

Whakarāpopototanga o te Pūrongo ā-Tau **Annual Report 2024/25** **Summary**

He taiao mauriora
Healthy environment

He hapori hihiri
Vibrant communities

He ōhanga pakari
Strong economy

Kia tau iho ngā manaakitanga a te wāhi ngaro ki
runga ki a tātou katoa, tae atu rā ki te Arikiniui
Kuini Nga wai hono i te po e noho mai rā i runga i te
ahurewa tapu o ōna tūpuna, o tōna pāpa. Nei rā te
kōrero,
‘ko Tuheitia kei te rangi,
ko Nga wai hono i te po kei te whenua’.
Paimārire ki a ia.

Nō reira, e te hunga mate tāruru nui, haere ki tua o
Paerau, haere ki te iti o kahurangi, okioki ai.
Ka huri ki a tātou, ki te hunga ora.

E ngā maunga whakahī, e ngā wai whakatare
taniwha, e ngā karangatanga maha puta noa i te
rohe, ko te Kaunihera ā-Rohe o Waikato e mihi atu
nei ki a koutou, tēnā koutou, tēnā koutou, tēnā
koutou katoa.

May the providence of the unseen realm cascade
upon all of us, especially upon the Māori Queen
Nga wai hono i te po, who sits on the throne of her
ancestors, and of her father. As the saying goes,
‘Tuheitia is in heaven,
Nga wai hono i te po is on earth’.
Peace and goodwill to her.

To the vast number of loved ones who have passed,
journey to the next world, to the stars, to rest.

To those living in the Waikato region, we
acknowledge you, your ancestral mountains, your
waterbodies, your people and your communities.
Warmest regards from Waikato Regional Council.

Rārangi kaupapa

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Whakapuakitanga

Foreword

In 2024/25, we continued our mahi to help make the Waikato even better – environmentally, socially and economically.

This report – the last annual report for this triennium of council – reflects our achievements, and confirms our finances and service performance for the financial year ended 30 June 2025.

The ongoing impacts of inflationary pressures on the cost of living and the cost of delivering services remained top of mind when setting our budget for the period.

At the same time, however, we were resolved to keep moving forward to meet the expectations of our communities and the challenges ahead.

This resulted in a strong emphasis on prioritising work in the areas we believe matter most to our communities to deliver efficient, effective and fiscally responsible services.

This report is the first of the new three-year cycle that measures progress against the work programme set out in the 2024-2034 *Mahere Whānui* | Long Term Plan.

Improving water quality, planning for climate change and the transition to a low emissions economy, enhancing the health of our coastal and marine ecosystems, protecting and restoring our unique native plants and animals and the ecosystems they live in, keeping people safe on our roads and waterways as well as from floods and other hazards, and providing passenger transport services – we do all this, and more. And it's work that makes a real difference.

This year, work began to ensure everyone eligible was empowered to participate in the 2025 local elections – either by standing for the job of councillor or voting. A lot of effort goes on behind the scenes to make sure people have the information they need to stand and vote for the candidates who best represent them. It's easy to take for granted when things like this run like clockwork, and it's been a key part of our mahi this year.





Being ready to respond to the unexpected is also vital to our role. When reports came in that the Ōhinemuri River – which runs through the Karangahake Gorge – had turned bright orange, our incident response team acted immediately. The cause was a natural barrier collapse in front of a long-abandoned mine entrance, which released naturally occurring arsenic into the water. Thanks to the swift action of our staff, who are on call for the environment 24/7, communities were kept well-informed and safe throughout.

The land protected by our flood and land drainage infrastructure makes an important contribution to the region's agriculture sector, which contributes around \$2.2 billion to the region's GDP. Over the past financial year, we completed nine major infrastructure capital projects across these schemes. One standout was our asset rationalisation project near the Piako River mouth, which replaced three ageing floodgates with a single, modern structure designed to last 100 years. This not only meets future flood protection needs in the face of climate change but also reduces maintenance costs. The project also delivered many environmental benefits, including safe fish passage for tuna (eels) and a new 10-hectare habitat for resident and migratory shorebirds.

Keeping people connected is another cornerstone of our work. Following our commitment in the last long term plan to take on rating for bus services region-wide, we worked to ensure the way we collect rates for public transport is fairer, simpler and more efficient.

This involved collaborating with communities and local councils across the region to confirm a new rating model – one that better reflects the varying levels of access to services in what people pay. This new way of funding these important services was implemented for the first time from 1 July 2025.

In 2024/25, our public transport services covered seven million kilometres across 39 routes, with over 340,000 scheduled trips transporting more than 80,000 passengers on over four million journeys. And public transport users continue to tell us how much they value our services, with a 98 per cent satisfaction rate in our latest Te Huia rail survey. The Waikato to Auckland train service benefited this year from the addition of Sunday services and a convenient new stop at Pukekohe Station to make onward travel into central Auckland even easier.

It has been a year defined by robust and responsive solutions – showcasing the power of local knowledge, technical expertise and economies of scale. And it's been a year where we believe our ongoing commitment to working together – in partnership with iwi, and with residents and ratepayers, community groups, central and local government, the primary sector, and businesses – has enabled us to deliver value far greater than the sum of its parts.

Our council looks forward to continuing to work together over the next year and beyond as we build a future for the Waikato that can be enjoyed for generations to come.



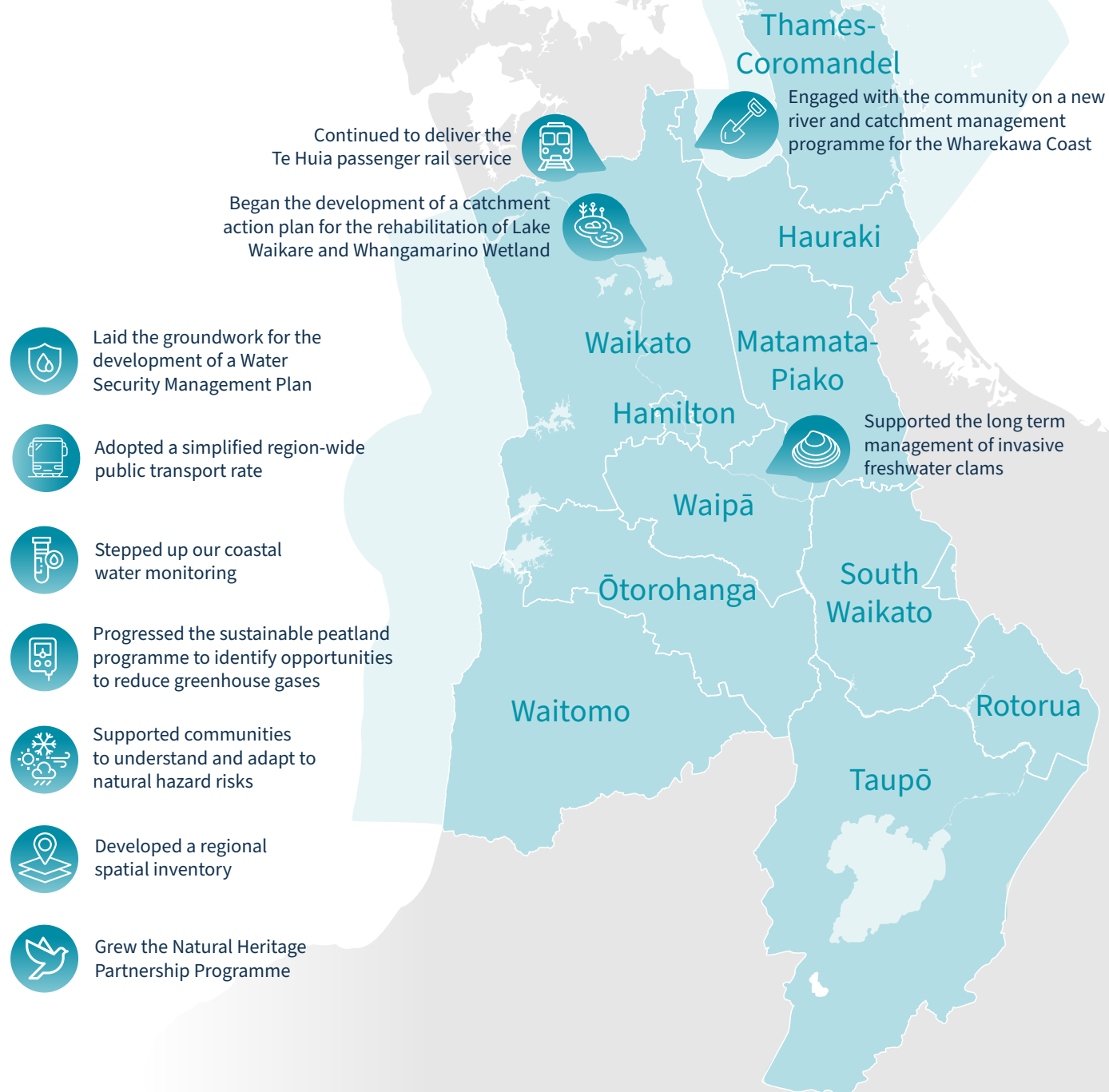
Chris McLay
Chief Executive



Warren Maher
Chair

Ngā hua tāke kaunihera

Your rates at work



Ngā whakatutukitanga

Performance summary

The work we do is carried out under 27 activity areas, which are sorted into eight groups. These groups of activities deliver services, infrastructure and functions that enable us to achieve community outcomes. Service levels and budgets were set through our 2024-2034 *Mahere Whānui Long Term Plan* (LTP), and these are what we report against.

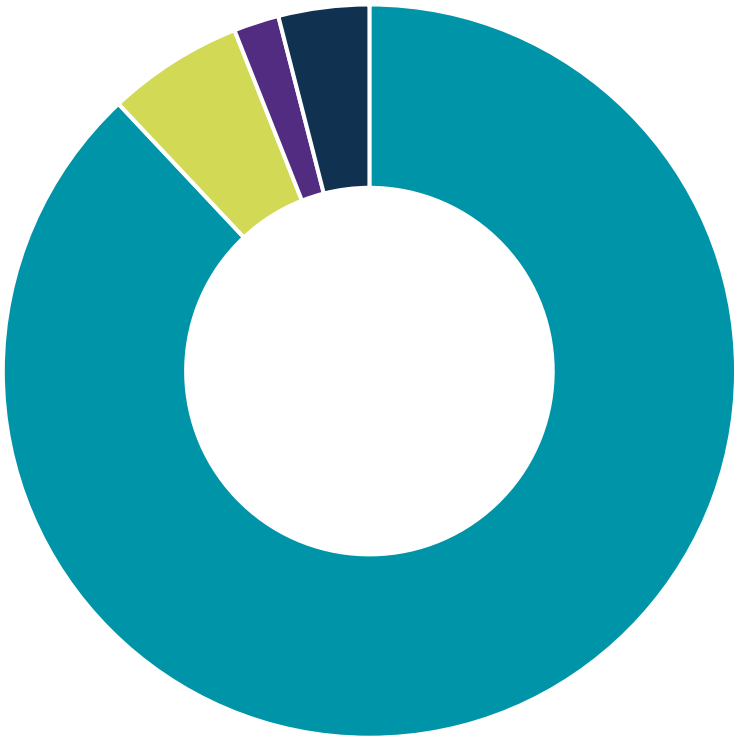
Performance highlights

Non-financial measures

For the 2024/25 year, there were 50 non-financial measures to be monitored and reported on.

The overall results were that we:

- Achieved 44 measures
- Did not achieve 3 measures
- Partially achieved 1 measure
- Two measures were not applicable

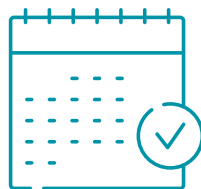


Performance at a glance



All 83

council meetings open to the public



All 194

Official Information Act requests met within the statutory timeframes



2983

flood protection maintenance actions completed



99%

data availability during flood events



9

major infrastructure projects completed across our flood schemes



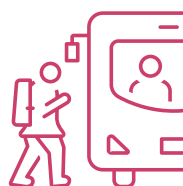
98%

satisfaction for Te Huia rail



804

resource consents processed



↑4%

bus trips per capita outside Hamilton



99%

of resource consents processed within RMA timeframes



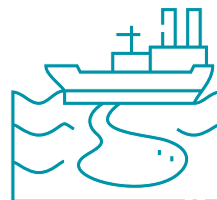
1518

environmental incident notifications received



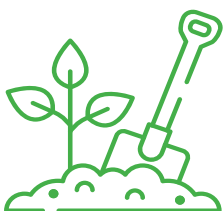
64

biodiversity projects funded through the Natural Heritage Partnership Programme



100%

of environmental incidents attended when needed



39

on-the-ground biodiversity restoration projects delivered on private land in high-priority ecosystems



24/7

response service for environmental incidents

Financial performance

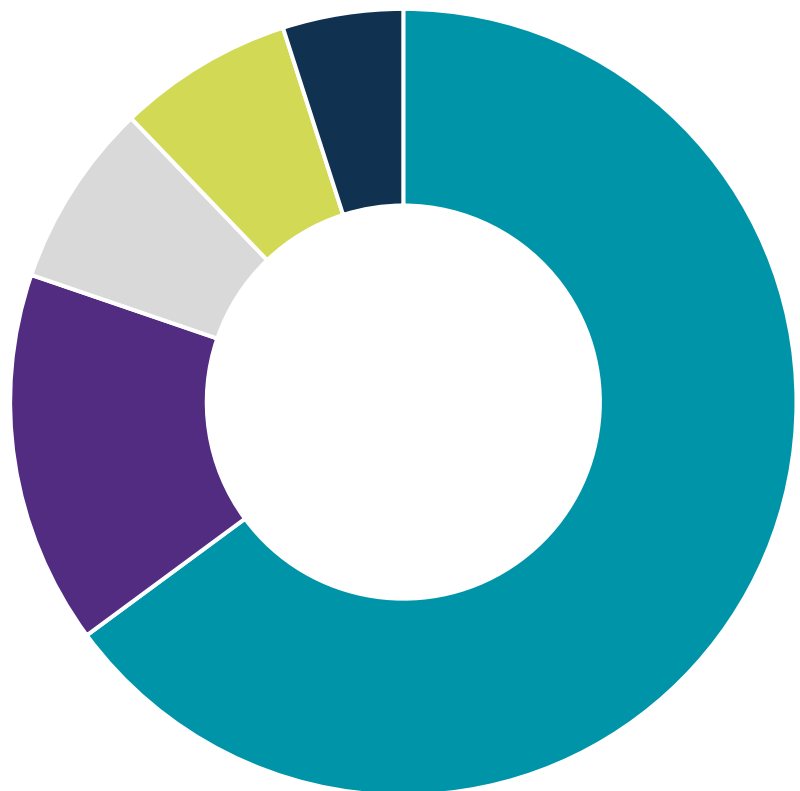
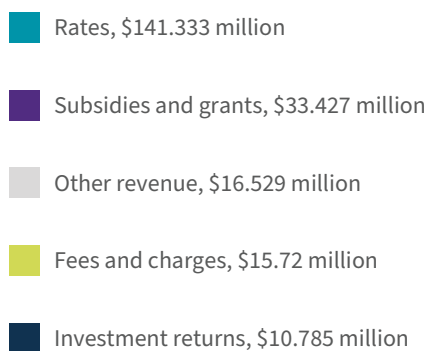
We are required, under section 98(7) of the *Local Government Act 2002*, to complete our audited financial statements and service performance information for the year ended 30 June 2025 no later than 31 October 2025.

We finished 2024/25 with a net surplus of \$1.908 million. Our total revenue for the year was \$7.709 million more than budgeted in our annual plan. Our operating expenditure was \$2.442 million overspent.

The main reason for the surplus was higher revenue received from subsidies and grants – \$33.427 million was received in the year compared to \$28.016 million budgeted in the annual plan. In addition, other operating expenses were \$3.202 million higher than budgeted in the annual plan.



Revenue



Capital expenditure

- The annual plan had provided for capital expenditure of \$20.475 million in relation to property, plant and equipment. Actual expenditure for the year was \$24.617 million.

Ā mātou mahi

Our work

Our *Strategic Direction 2023-2025, Takatū Waikato | Making a Stand for the Waikato* sets out our vision and purpose. It also covers the six strategic priorities that guide our work: water, biodiversity and biosecurity, coastal and marine, sustainable development and infrastructure, community connections, and transition to a low emissions economy. A focus on wellbeing and how we respond to climate change are woven through all our priorities.

Legislation guides councils to improve the social, economic, environmental and cultural wellbeing of our communities, both now and for generations to come. We've embedded this within our purpose – working together for a Waikato region that has a healthy environment, vibrant communities and strong economy.

We track our progress against these community outcomes through our annual planning and reporting cycles, which include annual reports like this one.

Ngā aronga nui **Our strategic priorities**



Wai
Water



Rerenga rauropi, tiakitanga taiao
Biodiversity and biosecurity



Takutai moana
Coastal and marine



Hononga hapori
Community connections



Hanganga tauwhiro
**Sustainable development
and infrastructure**



Whakaheke tukunga
**Transition to a low emissions
economy**

Matawhānui **Our vision**

Waikato mārohirohi: Manaaki whenua, whakamana tangata.

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

Aronga **Our purpose**

Working together for a Waikato region that has a **healthy environment, vibrant communities** and **strong economy**.

He taiao mauriora ▲ **Healthy environment**



He hāpori hihiri ▲ **Vibrant communities**



He ōhanga pakari ▲ **Strong economy**



Ngā hua whakahirahira 2024/25 highlights



Responding to environment incidents

Whenever an environmental incident occurs, Waikato Regional Council's Incident Response specialists are just a phone call away. Council staff respond to environmental notifications that involve potentially unlawful discharges to air, water or land in the Waikato region that involve contamination of the environment.

 waikatoregion.govt.nz/responding-to-environment-incidents-247

24/7

response service for environmental incidents

2063km

of drainage systems managed under our drainage schemes



Rerenga rauropi, tiakitanga taiao Biodiversity and biosecurity

Council grants \$1.34m to four landscape scale environmental projects

Waikato Regional Council granted a total of \$1.34 million from its Natural Heritage Fund (NHF) towards four landscape scale environmental projects. Successful applicants included:

- Te Whakaoranga o Karioi – The Karioi Project
- Caring for Native Biodiversity in Northern Coromandel
- Kia Mau Tonu Kaitiakitanga o Pirongia
- Kaimai Mamaku Restoration project.

 waikatoregion.govt.nz/council-grants-1-34m-to-four-landscape-scale-environmental-projects

577,187

plants and trees planted

14,555

hectares of priority biodiversity sites covered

55 per cent

of Waikato schools involved in the Enviroschools programme

673

vessel hulls checked in region-wide biosecurity survey

\$138,000

provided to 36 environmental projects through the Small-scale Community Initiatives Fund

\$372,873

provided to 12 projects through the Environmental Initiatives Fund

74,458m

of streambank protected

156,534m

of new fencing



Hanganga tauwhiro

Sustainable development and infrastructure

Innovative engineering enhances flood resilience and environment

Waikato Regional Council's newly completed asset rationalisation project near the Piako River mouth reflects a new and environmentally innovative era of flood management. The three-year project, which saw three floodgates decommissioned and replaced with one, was an upgrade of the lower reaches of the Piako River scheme that was built in the 1960s and 1970s to provide protection to 159,000 hectares of low-lying – including below sea level – productive farmland.



waikatoregion.govt.nz/innovative-engineering-enhances-flood-resilience-and-environment

442

floodgates assessed

114

pump stations assessed

205

other assets assessed

81 per cent

of flood management assets in very good to fair condition

2 per cent

improvement in flood management asset condition

96 per cent

satisfaction with our flood warning alert system



Hononga hapori

Community connections

Meteor's milestone million

Hamilton's Meteor bus service celebrated its one millionth passenger trip in 2024/25, averaging 12,144 passengers each week. Launched in September 2023, it's Hamilton's third high-frequency service and now the second most popular bus service in the Waikato after the Orbiter.



waikatoregion.govt.nz/meteors-milestone-million

4 million

journeys on our public transport services

340,000

scheduled trips

50,000

journeys with Total Mobility

6900

children get road safety lessons from Ruben the Road Safety Bear

Mock oil spill keeps response team on their toes

Whangamatā Marina is usually the picture of serene seaside relaxation and recreation. Not so on Tuesday, 11 March, when dozens of figures clad in hi-vis sprang to action for a marine oil spill response exercise.

Training exercises like this one are held biannually by Waikato Regional Council in different locations around the Waikato rohe (region). They enable our staff to practice the deployment of marine oil spill equipment that can minimise environmental harm.

 waikatoregion.govt.nz/mock-oil-spill-keeps-response-team-on-their-toes

12 hours or less

response time for category one maritime navigation aid repairs

161

maritime infringements addressed

Hearings

held on proposed coastal plan

25

coastal sites planted with Thames-Coromandel District Council

Whakaheke tukunga Transition to a low emissions economy

Council adopts plan to use nature-based solutions to achieve carbon neutrality

Waikato Regional Council will be using nature-based solutions to offset its hard-to-reduce greenhouse gas emissions and achieve carbon neutrality by 2050.

 waikatoregion.govt.nz/council-adopts-plan-to-use-nature-based-solutions-to-achieve-carbon-neutrality

29 per cent

reduction in emissions against 2017 base year¹

6 new EVs

replace diesel buses in Waipā

¹ Independent Toitū carbonreduce report. Reflects 2023/24 financial year reported in 2024/25 (excludes public transport emissions).

Whakarāpopototanga pūtea

Financial summary

Statement of compliance

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

Financial summary for the year ended 30 June 2025

	Actual (\$'000)	Annual plan (\$'000)	Last year (\$'000)
Statement of comprehensive revenue and expenditure			
Total revenue	217,794	210,085	208,619
Depreciation and amortisation expense	13,153	14,120	11,129
Interest expense	2,507	3,470	1,760
Other operating costs	200,226	195,854	181,098
Total operating expenditure	215,886	213,444	193,987
Surplus/(deficit) before income tax	1,908	(3,359)	14,632
Income tax expense	-	-	-
Net surplus	1,908	(3,359)	14,632
Gain/(Loss) on revaluation of property, plant and equipment	19,289	-	(888)
Total comprehensive income	21,197	(3,359)	13,744
Statement of financial position			
Total current assets	68,915	57,563	53,078
Non-current assets	1,139,571	1,138,480	1,117,708
Total assets	1,208,486	1,196,043	1,170,786
Total current liabilities	49,482	52,078	41,202
Non-current liabilities	37,036	56,607	28,813
Total liabilities	86,518	108,685	70,015
Net assets	1,121,968	1,087,358	1,100,771
Statement of changes in equity			
Opening equity	1,100,771	1,090,717	1,087,026
Total comprehensive revenue and expense	21,197	(3,359)	13,744
Closing equity	1,121,968	1,087,358	1,100,771
Components of equity			
Accumulated funds	201,690	208,022	212,361
Other reserves	920,278	879,336	888,410
Total equity	1,121,968	1,087,358	1,100,771
Statement of cash flow			
Net from operating	16,597	4,574	11,750
Net from investing	(23,906)	(34,888)	(16,429)
Net from financing	17,000	25,176	2,384
Net (decreased)/increase in cash held	9,691	(5,137)	(2,295)
Closing cash balance	26,117	4,308	16,426

Accounting policies

Waikato Regional Council is a regional local authority, governed by the *Local Government Act 2002*.

The full financial statements of Waikato Regional Council have been prepared in accordance with the requirements of the *Local Government Act 2002* and with New Zealand's generally accepted accounting practice. They comply with Tier 1 PBE accounting standards and other applicable financial reporting standards, as appropriate for public benefit entities.

Waikato Regional Council's summary annual report complies with the *Financial Reporting Standard 43 (FRS 43) Summary Financial Statements* and the financial statements have been prepared in New Zealand dollars. All values in these financial statements have been rounded to the nearest thousand dollars (\$000).

Information provided in this annual report summary has been extracted from the full financial statements. It does not include all disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding of the council's financial performance. To find the full financial report, visit waikatoregion.govt.nz/annual-report.

The council's full financial statements have been audited and an unmodified opinion has been given by Audit New Zealand. The full financial statements on which this summary is based were authorised for issue by the council on 20 November 2025.

Section 98 of the *Local Government Act 2002* requires that the council adopts its annual report within four months of the end of the financial year (30 June 2025). The council opted to delay adoption of the report to 20 November 2025 due to local government elections and thus the requirement was not met.

Commitments

Capital expenditure commitments for property, plant and equipment and intangible assets amounted to \$4.030 million at 30 June 2025 (30 June 2024: \$6.196 million).

Operating lease commitments

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

	2024/25 Actual (\$'000)	2023/24 Last year (\$'000)
Operating leases as lessee		
Not later than one year	3,811	3,621
Later than one year and not later than five years	14,438	14,013
Later than five years	21,119	24,960
Total non-cancellable operating leases	39,368	42,594

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

Operating leases as lessor

Waikato Regional Council subleases part of a property it leases. This sublease has a non-cancellable term of six years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows. The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$888,000 (2024: \$562,000).

	2024/25 Actual (\$'000)	2023/24 Last year (\$'000)
Operating leases as lessor		
Not later than one year	226	102
Later than one year and not later than five years	662	460
Later than five years	-	-
Total non-cancellable operating leases	888	562

Contingent liabilities

Waikato Regional Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The scheme is in wind down. However, the council has an ongoing obligation to contribute to it should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in *Napier City Council v Local Government Mutual Funds Trustee Limited*, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point, any potential liability cannot be quantified.

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

We are one of 72 local authority guarantors of the LGFA as at 30 June 2025. The aggregate amount of uncalled shareholder capital (\$20 million) is available in the event that an imminent default is identified, but the council is not a shareholder. Together with the other shareholders and guarantors, the council is a guarantor of all of LGFA's borrowings. At 30 June 2025, LGFA had borrowings totalling \$25.530 billion (2024: \$23.030 billion).

PBE (public benefit entity) accounting standards require the council to initially recognise the guarantee liability by applying the 12-month ECL (expected credit loss) model – as fair value could not be reliably measured at initial recognition – and subsequently to recognise it at the higher end of the provision for impairment at the balance date determined by the ECL model and the amount initially recognised. The council has assessed the 12-month ECL of the guarantee liability based on market information on the underlying assets held by the LGFA (Local Government Funding Agency). The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the council has not recognised this as a liability.

DM & MA Gleeson Family Trust

A claim has been lodged by the DM & MA Gleeson Family Trust alleging that the council's failure to maintain its drainage infrastructure resulted in flooding of the claimant's land for approximately 10 days following the 2023 Auckland Anniversary weather event. The claimant asserts that this inundation caused destruction of pasture and associated losses.

The matter remains under investigation. As of 30 June 2025, the estimated potential financial settlement has increased to \$200,000 (including GST) (2024: \$50,000).

Notable budget variations

Explanations for major variations from Waikato Regional Council's estimated figures for the 2024/25 Annual Plan are as follows.

Statement of comprehensive revenue and expenditure

Total rates revenue for the year is unfavourable to budget (\$1.328 million) as a result of changes in capital values through pending revaluations varying from those assumed and modelled at the time of the annual plan. Rates penalty income was also lower than budget (\$205,000), and more rates remissions than anticipated were granted (\$80,000).

Lower than planned fees and charges revenue was driven in part by reduced contributions from district councils with respect to public transport services (\$456,000), most notably from Waikato District Council due to the lower than budgeted cost of rail operations following service disruptions. Consent application fees were also lower than planned (\$207,000) as a result of more time being spent on non-recoverable activities, including consent appeals. The remainder was driven by lower than planned activity in both Emergency Management (\$88,000) and Civil Defence Emergency Management (\$154,000).

Lower than planned NZ Transport Agency Waka Kotahi grant revenue (\$848,000) was received as a result of funding for several planned projects being excluded from funding approvals contained in the National Land Transport Plan released in September 2024. This was more than offset by additional central government funding for catchment and flood control and protection works (\$6.259 million), including Kānoa flood resilience funding not anticipated in the annual plan.

Other revenue includes public transport fare revenue, which is \$1.045 million favourable to budget as a result of higher patronage levels. This is despite the fare increases that were introduced in July 2024 to address central government direction on the public share funding for these services. In addition, the council received higher than budgeted fines income (\$489,000) in relation to prosecution decisions through the courts. Cost recovery revenue offsetting costs for Community Education services provided by council were \$195,000 higher than budget.

The investment fund return for the year is \$7.758 million, against a budgeted return of \$6.679 million. This represents a 7.53 per cent return for the year. The council modified its strategic asset allocation, increasing exposure to growth assets to 60 per cent of the portfolio.

This change was implemented in the third quarter of the financial year and has assisted with the positive fund performance over the final quarter of the year when financial markets have performed strongly.

As a result of lower interest rates, lower capital expenditure and lower than forecast borrowing, both interest costs and depreciation were favourable to plan, by \$963,000 and \$967,000 respectively. Infrastructure capital depreciation was \$1.123 million unfavourable to budget as result of the capitalisation of work in progress costs over the year. Operational capital depreciation was favourable by \$2.089 million due to delays in operational capital projects. The council's decision to write off software development costs associated with a registration tool, developed for Plan Change 1 and placed on hold in 2020, also resulted in lower depreciation expense for the year, of \$420,000.

Other expenses include the recognition of the loss on disposal of infrastructure assets following their renewal/replacement (\$2.057 million).

Statement of financial position

Cash and cash equivalents reflect cash held by the council to meet its operating cash flow requirements. Total holdings at the end of the financial year include \$1.741 million of funds held on behalf of third parties by way of consent bonds. Cash held at 30 June 2025 is \$21.809 million favourable to budget. This includes the short term funds previously held as part of the investment fund that are now managed as part of the council's working capital (\$8.5 million). This is offset by the lower a than budgeted balance for other financial assets, which relates to term deposits held by the council that mature more than 3 months from the date of acquisition. Funds are invested over terms that consider the council's short and long term working capital requirements.

Inventories are \$679,000 higher than budget. This is largely driven by the accumulation of sediment trap material that will be used for the stopbank upgrade programme (\$403,000) as well as an increase in timber stock to mitigate supply challenges (\$80,000).

Prepayments are \$1.687 million lower than budget. The annual plan budget was set with reference to forecast prepayments in 2023/24. The timing of actual expenditure this year has avoided the need for the recognition of prepayments to the level anticipated.

The investment fund this year was \$5.112 million lower than budgeted. A change to the strategic asset allocation was implemented in the second half of the year. This assisted with the positive fund performance over the final quarter of the year when financial markets performed strongly. Short term or working capital funds previously held as part of a low risk portfolio within the investment fund have been withdrawn and are now held as cash and cash equivalents (\$8.5 million).

Property, plant and equipment is \$10.627 million higher than budget, primarily due to an unbudgeted revaluation of stop banks totalling \$19.278 million. This increase is partially offset by a lower than budgeted opening balance (\$5.300 million), unbudgeted asset disposals of \$2.536 million and a \$7.610 million lower than planned infrastructure capital programme following a review and rephasing of the programme.

Trade and other payables are \$6.205 million lower than budget. This reflects that the council is clearing past obligations faster than it takes on new credit purchases, in addition to a delayed capital programme.

Employee benefits are \$962,000 lower than budget. This mostly reflects the independent valuation results of long service and retirement gratuities undertaken at the end of the financial year. Changes in valuation reflect current assumptions regarding salary escalation rates, resignation rates, and forward interest (discount) rates.

Borrowings reflect the council's external borrowing through the Local Government Funding Agency (LGFA). The annual plan projected a total borrowing programme of \$64.420 million by the end of the 2024/25 financial year. Actual borrowing at 30 June 2025 was \$49.420 million. This reflects a lower opening balance (\$32.384 million against a budgeted \$62.662 million) as well as a lower than budgeted capital works programme completed for the 2024/25 financial year.

Investment in council-controlled organisations CCOs reflects the council's investment in the IRIS software product through Regional Software Holdings Ltd (RSHL), as well as the borrower notes held in relation to borrowing from the LGFA.

Council's investment in IRIS has continued to be impaired this year in line with the judgements made by the RSHL board which reflect the estimated remaining useful life of this investment. As a result, the value of the investment in RSHL has reduced from \$554,000 to \$367,000. The council's interest in the LGFA arises by way of borrower notes associated with the council's borrowing. Total borrower notes held have increased this year from \$710,000 to \$1.203 million, reflecting the increase in term borrowing through the LGFA, since June 2024, of \$7.036 million.

Derivative financial instruments reflect interest rate swaps that the council has entered to manage the interest rate risk associated with its borrowing programme. The net interest rate swaps position is \$1.027 million unfavourable to budget, reflecting the increasing current and future expectations of floating interest rates at 30 June 2025 compared to the committed fixed rate payments.

The value of intangible assets held by the council is \$3.829 million unfavourable to the annual plan budget. This reflects the write-off of software development costs associated with a registration tool, developed for Plan Change 1 and placed into hibernation in 2020, which was deemed obsolete following an analysis to assess the viability of completing the development of the tool versus alternative more technologically advanced and flexible solutions.

Independent auditor's report

To the readers of Waikato Regional Council's summary of the annual report for the year ended 30 June 2025.

The summary of the annual report was derived from the annual report of the Waikato Regional Council (the Regional Council) for the year ended 30 June 2025.

The summary of the annual report comprises the following information on pages 7 to 8 and 15 to 19:

- the summary statement of financial position as at 30 June 2025;
- 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 2025;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as "performance summary" in the document).

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 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 2025 in our auditor's report dated 20 November 2025.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to page 11 in the full annual report, which outlines the following:

Emphasis of Matter – Inherent uncertainties in the measurement of greenhouse gas emissions

The Council has chosen to include a measure of its greenhouse gas (GHG) emissions in its other information.

Without modifying our opinion and considering the public interest in climate change related information, we draw attention to section 2 on page 11 of the annual report, which outlines the uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

Council's responsibility for the summary of the annual report

The Regional 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.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Regional Council.



Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Hamilton, New Zealand
20 November 2025

Disclaimer

The specific disclosures included in this summary have been extracted from the full annual report. These summary financial statements do not include all of the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as is provided by the full annual report. The summary of financial and service performance, financial position and cash flows also cannot be expected to provide as complete an understanding as is provided by the full annual report.

The summary has been examined for consistency with the full annual report and was audited by Audit New Zealand on behalf of the Office of the Auditor-General. Audit New Zealand has issued a standard unmodified opinion on the full annual report. The full annual report can be found on our website at waikatoregion.govt.nz/annualreport.



He taiao mauriora ▲ **Healthy environment**

He hapori hihiri ▲ **Vibrant communities**

He ōhanga pakari ▲ **Strong economy**

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