Making the mighty Waikato the best it can be

Kia eke te rohe o Waikato ki tōna taumata
Read the full 2017/18 Annual Report online at waikatoregion.govt.nz/annual-report

Copies of this summary are available at regional council offices or by emailing info@waikatoregion.govt.nz.
Working together to build a Waikato region that has a healthy environment, a strong economy and vibrant communities.

It's this mission that drives the everyday activities of each of our employees.
A message from the Chair and CEO

Kōrero matua a te tiamana a te tumu whakarāe

It’s a pleasure to release our 2017/18 Annual Report. We achieved a number of significant milestones over the year and this summary provides you with a snapshot.

Our aim is to make the mighty Waikato the best it can be, and the last year shows we are tracking in the right direction.

Key to all our achievements is working with iwi Māori, stakeholders and our communities. It is with this kind of help that, in the last financial year, we developed our budget and work programme for the next 10 years through the 2018-2028 Long Term Plan. Adopted by council at the end of June, this document tackles the big issues we face together as a region. It builds on the work we’re already doing to support a sustainable future for the Waikato, where our environment, economy and communities will thrive.

Our future certainly bodes well; we continue to be one of the top performing councils in New Zealand. In October, the regional council’s work was recognised with an A grade rating in Local Government New Zealand’s (LGNZ) CouncilMARK™ excellence programme. This is the first year the excellence programme has been held and we were the only regional council to take part. It is challenging putting yourself forward for scrutiny against your peers, but we wanted to take part at the first opportunity, to ensure we’re performing to the best of our ability and delivering increasing value to our ratepayers, partners and communities. Also it was an opportunity to learn what we can do better; a service challenge we continually set ourselves.
We're pleased LGNZ recognised and highlighted the collaborative approach we take to resolve issues and deliver on initiatives that really matter. In the past year, these included:

- A focus on fresh water – we now have the Waikato Freshwater Strategy for delivering the best use of fresh water in the next 50 years, the Waikato and Waipā River Restoration Strategy to guide and prioritise restoration activities in the Waikato and Waipā river catchments, and Healthy Rivers/Wai Ora: Proposed Waikato Regional Plan Change 1 to assist in reducing the amount of contaminants entering the Waikato and Waipā catchments is well underway.

- Improving the economic development of our region – we supported the formation of the Waikato Regional Economic Development Agency (REDA), an organisation tasked with making a difference through economic development for the people of the region.

- Ensuring our infrastructure is sustainable – we opened New Zealand’s first ‘fish friendly’ flood control pump in Te Kauwhata to allow safe passage for our native species.

- Managing flood events – we responded to a number of flood events across the region, including a significant coastal inundation event that affected communities along the southern Firth of Thames in January.

- Responding to climate change – we committed to reducing our carbon footprint by becoming a Certified Emissions Measurement and Reduction Scheme organisation.

- Forging new partnerships – a joint management agreement was signed with Tūwharetoa Māori Trust Board which will see us working together.

- Supporting landowners, community groups and volunteer emergency services – we helped landowners plant nearly 500,000 plants, build more than 200 kilometres of fences and retire over 800 hectares of land. We also provided more than $2.5 million in funding to a wide range of community environmental projects and a number of volunteer emergency services. Just over $1.5 million of that was through catchment new works funding to landowners undertaking actions to address erosion and water quality issues, and improve biodiversity on their properties.

- Investing in public transport – we added to the bus services we provide in Hamilton, increasing our level of service.

So, we’re really proud of how we are performing, and it’s not just talk – we have evaluations to back up our claims. This year, we were assessed on 42 performance measures set in the 2015-2025 Long Term Plan. As at 30 June 2018, 33 were achieved (78 per cent), two were achieved in part (5 per cent), five were not achieved (12 per cent) and two were not applicable (5 per cent) because they are measured every two and five years. More information on our performance can be found on pages 23-27.

Financially, we’re doing well, too. For the last financial year, our investment fund delivered $1.3 million more than expected. The fund’s long term objective is a return of 4 per cent after inflation and fees, but for the last 10 years we’re sitting at 5.6 per cent.

Please take the time to read this summary of our 2017/18 Annual Report. While it’s another year over, we look forward to continuing to work with you to build a Waikato that can be enjoyed now and for generations to come.

Nā māua,
## Key statistics
### Tatauranga matua

<table>
<thead>
<tr>
<th>Rateable properties</th>
<th>Value of rateable properties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total land value in billions</strong></td>
<td><strong>Total capital value in billions</strong></td>
</tr>
<tr>
<td>201,217*</td>
<td>2018</td>
</tr>
<tr>
<td>206,374*</td>
<td>2017</td>
</tr>
<tr>
<td>+ 15%</td>
<td>+ 18.5%</td>
</tr>
</tbody>
</table>
Rateable hectares

2018: 2,126,142*
2017: 2,124,550*

Employees (full time equivalents)

2018: 496*
2017: 483*

*As at 30 June
Our priorities
O tātou whakaarotau

Seven strategic priorities guide our work. They are reviewed at the beginning of each council term to ensure we effectively address current and emerging issues.

- Positively influence future land use choices to ensure long term sustainability (page 7)
- Manage fresh water more effectively to maximise regional benefit (page 10)
- Increase communities’ understanding of risks and resilience to change (page 12)
- Enhance the values of the region’s coasts and marine areas (page 14)
- Support communities to take action on agreed outcomes (page 16)
- Forge and strengthen partnerships to achieve positive outcomes for the region (page 18)
- Shape the development of the region so it enhances our quality of life (page 20)
Soil health, erosion, biodiversity and water quality – they’re all connected to the way we’re using our land. So how we use it is just as important to the state of our environment as it is to our economy. In 2017/18, we continued to work with landowners and other agencies to provide information, advice and funding.

Positively influence future land use choices to ensure long term sustainability

Whakapoapoa i te tangata kia tika ana kōwhiringa whakahaere whenua ki tua

Measuring our progress

Kilometres of fencing and/or riparian planting completed

Catchment management staff worked on 335 individual properties

New fencing built

Native plants planted

Land retired
Flood infrastructure

We need to ensure land uses are supported by efficient and effective infrastructure. In April, we opened New Zealand’s first ‘fish friendly’ flood control pump station at Te Kauwhata.

The new Bedford fish friendly pumps increase the survival of fish by using a screw-shaped impellor with rounded blades that have a lower risk of striking and cutting fish. Monitoring of the old and new pumps at Orchard Road using live tagged eels has shown a dramatic increase in large eel survival – from 0 per cent to 95 per cent.

Did you know?

On your behalf we look after $499 million worth of flood protection assets – floodgates, pump stations and stopbanks – to protect homes and farms, as well as roads, rail and electricity infrastructure from flooding.

The hefty cost of maintaining and replacing this infrastructure was a key discussion topic for our council this year. In the 2018-2028 Long Term Plan, council budgeted $107 million for this work over the next 10 years.
**Did you know?**

**Afforestation feasibility study**

What are the land use change options and are they really economically viable?

It’s an obvious question, but there’s very little information available to landowners.

Recognising that this lack of information can be a barrier to sustainable land use change, our catchment management team initiated the Waipā Catchment Afforestation Feasibility Study – a project funded by our council, the Waikato River Authority and Ministry for Primary Industries.

Through this project, a web-accessible series of geographic information system (GIS) overlays were developed to identify the optimal areas for forestry alternatives. Another tool then evaluates the economics of the afforestation alternatives, enabling landowners to make confident decisions.

---

**Results in your backyard**

<table>
<thead>
<tr>
<th></th>
<th>Fencing</th>
<th>Planting</th>
<th>Retired land</th>
<th>Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Waipā</strong></td>
<td>57.4km</td>
<td>245,700</td>
<td>306ha</td>
<td>74</td>
</tr>
<tr>
<td><strong>West Coast</strong></td>
<td>86.5km</td>
<td>82,500</td>
<td>244ha</td>
<td>67</td>
</tr>
<tr>
<td><strong>Lower Waikato</strong></td>
<td>17.8km</td>
<td>49,800</td>
<td>88ha</td>
<td>25</td>
</tr>
<tr>
<td><strong>Upper Waikato</strong></td>
<td>22km</td>
<td>4540</td>
<td>48ha</td>
<td>22</td>
</tr>
<tr>
<td><strong>Taupō</strong></td>
<td>6.7km</td>
<td>4000</td>
<td>10ha</td>
<td>4</td>
</tr>
<tr>
<td><strong>Waihou Piako</strong></td>
<td>31.5km</td>
<td>76,500</td>
<td>47ha</td>
<td>73</td>
</tr>
<tr>
<td><strong>Coromandel</strong></td>
<td>12.9km</td>
<td>15,300</td>
<td>65ha</td>
<td>55</td>
</tr>
<tr>
<td><strong>Central Waikato</strong></td>
<td>7.1km</td>
<td>18,780</td>
<td>12</td>
<td>15</td>
</tr>
</tbody>
</table>

Work like this reduces the amount of sediment and other contaminants in our waterways, leading to improvements in water quality.
Manage fresh water more effectively to maximise regional benefit

Whakahaere tōtika i te wai māori kia whai hua te rohe whānui

Communities and our economy need water – clean water. So it’s hardly surprising water quality is what the majority of you care about the most. Rules alone won’t give us the kind of improvement you want, so we took the conversation to another level with the Waikato Freshwater Strategy.
Healthy Rivers/Wai Ora

Healthy Rivers/Wai Ora: Proposed Waikato Regional Plan Change 1 (HRWO) is all about reducing the amount of contaminants entering the Waikato and Waipā rivers. It's the first step in an 80 year journey to ensure these two rivers are swimmable and safe for flood gathering – a requirement of Te Ture Whaimana o Te Awa o Waikato (The Vision and Strategy for the Waikato River).

In April 2018, the public were given the opportunity to submit on a variation to the proposed plan change, which included some amendments arising from consultation with Pare Hauraki.

While implementation of the plan is still a couple of years away, there was big focus this year on planning for implementation, including developing tools and processes to help farmers and growers identify and manage common risks.

<table>
<thead>
<tr>
<th>1084</th>
<th>60+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total submissions on HRWO</td>
<td>Submissions on the variation to HRWO</td>
</tr>
</tbody>
</table>

Restoration strategy

A milestone for the future wellbeing of the Waikato and Waipā river catchments was marked in April when Minister for the Environment, the Hon David Parker, launched the Waikato and Waipā Restoration Strategy.

This strategy is a non-statutory and non-regulatory framework that will help prioritise future 'on the ground' restoration activities around the Waikato and Waipā rivers. It was a three-year project between our council, the Waikato River Authority and DairyNZ.

"In the Waikato region we are privileged to have a number of organisations that are committed to restoring the health of our waterways and it was great to have us come together to work on a coordinated plan."

Alan Livingston, Waikato Regional Council chair

Waikato Freshwater Strategy

The Waikato Freshwater Strategy is the first of its kind in New Zealand. It creates a roadmap to ensure there will be enough fresh water for everyone who wants it, well into the future.

The strategy, approved by our council in June 2017, calls for a financial as well as a cultural value for water. It was used during the 2018-2028 long term plan development process to help council decide what investment is needed in core work around water allocation and quality issues.
Increase communities’ understanding of risks and resilience to change

Whakatipu mōhiohio whatitata me te manahau a te tangata ki te hurihuri o te ao

From sea level rise and managing storms to ensuring our communities are well connected; change is inevitable. It also has the potential to increase people’s vulnerability and impact on their quality of life. To ensure you’re prepared, we’re working to make information as easy as possible to understand and access.
Maintaining our defences

In the last financial year (2016/17), the Waikato region was hit by a severe and prolonged rainfall event. That meant a focus this year was on testing and maintaining our flood protection and land drainage infrastructure to ensure communities are safe, have access to and from their properties, and that critical infrastructure isn’t compromised.

Did you know?

We launched Flood Room Live in January to keep you up to date with severe weather events in the Waikato waikatoregion.govt.nz/flood-room

Reducing our carbon footprint

As an organisation we are committed to reducing our carbon footprint, and this year become a Certified Emissions Measurement and Reduction Scheme (CEMARS) organisation.

CEMARS is given to organisations around the world that demonstrate an effective approach and attitude to reducing their carbon footprint, including travel, fuel use, electricity consumption and waste annually. We are the first regional council, and one of only five councils in New Zealand, to receive certification.

In addition to measuring and managing our own carbon footprint, we undertook an inventory of gas emissions in the entire region. This showed that our region was responsible for 17.4 per cent of the nation’s gross greenhouse emissions, despite being 10 per cent of the nation’s land area and 12 per cent of its population.

**1,772Kt CO₂e**
Our corporate greenhouse gas emissions*

**13.8Mt CO₂e**
Regional greenhouse gas emissions (Gross)*

**5.6Mt CO₂e**
Regional emissions offset by forestry*

*Due to the time it takes to collate data for these measures, the result is based on performance from the previous year.
Enhance the values of the region’s coasts and marine areas

Hāpai ake ngā rawa taimoana me te takutai

From the lands along the coast to 12 nautical miles off shore, our council monitors and protects the health of this tāonga, to enhance its value for generations to come. This year, we committed to ensuring we have plans for all harbours and catchments in the region.

Measuring our progress

Proportion of actively managed area (completed harbour and catchment management plans) in the Thames-Coromandel district*

40%

About 40 per cent of the Thames-Coromandel area is covered by an operative plan to appropriately manage and protect harbours and estuaries.

* Operative plans include Whangamata, Wharekawa, Tairua, Whangapoua, Whitianga/Mercury Bay, Coromandel/Manaia are under development.
Harbour and catchment management plans

The harbour and catchment management plan process kicked off on the Coromandel Peninsula in 2009. We already have plans for Wharekawa, Whangamatā, Whangapoua and Tairua. We’ve now turned our focus to Whitianga/Mercury Bay, Coromandel/Manaia and the region’s west coast.

To ensure we build on work already done, and don’t reinvent the wheel, this year was all about reviewing the current state – what we already know about the health of these harbours and catchments, and the work community groups and other organisations are already doing.

Did you know?

Work on the ground continued in Tairua, Wharekawa and Whangamata to help restore coastal habitat by controlling weeds and animal pests, and carrying out restoration planting.

Sea Change – Tai Timu Tai Pari

In December 2016 the country’s first marine spatial plan, Sea Change – Tai Timu Tai Pari, was released. This non-statutory plan outlines a comprehensive range of suggested measures to boost the health of the gulf and make it increasingly productive.

What our council has done to implement this plan

• Carried out coastal water quality monitoring.
• Worked with landowners and stakeholders to protect and improve water quality by enhancing and stabilising catchments that enter the Hauraki Gulf Marine Park.
• Carried out regular stream maintenance work, including the removal of 80,000 cubic metres of sediment from the Waihou and Piako rivers.
• Continued to implement agreed work set out in existing Coromandel harbour and catchment management plans.
• Convened the Waikato Regional Aquaculture Forum.

Moving forward, Sea Change – Tai Timu Tai Pari will also inform the reviews of the Waikato Regional Coastal Plan and Waikato Regional Plan.
Support communities to take action on agreed outcomes

The work we do to control harmful pests, prepare for disasters, deliver road safety programmes and keep people safe on our waterways is all about improving the quality of life in the Waikato. But we know that people working together is the key to the success of our rohe. That’s why we continued our focus on supporting landowners and communities to take action on the issues that are most important to them.

Tautoko hapori kia tutuki ai ngā mahi e hiahiatia ana

Our council contributed $2,653,768 to 455 community groups and landowners across the region through a number of funding platforms.*

The largest contribution $1,583,857 was through catchment new works funding to landowners undertaking actions to address erosion and water quality issues, and improve biodiversity on their properties.

*Funding platforms include Natural Heritage Fund, Environmental Initiatives Fund, Enviroschools Fund, Small Scale Community Initiatives Fund, Surf Life Saving, Helicopter Services, Coastguard Services, Waikato River Authority Funding Applications, Dr Stella Francis Scholarship, Roger Harris Scholarship, Dame Te Atairangi Kahu Tainui, KuDos Award, Ballance Farm Environment Awards, EDS Conference.
Who we supported

Every year, hundreds of volunteers spend thousands of hours doing good work to protect the Waikato’s natural environment. Here are just a few of the groups we supported in 2017/18.

Maungatautari Ecological Island
For maintenance of the predator-proof fence.

Moehau Environment Group
For integrated pest control in the northern Coromandel Peninsula.

A Rocha Aotearoa
To restore Mt Karioi as a seabird mountain.

Pirongia Restoration Society
For the re-introduction of kōkako on Mt Pirongia.

Tui 2000
For native planting at Waiwhakareke Natural Heritage Park in Hamilton.

Mahakirau Forest Estate Society
For a predator control programme across nearly 600 hectares of protected native forest near Whitianga.

Project Tongariro
For the restoration of the Waiotaka River riparian corridor near Turangi.

We also helped fund volunteer emergency services

$354,600 to Surf Life Saving

$175,400 to Coastguard

$50,000 to Philips Search and Rescue Trust

$50,000 to Coromandel Rescue Helicopter Trust
Forge and strengthen partnerships to achieve positive outcomes for the region

Hanga rānei, whakakaha rānei ngā hononga ki ētahi atu kia tutuki ai ngā whāinga papai mō te rohe

Collaboration and good partnerships to deliver on our programme of work, with the heart of communities at mind, puts us at the forefront of best practice among regional councils.

Measuring our progress

Number of new partnerships

A total of four new initiatives implemented in 2017/18.
Landmark addition

This year saw a landmark addition to the Joint Management Agreement (JMA) between our council and Tūwharetoa Māori Trust Board. The addition will see us working closely together over Taupō Waters, which includes Lake Taupō and the tributaries flowing into and out of the lake.

Rural partnerships

We also strengthened our partnerships with rural professionals and farmers who will be impacted by Healthy Rivers/Wai Ora. In particular, 119 participants from the rural sector completed soil conservation and land management training. We also worked with a reference group of 20 rural professionals to develop a template and guide for Farm Environment Plans and we will continue to work with Beef + Lamb NZ to provide workshops to farmers.

Did you know?

The Kawe Kōrero app, launched in September, is one way we’re helping our staff, councillors and other councils to confidently and effectively communicate in partnerships with iwi and Māori.

Did you know?

Farm Environment Plans distributed to farmers since June

- 300 at Fieldays
- 242 digital downloads

Supreme Award winner SOLGM

Local Government Excellence Awards
Shape the development of the region so it enhances our quality of life

Waihanga i te ara whanake i te rohe kia kounga ake ai te oranga o te tangata

The Waikato region is a place of powerful possibilities. That’s why we prioritised regional development – connecting people, ideas and information.
The Waikato Plan

*The Waikato Plan* is the outcome of all councils and leading organisations in the Waikato coming together to address complex regional-scale issues that don’t sit neatly under one agency. For example, population change, transport and water. It’s the first time we’ve been able to provide one collective voice on regional issues and a way forward for the region for the next 30 years.

In May, the Waikato Plan Leadership Group released a report on socioeconomic deprivation in the Waikato, revealing that education was a big issue, as was income, crime and health. The report was compiled as a tool to help drive decision making for targeting funding and initiatives to improve social outcomes.

> “With our work with 22 secondary schools around the region as part of Secondary School Employer Partnerships, we do see the need to have individual place-based policies. The disparity across the region is enormous. If it can be pinpointed through this type of work that is very useful.”

*Mary Jensen, Smart Waikato chief executive*

In June 2018 it was decided that our council was best placed to coordinate the implementation of the *Waikato Plan* – a role we’ll take up in the 2018/19 year.

Our commitment to Waikato REDA

Our council, along with other councils and business leaders, supported Waikato Means Business to create a new economic development strategy for the Waikato region. That work paved the way for the formation of the Waikato Regional Economic Development Agency (REDA).

Established on 1 July, REDA is owned by the Waikato Economic Development Trust. Through the 2018-2028 Long Term Plan, adopted on 26 June, our council confirmed it will support REDA with $350,000 annually for the next 10 years. Other councils are also providing funding.
The 2017/18 year in review

He tiro kōmuri ki te tau 2017/18

Our work is organised into seven groups of activities. Each group of activities has performance measures, which show how we are delivering against our level of service. In total, there are 42 measures.

These activities and performance measures were set in our 2015-2025 Long Term Plan (LTP) and will be reported on for the last time this year. The next annual report will report against the 2018-2028 LTP.

- 33 measures achieved
- 5 measures not achieved
- 2 measures achieved in part
- 2 measures not applicable
- 0% — 100%
**Community and services**

Of the responses we received in a survey sent to our iwi partners:

- **100% satisfaction**
  with our collaborative relationship

- **80% satisfaction**
  with our joint decision making processes

- **100% satisfaction**
  with our co-governance arrangements

---

**Emergency management**

In December 2017, our Group Emergency Management team moved into their new building in central Hamilton. It was officially opened by the Minister of Civil Defence and Emergency Management, the Honourable Kris Faafoi, earlier this year. The purpose-built facility has been constructed to be operational immediately in the event of an emergency to support responses right across the region.

We aim for our Group Emergency Coordinator Centre (GECC) to be activated within 60 minutes of an event or emergency. However, on 3 January 2018, we were able to activate the GECC instantaneously when a high tide inundation event impacted on the Hauraki, Thames-Coromandel and Waikato districts.

We’re promoting the use of geographical information systems (GIS) by leading a New Zealand GIS for Emergency Management forum, which has approximately 250 members across the country. The work resulted in a staff member receiving an award from the Ministry of Civil Defence Emergency Management.
Flood protection and control works

Our work programme continued to be impacted by the effects of flooding in the previous year, and the need to undertake unplanned remedial work to restore the level of service of our flood protection and land drainage infrastructure. This was particularly evident in Ngātea where a section of stopbank required urgent remediation following slumping in three locations. However, despite this setback, we achieved a substantial portion of our planned annual work programme, including the upgrade of 13.5km of stopbanks so that 93.1 per cent are now above design flood level, compared to our target of 80 per cent.

Integrated catchment management

We often leverage funds from organisations or groups to achieve mutually beneficial outcomes for projects across the Waikato. In the Lower Waikato Zone, $200,000 of external funding was put into priority projects to help landowners with catchment management work.

Land covered by soil conservation schemes

Coastcare (formerly called Beachcare) groups are involved in protecting and restoring our beaches and the coastline around the region. They are partnerships between us, the local community, iwi and district councils. The programme receives high levels of community engagement throughout the Coromandel Peninsula and west coast. A highlight in the past year was large-scale collaboration to protect the cultural and biodiversity values of Kāwhia’s coastline.

Acoustic surveys for cryptic wetland birds carried out at two wetlands on the shores of Lake Taupō and four estuarine sites in the Coromandel Peninsula confirmed the presence of threatened or at risk species. As a result, we developed plans to look at how we will best manage the habitat of these birds.

The woolly nightshade lace bug has spread in large numbers since it was first released at Port Waikato and Raglan in 2008. The bug, which helps eliminate woolly nightshade, has now been observed in good numbers in Hamilton and across the Coromandel Peninsula. Importantly, defoliation of woolly nightshade plants has occurred, with some areas showing a total canopy collapse. This is a great outcome as woolly night shade is widespread and difficult to control.
Public transport

This year ended with a 0.83 per cent increase in Hamilton urban bus patronage. While this didn’t meet our target of 1 per cent growth, we did see some large increases in popular bus routes due to network improvements within the city and a strong marketing campaign.

We had also planned for a 1 per cent increase in patronage on our commuter bus services between Hamilton and satellite towns. However, we saw a significant 4.67 per cent increase in patronage. A breakdown of those services and reasons for the growth are in the table below.

<table>
<thead>
<tr>
<th>Morrinsville</th>
<th>Achieved the highest growth rate of 13.39 per cent across all the satellite services. This continuing growth is due to weekend services, new buses and an improved timetable.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambridge</td>
<td>This service had a notable increase of 10.60 per cent, due to a continuing positive impact of the university concession offering.</td>
</tr>
<tr>
<td>Raglan</td>
<td>The service has achieved 6.46 per cent increase compared to this time last year as a result of the new bus contracts providing a Sunday service and an extra trip on weekdays.</td>
</tr>
<tr>
<td>Te Awamutu and Huntly</td>
<td>Te Awamutu achieved 10.80 per cent and Huntly 0.26 per cent. The increase was predominantly due to uplifting an additional Te Awamutu school assist service added to the timetable.</td>
</tr>
</tbody>
</table>

A number of new bus services were started in Hamilton to provide an increased level of service, increased capacity and extra safety measures such as CCTV on board. Two double decker buses were also introduced into the fleet to ease capacity pressures during peak times.

Ongoing marketing has been undertaken for the free Transit real-time app, which has had more than 11,000 downloads by bus users in the region. We’ve also improved our passenger communications via real-time service alerts and installed five new e-stop display screens at key stops in Hamilton.

The BUSIT customer focus team increased their presence in communities in the past year with regular visits and presentations at community centres, schools, preschools, disability agencies and retirement villages. Joint promotions with Hamilton Zoo, Waikato Museum and the central library, coupled with double decker bus rides, led to thousands of Waikato families experiencing bus travel, often for the first time.

The existing customer service counter at the Transport Centre in Hamilton was upgraded, and social media is now being used daily as a marketing tool, rather than just a customer service avenue.
Resource use

We monitor compliance with resource consents under the Resource Management Act to protect our natural and physical resources. Due to a shortage in staff, we were unable to monitor all the consents planned. We did, however, monitor 100 per cent of our high priority sites. Where we fell short on was monitoring average and low priority sites.

10,876
Resource consents administered as at 30 June

946
New consents processed this year

Science and strategy

We launched a new system which enables our field officers to enter water quality and geothermal data into a tablet, onsite. The information goes straight to the cloud to be processed overnight. This new system means our field officers no longer need to manually enter the results into a computer when they return to the office.

Proposed Plan Change 1 Waikato and Waipā river catchments continues to be a priority for the organisation. Variation 1 (relating to the lower Waikato) was notified in April 2018 and a total of 61 submissions received. Submitters will have the opportunity to speak to their submission at hearings in 2018/19.

This year, the Waikato Regional Road Safety Strategy 2017-2021 was updated and the Waikato Regional Land Transport Plan 2015-2045 was significantly revised and updated.

Cameras were set up for the bars in Tūākau, Raglan and Kāwhia with the help of funding from Vodafone. The cameras allow the harbourmasters and coastguard to view the conditions on the bar and to put out the appropriate warnings. We are planning to link the cameras to the MarineMate app over the next year so the public will also be able to view the conditions.
Financial summary
He kōrero whakārārārapopoto pūtea

Financial summary for the year ended 30 June 2018

<table>
<thead>
<tr>
<th>Statement of comprehensive revenue and expenditure</th>
<th>ACTUAL $000</th>
<th>ANNUAL PLAN $000</th>
<th>LAST YEAR $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>125,552</td>
<td>121,572</td>
<td>120,473</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>9,195</td>
<td>8,867</td>
<td>8,653</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>117,043</td>
<td>114,742</td>
<td>109,900</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>126,238</td>
<td>123,609</td>
<td>118,553</td>
</tr>
<tr>
<td>Surplus before income tax</td>
<td>(686)</td>
<td>(2,037)</td>
<td>1,920</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net surplus</td>
<td>(686)</td>
<td>(2,037)</td>
<td>1,920</td>
</tr>
<tr>
<td>Other comprehensive revenue and expense</td>
<td>(6)</td>
<td>-</td>
<td>55,529</td>
</tr>
<tr>
<td>Total comprehensive revenue and expense</td>
<td>(692)</td>
<td>(2,037)</td>
<td>57,499</td>
</tr>
</tbody>
</table>
### Statement of financial position

<table>
<thead>
<tr>
<th></th>
<th>Actual $000</th>
<th>Annual Plan $000</th>
<th>Last Year $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td>27,377</td>
<td>26,669</td>
<td>40,362</td>
</tr>
<tr>
<td><strong>Non current assets</strong></td>
<td>617,179</td>
<td>608,785</td>
<td>606,001</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>644,556</strong></td>
<td><strong>635,454</strong></td>
<td><strong>646,363</strong></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>22,017</td>
<td>23,084</td>
<td>23,058</td>
</tr>
<tr>
<td><strong>Non current liabilities</strong></td>
<td>2,258</td>
<td>2,736</td>
<td>2,332</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>24,275</td>
<td>25,820</td>
<td>25,390</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td><strong>620,281</strong></td>
<td><strong>609,634</strong></td>
<td><strong>620,973</strong></td>
</tr>
</tbody>
</table>

### Statement of changes in equity

<table>
<thead>
<tr>
<th></th>
<th>Actual $000</th>
<th>Annual Plan $000</th>
<th>Last Year $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening equity</strong></td>
<td>620,973</td>
<td>611,671</td>
<td>563,524</td>
</tr>
<tr>
<td><strong>Total comprehensive revenue and expense</strong></td>
<td>(692)</td>
<td>(2,037)</td>
<td>57,449</td>
</tr>
<tr>
<td><strong>Closing equity</strong></td>
<td><strong>620,281</strong></td>
<td><strong>609,634</strong></td>
<td><strong>620,973</strong></td>
</tr>
</tbody>
</table>

### Components of equity

<table>
<thead>
<tr>
<th></th>
<th>Actual $000</th>
<th>Annual Plan $000</th>
<th>Last Year $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accumulated funds</strong></td>
<td>233,862</td>
<td>231,433</td>
<td>230,779</td>
</tr>
<tr>
<td><strong>Other reserves</strong></td>
<td>386,419</td>
<td>378,201</td>
<td>390,194</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>620,281</strong></td>
<td><strong>609,634</strong></td>
<td><strong>620,973</strong></td>
</tr>
</tbody>
</table>

### Statement of cashflows

<table>
<thead>
<tr>
<th></th>
<th>Actual $000</th>
<th>Annual Plan $000</th>
<th>Last Year $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net from operating</strong></td>
<td>4,170</td>
<td>6,386</td>
<td>2,502</td>
</tr>
<tr>
<td><strong>Net from investing</strong></td>
<td>(523)</td>
<td>(20,854)</td>
<td>(1,090)</td>
</tr>
<tr>
<td><strong>Net from financing</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net increase / (decrease) in cash held</strong></td>
<td>3,647</td>
<td>(14,468)</td>
<td>1,412</td>
</tr>
<tr>
<td><strong>Closing cash balance</strong></td>
<td><strong>10,365</strong></td>
<td><strong>3,877</strong></td>
<td><strong>6,718</strong></td>
</tr>
</tbody>
</table>
**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 is in compliance with Financial Reporting Standard 43 (FRS 43) Summary Financial Statements and the financial statements have been prepared in New Zealand dollars. All values have been rounded to the nearest thousand dollars ($000).

The summary annual report 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 as the full financial statements.

The full financial statements on which this summary is based were authorised for issue by the council on 27 September 2018.

**Commitments**

Capital expenditure commitments for property, plant and equipment and intangible assets amounted to $2.194 million at 30 June 2018 (30 June 2017: $1.816 million).

**OPERATING LEASE COMMITMENTS**

<table>
<thead>
<tr>
<th></th>
<th>THIS YEAR $000</th>
<th>LAST YEAR $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease commitments as lessee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not later than one year</td>
<td>1,096</td>
<td>672</td>
</tr>
<tr>
<td>Later than two years and not later than five years</td>
<td>2,560</td>
<td>646</td>
</tr>
<tr>
<td>Later than five years</td>
<td>165</td>
<td>99</td>
</tr>
<tr>
<td>Total non-cancellable operating leases</td>
<td>3,821</td>
<td>1,417</td>
</tr>
<tr>
<td>Operating lease commitments as a lessor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease commitments under non-cancellable leases:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not later than one year</td>
<td>180</td>
<td>191</td>
</tr>
<tr>
<td>Later than two years and not later than five years</td>
<td>560</td>
<td>56</td>
</tr>
<tr>
<td>Later than five years</td>
<td>35</td>
<td>-</td>
</tr>
<tr>
<td>Total non-cancellable operating leases</td>
<td>775</td>
<td>247</td>
</tr>
</tbody>
</table>
Contingent liabilities

There are no contingent liabilities for 30 June 2018.

Until June 2017, the council was a member of NZ Mutual Liability Riskpool (Riskpool). Riskpool provided public liability and professional indemnity insurance for its members. The Trust Deed of Riskpool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any fund year, then the board may make a call on members for that fund year.

No material exposures related to any legal matters has been estimated (2017 $Nil).

Events after balance date

There were no events after balance date that need to be reported.

Where our funding came from

<table>
<thead>
<tr>
<th>Source</th>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other income</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Investment income</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Fees and charges</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Subsidies and grants</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Rates revenue</td>
<td>67%</td>
<td>67%</td>
</tr>
</tbody>
</table>

Expenditure by group of activities ($000)

- Corporate and self funding
- Council controlled organisations
  - Public transport
  - Science and strategy
  - Resource use
  - Community and services
  - Emergency management
  - Flood protection and control works
  - Integrated catchment management

- BUDGET
- ACTUAL

Financial summary

2017/18 ANNUAL REPORT SUMMARY
Notable budget variations

Fees and charges revenue is $420,000 below budget. This reflects reductions in both compliance monitoring revenue ($233,000) and consent applications fees ($399,000). Offsetting these reductions, the council received additional revenue in relation to its catchment new works programme ($113,000), and through cost recovery related to participation in national biosecurity response programmes such as Kauri dieback and Mycoplasma Bovis ($156,000).

Subsidies and grants are $1.761 million favourable to budget. Key contributors to this outcome include:

• New Zealand Transport Agency (NZTA) funding for the Regional Integrated Ticketing System project ($586,000).
• Higher NZTA funding as a result of increased bus contract costs and indexation ($212,000), plus bus shelter improvements ($204,000).
• NZTA funding to support service improvements associated with the Hamilton public transport network ($232,000).
• Funding received from the Ministry of Business Innovation and Employment on behalf of Waikato Means Business ($314,000).

Other revenue is $1.707 million favourable to budget. Key contributors to this include:

• Unbudgeted contributions to catchment new works ($524,000). This includes funding of $420,000 received from the Waikato River Authority.
• Additional revenue associated with the council’s flood schemes ($346,000), including power cost recoveries, sand royalties and grazing licence income.
• Additional fines revenue ($143,000) from Resource Management Act prosecutions.

Investment income is $1.125 million favourable to budget. Lower working capital funds on hand over the course of the year have resulted in lower interest income. This is offset by the positive performance of the council’s investment fund. The fund achieved a return of 8.3 per cent for the year – 1.5 per cent ahead of its benchmark.

Employee benefit expenses are $759,000 higher than budget. Total employee salary costs for the year are $44.872 million against an annual plan budget of $43.926 million. This higher cost reflects decisions to change the resourcing for some of the council’s work from contracted services to employees.

Depreciation and amortisation is $328,000 higher than budget. Finalisation of the revaluation of council’s infrastructure assets occurred after the annual plan budget was set. The additional depreciation charge reflects the increase in the value of these assets.

Other expenses are $1.504 million higher than budget. Costs reported include the transfer of expenditure previously treated as capital expenditure for work that the council has undertaken on the resource consent for the operation of the Northern Control Gates at Lake Waikare ($2.05 million), and scoping and feasibility of capital works at Tauhei in the Lower Waikato Zone ($737,000). Regular flood events across the region have driven additional expenditure ($630,000). Additional costs have been incurred in relation to catchment new works, offset by additional external funding through partnerships with organisations such as the Waikato River Authority. Costs for the provision of public transport services have exceeded the annual plan budget by $476,000, reflecting costs associated with new services and contract indexation.
Statement of financial position

Financial assets are $4.38 million higher than budget. This reflects the favourable fund performance over the last year as noted above. Biological assets are $595,000 higher than budget. This reflects the completion of the annual valuations at the end of the last two financial years where the impacts were known after the annual plan budget had been set.

Property, plant and equipment is $2.613 million higher than budget, reflecting a higher opening asset value than projected at the time the budget was set due to a prior year revaluation of infrastructural assets. This has been partially offset by lower capital expenditure for the year than projected in the budget. $6.169 million of infrastructure capital expenditure budget has been signalled to be carried over to 2018/19 to allow planned works to be completed.

Non current employee benefit liabilities are $478,000 lower than budget, reflecting reductions in provisions for long service leave and retirement gratuities as a result of staff turnover.

Science and Strategy expenditure is $5.776 million favourable to the annual plan. Delays in treaty settlements have resulted in a deferral of work planned on the Hauraki Catchment Plan ($685,000) and the regional plan review ($813,000). The annual plan budget assumed that funds accumulated in the Regional Development Fund would be applied to qualifying projects this year ($3.483 million) – this has not occurred so funds will continue to be held by the council.

Investment fund returns

The return from the investment fund has been applied to:

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL</th>
<th>LAST YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Inflation proofing</td>
<td>1,199</td>
<td>1,259</td>
</tr>
<tr>
<td>Rates subsidy</td>
<td>1,862</td>
<td>2,110</td>
</tr>
<tr>
<td>Regional Development Fund</td>
<td>1,483</td>
<td>1,160</td>
</tr>
<tr>
<td>Investment equalisation reserve</td>
<td>2,251</td>
<td>2,109</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6,795</td>
<td>6,638</td>
</tr>
</tbody>
</table>

Explanations of key variances between actual and planned financial performance can be found in the full annual report available online: waikatoregion.govt.nz.govt/annual-report
To the readers of Waikato Regional Council’s summary of the annual report for the year ended 30 June 2018

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 2018.

The summary of the annual report comprises the following summary statements on pages 23 to 33:

- the summary statement of financial position as at 30 June 2018;
- 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 2018;
- 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 ‘the 2017/18 year in review’).

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 2018 in our auditor’s report dated 27 September 2018.

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.

Other than the audit and our report on the disclosure requirements, we have completed an audit of the Regional Council’s 2018-28 Long term plan. We have no relationship with or interests in the Regional Council.

David Walker
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand
27 September 2018

Disclaimer
The specific disclosures included in this summary annual report have been extracted from the full annual report, dated 27 September 2018.

The summary cannot be expected to provide as complete an understanding as provided by the full annual report of the financial and service performance, financial position and cash flows of Waikato Regional Council.

The summary has been examined by the auditor for consistency with the full annual report and audited by Audit New Zealand on behalf of the Auditor-General. An unmodified audit opinion was issued on 27 September 2018. This annual report summary was adopted by the council on 27 September 2018.
HE TAIAO MAURIORA  HEALTHY ENVIRONMENT
HE ŌHANGA PAKARI  STRONG ECONOMY
HE HAPORI HIHIRI  VIBRANT COMMUNITIES