

ANNUAL REPORT SUMMARY 2023/24



Waimate
District Council

Message from the Mayor and Chief Executive

Welcome to the Waimate District Council's Annual Report Summary for 2023/24. This summary provides an overview of Council's activities and services for the year ended 30 June 2024. For a complete understanding of Council's performance, please refer to the full 2023/24 Annual Report which is available at waimatedc.govt.nz or at Council's reception (125 Queen Street, Waimate).

The full Annual Report provides a snapshot of our performance over the past financial year and celebrates some of the key highlights that have been achieved. While we will continue to progress a number of significant projects in the coming months and years, our focus remains heavily on delivering quality infrastructure, public and regulatory services that are both cost-effective and efficient for the community.

This year has had its challenges, particularly due to the inflationary pressures experienced throughout the entire country. Council's costs have increased on all fronts. Water, roading, waste management, and statutory compliance are some of the services and challenges which Council needs to resource and fund.

There continues to be significant uncertainty about how the Government will manage the legislation it imposes on territorial authorities. In particular, the question of how the Coalition Government's 'Local Water Done Well' initiative will impact Council and the community. Over the next 12 months Council will develop, and consult on, a water services delivery plan that details how we will meet the required drinking water standards while demonstrating long-term financial sustainability, capital investment and operational success.

Additionally, the Resource Management Act is currently being reformed, which will also have a significant impact on our operations and the community.

As we work through these changes, Council will continue to stand as a steadfast advocate for the needs of rural communities such as ours. Our goal is to provide solutions that protect our residents from unnecessary restrictions and burdensome costs.

A highlight of the year was the commencement of the Waimate District Council Library extension and Council Chambers refurbishment. This project will create a modern facility, increase the space available and allow for technology upgrades. We acknowledge the disruption the refurbishment has had on the community, elected members and Council staff, and thank the library customers for their patronage and support of the

pop-up library during this time. We are looking forward to the official opening later in the year.

Other large projects included public toilet replacements, relining the Norman Kirk Memorial Swimming Pool, re-roofing community housing, upgrading the Edward Street wastewater system, in addition to ongoing work on our roading and three waters infrastructure.

On the finance front, Council recorded a budget surplus of \$2.652 million compared to a forecast deficit of \$1.817 million. This was largely due to recognising income for assets which were vested (gifted) to Council, previously unrecognised (found) assets, increased contributions for water and sewer due to development, unbudgeted Three Waters Government funding, and reduced expenditure compared to what was expected across a variety of areas. Refer to note 28 for the explanations of major variances against budget.

While the legislative landscape may still be unclear, we can reflect on what has been a productive and successful year for Council. We thank those who have contributed to all the achievements throughout the year – elected members, staff, agencies, contractors, local businesses, volunteers and, of course, the community.

Thank you!



Craig Rowley
Mayor



Stuart Duncan
Chief Executive



Mayor Craig Rowley (left)
and Chief Executive Stuart Duncan (right)

A Year in Review

Financial

\$2.652 million
operating surplus

(compared with budget of \$1.817 million deficit)

\$23.84 million
operating expenditure

(compared with budget of \$23.19 million)

\$5.9 million
government funding

(Three Waters transitional funding, Three Waters Better Off funding, Mayors Taskforce for Jobs initiative and NZ Transport Agency Waka Kotahi subsidies)

\$8.4 million
capital expenditure

(compared with budget of \$7.8 million)

\$26.49 million
operating revenue

(compared with budget of \$21.4 million)

\$6 million
total borrowings

(compared with budget of \$15.4 million)

\$530.7 million
total net assets

(compared with \$521.5 million in 2023)

Rates allocation per activity groups

The figures in the following diagram are shown for every \$100 of rates collected (on average).



Water Supply

Operational spend: \$1,839,000
Capital spend: \$1,753,000



Waste Management

Operational spend: \$1,563,000
Capital spend: \$35,000



Stormwater

Operational spend: \$47,000
Capital spend: \$68,000



Sewerage

Operational spend: \$249,000
Capital spend: \$1,188,000



Roading and Footpaths

Operational spend: \$3,879,000
Capital spend: \$3,127,000



Organisation and Governance

Operational spend: \$5,745,000
Capital spend: \$377,000



District Planning and Regulatory Services

Operational spend: \$680,000
Capital spend: \$Nil



Community Services

Operational spend: \$789,000
Capital spend: \$52,000



Community Facilities

Operational spend: \$2,041,000
Capital spend: \$1,808,000

Operational spend includes payments to staff and suppliers, and finance costs.

Government Reforms

New Government, new water services reform

With the election of the Coalition Government in 2023 came a revised policy roadmap for reforms. This legislative agenda includes the new “Local Water Done Well” initiative, aimed at overhauling New Zealand’s ageing water infrastructure system. In a departure from the previous “three waters” reform, the proposed initiative will endeavour to balance local decision-making, regulatory oversight, and financial sustainability in water service delivery.

In May 2024, the Government introduced the “Water Services Preliminary Arrangements Bill,” which provided a roadmap for councils to determine whether they will manage their water services independently, or through council-controlled organisations (CCOs). Over the next 12 months, councils will be exploring, consulting, and developing a revised water service strategy with a community-centric approach that continues to ensure the availability of safe drinking water for all residents.

Ongoing resource management reform

The Government has repealed the Natural and Built Environments Act, the Spatial Planning Act, and embarked on a significant process of Resource Management Act (RMA) reform. This work will include a review or replacement of a range of national directions implemented by Council and the eventual replacement of the RMA.

Ongoing RMA reform has significant impacts on both Council and the community. These changes will require Council to proactively consider its approach to a range of issues, including the district plan, investment priorities, and operations. The costs and implications of RMA reform cannot be determined at this stage but will likely be significant.

Investment in Infrastructure

- There was significant activity on the district’s **roads and footpaths** with a focus on addressing drainage issues and enhancing the community’s resilience to storm events. As a result, 38 culverts were installed with a total length of 323m, 123km of drains were cleaned and constructed, and 643m of kerb and channel was renewed. In addition, 31.8km of roads were resurfaced and 15,128m² of metal was applied to 266km of unsealed roads. New footpaths were constructed on Edinburgh and King Streets, significantly improving pedestrian safety. Repairs were made to Keenans Bridge and Forrests Bridge.
- Work began in March 2024 on the Waimate District **Library extension and Council Chambers refurbishment** project. The library extension will allow larger groups to be accommodated and provide dedicated learning areas. The Council Chambers refurbishment will address the poor lighting and airflow, create a multi-functional space, and future-proof the area to meet the changing technology demands of local authorities, including the ability to live-stream Council meetings. For the duration of the renovations, the Waimate Event Centre is operating as a temporary location for a pop-up library and Council meetings. The project is expected to be finished before December 2024, and is partially funded from the Government’s Three Waters Better Off Fund.
- The largest upgrade to Council’s stormwater system was the **Edward Street wastewater upgrade**, which was completed in November 2023. The existing wastewater line was replaced with a larger diameter pipeline. A 2021 study had found the area was a bottleneck during large rainfall events and the new system will increase the capacity to withstand flooding.
- The peak in the **Lower Waihao Rural Water Supply** drinking water nitrates has reduced to a level well below the Drinking Water Standards for New Zealand. Council is continuing to work with stakeholders to establish the preferred methodology for ensuring that future peaks can be managed whilst other planning controls have an effect.
- Council is working towards **reducing peak flows within the Park Road catchment** which will potentially introduce capacity within the existing network to ensure development can continue in the future.
- **Low pressure sewer infrastructure** has been installed and commissioned in the Montgomery and Pembroke Street area. The area is designated residential, and the provision of reticulated services will allow development to occur in the future.
- A project to replace and insulate the roofs of Council’s **27 community housing units** on

- Kennedy Crescent was completed in 2024. The \$320,447 project will extend the lifespan of the units and make them more energy efficient. Of this amount, \$218,992 was funded from the Government's Three Waters Better Off Fund.
- Work began in March to upgrade the **Normal Kirk Memorial Swimming Pool** with a PVC membrane to stop water leaking and help maintain the water temperature. As a result, annual operating costs will be lowered by reducing the heating requirements and extend the life of the pool by 20 years. The work will be completed before the pool reopens in October 2024.
- The commissioning of **new public toilets at the Glenavy rest area** occurred in July 2024. The \$192,202 project came in under budget at \$180,225, and was funded from the Government's Three Waters Better Off Fund.

Caring for the Environment

- Council is engaging with the community to develop the **Waimate District Climate Resilience Strategy**, which commenced in December 2023 with an online survey to gauge public sentiment around climate change. The feedback received resulted in seven themes being identified, and a series of public educational and interactive workshops scheduled throughout 2024, with the first held in March. The strategy is a blueprint for collective action and how we will work with the community to reduce greenhouse gas emissions, and plan for the ongoing effects of climate change. The strategy is due to be finalised in September 2025.
- A second **greenhouse gas inventory** (GHG) was commissioned for the 2022/23 financial year to review Council's emissions. The total gross carbon dioxide equivalents for the year were approximately 959 tonnes, compared to 903 tonnes in the baseline 2018/19 study. With around 142 hectares of planted forest, the replacement of the swimming pool coal-fired furnace with electrical heat pumps, and other emission reductions, Council recorded net negative emissions of 249 tonnes of carbon dioxide equivalents. The \$5,500 project was funded from the Government's Better Off Fund.
- Timaru and Waimate District Councils launched a new resource '**Personal Responses to a Warming Planet**' in June 2024. The short guide gives practical everyday advice to help people lessen their impact on the climate and deal with some of the increasing effects of climate change.
- In February 2024, the Government introduced **national standards for kerbside rubbish and recycling collection**. Council distributed a brochure to all households in the district outlining the changes, and contractors have reported high levels of compliance.
- The **Waste Management and Minimisation Plan 2024-2030** was adopted in July 2024, following public consultation. The plan outlines Council's vision, goals, objectives, targets and methods for achieving effective and efficient waste management and minimisation.

Partnering with the Community

- The **Glenavy Recreation Reserve Management Plan** was adopted by Council in November 2023, following public consultation. The 10-year plan outlines the intentions for the use, development, maintenance, protection and preservation of the reserve. The newly formed Friends of Glenavy Reserve, made up of Glenavy residents, Glenavy School and Council, will provide input into the day-to-day management of the 4.2 hectare site.
- Council administered 36 **community grants** which included WDC Sports (8), Creative NZ Communities (10), Sports NZ Rural Travel Fund (8), WDC Community (4), Heritage (2) and Recreational Track Grants (4), with more than \$97,000 allocated.
- The **Civil Defence Community Response Plan** for the St Andrews township and inland areas, including Otaio, Southburn and the Pareora Huts was updated with the help of the community, and presented by Council's Emergency Management Officer and Councillor Tom O'Connor at a public meeting in St Andrews on 28 February 2024.
- Several **Civil Defence Emergency Management training exercises** took place, including a mock exercise in Lake Tekapo alongside staff from the Mackenzie and Timaru District Councils.
- The installation of an **emergency generator** for the Local Government Centre and Library is underway and is expected to be operational by November 2024. This will ensure that during power outages Council business can continue as usual, and in the event of an emergency, the Emergency Operations Centre will be able to function from the Council building, providing support and communications to residents.

The \$48,658 project is funded from the Government's Three Waters Better Off Fund.

- The **Mayors Taskforce for Jobs (MTFJ) programme** placed 42 people into full-time roles, well above the target of 25 set by the Ministry of Social Development, which funds the programme. In addition, there were 18 part-time/casual/seasonal roles filled, and assistance provided for 53 driver licences.
- A **Waimate District Driver Licence Programme Coordinator** was appointed in April 2024, and a dedicated vehicle for driving lessons was sponsored by Fonterra, Rotary Club of Waimate

and Waimate Lions Club. The programme allows jobseekers and young drivers to have regular driving lessons in Waimate, and help fast-track the licencing process.

- Following public consultation, the **Speed Management Plan** was approved by Council and the NZ Transport Agency resulting in the introduction of safer speed areas. The plan reduced the speed limit around most schools to 30km/h, reduced five roads in recreational and industrial areas to either 40km/h or 60km/h, and reduced the Waimate Central Business Area (excluding State Highway 82) to 30km/h.

Corporate Highlights

- The 2024 **Waimate District Civic Awards** function was held at the Waimate Event Centre on 21 February, where four volunteers, one youth volunteer and a group/organisation were recognised and thanked for their community service. The individual recipients were Gael Grigg, Lorraine Morgan, Paula Page and Rob Smith, with the Youth Civic Award going to Patrick Partleton, and this year's Group/Organisation being the Waimate Historical Society's fundraiser – Bookarama.
- Ceremonies were held in August and December 2023 and April 2024 to **welcome 27 Waimate District residents** who were granted New Zealand citizenship. Originally from Argentina, the United Kingdom, Russia, Australia, Nepal, the Philippines, Israel, Venezuela, Thailand, Latvia, South Africa and Ireland, the new citizens administered their oath and were sworn in.
- In November 2023, the Waimate Cemetery was awarded the **Green Flag Award** – an international standard that recognises and rewards parks and green spaces that provide high-quality and innovative recreational experiences. Waimate is one of the smallest councils to receive the award, while very few cemeteries have been awarded a Green Flag.
- Due to uncertainty around Government reforms and direction, Council opted to produce an **Enhanced Annual Plan** for 2024/25, and a nine-year Long Term Plan for 2025-34. The draft plan which went out for public consultation received 34 submissions. The Annual Plan was adopted on 27 June 2024.
- In April 2024, Council commenced a review of its **representation arrangements** for the 2025 and 2028 local elections, with a survey distributed to all households in the district to gauge public opinion about the current system used for electing councillors and the mayor. Of the 225 responses received, 72% wanted to keep the same number of elected members and 63% wanted the current ward system retained. Council's initial proposal was to retain the status quo, that is Council comprise eight members elected from the four wards, and the Mayor

elected at large. One submission was received on the initial proposal. On 29 September 2024 the final proposal was confirmed as presented, due to no submissions received.

- Council **reappointed its Chief Executive** Stuart Duncan in November 2023 for another five-year fixed term. Stuart had completed the maximum term of employment permitted under the Local Government Act of seven years (five years with a two-year extension) before the role was required to be re-advertised.
- Three **community 'Let's Chat' meetings** were held in Waimate township, Waihao Forks, and Makikihi. This enables Councillors to travel to each community to listen and engage with residents first-hand, addressing local concerns at a local level.
- The independent Waimate District 2023 **Residents' Satisfaction Survey** report was finalised in October 2023. The biggest improvements from the 2021 survey related to regular rubbish collection and recycling services. Compared to other councils in New Zealand surveyed, in 13 of the 36 metrics, Waimate was perceived as the top performer in the country and in 33 metrics, satisfaction was ranked above the national average. Overall perceived quality of life in the district was 88% – the most of any district in the country.
- Following public consultation, Council amended the **Dog Control Bylaw** in November 2023 to create consistent and clear rules. Six reserves had amendments made to their use regarding dogs, and the definition of menacing dogs was also amended to align it with the Dog Control Act 1996.
- The contract for Council to receive its \$2.42 million share of the Government's **Three Waters Better Off Fund** was signed in late 2023. This followed Council's reversal of its earlier decision not to accept the funding due to its absolute opposition to the Three Waters Reform. Eleven projects were approved for funding, with the majority already commenced.

Activities and Service Performance Information

Council uses a number of measures to track our performance. Every three years they are reviewed in conjunction with our Long Term Plan. The 2021-31 Long Term Plan measures are being used in the 2023/24 financial year.

Each year we report on this progress in our Annual Report. Below is a snapshot of our performance measures achievement. To view the full list of measures please refer to the Activities and Service Performance Information section.



Water Supply

Achieved 9 of 12 measures
1 not measured



Waste Management

Achieved 2 of 4 measures
2 not measured



Stormwater

Achieved 6 of 6 measures



Sewerage

Achieved 5 of 6 measures
1 not measured



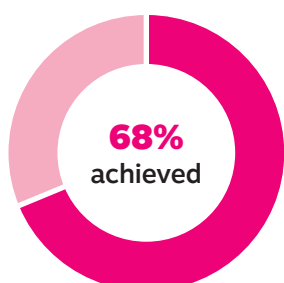
Roading and Footpaths

Achieved 6 of 7 measures
3 not measured



Organisation and Governance

Achieved 1 of 4 measures
2 not measured



District Planning and Regulatory Services

Achieved 11 of 16 measures



Community Services

Achieved 6 of 12 measures
3 not measured



Community Facilities

Achieved 8 of 8 measures
6 not measured

The performance measures not measured this year were due to the independent survey being conducted biennially. The next community survey will be in 2025.

Financial Statements

Summary financial statements

Waimate District Council is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The Downlands Rural Water Scheme is a joint arrangement domiciled and operating in New Zealand and established under the LGA. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

Council is a separate legal entity and does not have any subsidiaries.

The primary objective of the Council is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity (PBE) for the purposes of PBE IPSAS.

The summary financial statements and activities and service performance information of the Council are for the year ended 30 June 2024, are in New Zealand dollars and rounded to the nearest thousand (\$000). The full financial statements and activities and service performance information of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and in accordance with Tier 2 Public Benefit Entity accounting standards.

The 2023/24 and 2022/23 Annual Reports have been audited by Audit New Zealand and received unmodified opinions for each report.

The full financial statements and activities and service performance information were authorised for issue by Council on 31 October 2024.

The summary financial statements and activities and service performance information are in compliance with Public Benefit Entity Financial Reporting Standard 43 (PBE FRS 43).

The following information has been extracted from the full Annual Report. Readers of the Annual Report Summary should note that the financial information contained herein cannot be expected to provide as complete an understanding as that provided by the full financial reports contained in the full Annual Report. The full Annual Report is available at waimatedc.govt.nz.

Other disclosures

Budget information

The budget figures presented in the financial statements of the Waimate District Council are those included in the Annual Plan 2023/2024 and are consistent with the accounting policies used to prepare the financial statements.

Local Water Done Well Programme

The current coalition government is implementing "Local Water Done Well" through three pieces of legislation.

The Government recently enacted the Local Government (Water services Preliminary Arrangements) Act 2024 establishing the Local Water Done Well framework and preliminary arrangements for the new system. Key provisions of the Act are:

- Develop a Water Services Delivery Plan (WSDP) and deliver to the Secretary by 3 September 2025
- Define the anticipated or proposed model or service delivery arrangements alongside an implementation plan
- Provide baseline information as a step towards economic regulation

Council will not know what the model or arrangements are until the WSDP is approved by the Secretary.

Council is currently reviewing the potential for "ring fencing" the Three Waters activity and looking to establish a preferred service delivery model. Additionally, Waimate District Council is actively engaging on this matter with our neighbouring territorial.

More recently council has received signalling that there may be some relaxation of regulation around rural water supplies. This has potential to influence our capital investment programme for those rural water supplies yet to be upgraded.

Events after balance date

LGFA Borrowings

On 18 July 2024, Council acquired the following loan from the Local Government Funding Agency:

- \$1.5m, maturity 20 May 2029, fixed interest rate of 4.9%.

Associated borrower notes of \$75,000 were subscribed to simultaneously with the loan drawdown. Borrower notes are used by the LGFA as a source of capital to ensure there is sufficient capital to match the growth in their balance sheet.

Waimate Event Centre Fire

There was a fire at the Waimate Event Centre on 25 October 2024 with damage primarily centred on the area occupied by the Waimate Squash Club and Waimate Health Developments gym. The services of these two external organisations have been significantly impacted. The balance of the building is able to be occupied as normal with Council's services unaffected. An insurance assessor has been appointed and Council are awaiting their report. Initial indications suggest a claim totaling more than \$500,000, which is expected to be covered by insurers – less the relevant deductible.

Major financial variances

Statement of comprehensive revenue and expenditure

REVENUE

- Rates penalties income exceeded the Annual Plan 2024 budget due to increased rates receivables outstanding after due dates in addition to a conservative budget (Actual: \$163,000; Budget \$90,000).
- Subsidies and grants income exceeded the Annual Plan 2024 budget mainly due to Waka Kotahi NZTA subsidies income (Actual: \$4.213m; Budget \$3.625m), Mayors Taskforce for Jobs initiative (Actual: \$221,000; Budget \$100,000), Waste Levy grants (Actual: \$148,000; Budget \$34,000) and Better Off Funding (Actual: \$1.111m; Budget \$nil).
- Fees and charges income was below the Annual Plan 2024 budget due to reduced levels of economic activity and income for the building control activity.
- Development and financial contributions exceeded the Annual Plan 2024 budget due to the large volume of water and sewer capital contributions mainly in the Waimate Urban area.
- Interest income exceeded the Annual Plan 2024 budget by \$112,000 due to higher cash reserves following delayed capital spends compared to the budgeted spend.
- Other revenue exceeded the Annual Plan 2024 budget mainly due to vested assets (Actual \$1.61m; Budget \$nil) and found assets revenue recognition (Actual \$1.51m; Budget \$nil).

EXPENDITURE

- Employee entitlements were below the Annual Plan 2024 budget due to staff vacancies and the timing of replacements.
- Finance costs were below the Annual Plan 2024 budget due to increased cash reserves following the delay of some large capital projects meaning that additional borrowings were not required.
- Depreciation and amortisation expenses were below the Annual Plan 2024 budget as a result of some large capital expenditure deferrals and timing of spends.
- Other expenses exceeded the Annual Plan 2024 budget as a result of increased expenditure for Mayors Taskforce for Jobs initiative (\$243,000), Three Waters transitional funding consultancy expenditure (\$171,000), repairs and maintenance (\$195,000), roading operational spends (\$837,000) and increased insurance costs (\$113,000). This is partially offset by reduced expenditure for District Plan review and other regulatory spends (\$117,000) and electricity costs (\$96,000).
- Increase in revaluation reserves includes \$1.1m for an out of cycle revaluation at 30 June 2024 for Three Waters infrastructural assets which was not included in the Annual Plan 2024 budget. The Land and Buildings operational asset revaluation at 30 June 2024 saw an increase of \$4.9m compared to the Annual Plan 2024 budget of \$2.9m.
- Financial assets at fair value through other comprehensive and revenue includes the Alpine Energy Limited investment and associated annual valuation movements, with the 30 June 2024 annual movement higher than the budget anticipated.

Statement of financial position

- Receivables at 30 June 2024 are higher than the budget anticipated mainly due to increased receivables for Better Off Funding income \$869,000 and other general receivables.
- Property, plant and equipment at 30 June 2024 were unfavourable to budget mainly due to the Annual Plan budget allowing for large capital projects to be completed, which have been deferred.
- Other financial assets includes the Alpine Energy Limited investment with the 30 June 2024 annual valuation movement higher than the budget anticipated.
- Borrowings were favourable to budget predominantly due to the use of cash reserves and the delay of some large capital projects for the 2023 and 2024 financial years.
- Special separate and trust funds are favourable mainly due to delayed completion of capital projects for the Library extension, Waimate

town public toilets and various Water Scheme upgrades, where the drawdown of internal reserves and loans were budgeted.

- The Asset Revaluation reserve includes Three Waters and Land and Buildings revaluations completed at 30 June 2024, which were higher than anticipated when the budget was set.

CAPITAL EXPENDITURE

Total capital expenditure was in line with the Annual Plan 2024 budget, however the major variances are as follows:

- The Cannington rural water scheme Drinking Water Standards upgrade project was delayed (Actual \$nil; Budget \$700,000), and the Lower Waihao rural water scheme Denitrification project was below budget (Actual \$22,000; Budget \$700,000). These projects will be carried forward to the 2024/25 financial year.
- The Waimate Urban water scheme project for the booster for Bakers/Court/Hunts and Fitzmaurice Roads was below budget (Actual \$5,000; Budget \$296,000) and will be carried forward to the 2024/25 financial year.
- The Waimate Urban Sewerage scheme project for the Edward Street reticulation upgrade was budgeted in a prior year (Actual \$858,000; Budget LTP 2022 \$616,000).
- The Library extension and Local Government Centre Chambers upgrade project was budgeted in a prior year (Actual \$0.866m; Annual Plan 2023 \$1.673m) and is partially funded from Better Off Funding income.
- The Community Housing roof replacement (Actual \$320,000; Budget \$nil) and Public Toilets at Glenavy (Actual \$180,000; Budget \$nil) projects were not budgeted, and are partially funded from Better Off Funding income.

Alpine Energy Limited investment

The fair value of Council's investment in AEL has been determined primarily by using a valuation technique based on discounted cash flows and a capitalisation of maintainable earnings approach, using a mid-point Weighted Average Cost of Capital (WACC) of 6.4% (2023: 6.4%) and a regulatory asset base (RAB) multiple of 1.15x (2023: 1.125x). The value of the investment is highly sensitive to movements in the WACC rate and RAB multiple. Minor movements in these will materially change the value of the investment.

Waimate District Council's share of the valuation, ranges in value from \$20.4m to \$24.1m, with a mid-point of \$22.2m, which is reflected as the fair value in these financial statements. The independent valuation was completed by Ernst & Young (EY) at 30 June 2024.

During the year, AEL discovered an administrative error in its previous nine years' Information Disclosure Schedules that were submitted to the Commerce Commission (the Commission). Details of the error and the amended Information Disclosure Schedules are available on AEL's website.

The amended information is under review by the Commission to determine the appropriate course of action. There is a range of possible actions that the Commission may take against AEL, depending on the outcome of its review, which is expected to be finalised during the next financial year.

Until such time, the outcome of the review remains uncertain. The valuation therefore does not take account of this matter because the possible effects cannot be determined with any certainty.

Statement of Comprehensive Revenue and Expenditure for the year ended 30 June 2024

	Actual 30 June 2024 \$000	Annual Plan 30 June 2024 \$000	Actual 30 June 2023 \$000
Total operating revenue	26,492	21,368	22,801
Finance costs	281	391	235
Other operating expenses	23,559	22,794	21,923
Operating Surplus / (Deficit) before Taxation	2,652	(1,817)	642
Taxation expense	-	-	-
Total Surplus / (Deficit)	2,652	(1,817)	642
Other Comprehensive Revenue and Expenditure			
Net increase / (decrease) in revaluation reserves	5,627	3,477	636
Financial assets at fair value through other comprehensive revenue and expenditure	900	688	4,328
Total other comprehensive revenue and expenditure	6,527	4,164	4,964
Total Comprehensive Revenue and Expenditure	9,179	2,347	5,606

Statement of Changes in Equity for the year ended 30 June 2024

Equity at start of year	
Total comprehensive revenue and expenditure	
Equity at end of year	

Actual 30 June 2024 \$000	Annual Plan 30 June 2024 \$000	Actual 30 June 2023 \$000
521,530	517,025	515,924
9,179	2,347	5,606
530,709	519,372	521,530

Statement of Financial Position as at 30 June 2024

Current assets	
Non-current assets	
Total assets	
Current liabilities	
Non-current liabilities	
Total liabilities	
Equity	
Total liabilities and equity	

Actual 30 June 2024 \$000	Annual Plan 30 June 2024 \$000	Actual 30 June 2023 \$000
5,425	3,020	6,154
535,235	537,233	524,318
540,660	540,253	530,473
6,900	5,430	3,906
3,052	15,451	5,037
9,952	20,881	8,943
530,709	519,372	521,530
540,660	540,253	530,473

Statement of Cash Flows for the year ended 30 June 2024

Cash at start of year	
Net cash flows from operating activities	
Net cash flows from investing activities	
Net cash flows from financing activities	
Cash at end of year	

Actual 30 June 2024 \$000	Annual Plan 30 June 2024 \$000	Actual 30 June 2023 \$000
4,050	683	5,818
5,101	6,611	5,064
(8,283)	(16,018)	(7,119)
599	9,750	287
1,468	1,027	4,050

Independent Auditor's Report

To the readers of Waimate District Council's summary of the annual report for the year ended 30 June 2024

The summary of the annual report was derived from the annual report of Waimate District Council (the District Council) for the year ended 30 June 2024.

The summary of the annual report comprises the following information on pages 8 to 12:

- the summary statement of financial position as at 30 June 2024;
- the summaries of the statement of comprehensive revenue and expenditure, statement of changes in equity and statement of cash flows for the year ended 30 June 2024;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of activities and service performance information.

Opinion

In our opinion:

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

Summary of the annual report

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

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

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2024 in our auditor's report dated 31 October 2024.

Emphasis of matter – Uncertainty over valuation of unlisted share investment

Our auditor’s report on the full annual report also includes an emphasis of matter paragraph drawing attention to Note 13 on page 73 of the full annual report, which outlines an uncertainty over the value of the Council’s investment in Alpine Energy Limited (Alpine). Alpine identified an error in the information provided to the Commerce Commission for regulating prices. This matter has not been taken into account in the valuation because the Commerce Commission is considering the appropriate course of action. The outcome of the Commerce Commission’s consideration and its possible effect on the value of the investment is therefore uncertain. Information about this matter is also disclosed on page 11 of the summary annual report.

Council’s responsibility for the summary of the annual report

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

Auditor’s responsibility

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

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

In addition to reporting on the summary and full annual reports, we have performed a limited assurance engagement related to the District Council’s Debenture Trust Deed, which is compatible with independence requirements.

Other than these engagements, we have no relationship with, or interests in, the District Council.



Rudie Tomlinson
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand
15 November 2024



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Waimate
District Council