.0 million of future derivative financial instruments hedging floating rates to fixed rates at rates between 2.64% to 4.04%.

Council's maximum net fixed rate hedging from derivative financial instruments is \$178.0 million.

NOTE 22: PAYABLES AND DEFERRED REVENUE

Accounting policy

Short-term creditors and other payables are recorded at their face value.

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Current portion				
Trade and other payables	2,736	2,912	2,975	3,226
Revenue in advance	7,198	7,515	7,245	7,565
Accrued expenses	25,897	16,441	26,013	16,536
Rates paid in advance	6,080	5,654	6,080	5,654
Deposits held	3,570	2,364	3,574	2,459
Accrued interest on borrowings	2,185	1,850	2,185	1,850
Retentions	1,378	1,475	1,378	1,475
Total current portion	49,044	38,211	49,450	38,765
Non-Current Portion				
Retentions	341	108	341	108
Total non-current portion	341	108	341	108
Total payables and deferred revenue	49,385	38,319	49,791	38,873

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

Exchange and non-exchange transactions

\$28.3 million (2023: \$21.9 million) of trade payables, revenue in advance, accrued expenses, deposits held, accrued interest and retentions are classified as exchange payables. All other payables are non-exchange.

NOTE 23: PROVISIONS

Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits 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 and is included in “finance costs” (see note 5).

Pohe Island landfill post closure costs

As operator of the Pohe Island Landfill, Council has a legal obligation under its resource consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post closure costs is recognised as a liability.

Puwera landfill aftercare costs

The Northland Regional Landfill Limited Partnership has an obligation under its resource consent to monitor and manage risks of the Puwera landfill post closure. The aftercare period is estimated to be 30 years.

			\$'000	
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Current portion				
Landfill aftercare	63	68	63	68
Total current portion	63	68	63	68
Non-current portion				
Landfill aftercare	461	543	461	543
Total non-current portion	461	543	461	543
Total provisions	524	611	524	611

\$'000

Movement in provisions	Landfill aftercare	Other provisions	Total
Council and Group 2024			
Balance at 1 July 2023	611	-	611
Adjustments to provisions made	(48)	-	(48)
Amounts utilised	(57)	-	(57)
Unused amounts reversed	(14)	-	(14)
Discount unwind (note 5)	32	-	32
Balance at 30 June 2024	524	-	524

Provisions for landfill post closure costs - Council

Council gained a discharge permit from the Northland Regional Council to cease operating the Pohe Island Landfill in 1992. As operator of the landfill, Council has a legal obligation to provide ongoing maintenance and monitoring services at the site after closure.

The landfill closed in 2005 and after care costs have been calculated for a 30 year period. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that could be incurred. The provision has been estimated using known improvements in technology and known changes to legal requirements. Based on the projected cash flows, the total of this closure and aftercare liability at net present value to the year ended 30 June 2024 is \$0.5 million (2023: \$0.6 million). This represents Council's projection of the amount required to settle the obligation.

The following significant assumptions have been made in calculating the provision:

- the cash flows are assumed to occur at the end of the financial year
- the landfill has only one stage. The initial development as well as the ongoing development costs are assumed to relate to that one stage
- the discount rate is calculated on the 10 year swap rate of 4.45% plus a margin of 83.00 basis points
- the October 2023 BERL inflation factor has been applied

NOTE 24: TAX PROVISION

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Provision for Tax	502	-	502	-
Total tax provisions	502	-	502	-

NOTE 25: BORROWINGS

Accounting policy

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless Council or the Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Current portion				
Debentures	30,000	28,000	30,000	28,000
Total current portion	30,000	28,000	30,000	28,000
Non-current portion				
Debentures	235,000	203,000	235,000	203,000
Total non-current portion	235,000	203,000	235,000	203,000
Total borrowings	265,000	231,000	265,000	231,000

Secured loans

Council's secured loans consist of the drawn down balance on the committed cash advance facility. The total available for drawdown against this facility is \$30.0 million (2023: \$30.0 million). The interest rate is based on the BKBM (Bank Bill Reference Rate) rate plus a margin for credit risk.

Council's debentures are mostly issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk.

SECURITY

Council's external debt is secured by way of a debenture trust deed over the rates of Council.

FAIR VALUES

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

Internal borrowings

Internal borrowings are eliminated on consolidation in Council's Summary Funding Impact Statement and in the main financial statements, but are not eliminated in the activity Funding Impact Statements.

Council uses its reserves and external borrowing to internally fund both capital expenditure and working capital. Council approves overall borrowing by resolution during the Annual Plan and/or LTP process.

The primary objective in funding internally is to use reserves and external borrowing effectively, by establishing a portfolio that provides funding to internal activity centres. This creates operational efficiencies, as savings are created by eliminating the margin that would be paid through Council separately investing and borrowing externally. In addition to external borrowing mechanisms all reserve accounts are used for internal borrowing purposes.

- Interest is set quarterly on all internal loans at the weighted average cost of external borrowing (including credit margin and other related costs).
- Interest on investment (reserve) balances is set quarterly at the 90 day Bank Bill rate. No adjustment is included for treasury related operational costs.
- Internal borrowing is repaid when funds are needed for the relevant activity. For example, as budgeted water projects are needed, funds previously advanced to another activity would be repaid (with external debt raised if necessary). The reserve would then be reduced as funds are expended.
- Where reserves have been created through a targeted rate (such as water), budgeted expenditure will always have priority over internal leading to another activity.

	\$'000			
	Opening balance 1 July 2023	Loans repaid	Loans raised	Closing balance 30 June 2024
Transportation	44,697	-	6,511	51,208
Community facilities & services	44,697	-	6,511	51,208
Total	89,394	-	13,022	102,416

	\$'000			
	Opening balance 1 July 2022	Loans repaid	Loans raised	Closing balance 30 June 2023
Transportation	33,707	-	10,990	44,697
Community facilities & services	33,707	-	10,990	44,697
Total undrawn committed facilities	67,414	-	21,980	89,394

Interest on internal borrowings

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Transportation	2,147	1,612	2,147	1,612
Community facilities & services	2,147	1,612	2,147	1,612
Total	4,294	3,224	4,294	3,224

NOTE 26: EMPLOYEE ENTITLEMENTS

Accounting policy

SHORT-TERM EMPLOYEE ENTITLEMENTS

Employee benefits that are expected to be settled wholly within twelve months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date.

LONG-TERM EMPLOYEE ENTITLEMENTS

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

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

PRESENTATION OF EMPLOYEE ENTITLEMENTS

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

DEFINED CONTRIBUTION SCHEMES

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

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Current portion				
Accrued Pay	1,391	1,272	1,391	1,272
Annual leave	2,352	2,514	2,457	2,623
Loyalty and performance bonuses	126	103	126	103
Total current portion	3,869	3,889	3,974	3,998

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Non-current portion				
Loyalty and performance bonuses	548	517	548	517
Total non-current portion	548	517	548	517
Total employee entitlements	4,417	4,406	4,522	4,515

Accrued annual leave is calculated at the full amount owing at 30 June each year based on current pay rates. The net decrease of \$162,000 (2023: \$53,000 increase) has been recognised in the Statement of Comprehensive Revenue and Expense.

Loyalty and performance bonuses are payable on completion of each 10 years of service and are subject to performance criteria. The provision is assessed based on the estimated staff eligibility over the next 10 years at an average salary rate to which average inflation of 2.2% is applied. The total is discounted to present value using a discount rate of 4.28% (2023: 4.58%). The increase in the value of the provision of \$54,000 (2023: \$18,000 increase) has been recognised in the Statement of Comprehensive Revenue and Expense.

NOTE 27: EQUITY

Accounting policy

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated funds
- reserves and special funds
- asset revaluation reserve

RESERVES AND SPECIAL FUNDS

These reserves and funds are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Some reserves and special funds are subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the courts or a third party. Transfers to and from these reserves may be made only for specified purposes or when specified conditions are met.

Also included in reserves and special funds are reserves restricted by Council decision. Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of Council.

ASSET REVALUATION RESERVES

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

			\$'000	
			Council	Group
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Ratepayers' equity				
Accumulated funds	1,055,743	1,047,923	1,085,797	1,079,662
Reserves and special funds	104,934	92,976	104,939	92,981
Asset revaluation reserve*	1,325,097	995,440	1,325,097	995,440
Balance at 30 June 2024	2,485,774	2,136,339	2,515,833	2,168,083

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Accumulated funds				
Balance at 1 July	1,047,923	1,048,305	1,079,662	1,082,131
Transfer (to)/from special purpose reserves	(11,958)	(24,303)	(11,958)	(24,303)
Transfers from asset revaluation reserves on disposal	2,120	2,277	2,120	2,277
Total surplus/(deficit) after taxation	17,658	21,644	15,973	19,557
Balance at 30 June	1,055,743	1,047,923	1,085,797	1,079,662

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Reserves and Special Funds				
Rolling ballclock reserve	-	3	-	3
Waste minimisation reserve	2,371	1,084	2,371	1,084
Trust funds	31	30	31	30
Community development fund 1	4,083	4,083	4,083	4,083
Community development fund 2	7,970	7,504	7,970	7,504
Community development fund 3	311	298	311	298
Art acquisitions	3	6	3	6
Clock purchases	54	52	54	52
Capital gain reserve	-	-	5	5
Hikurangi swamp reserve	294	427	294	427
Leonard library reserve	221	215	221	215
General reserve	1,315	1,375	1,315	1,375
Property reinvestment reserve	21,204	21,232	21,204	21,232

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Water reserve	28,552	28,279	28,552	28,279
Wastewater reserve	38,525	28,388	38,525	28,388
Total reserves and special funds	104,934	92,976	104,939	92,981

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Asset revaluation reserve				
Balance at 1 July	995,440	991,353	995,440	991,353
Transfer to accumulated funds on disposal of assets	(2,120)	(2,277)	(2,120)	(2,277)
Revaluations gains/(losses) on unlisted shares	245	(8)	245	(8)
Revaluations gains/(losses) on infrastructure assets	331,218	7,542	331,218	7,542
Revaluations gains/(losses) on other assets	314	(1,170)	314	(1,170)
Balance at 30 June	1,325,097	995,440	1,325,097	995,440

\$'000

Reserve	Purpose	Balance 1 July 2023	Transfers into fund	Transfers out of fund	Balance 30-Jun-24
2024					
Rolling Ball Clock reserve	To fund maintenance of the rolling ball clock.	3	-	3	-
Waste minimisation reserve	Holds any surpluses for future funding of Waste minimisation activities.	1,084	1,542	255	2,371
Trust funds	Bequests held for specific purpose.	30	1	-	31
Community development fund 1	To provide funding for land for reserves or community facilities on Council owned reserve land.	4,083	-	-	4,083
Community development fund 2	To provide funding for community facilities on non-Council reserve land.	7,504	466	-	7,970
Community development fund 3	To provide funding for performing art activities.	298	13	-	311
Art acquisitions	To fund acquisitions of artworks.	6	-	3	3
Clock purchases	To fund purchase of clocks for Claphams Clocks.	52	2	-	54
Hikurangi Swamp Reserve	Holds any surpluses for future funding of Flooding activities	427	1,251	1,384	294
Leonard Library Reserve	Bequest for the purchase of library books.	215	6	-	221
General Reserve	To fund operational grants committed but not paid.	1,375	940	1,000	1,315
Property Reinvestment Reserve	To fund property purchases for a commercial return.	21,232	424	452	21,204

		\$'000			
Reserve	Purpose	Balance 1 July 2023	Transfers into fund	Transfers out of fund	Balance 30-Jun-24
Water Reserve	Holds any surpluses for future funding of Water activities.	28,279	23,005	22,732	28,552
Wastewater Reserve	Holds any surpluses for future funding of Wastewater activities.	28,388	28,903	18,766	38,525
Total restricted reserves - 2024		92,976	56,553	44,595	104,934

		\$'000			
Reserve	Purpose	Balance 1 July 2022	Transfers into fund	Transfers out of fund	Balance 30-Jun-23
2023					
Rolling Ball Clock reserve	To fund maintenance of the rolling ball clock.	-	3	-	3
Waste minimisation reserve	Holds any surpluses for future funding of Waste minimisation activities.	-	1,084	-	1,084
Trust funds	Bequests held for specific purpose.	11	252	233	30
Community development fund 1	To provide funding for land for reserves or community facilities on Council owned reserve land.	4,082	1	-	4,083
Community development fund 2	To provide funding for community facilities on non-Council reserve land.	7,191	313	-	7,504
Community development fund 3	To provide funding for performing art activities.	290	8	-	298
Art acquisitions	To fund acquisitions of artworks.	13	-	7	6
Clock purchases	To fund purchase of clocks for Claphams Clocks.	52	-	-	52

\$'000

Reserve	Purpose	Balance 1 July 2022	Transfers into fund	Transfers out of fund	Balance 30-Jun-23
Hikurangi Swamp Reserve	Holds any surpluses for future funding of Flooding activities	595	398	566	427
Leonard Library Reserve	Bequest for the purchase of library books.	212	3	-	215
General Reserve	To fund operational grants committed but not paid.	152	1,350	127	1,375
Property Reinvestment Reserve	To fund property purchases for a commercial return.	18,857	3,028	653	21,232
Water Reserve	Holds any surpluses for future funding of Water activities.	23,820	5,153	694	28,279
Wastewater Reserve	Holds any surpluses for future funding of Wastewater activities.	13,398	16,930	1,940	28,388
Total restricted reserves - 2023		68,673	28,523	4,220	92,976

Capital management

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

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

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

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

Council has the following Council created reserves:

- Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from payers of general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.
- Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable, and deductions are made where funds have been used for the purpose they were donated.

NOTE 28: CAPITAL COMMITMENTS AND OPERATING LEASES

Accounting policy

OPERATING LEASES

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

THE GROUP AS A LESSEE

The Group is a lessee in operating leases. Lease payments under an operating lease are recognised on a straight-line basis over the term.

THE GROUP AS A LESSOR

The Group is a lessor in operating leases. Receipts from operating leases (net of incentives provided to lessees) are recognised on a straight line basis over the term of the lease.

CAPITAL COMMITMENTS

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Water system	10,588	3,670	10,588	3,670
Parks	9,425	3,508	9,425	3,508
Roading network	16,473	27,776	16,473	27,776
Library	1,554	2,115	1,554	2,115
Other major projects	925	5,150	925	5,150
Waste & drainage	16,444	3,579	16,444	3,579
Business support	3,347	4,851	3,347	4,851
Total capital commitments	58,756	50,649	58,756	50,649

Operating leases as lessee

The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Not later than one year	298	180	306	180
Later than one year and no later than two years	107	154	108	154
Later than two years and not later than five years	246	25	246	25
Total non-cancellable operating leases	651	359	660	359

COUNCIL

Council leases property, plant and equipment in the normal course of its business. The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is nil (2023: nil). Leases can be renewed at Council's option, with rents set by reference to current market rates for items of equivalent age and condition. Council does not have the option to purchase the asset at the end of the lease term. There are no restrictions placed on Council by any of the leasing arrangements.

GROUP

Northland Events Centre (2021) Trust (NECT)

NECT leases property, plant, and equipment in the normal course of its business.

Whangarei Art Trust (WAT)

WAT's operating lease consists of the annual rental paid to Council and WAT receives a rent concession of the same amount from Council.

Operating leases as lessor

The future minimum lease payments to be received under non-cancellable operating commitments are:

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Not later than one year	2,777	2,933	2,777	2,933
Later than one year and not later than two years	1,969	2,265	1,969	2,265
Later than two years and not later than five years	3,299	3,684	3,299	3,684
Later than five years	5,821	5,161	5,821	5,161
Total non-cancellable operating leases	13,866	14,043	13,866	14,043

Council operating lease revenue commitments

Council operating lease revenue commitments relate to commercial lease revenue which is contractually owed until the next scheduled rent review.

NOTE 29: CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Loan guarantees	250	250	250	325
Civil claims	800	-	800	-
Total contingent liabilities	1,050	250	1,050	325

Council loan guarantees

Council is guarantor to a number of community and sporting organisation bank loans. Should these organisations default on the loans, Council is obligated under the guarantee to make loan repayments. There is no evidence of potential default or any payments by Council being required. Whangarei Art Trust's payroll services are outsourced to Payroll Plus Ltd, who require a letter of credit for nil (2023: \$75,000) as guarantee that any direct debits up to this amount will be honoured. On 26th May 2023, New Zealand moved to 7 day payments under an initiative led by Payments NZ. As a result Banks no longer need to rely on the Payroll Letter of Credit for processing payroll transactions. The guarantee was automatically cancelled by BNZ on 25 July 2023.

Weathertightness

The Council's responsibilities under the Building Act has been impacted by the leaky building issue that arose from building industry failures spanning the early 1990s to the mid-2000s. During this period, legislation prescribed Council as the authority to issue building consents and code compliance certificates and allowed private certifiers to enter the market and perform other functions. This resulted in consent decisions being made by multiple entities, including Council. In 2009 Council's then insurer Risk Pool removed cover for weathertightness claims and capped all previously lodged claims to \$250k per annum. There is no insurance cover for weathertight or leaky home claims.

Over the years, the leaky claims process has evolved and matured in mediation, litigation, statement of claims, points of law and precedent. Many parties or respondents to a claim, such as designers, builders, plasterers, engineers and private certifiers, have ceased to trade or companies have shut down. This has left Council as the last man standing.

Council has one outstanding claim registered with Weathertight Homes Resolution Service (WHRS) Register as held by MBIE, as at 30th June 2024.

At this stage it is unlikely that the claim will result in any liability for Council therefore no contingency for weathertightness claims has been provided for.

Riskpool: Update on Winding Up

Whangarei District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects).

In November 2023 the Board resolved to make a call on Members to pay a contribution of \$12.884 million. Council's share of this totalled \$152k, and is included within other expenses within these financial statements.

Riskpool may issue further calls upon members. The quantum of future calls is unable to be quantified.

Civil claims against Council

There are currently two active claims against the Council for negligence and nuisance. A contingent liability has been recorded for these claims based on an estimated loss reserve. It is expected that any liability resulting from these claims will be covered by insurance.

Valuation Reviews

WDC is the defendant in a land valuation objection proceeding brought initially in the Land Valuation Tribunal in relation to the values of 87 properties at Marsden Point. The Land Valuation Tribunal ruled in favour of WDC. The matter has been referred to the High Court following the appellant's appeal. If the proceeding is successful, the valuation of the properties could decrease which would result in rates refunds being made by Council.

It is not possible to quantify the potential financial impact of the litigation on Council because the potential impact of the change in valuation is not defined in the statement of claim and is otherwise unknown.

Unquantified contingent liabilities

There are various other claims that Council and the group are currently contesting which have not been quantified due to the nature of the issues, the uncertainty of the outcome and/or the extent to which Council and the group have a responsibility to the claimant.

New Zealand Local Government Funding Agency (LGFA)

Council is a shareholder of the LGFA and is party to the guarantee of all borrowings of the entity.

Council is one of 30 local authority shareholders. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor

of all of the LGFA's borrowings. At 30 June, LGFA had issued bonds totalling \$23.841 billion (2023: \$18.570 billion).

Financial reporting standards require Council to recognise the guarantee liability at fair value, however, Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- Council is not aware of any local authority debt defaults in New Zealand
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required

Hundertwasser Wairau Maori Arts Centre (HWMAC)

UPDATE ON HUNDERTWASSER ART CENTRE WAIRAU MAORI ART GALLERY (HAC-WMAG)

The HAC-WMAG building was opened on 20 February 2022. Since its opening, various significant factors have affected international tourism numbers in Northland, including covid restrictions, cyclone Gabrielle and significant weather disruptions.

The road closures at Brynderwyns over the past year have significantly impacted tourism in Northland, New Zealand, creating barriers to accessing key attractions and disrupting travel plans for visitors. These closures often resulted in detours and delays, reducing the convenience and appeal of visiting the region. Local businesses, particularly those such as WAT who are reliant on passing traffic, experienced decreased footfall and revenue as a result. The closures underscored the vulnerability of Northland's tourism infrastructure to natural events, highlighting the need for resilient transportation solutions to support the region's tourism industry in the face of future challenges.

OPERATOR AND GUARANTEES AND INDEMNITIES

Whangarei Art Trust (WAT), a CCO of Whangarei District Council will operate the HAC-WMAG on an on-going basis. Council provides an annual grant to cover the operating costs of the Whangarei Art Museum (WAM).

In April 2024, Council provided a one-off \$100,000 grant to cover the shortfall in operating income for the HAC-WMAG, caused by repeated weather-related SH 1 closures. A further \$90,000 grant has been approved for 2025. (2023: \$500,000)

A tender process for the HWMAC construction contract was held in at the end of 2017 and in early 2018. The construction contract has been awarded to Trigg Construction Limited. The building consent has been issued by Council. The tender process and the building consent process determined a finalised project construction cost of \$29.16 million excluding fit out costs.

At inception, underwriting mechanisms were established to cover any trading losses/ operating deficits and re-entry and termination costs up to \$2 million over a 10 year period, with the maximum amount to be drawn down in any one single year of \$500,000.

The underwriting process involved the fundraisers for the HAC - WMAG depositing \$1.25 million into a Westpac deposit account, to be held by Westpac as first guarantor. \$1m

was raised by Prosper Northland Trust, with the remaining \$250,000 raised by the then Whangarei Art Museum Trust (WAMT). The Ngatiwai Trust Board agreed to be the third guarantor, for a further sum of \$750,000.

Subsequent to the setting up of the Westpac and Ngatiwai Trust Board underwrites, the Covid-19 pandemic has substantially changed trading conditions. Consequently, in 2022 Westpac withdrew from the underwrite arrangements as permitted by the Deed of Guarantee. In September 2023 Council exercised its discretion to release Ngatiwai Trust Board (NTB) from the Deed of Guarantee and Indemnity dated 13 April 2018 in favour of Council.

Practical completion was achieved on 22nd October 2021, with some minor finishing work continuing after the handover to

the Trust. The building opening is planned for February 20th 2022.

Following the withdrawal of Westpac's guarantee in 2022, Council has taken over directly administering the underwrite agreement and controlling access to WAT's \$1.25 million deposit under the terms of the agreement. The Whangarei District Council now has controls in place to directly monitor the financial performance of the HAC – WMAG in accordance with the deed.

During 2023, Council approved the release of \$500,000 from WAT's \$1.25 million fund to alleviate cash flow difficulties resulting from the circumstances noted above. Of the \$500,000, Council transferred \$200,000 to the BNZ transactional account controlled by the WAT Board to fund operational costs. \$300,000 was transferred to a WAT Board controlled savings account. Restructuring has enabled the Board to hold the \$300,000 for use in November 2023.

Therefore as at 30 June 2023 the Council held \$750,000 on behalf of the Trust.

In May 2024, the Council transferred a further \$300,000 from the fund to the Trust to cover operating deficits resulting from lower admissions and increased costs.

The balance of the fund at 30 June 2024 is \$450,000 and this is expected to be required in the 2nd half of the 2025 financial year.

WAT has incurred a deficit of \$1,335,652 (prior year \$1,186,488) in the year and has positive working capital and net assets.

The Trustees have undertaken a review of the forecasts for the period of 12 months from the date of the financial statements. These forecasts indicate that the cash on hand combined with the underwrite funds of \$450,000 will enable the Trust to satisfy the going concern basis for the preparation of the financial statements. The Trustees also considered the Council funding commitments made to it through the LTP process which totalled \$694,859 for the financial year 2025 and \$1,084,859 for both FY26 and FY27.

LEASE AND OWNERSHIP OF THE HWMAC STRUCTURE

Council and WAT have entered into a Lease for the HAC-WMAG. The Lease has a nominal annual rental of \$1 and a lease term of 34 years and 11 months. The lease commenced on 11 June 2018 and expires on 11 May 2052. The portion of land being leased has not been

subdivided and is part of a wider parcel owned by council. It would have been Council's preference to lease the land in-perpetuity but under the Resource Management Act, 35 years is the maximum period that a lease can be issued for a sub parcel of land. WAT will retain substantially all the risk and rewards incidental to ownership of the HAC-WMAG building. Due to this control, WAT has recognised the HAC-WMAG building in its financial statements.

Upon receipt, funds associated with an overall pledge are recognised as sponsorship and deemed as revenue. Pledges failing to meet the asset criteria outlined in IPSAS 23 are not recorded as assets, but rather disclosed as contingent assets in accordance with IPSAS 19.

Given the inherent uncertainty pertaining to pledge collection, their collectability necessitates assessment. As of 30th June 2024, the assessed pledge amounted to \$140K, with a low collectability.

'IN KIND' PRODUCTS AND SERVICES

There are in kind trade products and services that have been or will be donated to the overall project. All in-kind trade products & services provided were of a minor nature and therefore have not been quantified.

Professional services – various professional services in the form of time have and will continue to be donated to the overall project. These include, legal, accounting, project and other management, planning, architectural, design etc. For the year end 30 June 2024, material professional services to the value of nil (2023: nil) have been quantified and recognised.

NOTE 30: FINANCIAL INSTRUMENTS

(a) Financial instrument categories

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

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
FINANCIAL ASSETS				
Fair value through surplus or deficit – Held for trading				
Derivative financial instrument assets	6,414	9,644	6,414	9,644
Loans and receivables				
Cash and cash equivalents	30,197	33,825	32,161	36,319
Receivables	29,024	29,165	29,170	29,952
Other financial assets:				
- term deposits	20,175	6,000	20,175	6,000
- community loans	5,812	257	5,812	257
- LGFA borrower notes	5,826	4,814	5,826	4,814
Total loans and receivables	91,034	74,061	93,144	77,342
Fair value through the Statement of Comprehensive Revenue and Expense				
Other financial assets:				
- unlisted shares	3,814	3,569	3,814	3,569
FINANCIAL LIABILITIES				
Fair value through Surplus or Deficit – Held for trading				
Derivative financial instrument liabilities	-	-	-	-
Financial liabilities at amortised cost				
Payables	36,108	25,149	36,514	25,703
Borrowings:				
- debentures	265,000	231,000	265,000	231,000
Total financial liabilities at amortised cost	301,108	256,149	301,514	256,703

(b) Fair value hierarchy disclosures

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

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

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

				\$'000
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
30 June 2024 - Council				
Financial assets				
Derivatives	6,414	-	6,414	-
Unlisted shares	3,814	-	3,814	-
Total financial assets	10,228	-	10,228	-
Financial liabilities				
Derivatives	-	-	-	-
30 June 2023 - Council				
Financial assets				
Derivatives	9,644	-	9,644	-
Unlisted shares	3,569	-	3,569	-
Total financial assets	13,213	-	13,213	-
Financial liabilities				
Derivatives	-	-	-	-

\$'000

	Total	Quoted market price	Observable inputs	Significant non- observable inputs
30 June 2024 - Group				
Financial assets				
Derivatives	6,414	-	6,414	-
Unlisted shares	3,814	-	3,814	-
Total financial assets	10,228	-	10,228	-
Financial liabilities				
Derivatives	-	-	-	-
30 June 2023 - Group				
Financial assets				
Derivatives	9,644	-	9,644	-
Unlisted shares	3,569	-	3,569	-
Total financial assets	13,213	-	13,213	-
Financial liabilities				
Derivatives	-	-	-	-

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

(c) Financial instrument risks

Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. Council and the Group has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. Council has established Council-approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

MARKET RISK

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Equity securities price risks arise on share investments which are classified as financial assets held at fair value through other comprehensive income. Equity securities price risk is not managed as the only quoted share

investments are in the Local Government Funding Agency and Civic Assurance Limited, which are held for strategic reasons.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

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

Council enters into a limited number of foreign transactions and therefore is exposed to minimal currency risk.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose Council and the Group to fair value interest rate risk. Council's Liability Management Policy is to maintain between 40-95% of its current borrowings in fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where Council has borrowed at fixed rates in excess of the 95% maximum.

Cash flow interest rate risk

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

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

CREDIT RISK

Credit risk is the risk that a third party will default on its obligation to Council and the Group, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits, which gives rise to credit risk.

Council's Investment Policy limits the amount of credit exposure to any one financial institution or organisation to no more than \$30.0m (except for LGFA which is no more than \$50.0 million). The Group invests funds only with entities that have a S&P Global Ratings credit rating of at least A-1 for short-term and A for long-term investments.

Maximum exposure to credit risk

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

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Cash at bank and term deposits	30,197	33,825	32,161	36,319
Receivables	29,024	29,165	29,170	29,952
Community and related party loans	5,812	257	5,812	257
Short term deposits	20,175	6,000	20,175	6,000
Derivative financial instrument assets	6,414	9,644	6,414	9,644
Financial guarantees	250	250	250	325
Total credit risk	91,872	79,141	93,982	82,497

Council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 29.

Credit quality of financial assets

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

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at bank and term deposits				
AA-	50,372	39,825	52,336	42,319
Total cash at bank and term deposits	50,372	39,825	52,336	42,319
Derivative financial instrument assets				
AA-	6,414	9,644	6,414	9,644
Total derivative financial instrument assets	6,414	9,644	6,414	9,644

	\$'000			
	Council		Group	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Community and related party loans				
Existing counterparty with no defaults in the past	5,812	257	5,812	257
Total community and related party loans	5,812	257	5,812	257

Receivables arise mainly from Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers.

LIQUIDITY RISK

Management of liquidity risk

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

Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management Policy which includes a liquidity ratio defined as "external debt plus committed loan facilities plus liquid investments, divided by external debt". The Policy requires the ratio to remain above 110%.

Council has a maximum that can be drawn down against its committed facility of \$30.0 million. (2023 \$30.0 million). There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities, excluding derivatives

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

\$'000

	Carrying amount	Contractual cash flows	Less than one year	Greater than one year
Council 2024				
Payables	36,108	36,108	35,767	341
Bank overdraft	-	-	-	-
Debentures	265,000	328,643	45,092	283,551
Financial guarantees	250	250	250	-
Total	301,358	365,001	81,109	283,892
Council 2023				
Payables	25,149	25,149	25,041	108
Bank overdraft	-	-	-	-
Debentures	231,000	294,291	41,210	253,081
Financial guarantees	250	250	250	-
Total	256,399	319,690	66,501	253,189
Group 2024				
Payables	36,514	36,514	36,173	341
Bank overdraft	-	-	-	-
Debentures	265,000	328,643	45,092	283,551
Financial guarantees	250	250	250	-
Total	301,764	365,407	81,515	283,892
Group 2023				
Payables	25,703	25,703	25,595	108
Bank overdraft	-	-	-	-
Debentures	231,000	294,291	41,210	253,081
Financial guarantees	325	325	325	-
Total	257,028	320,319	67,130	253,189

Council is exposed to liquidity risks as a guarantor of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 29.

CONTRACTUAL MATURITY ANALYSIS OF DERIVATIVE FINANCIAL INSTRUMENT LIABILITIES

The table below analyses Council and the Group's derivative financial instrument liabilities into those that are settled on a net basis and those that will be settled on a gross basis into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

				\$'000
	Liability carrying amount	Contractual Cash flows	Less than one year	Greater than one year
Council and Group 2024				
Net settled derivative liabilities	-	-	-	-
Council and Group 2023				
Net settled derivative liabilities	-	-	-	-

CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL ASSETS

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

				\$'000
	Carrying amount	Contractual Cash flows	Less than one year	Greater than one year
Council 2024				
Cash and cash equivalents	30,197	30,197	30,197	-
Receivables	29,024	29,024	29,024	-
Net settled derivative assets	6,414	6,414	1,015	5,399
Other financial assets:				
- term deposits	20,175	20,857	20,857	-
- community loans	5,812	8,107	362	7,745

\$'000

	Carrying amount	Contractual Cash flows	Less than one year	Greater than one year
- LGFA borrower notes	5,826	6,924	332	6,592
Total	97,448	101,523	81,787	19,736
Council 2023				
Cash and cash equivalents	33,825	33,825	33,825	-
Receivables	29,165	29,165	29,165	-
Net settled derivative assets	9,644	9,644	179	9,465
Other financial assets:				
- term deposits	6,000	6,000	6,000	-
- community loans	257	283	100	183
- LGFA borrower notes	4,814	5,933	298	5,635
Total	83,705	84,850	69,567	15,283
Group 2024				
Cash and cash equivalents	32,161	32,161	32,161	-
Receivables	29,170	29,170	29,170	-
Net settled derivative assets	6,414	6,414	1,015	5,399
Other financial assets:				
- term deposits	20,175	20,857	20,857	-
- community loans	5,812	8,107	362	7,745
- LGFA borrower notes	5,826	6,924	332	6,592
Total	99,558	103,633	83,897	19,736
Group 2023				
Cash and cash equivalents	36,319	36,319	36,319	-
Receivables	29,952	29,952	29,952	-
Net settled derivative assets	9,644	9,644	179	9,465
Other financial assets:				

	\$'000			
	Carrying amount	Contractual Cash flows	Less than one year	Greater than one year
- term deposits	6,000	6,000	6,000	-
- community loans	257	283	100	183
- LGFA borrower notes	4,814	5,933	298	5,635
Total	86,986	88,131	72,848	15,283

SENSITIVITY ANALYSIS

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

	\$'000							
	2024				2023			
	-50bps Surplus	-50bps Other equity	+100bps Surplus	+100bps Other equity	-50bps Surplus	-50bps Other equity	+100bps Surplus	+100bps Other equity
Council								
INTEREST RATE RISK								
Financial assets								
Cash and cash equivalents	(252)	-	504	-	(199)	-	398	-
Derivatives - held for trading	(2,544)	-	4,945	-	(3,183)	-	6,216	-
Financial liabilities								
Derivatives - held for trading	-	-	-	-	-	-	-	-
Borrowings:								
- secured loans	-	-	-	-	-	-	-	-
- debentures	1,325	-	(2,650)	-	1,155	-	(2,310)	-
Total sensitivity	(1,471)	-	2,799	-	(2,227)	-	4,304	-

	\$'000							
	2024				2023			
	-50bps Surplus	-50bps Other equity	+100bps Surplus	+100bps Other equity	-50bps Surplus	-50bps Other equity	+100bps Surplus	+100bps Other equity
Group								
INTEREST RATE RISK								
Financial assets								
Cash and cash equivalents	(262)	-	523	-	(212)	-	423	-
Derivatives - held for trading	(2,544)	-	4,945	-	(3,183)	-	6,216	-
Financial liabilities								
Derivatives - held for trading	-	-	-	-	-	-	-	-
Borrowings:	-	-						
- secured loans	-	-	-	-	-	-	-	-
- debentures	1,325		(2,650)	-	1,155		(2,310)	-
Total sensitivity	(1,481)		2,818	-	(2,240)		4,329	-

EXPLANATION OF INTEREST RATE RISK 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%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -50bps/+100bps.

(d) Reconciliation of movements in liabilities arising from financing activities

	\$'000		
	Secured loans	Finance leases	Interest rate swaps
Balance at 31 June 2023 - Council and Group	231,000	-	-
Net cash flows	34,000	-	-
Fair value	-	-	-
Balance at 30 June 2024 - Council and Group	265,000	-	-

NOTE 31: GROUP RELATED PARTY TRANSACTIONS

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- On terms and conditions no more or less favourable than those that it is reasonable to expect Council and the Group would have adopted in dealing with the party at arm's length in the same circumstances.

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

Group related party transactions

WHANGAREI ART TRUST (WAT)

WAT received an annual operating grant (including rent concession) from Council of \$757,339 (2023: \$1,209,819). An amount of nil was outstanding at 30 June 2024 (2023: nil).

NORTHLAND EVENTS CENTRE (2021) TRUST (NECT)

NECT received an annual operating grant from Council of \$701,786 (2023: \$662,786). An amount of nil was outstanding at 30 June 2024 (2023: nil).

NOTE 32: EVENTS OCCURRING AFTER THE BALANCE DATE

Local Water Done Well (previously Affordable Water Reforms)

The Water Services Acts Repeal Act 2024 repealing the previous Government's Water Services Entities Act 2022 (referred to as Affordable Water Reform (or previously Three Waters)) received Royal assent on the 17 February 2024.

The Act is an omnibus Act that will repeal the key legislation that underpinned the Affordable Water Reform - the Water Services Entities Act 2022, the Water Legislation Act 2023, and the Water Services Economic Efficiency and Consumer Protection Act 2023. This means the end of the 10-entity model which envisaged control of water assets by new statutory water services entities.

CONTENTS OF THE ACT

The Act returns responsibility for water services delivery to local authorities. The Act will also make the following changes:

- Disestablish the Northland and Auckland entity, its establishment board, and its establishment CEO, given this was the only entity out of the 10 planned entities that had been formally established so far.
- Make consequential amendments to the Local Government Act 2002 to enable local authorities to:

Include water services provision in their 2024-2034 long term plans (LTPs) (in some cases, without reconsulting). There are also a range of other options available to local authorities, including extending the statutory deadline for adoption of the 2024 LTP and annual reports.

Defer reviews of bylaws relating to water services.

- Make technical amendments to the Taumata Arowai – the Water Services Regulator Act 2020 and the Water Services Act 2021 relating to the regulation of water services by Taumata Arowai. A more substantive amendment relates to the definition of "stormwater network", which retains, in substance, the definition under the Affordable Water Reform legislation, by extending the definition to include overland flow paths and relevant green water services infrastructure and watercourses.

NEXT STEPS – NEW LEGISLATION

The repeal completes step one of the National Party's Local Water Done Well policy. Two further bills are expected over the next two years to complete delivery of the Local Water Done Well policy:

- The first bill, The Local Government (Water Services Preliminary Arrangements) Bill, was introduced to Parliament on 30 May 2024, will set out provisions relating to council service delivery plans and transitional economic regulation. The Government has indicated that this bill will enable councils to voluntarily start shifting the delivery of water services into more financially stable models. The Water Services Preliminary Arrangements Act received royal assent on 2 September 2024.
- The second bill, The Local Government Water Services Bill, is expected to be introduced in December 2024 and passed by mid-2025, will provide for long-term requirements for financial sustainability, a complete economic regulation regime, and new types of structural and financing tools, including a novel financially independent council-controlled organisation structure.

The impact of these reforms is not yet known for Whangarei District Council.

NOTE 33: EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

		\$'000		
Key financial information	Actual 2024	Budget 2024		Comments
Statement of comprehensive revenue and expense				
				Total revenue was higher than budget by \$1.8 million:
				<ul style="list-style-type: none"> • development contributions were \$0.5 million lower than budget. • subsidies and grants were \$5.4m less than budget in the 2023-24 year. This is due mainly to the completion of two significant roading projects being delayed until the 2024-25 financial year. • rates revenue was \$1.0 million lower than budget. • interest received was \$1.4 million higher than budget due to prefunding future debt repayments and higher than anticipated interest rates. • vested asset income was higher than budget by \$2.6 million due to the conservative nature of the budget and reflective of continued growth. • an unbudgeted investment property revaluation gain of \$2.5 million was due to the increase of investment property values over the previous year. • gains from share of joint venture profits of \$0.8 million higher than budget. • other revenue was \$1.4 million higher than budgeted.
Total revenue	232,442	230,654		
				Total operating expenses were higher than budget by \$9.4 million:
				<ul style="list-style-type: none"> • personnel costs were \$0.3 million lower than budget. • depreciation and amortisation was \$0.6 million lower than budget • finance costs were \$0.2 million lower than budget. • unbudgeted losses on disposal of other assets of \$4.2 million which are not budgeted due to the uncertainty regarding timing of asset disposals. • an unbudgeted loss on derivatives of \$3.2 million due to falling interest rates. • general grants were \$0.7 million higher than budget • other expenses were \$2.4 million higher than budget.
Total expenses	214,273	204,848		
Surplus/ (deficit)	18,169	25,806		

(\$'000)

Key financial information	Actual 2024	Budget 2024	Comments
Statement of financial position			
			Total assets are higher than budget by \$280.4 million:
			<ul style="list-style-type: none"> debtors and receivables are \$2.3 million above budget mainly due to higher than expected arrears re rates and other debtors. other financial assets are \$34.1 million above budget due to: \$20.2 million held on term deposit, a \$5.6 million increase in the value of community loans, a \$4.0 million increase in the opening balance compared to what was assumed when preparing the 2023-24 Annual Plan, a \$3.3 million increase in investments in CCO's compared to budget and a \$1.0 million increase in the borrower notes held with LGFA. intangible assets are \$4.6 million below budget due to opening balance being less than anticipated to what had been assumed when preparing the 2023-24 Annual Plan . other non-current assets are \$6.1 million below budget mainly due to an incorrect classification when preparing the 2023-24 Annual Plan. Property, plant and equipment is \$257.2 million above budget. This is mainly due to the out of cycle revaluation of infrastructure assets, and the Roading asset revaluation being higher than expected. Investment properties are \$2.6 million below budget. There was a \$2.5m unbudgeted revaluation increase. There was \$5m budgeted expenditure that was not incurred.
Total assets	2,805,602	2,525,182	
			Total liabilities are higher than budget by \$11.8 million:
			<ul style="list-style-type: none"> payables and deferred revenue are \$8.1 million higher than budget mainly due to sundry creditors being \$9.1 million more than the prior year. This is mainly a \$4.2 million grant payable and a \$4.8 million increase from last year re roading projects . derivative financial instruments are \$0.7 million under budget due to unrealised revaluation gains. borrowings are \$5.0 million over budget due to more new borrowing required than budgeted.
Total liabilities	319,828	308,054	
Net assets	2,485,774	2,217,128	

\$'000

Key financial information	Actual 2024	Budget 2024	Comments
Cash flow statement			
Net cash flows from operating activities	73,532	76,013	<p>Net cash flows from operating activities was lower than budget by \$2.5 million:</p> <ul style="list-style-type: none"> • rates received were lower than budget by \$2.4 million • fees and charges received were higher than budget by \$3.5 million. • subsidies and grants received were \$9.0m less than budget in the 2023-24 year, this is due mainly to the completion of two significant roading projects being delayed until the 2024-25 financial year. • interest received was higher than budget by \$1.1 million due to higher interest rates than budgeted. • payments to suppliers and employees were \$4.3 million lower than budget.
Net cash flows from investing activities	(107,465)	(112,307)	<p>Net cash flows from investing activities was lower than budget by \$4.8 million:</p> <ul style="list-style-type: none"> • purchases and development of assets is \$15.3 million lower than budget due to capital projects not completed that will be carried forward to future years. • net receipts from investments and loans was lower than budget by \$10.7 million due to \$14.2 million movements in term deposits held, \$1.3 million of LGFA borrower note purchases, \$1.6 million less distribution from NRLLP and \$6.1 million of loans not provided to what had been assumed when preparing the 2023-24 Annual Plan.
Net cash flows from financing activities	30,305	29,000	<p>Net cash flows from financing activities was higher than budget by \$1.3 million.</p> <ul style="list-style-type: none"> • net proceeds from borrowings were \$5.0 million higher than budget due to funding required to advance to the Whangarei Harbour Marina Management Trust. • Loans granted were \$3.9 million higher than budget mainly due to advances made to the Whangarei Harbour Marina Management Trust.
Net (decrease)/increase in cash, cash equivalents, and bank overdrafts	(3,628)	(7,294)	

NOTE 34: INVESTMENT IN JOINT OPERATIONS

Accounting policy

A joint arrangement is a binding arrangement that confers enforceable rights and obligations on the parties to the arrangement that is subject to joint control. Joint control is the agreed sharing of control where decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as a joint operation or a joint venture. The classification depends on the rights and obligations of each party under the joint arrangement. The Council reviews the legal form, terms of the binding agreement, and other facts and circumstances relevant to its interest in determining the classification of the joint arrangement.

For joint operations, the Council and group recognises its direct right to the assets, liabilities, revenues and expense of joint operations and its share of any jointly held or incurred assets, liabilities, revenue, and expenses. Assets, liabilities, revenues, and expenses relating to Council's interest in a joint operation are accounted for in line with Council's accounting policies and included in the relevant line items of the Council and group financial statements.

Whangarei District Airport (WDA)

WDA is a joint venture between Council and the Ministry of Transport that provides airport and landing facilities for the use of visitors, residents, and ratepayers of the Whangarei District. WDA is incorporated in New Zealand. Council ownership is 100% of buildings and lighting, 50% interest of all other assets and liabilities and net surplus. WDA operates in New Zealand only. Pursuant to the Local Government Act 2002, WDA is Council-Controlled Organisation (CCO).

		%	
		2024	2023
Name	Principal activity	Percentage ownership	Percentage ownership
Whangarei District Airport	Provision of airport and landing facilities	50%	50%

The joint venture has a balance date of 30 June. Included in the financial statement are the following items that represent Council's interest in the assets, liabilities, revenue and expenditure of the joint venture.

	\$'000	
	Council	
	Actual 2024	Actual 2023
Council's interest in the Joint Venture		
Current assets	595	363
Non-current assets	2,299	2,373
Current liabilities	194	195
Non-current liabilities	-	-
Revenue	973	810
Expenses	950	835

Northland Regional Landfill Limited Partnership (NRLLP)

NRLLP is a joint venture between Council and Northland Waste Limited and operates under a limited partnership. The principal activity of the partnership is the development and provision of landfill facilities for the Whangarei District. Ownership is 50% interest in all assets and liabilities and net surplus. NRLLP is governed by the Companies Act 1993 and operates in New Zealand only. Pursuant to the LGA, NRLLP is a Council-Controlled Trading Organisation (CCTO).

		%	
		2024	2023
Name	Principal activity	Percentage ownership	Percentage ownership
Northland Regional Landfill Limited Partnership	Provision of waste and landfill facilities	50%	50%

The joint venture has a balance date of 30 June. Included in the financial statements are the following items that represent Council's interest in the assets, liabilities, revenue and expenditure of the joint venture.

	\$'000	
	Council	
	Actual 2024	Actual 2023
Council's interest in the Joint Venture		
Current assets	1,102	945
Non-current assets	26,615	18,748
Current liabilities	1,623	1,901
Non-current liabilities	13,185	6,835
Revenue	10,011	8,466
Expenses	7,750	6,338

Note : The above figures for NRLLP are subject to final audit clearance.

NOTE 35: SUBSIDIARIES

The consolidated financial statements include the assets, liabilities and financial performance of the following subsidiaries in accordance with the accounting policies.

Subsidiary	Governed by	Principal activity	%	
			2024	2023
Springs Flat Contractors Limited (SFCL)	Companies Act 1993	SFCL is a limited liability shelf company. Council retains this company due to the unrealised tax losses held by SFCL.	100%	100%
Whangarei Art Trust (WAT)	Charitable Trusts Act 1957 of New Zealand	<p>WAT is a Charitable Trust and is operated by the Trustees of WAT with the bulk of funding being received from Council. WAT was established to maintain and display the District's art collection, the acquisition, collection, conservation and display of works of art; the promotion of the understanding, enjoyment and study of art in the Whangarei District and Northland region.</p> <p>WAT is considered a fully controlled entity for financial reporting purposes.</p> <p>The purpose of WAT is to operate and manage two art facilities in Whangarei; Whangarei Art Museum which is the public gallery of the Whangarei District, and the Hundertwasser Art Centre with Wairau Maori Art Gallery.</p> <p>Whilst Council is not involved in the day to day operating activities, Council and the Whangarei District benefit from the Trust's activities.</p>	Controlling	
Northland Events Centre (2021) Trust (NECT)	Charitable Trusts Act 1957 of New Zealand	<p>NECT is a charitable trust that operates and maintains a multi-purpose centre for sports bodies, arts, musical, social and cultural events.</p> <p>NECT is considered a fully controlled entity for financial reporting purposes.</p> <p>Whilst Council is not involved in the day to day operating activities, Council and the Whangarei District benefit from the Trust's activities.</p>	Controlling	

			%	
			2024	2023
Subsidiary	Governed by	Principal activity	Equity holding	
Whangarei Waste Limited (WWL)	Companies Act 1993	WWL is a partnership holding company for the Northland Regional Landfill Limited Partnership (NRLLP) joint venture between Council and Northland Waste Limited. WWL operates in New Zealand only.	100%	100%
Whangarei Quarry Gardens Trust (WQGT)	Charitable Trusts Act 1957 of New Zealand	WQGT is a charitable trust that operates a recreational facility. Council has a representative on the board of Trustees. WQGT was formed to develop the former metal quarry in Russell Road which is in Council ownership. WQGT has established a group of volunteers who assist in maintaining the grounds and have completed a master plan for the future development of the site as a horticultural and educational asset for the Whangarei District.	Non-controlling interest	

NOTE 36: REPORT OF COUNCIL CONTROLLED ORGANISATIONS PERFORMANCE

Council Controlled Organisations (CCOs) are any organisation in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors. We have an interest in the following CCOs: · Northland Regional Landfill Limited Partnership (NRLLP) · Whangarei District Airport (WDA)The following tables explain what these organisations do; our ownership interest, Council representation, policies and objectives, nature and scope of activities, key performance targets and outcomes for the 2023-24 year. We manage and monitor our investment in CCO's by reviewing statement of intents, six monthly and annual reports at our Strategy, Planning and Development Committee.

Northland Regional Landfill Limited Partnership (NRLLP)

Ownership	50%
Representation (total members)	Representation (total members) ¹ (4) NRLLP has 4 Directors, with one Director from Council.
Significant policies and objectives	<ul style="list-style-type: none"> • Operate and manage ReSort RRP and Puwera landfill in accordance with the management agreement and consents. • Diverting re-usable and recyclable material from ReSort general waste stream where financially viable. • Manage the financial aspects of the organisation to ensure a satisfactory annual distribution to the partners. • Continue development of the fifth cell construction stage at the landfill and ensure a minimum of six months capacity is always available. • Proceed with the landfill footprint extension Resource Consent application. • Enter into a supply contract for sale of power from the Gas to Energy plant.
Nature and scope of activities	<ul style="list-style-type: none"> • Own, operate and manage Puwera Landfill. • Own, operate and manage ReSort RRP. • Haulage of conforming waste from ReSort to Puwera. • Provide for post closure responsibilities for Puwera. • Conduct waste diversion and recycling and green waste separation.

OBJECTIVE

	Result 2024	Result 2023
To open both the Puwera landfill and Re-Sort facilities for a minimum of 40 hours each week.	Achieved	Achieved
Ensure no notifiable health and safety incidents (as defined by Worksafe NZ) occurring at all operational sites owned by NRLLP.	Achieved	Achieved
Ensure Resort facilitates a minimum of 40% diversion away from landfill of all material being handled through the site.	Achieved	Achieved

	Result 2024	Result 2023
Maintain compaction of 0.7 tonnes of placed refuse per cubic metre of airspace used.	Achieved	Achieved
Ensure six months landfill capacity is maintained at all times.	Achieved	Achieved
Achieve a minimum of 70% landfill gas destruction.	Achieved	Achieved
Complete the Puwera gas to energy plant project with some electricity generated from landfill gas.	Not achieved	Not achieved

Whangarei District Airport (WDA)

Ownership	50%
Representation (total members)	14 (14) Council is fully represented by the Strategy, Planning and Development Committee.
Significant policies and objectives	<ul style="list-style-type: none"> • To achieve the objectives of Whangarei District Council and the Ministry of Transport. • To operate a fully serviceable District Airport. • To provide a good work environment. • To exhibit a sense of social and environmental responsibility. • Airport operation will meet the needs of aviation operators and their customers. • Health and safety standards are promoted and maintained.
Nature and scope of activities	<ul style="list-style-type: none"> • To provide Airport services to and from the Whangarei area. • To operate the Airport in a cost effective and efficient manner. • To seek opportunities to widen the Airports revenue base. • To adhere to the terms of the Aerodrome Operating Certificate issued by the Civil Aviation Authority. • To meet Civil Aviation Authority certification requirements.

Performance Target	Result 2024	Result 2023				Comment
						\$
				Actual 2024	Budget 2024	Actual 2023
1. To operate within agreed financial budgets.	Target met	Target met	Revenue	1,945,263	1,817,604	1,620,080
	Target met	Target met	Expenditure	1,900,257	2,077,500	1,670,077
2. Maintain >75% user satisfaction through achieving satisfactory and very satisfactory ratings on the annual user survey.	Target met	Target met				All facilities provided for staff are fit for purpose and kept maintained. The Safety Management System ensures the safe operation of the airport but also the safety of the working environment. A recent customer survey had customers rate the airport: 32.63% rated it as very satisfactory, and a further 47.74% rated it as satisfactory, resulting in a combined 80% satisfaction rate.
3. Maintain best practise noise management process. Explore sustainability opportunities	Target met	Target met				Noise mitigation is always front of mind and raised with staff and users at all opportunities. The airport is actively involved in the Council's Noise Management Committee and monitors movements and unusual events (e.g., late-night movements) to assist in the creation of noise contours.
4. Maintain Airport Certification by continuing to meet certification standards required by the Civil Aviation Authority (CAA).	Target met	Target met				Airport well maintained. A full 5 year renewal of Part 139 was completed in May 23 with no significant findings.
5. Meet required legislative timeframes under the LGA and CAA.	Target met	Target met				As above. Internal auditor keeps us on track as does our participation in Aviation industry conferences and on line forums.

Performance Target	Result 2024	Result 2023	Comment
6. To encourage new business development and existing business expansion by engaging alternative aviation and airport service providers and enabling business to grow through lease management and land use consent process.	Target met	Target met	The airport is fully operational with a valid CAA Part 139 certificate. In May 2024 an independent auditor has sampled the internal systems to ensure we are complying our obligations and testing internal systems in place to ensure ongoing compliance. New tenants have during June committed to new leases on taking 3 sites. The relocation of NEST is a significant new business at the airport and is an ongoing project that is now at the end of the beginning phase. A lease will be finalised in the next few weeks and building can begin. The new RFS whilst not new business is also a project that will change the landscape of the airport. At time of writing yet another hangar lease is being committed to for another hangar site.
7. Maintain an effective Safety Management System.	Target met	Target met	
• Annual management review	Target met	Target met	The Airport Safety Management System is reviewed by CAA as part of the Whangarei District Airport Part 138 Certification. The Airport was audited and re-certified by CAA for a further five years on 3 May 2023.
• Annual training schedule is up to date.	Target met	Target met	Reviewed annually by management and verified by the contracted Auditor.
• Airport Safety meetings quarterly (3 monthly).	Target met	Target met	
• Three operator meetings per year.	Target met	Target met	

NOTE 37: CONTRACTUAL ARRANGEMENTS

Northland Regional Landfill Limited Partnership (NRLLP) has an agreement to accept bio solids (sludge) from Council's wastewater plants in exchange for Council accepting the Landfill's leachate for processing. This arrangement is of mutual benefit with neither party financially disadvantaged over the life of the landfill.

Council and Northland Waste Limited (NWL) have agreed to deliver waste and green waste under their contract to the landfill. This is an arms length transaction with the agreement dependent on NRLLP accepting the waste at market rates.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WHANGAREI DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

The Auditor-General is the auditor of Whangarei District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Bryce Henderson, using the staff and resources of Deloitte Limited, 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 28 November 2024. This is the date on which we give our report.

OPINION ON THE AUDITED INFORMATION

In our opinion:

- the financial statements on pages 143 to 262:
 - present fairly, in all material respects:
 - » the District Council and Group's financial position as at 30 June 2024;
 - » the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 40 to 42 presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the groups of activity statements on pages 43 to 142:

- present fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2024, including:
 - » the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - » the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 43 to 142 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
- the funding impact statement for each group of activities on pages 43 to 142, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

REPORT ON THE DISCLOSURE REQUIREMENTS

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 24 to 28, 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 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 Group or there is no realistic alternative but to do so.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDITED INFORMATION

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those

risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the performance measures, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.



OTHER INFORMATION

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 3 to 23, 29 to 39 and 268 to 274, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENCE

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of providing a limited assurance report in our capacity as auditor pursuant to the Trust Deed and an assurance engagement relating to the Unique Emissions Factors which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.

Bryce Henderson
for Deloitte Limited

On behalf of the Auditor-General
Auckland, New Zealand



GENERAL

INFORMATION

TE PĀRONGO WHĀNUI

Abbreviations and acronyms

AMP

Activity or Asset
Management Plan

BERL

Business and Economic
Research Limited

CAA

Civil Aviation Authority

CAPEX

Capital expenditure

CCO

Council Controlled
Organisation

CCTO

Council Controlled Trading
Organisation

CE

Chief Executive

CO

Council Organisation

CPI

Consumer Price Index

DCP

Development Contributions
Policy

FIS

Funding Impact Statement

FN

Forum North

GAAP

Generally Accepted
Accounting Practice

GIS

Geographic Information
System

GST

Goods and Services Tax

HAPT

Hātea Arts Precinct Trust

HWMAC

Hundertwasser Wairau Māori
Art Centre

IPSAS

International Public Sector
Accounting Standards

LA

Local Authority

LGA

Local Government Act 2002

LGCI

Local Government Cost Index

LGFA

Local Government Funding
Agency

LTP

Long Term Plan

NEC

Northland Events Centre

NIF

Northland Intersectoral
Forum

NRC

Northland Regional Council

NRLLP

Northland Regional Landfill
Limited Partnership

NZIFRS

New Zealand International
Financial Reporting
Standards

NZTA

New Zealand Transport
Agency

OCR

Official Cash Rate

OPEX

Operational expenditure

PBE

Public Benefit Entity

PPE

Property, Plant and
Equipment

RDF

Regional Development Fund

RPS

Regional Policy Statement

RFP

Request for Proposal

RMA

Resource Management Act

SOI

Statement of Intent

SCP

Special Consultative
Procedure

SUIP

Separately Used or Inhabited
Part

TA

Territorial Authority

UAGC

Uniform Annual General
Charge

WDA

Whangārei District Airport

WQGT

Whangārei Quarry Gardens
Trust

Glossary

Activity

The goods or services that Council provides to the community.

Activity Management Plan (AMP)

An operational plan that details policy, financial forecasting, engineering requirements and levels of service for non-asset-related Council activities.

Arrears

Money that is owed and should have been paid earlier.

Assets

Physical items owned by Council and used for the purpose of service provision to the community, for example property, plant and equipment.

Asset Management Plan (AMP)

An operational plan that details policy, financial forecasting, engineering requirements and levels of service for asset-related Council activities.

Annual Plan

An annual plan must be prepared by a council annually except in an LTP year and it must be adopted before the commencement of the year in which it operates. The purpose of the annual plan is set out in the Local Government Act 2002, section 95 (5).

Capital expenditure

The category of funding used for building new assets or increasing the value of existing assets.

Capital Value

The total value of the land including improvements. This is the probable price that would have been paid for the property if it had sold at the date of the last general valuation.

Community

The people of the area covered by Council.

Community Outcomes

Outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions. A local authority will consider these outcomes in the course of its decision-making.

Council Controlled Organisation (CCO)

An organisation for which Council maintains at least 50% voting rights or has the right to appoint at least 50% of the directors or trustees. CCOs are generally operated without the objective of making a surplus or profit and are usually set up to independently manage Council facilities or deliver specific services.

Council Controlled Trading Organisation (CCTO)

As for a Council Controlled Organisation but with the objective of making a profit.

Depreciation

The accounting expense that reflects the annual consumption of an asset's economic life.

Development Contributions (DC)

Payments received from developers to fund growth-related capital expenditure. These charges recover part of the cost of additional or upgraded infrastructure that is required to service new developments, e.g. roading, water, wastewater.

General rate

The rates charge against each rateable unit. It comprises the Uniform Annual General Charge (UAGC) and the rate in the dollar

calculated in accordance with Council rating policies.

Inflation

The Consumer Price Index (CPI) is the inflation rate that relates to household price increases while the Local Government Cost Index (LGCI) is the rate that relates to local government cost increases.

Infrastructure

Fixed utility assets including roads, sewerage, stormwater, water and waste.

Intergenerational equity

A common term used to express the spread of benefits across time. Much of the expenditure of a local authority is for infrastructure assets that have long service lives (such as roading networks). Current ratepayers should not be expected to fund all the benefits of future users, so costs are spread across current and future users.

Land Value

The assessment of the probable price that would have been paid for the bare land as at the date of the last general valuation.

Levels of Service

Describes in measurable terms the standard of services that Council will provide for each activity undertaken.

Local Authority (LA)

A regional council or territorial authority.

Local Government Act 2002 (LGA)

The key legislation that defines what Council's purpose and responsibilities are to the community and how they must be fulfilled and reported on.

Long Term Plan (LTP)

A 10-year plan adopted every three years that sets out the planned activities, budgets and service provision of Council.

Official Cash Rate (OCR)

The interest rate set by the Reserve Bank to meet the inflation target specified in the Policy Targets Agreement. The Agreement,

dated September 2002, requires the Reserve Bank to keep inflation at between 1% and 3% per annum.

Operating expenditure

The category of expenditure incurred as a result of Council's normal business operations.

Penalty (rates)

A charge that is added to rates that remain outstanding after the due date for payment.

Rating unit

One Certificate of Title equals one rating unit which will receive one rates assessment.

Rates postponement

A postponement delays the payment of rates until a later time (such as when the property is eventually sold).

Rates remission

Policies to provide assistance in the form of rates relief to ratepayers who meet specific criteria.

Regional Council

A council charged with managing the natural resources of its region including water, soil and air. Our regional council is the Northland Regional Council which represents the communities of the Far North, Kaipara and Whangārei districts.

Special Consultative Procedure (SCP)

The procedure that councils are required to undertake in certain decision-making circumstances, as defined by the Local Government Act 2002 (section 83).

Strategic asset

An asset or group of assets that the local authority needs to retain to maintain its capacity to promote any outcome it considers important to the current or future well-being of the community.

Targeted rate

A rate collected to fund a specific activity. A rate that is targeted can only be used for the purpose of which it was collected. Targeted rates are only charged to people who will benefit from the activity.

Territorial Authority (TA)

A city council or a district council.

Uniform Annual General Charge (UAGC)

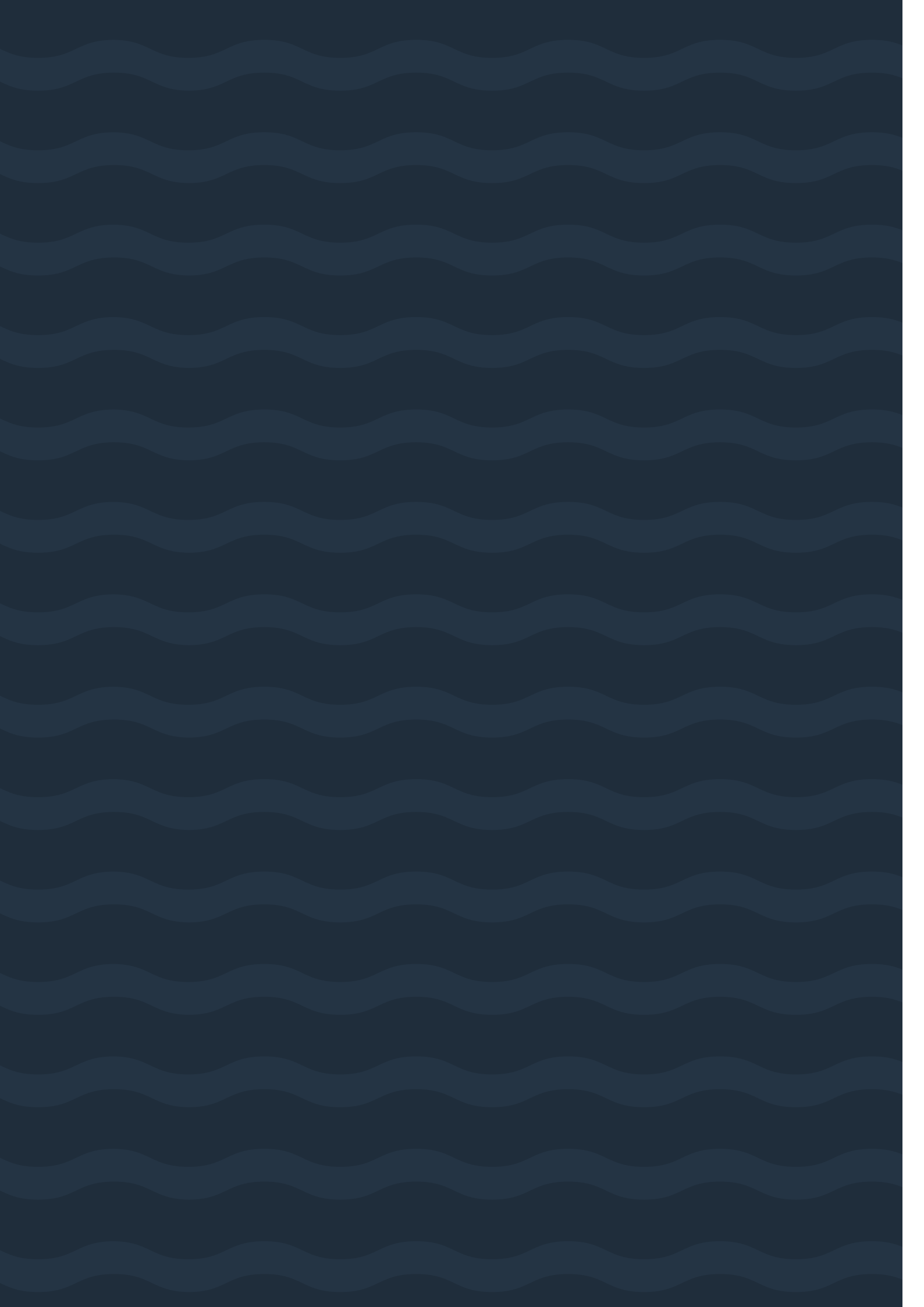
A rate of fixed dollar amount applied to all properties. This is not related to the value of the property.

Valuation

An estimation of a property's worth. Council carries out property revaluations every three years.

Index

To be inserted before publication





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