

# **ATTACHMENTS**

**Extraordinary Council Meeting  
Under Separate Cover**

**Wednesday, 4 December 2024**



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HE WHAKARĀPOPOTOTANGA  
O TE PŪRONGO Ā-TAU 2023/24

# 2023/24 ANNUAL REPORT SUMMARY



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**Please Note:** This document is a condensed version of the Annual Report. The financial statements and performance summaries contained in this report do not include all of the disclosures and detail provided in the full Annual Report. Please refer to the Annual Report on the Council website [www.mstn.govt.nz](http://www.mstn.govt.nz) for a complete understanding of the Council's performance.

# NGĀ HUA O ROTO

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# KŌRERO WHAKATAKI A TE KOROMATUA **MAYOR'S FOREWORD**

Kōrero whakataki a te koromatua me te tūmuaki

E ngā iwi, e ngā karangataha, te iti me te rahi, tēnā koutou, tēnā tātou.

The year to 30 June 2024 has been another busy and challenging time for Masterton District Council.

Much of what we undertook during the year was carried out within the context of tight economic conditions, with parts of the District also still dealing with recovering from the impacts of adverse weather events, including those of Cyclones Hale and Gabrielle in early 2023.

To that point, the Council has been active in supporting residents and communities impacted by the weather events, which caused significant property and infrastructure damage to eastern and coastal parts of our district in early 2023.

Ongoing recovery efforts have been coordinated by the Wairarapa Recovery Office, which was established to work across the three district councils in the region and in collaboration with government agencies, iwi, and rural sector and community organisations.

Following a public consultation, the Council voted in December 2023 to enter the Government's Future of Severely Affected Locations (FOSAL) voluntary buy-out programme for properties severely impacted by the cyclones.

This programme will see the Government and the Council each contribute 50 per cent of the agreed cost of buying out properties after insurance and any other payments have been deducted. At the time of this report, implementation of this programme is well underway and is due for completion by 30 June 2025.

A consistent message we hear from our community is a desire to deliver the basics – roads, drinking water, wastewater, stormwater. That has been a huge focus for our Council.

Over the past 12 months we renewed 3.74km of water mains and replaced or relined 4.3km of sewer mains.

In the roading space, our network of 812km of roads has been maintained in the face of ongoing pressure from the weather and the economy. As you will read in this report, we've adopted some innovative new approaches to land stabilisation, with good results.

We've resealed 31km of roads and applied 12,000 tonnes of gravel to unsealed roads. We've also resurfaced 4.9km of sealed footpath.

In other business-as-usual activity we processed 541 building consents and completed the first full round of swimming pool inspections, and just over 6,100 dogs were registered.

In June we made publicly available an independent report into wastewater overflows, which have affected properties in the Cockburn Street area at times of high rainfall.

The installation of 21 non-return valves and 13 tanks on properties has been effective for the worst affected properties but was only the start of work.

We have implemented the recommendation of the report, to make this area a pilot study for identifying the source of stormwater entering the wastewater system and eliminating it, so that the sewers operate as designed.

Central Government initiatives have kept us busy, with the previous Government's Three Waters Reform programme being repealed and replaced with Local Water Done Well – requiring councils across New Zealand to plan for a new delivery mode of water services. This work continues into the new financial year.

The Council has consulted on and implemented a revised Revenue and Financing policy, reviewed levels of service for all activities, updated asset management plans, and developed a 2024-34 Long Term Plan that was also consulted on with our community. These documents form the basis of everything we do. The work that goes into these democratic and consultative processes should not be underestimated and I commend the councillors, iwi reps, and staff who have worked together brilliantly to provide our community with a sound plan to put into action.

The Council's financial performance has again been sound despite the challenging economic environment, with escalating cost pressures. We achieved an operating surplus of \$10 million, generated by revenue received to fund capital and renewal projects. The impact of the 2023 weather events recovery can be seen in the operating expenditure (excluding depreciation and other losses) at \$50.9 million or 12.6 per cent more than planned. Much of this relates to cyclone recovery work that was planned as capital expenditure, but ended up as operating expenditure. Operating revenue (excluding vested assets and other gains) was \$79.1 million, 4.7 per cent less than the planned level, due to less roading subsidies cyclone recovery work than planned. Total capital expenditure (excluding vested assets) was \$30.5 million against the planned total of \$49.6 million - some 61.5 per cent spent (last year 70.8 per cent). Progress was made on several major projects, in particular the roading renewal and recovery work, the animal shelter contract was let, and the airport runway widening contract was partly completed, but on hold through the winter months.

It has been another busy and successful year for the Council, which included developing, consulting on and adopting an LTP, delivering multiple projects and services, and the continued prudent financial management of this key community-owned organisation.

Thank you for working with us.



**Gary Caffell**  
Mayor







## Our future

### Our vision for Masterton/Wakaoriori

The vision we outlined in our 2021-31 Long-Term Plan was that Masterton/Whakaoriori offers the best of rural provincial living<sup>7</sup>.

We want ‘the best’ for everyone in our community, and especially our tamariki and mokopuna. We want them to be proud of who they are, and where they come from. We want Masterton to be a place where everyone thrives.

We have identified five aspirational outcomes that will help us achieve our vision for Masterton and enhance wellbeing for our community.

You will see these symbols appear throughout the report so you can see how we contribute to each community outcome and each of the four wellbeings (social, economic, environmental, and cultural).



#### **An Engaged and Empowered Community**

Masterton/Whakaoriori is a positive, strong, inclusive, and self-determining community, with equitable opportunities for everyone.



#### **Pride in our Identity and Heritage**

Masterton/Whakaoriori values the place and role of tangata whenua, and is proud of our cultural identity and heritage.



#### **A Sustainable and Healthy Environment**

Masterton/Whakaoriori has rivers we can swim in and drink from, clean air to breathe, green and blue spaces that we can enjoy and share with future generations.



#### **A Thriving and Resilient Economy**

Masterton/Whakaoriori has a strong, sustainable low-carbon economy that supports our people and places.



#### **Efficient, Safe and Effective Infrastructure**

Masterton/Whakaoriori has high-quality and cost-effective infrastructure that meets the current and future needs of our community.

<sup>7</sup> The updated vision “Working Together Our people – Our place – Our Future” was adopted as part of the 2024-34 Long-Term Plan and will be reported against in the following 2024/25 Annual Report.

REO MĀORI TRANSLATION  
**OUR YEAR AT A GLANCE**

**Our year in numbers**

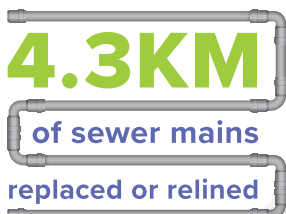
Maintained  
**4.9KM**  
of sealed footpaths



**8,000**  
native plants planted  
at Southern Reserve,  
Riversdale Beach



**4.3KM**  
of sewer mains  
replaced or relined



**150,349**  
visits to Trust House  
Recreation Centre



**700KG**  
of batteries recycled




**0** flooding  
events  
(5 last year)



**700+**  
free events  
at the Library



**836**  
submissions received for the  
2024-34 Long-Term Plan  
(145% increase on the previous LTP)



**812km**  
of roading  
network  
maintained



which included  
**30**  
face-to-face engagements  
with the community



**6,106**  
registered  
dogs



**winning the  
SuperEngaged  
Award at the LGNZ  
Super Local Awards**



## Financial overview

This year, an operating surplus of \$23.2 million was expected to be generated from a combination of NZTA subsidies on cyclone recovery work and Government subsidies on the airport upgrade project, and funding related to three waters (known as 'Better Off' funding).

The actual result was a surplus of \$10 million as a result of less revenue from those sources and more operating expenditure incurred on cyclone recovery roading work. This was offset by some of this work being planned as capital expenditure (and therefore funding from loans rather than rates).

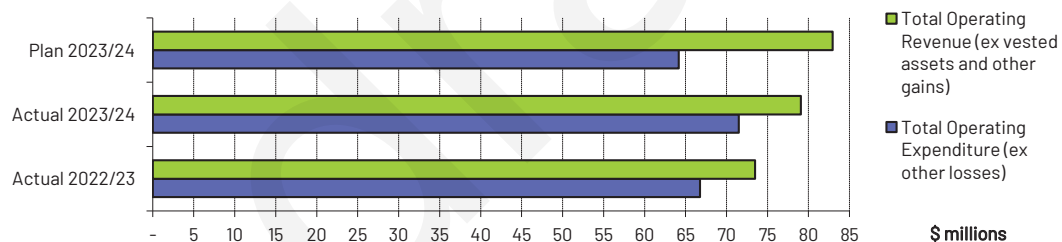
In accounting terms, the 'surplus' doesn't represent a profit, but it arises from revenue that is raised and applied to capital expenditure and debt repayment.

Overall, the Council's expenditure funded by rates has been close to what was planned and external funding has been utilised as much as possible. The Council has maintained a steady financial position, using a prudent level of reserve funds while scaling back the level of borrowing from reserves as a means of reducing the size of rates increases. This is also known as rates smoothing and was implemented as part of the 2021-31 LTP.

The 2023/24 financial performance summarised below shows less income than planned and more expenditure than planned, but still recording a surplus. Rates revenue made up 52 per cent of operating revenue (excluding vested assets and other gains).

The level of subdivision activity and new residential building has tapered off slightly from last year. This is seen in financial contributions from developers being \$2.3 million, or \$0.18 million more than planned but \$1.3 million less than last year.

### Operating revenue and expenditure (excluding other gains and losses)





## Report on financial contributions

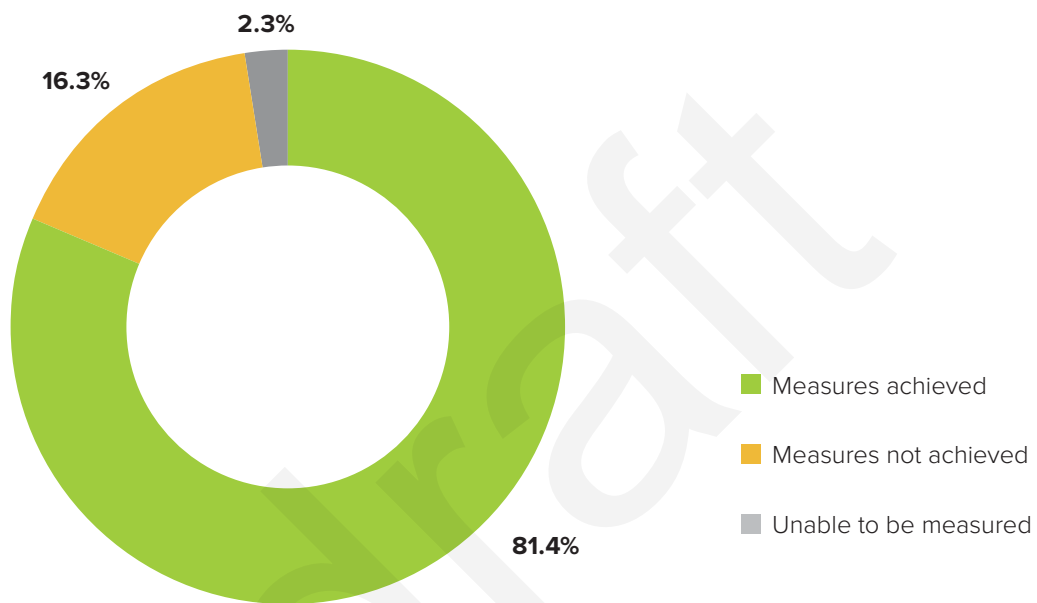
With respect to revenue from development, we charge financial contributions using the provisions of the Resource Management Act 1991, the Wairarapa Combined District Plan, and our Development and Financial Contributions Policy. This year we levied and/or collected \$2.3 million, which has been recognised as revenue in the period to 30 June 2024. This is \$1.3 million less than what was collected in the previous financial year, but still reflects consistent growth in development and expansion of the district. Financial contributions have been set aside as part of Special Funds and Reserves designated for parks and reserves development, infrastructure, and roading upgrades. The majority of these contributions are not specifically required to be spent on one locality or project, so have no residual liability associated with them.

## Our performance

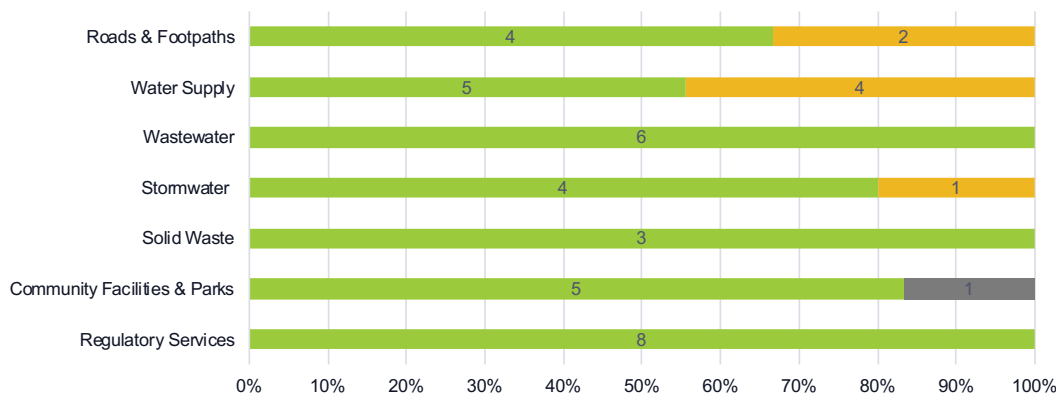
This section provides a summary of our non-financial performance across all our services and by each activity group.

Overall, our performance in 2023/24 is stronger than it was in 2022/23. In 2023/24, 35 measures out of 43 (81.4 per cent) were achieved (see below), compared to 33 (76.7 per cent) in 2022/23. The improvement is largely driven by an increase in the number of wastewater and regulatory services measures that have been achieved.

### Overall performance in 2023/24



### Our performance broken down by activity:



## Responding, protecting, and connecting

### Cyclone Gabrielle recovery

Cyclone Gabrielle and other severe weather events had a big impact on our community over the three years since we adopted the 2021-31 LTP.

Ongoing recovery efforts have been coordinated by the Wairarapa Recovery Office, which was established following the adverse weather events to work across the three district councils in the region and in collaboration with government agencies, iwi, and rural sector and community organisations.

More information about our recovery efforts can be found under “Mana whakariterite - Regulatory services” (page 25) and “Our services in action” case studies (from pages 13-29).

### A collaborative approach

#### Engagement with iwi and Māori communities

We are dedicated to fostering and upholding constructive relationships with tangata whenua, taura here, and various Māori communities within the Masterton District.

Representatives from Kahungunu ki Wairarapa and Rangitāne o Wairarapa have continued to be members of the Council’s committees with full speaking and voting rights.

We also have iwi representation on our Civic Facility, Wairarapa Combined District Plan Review, and Henley Lake Working Groups, and have been continuing work on a new engagement framework for iwi, hapū, marae and hapori Māori.

We are working with iwi on the development of the Māori Purpose Zone, Tangata Whenua Chapter and Wahi Tapu inside of the Sites of Significance Chapter as part of the Wairarapa Combined District Plan.

Rangitāne o Wairarapa and Ngāti Kahungunu ki Wairarapa are important partners for the resilience investment project for Mataikona Road and have been engaged in the work undertaken to date.

In consultation with iwi, the Council decided to adopt a Māori ward for the 2022 and 2025 elections in May 2021. Following this, in April 2024, the Minister of Local Government announced changes to the legislation.

These changes now require councils with established Māori wards to hold a poll on whether they should remain. Councils can also resolve to disestablish the Māori ward without a poll.

In July 2024, the Council decided to retain a Māori ward for the 2025 election and to hold a poll alongside the election. In making this decision, the Council engaged with the governance members of the four local iwi entities (Kahungunu ki Wairarapa, Kahungunu ki Wairarapa Iwi Development Trust, Rangitāne o Wairarapa, and Rangitāne Tū Mai Rā Trust).



PAEARU MAHI KORE PUTEA  
**NON-FINANCIAL  
PERFORMANCE**

NGĀ HUARAHI WAKA, ARA-HIKOI, ME NGĀ TŪRANGA WAKA  
**ROADS, STREETS, FOOTPATHS  
AND PARKING AREAS**



### What we do

We provide and maintain the local transport network across the Masterton District to ensure safe and efficient movement of people, goods, and services. This includes the construction, management, and upkeep of roads, streets, footpaths, bridges, shared paths and cycling lanes. We also manage essential infrastructure like street lighting, traffic facilities such as signs and street furniture, public parking facilities, and road stormwater drainage, to support safe and effective transport. Our work extends to promoting sustainable transportation options, ensuring our network evolves with changing community needs and technological advancements.





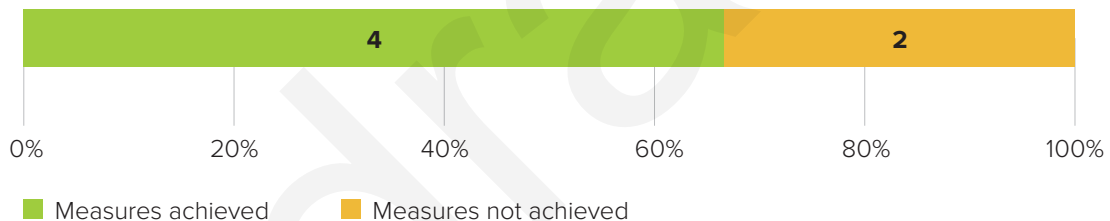
## Our highlights from the year

During the year we have continued to focus on delivering projects and ongoing maintenance that improve our road network.

Highlights and key activities from 2023/24 include:

- Reinstatement of rural roads: Completed major repairs on rural roads damaged by weather events, including Cyclone Gabrielle. These efforts included the construction of 17 different retaining and support structures (see “Our service in action: Innovative roadway repair”), and three major repairs to bridge abutments.
- Roading renewal programme: Renewed 31km of road surface, completely reconstructing 3.7km of road, constructed a retaining wall on Oxford Street and added approximately 12,000 tonnes of maintenance gravel to the unsealed road network.
- Completed reconstruction/renewal of the Ngaumutawa Road-Renall Street Roundabout; and roading network stormwater improvements at flood-prone intersections in the Masterton urban area.
- Renewed 4.9km of footpaths
- Maintained the 812km roading network, including road marking, bridges, drainage, signage, and lighting.

## Our performance at a glance



We achieved four out of six roading measures. One of the two measures not achieved relates to the number of fatalities and serious injury crashes on the local road network, which was higher than the five-year average. The other relates to footpath condition.

## Our service in action

### **Innovative roadway repair with enhanced resilience and significant cost savings**

Following severe weather in 2022 and cyclones Hale and Gabrielle in 2023, Masterton District faced urgent challenges with roadside slips that disrupted transportation and posed significant safety risks. Restoring these roads was vital for maintaining regional access and preventing further erosion and slips, particularly in vulnerable areas.

A strategic decision was made for some suitably assessed sites to use the EcoReef system — an innovative solution featuring interlocking hexagonal modules designed to create a self-supporting structure. This approach promised not only to repair but also to enhance the long-term resilience of the roads.

The Council's Roothing Services team worked closely with Fulton Hogan and EcoReef to deliver the project ahead of schedule and achieved significant cost savings of over \$1.2m. The savings reflect a reduction in immediate repair costs and represent a proactive investment in minimising future maintenance, showcasing a commitment to both fiscal responsibility and innovative solutions.

The repairs restored safe, functional roadways that are crucial for everyday travel and connectivity in the district and laid the groundwork for future infrastructure strategies.

Council Roothing Services Manager, Kaine Jaquiere said: "While this specific repair project addresses immediate needs, ongoing maintenance and monitoring will be required to ensure the long-term stability of the repaired sections. The success of this approach may lead to further applications of the EcoReef system in future recovery or maintenance projects, making it a potentially evolving part of the region's infrastructure strategy."



## HOPUA WAI (TĀONE ME TE TAIWHENUA)

# WATER SUPPLIES (URBAN AND RURAL)



### What we do

We provide treated water that is safe to drink to the Masterton urban reticulation system, Tinui, and the Waingawa industrial area. In rural areas, we provide non-drinking water to rural schemes and water race supplies.

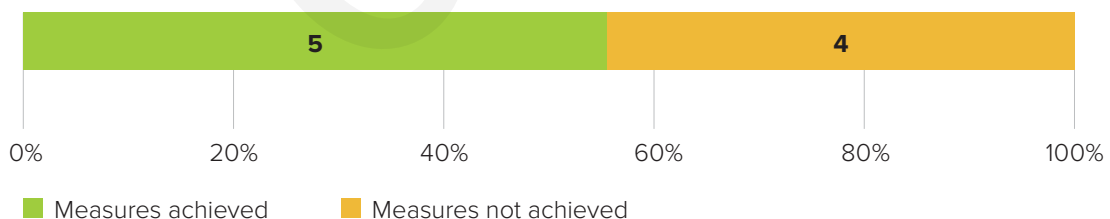
We own and maintain a network of water mains, trunk mains, tanks, reservoirs and water treatment facilities at Kaituna and Tinui.

### Our highlights from the year

Highlights and key activities from 2023/24 include:

- Investing in the replacement of the water network, with a \$2.6 million spend (see “Our service in action: Building water resilience: Masterton’s commitment to a sustainable future”)
- Commenced the implementation of a technological compliance management and monitoring system.

### Our performance at a glance



We achieved five out of nine water supply measures.

Measures that were achieved related to the number of complaints received about drinking water, and timeliness of attendance and resolutions for call outs.

Two measures relating to the Drinking Water Quality Assurance Rules (DWQAR) compliance with Part 4 and 5 of the Drinking Water Standards have been reported as “Partially compliant – not achieved”. This is due to a change in the regulatory data requirements, resulting in technical non-compliance, rather than a safety issue with Masterton’s drinking water. The technical data reporting requirements issue has now been addressed.

## Our service in action

### **Building water resilience: Masterton's commitment to a sustainable future**

Water is an important and critical resource for our community. Safeguarding long-term water resilience is a priority for Masterton.

Over the past 12 months we have continued to work alongside Carterton and South Wairarapa District Councils and Greater Wellington Regional Council to implement a jointly developed Water Resilience Strategy.

We have also continued work on leak detection and remediation, key elements of our water renewals program, which will continue to address issues across the district.

Water resilience is a consideration in our 2024 Long-Term Plan, adopted 30 June 2024. The Council has allocated significant funding in the 2024-34 Long-Term Plan for water infrastructure improvements. Over the next few years, \$8.4 million will be invested in constructing larger raw water storage ponds at the Kaituna water treatment plant, ensuring greater capacity during times of need. An additional \$7.9 million will go towards a new treated water reservoir, further bolstering our ability to meet future demand.

Other major projects include renewing the trunk mains that carry bulk water into urban areas and upgrading the water main in the CBD, both of which are vital for maintaining a reliable water supply.

In tandem with these infrastructure projects, water meters are being installed across urban properties. These meters not only help users identify leaks on private property but also encourage responsible water usage and aid consumer behaviour changes. We have been working on developing an equitable charging regime to ensure fairness in water costs.

The Proposed Wairarapa Combined District Plan (formally notified in October 2023) includes new requirements for domestic water storage, supporting conservation efforts and further strengthening our community's resilience.

By investing in both infrastructure and policy, the Council is taking proactive steps to ensure we have enough water to meet our community's needs now and in the future.



## RATONGA WAI PARU

# WASTEWATER SERVICES



### What we do

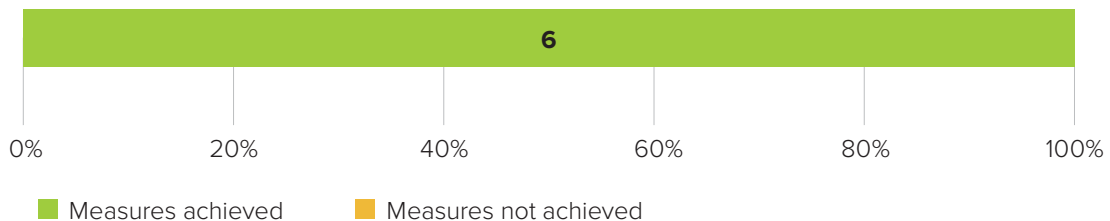
Wastewater services are provided to approximately 9,600 separate connected residential, commercial and industrial properties in the urban area, Waingawa industrial area, Riversdale, Castlepoint, and Tinui. The services include maintaining our network of pipes, pump stations, treatment plants, wetland cells and a waste stabilisation pond. The system provides for efficient and safe collection, treatment and disposal of wastewater, which drains from things like our toilets, showers, baths, sinks, washing machines and dishwashers.

### Our highlights from the year

Highlights and key activities from 2023/24 include:

- Replaced or relined 4.3km of sewer mains, substantially more than the 2.3km planned for the year. This has been achieved by working with new technology to reline, rather than replace, sewer mains.
- Installed and commissioned the Colombo Road pump station. The pump station is operating successfully.
- Continued investigation and remedial work for the Cockburn Street catchment to alleviate historic problems with sewer overflows impacting residents (see “Our service in action: Cockburn Street stormwater solution under the stormwater activity”).

### Our performance at a glance



We achieved all six wastewater measures.



## WAIMARANGAI

# STORMWATER



### What we do

We provide stormwater systems, including the use of natural channels and streams, to collect and dispose of surface water run-off from residential, commercial and industrial properties in the urban area. The stormwater system in rural areas is primarily open drains.

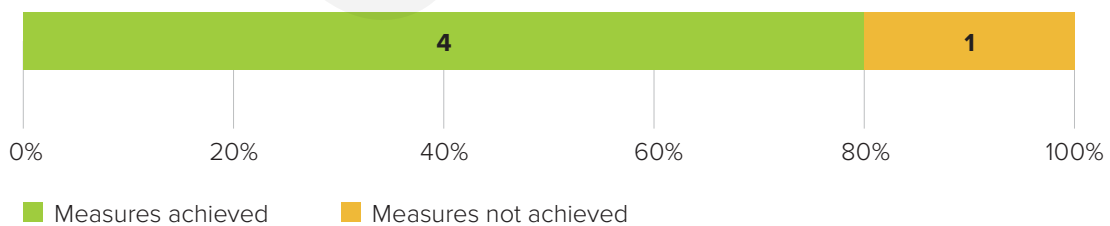
We own and maintain a network of pipes, manholes, and river stopbanks along the Waipoua and Ruamāhanga Rivers. We also contribute to designated stopbank protection works on the Waipoua, Waingawa, and Ruamāhanga Rivers.

### Our highlights from the year

During the year we have continued to focus on delivering projects and ongoing maintenance that improve our wastewater services.

- Granted Stage 1 Stormwater Monitoring Consent. This provides valuable insights into our environmental impact and allows us to take proactive steps to mitigate any negative effects.
- Engaged with Greater Wellington Regional Council forums for ongoing management of the stormwater protections in the Masterton District.

### Our performance at a glance



We achieved four of our five stormwater measures.

## Our service in action

### **Cockburn Street stormwater solution: A pilot for sustainable stormwater infrastructure**

Cockburn Street and Colombo Road have faced overflow issues for a number of years with wastewater overflowing onto properties following heavy rainfall - most recently following cyclones Hale and Gabrielle in 2023.

Following Cyclone Gabrielle, the Council initiated a project to install valves and storage tanks at the worst-affected properties. This was recognised as a temporary, short-term fix, and a more permanent solution was needed.

In 2023, the Council engaged consultants to work in conjunction with staff to develop solutions.

The first stage has commenced, with investigations into the source of stormwater inflow being identified, and solutions being developed and put in place. This work has already had a positive effect on the network but will be ongoing for some time.

Cutting the amount of stormwater entering the sewerage system will assist in reducing flows, which will in turn reduce the likelihood of overflows.

The Stormwater Wastewater pilot project has seen Council work close with the affected residents to make sure their concerns are heard and addressed.

Looking ahead, the Cockburn Street project will serve as a template for the future.





## TARI WHAKARITE PARAPARA

# SOLID WASTE MANAGEMENT



### What we do

We provide a reliable, environmentally safe and cost-effective rubbish collection and disposal service. We also work to promote the adoption of sustainable waste minimisation practices.

The current refuse collection and transfer station operations, gate fee collection, composting, and recycling services at Nursery Road and in rural areas are carried out under performance-based contracts let by competitive tender to the private sector.

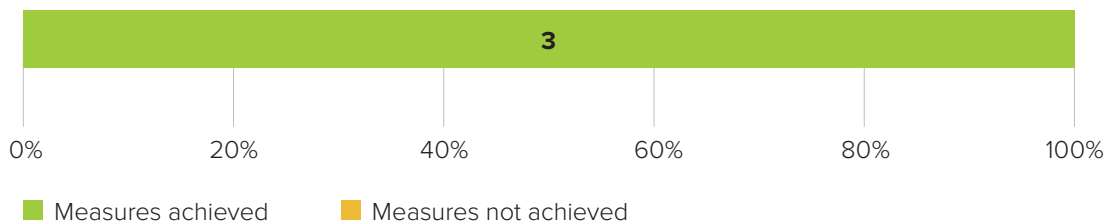
We own, maintain and manage a main transfer and recycling station at Nursery Road, Masterton and two rural transfer stations (Castlepoint and Riversdale), including associated buildings and the weighbridge at the urban landfill.

### Our highlights from the year

Highlights and key activities from 2023/24 include:

- Completed and adopted the Wellington Region Waste Management and Minimisation Plan
- Completed a service delivery review of our solid waste activity, known under the Local Government Act as a Section 17A. The purpose of the review is to identify the most cost-effective method for delivering services to the community.
- Successfully obtained funding from Ministry for the Environment to do a feasibility study on an organics kerbside collection.
- Launched a battery recycling programme at the Riversdale and Castlepoint transfer stations (see “Our service in action: Powering a cleaner and safer future”).

### Our performance at a glance



We achieved all three solid waste measures.

## Our service in action

### Powering a cleaner and safer future: Masterton's community-driven battery recycling initiative

We've stepped up our commitment to sustainable waste minimisation practices with a battery recycling (Lithium-ion) product stewardship scheme at Riversdale and Castlepoint Transfer Stations.

The initiative, driven primarily by the community and supported by staff and contractors, was designed to ensure that lithium-ion batteries are disposed of ethically and safely. This isn't just about getting rid of old batteries – it's about preventing harmful chemicals from leaking into the environment and reducing the risk of fires igniting in kerbside wheelie bins, waste trucks, transfer stations, and landfills. The Council's commitment to this project aligns perfectly with our Waste Minimisation and Management Plan (WMMP) objectives, focusing on protecting both people and the environment.

The impact of this project has been significant. Not only has it provided a safe disposal method for the community, but it has also allowed Fire and Emergency New Zealand (FENZ) to safely dispose of lithium-ion batteries from smoke alarms as part of their fire prevention efforts. This collaboration highlights how local initiatives can have a broader positive effect.

What stands out most about this project is the community's enthusiastic response. "Without any campaign as such, our community has taken up on this initiative and is using it more and more." says Joanne Dean, Waste and Resource Recovery Advisor. So far, 700 kilograms of batteries have been collected, demonstrating the community's commitment to the environment.

With the community already showing such strong support, the future of battery recycling in Masterton looks bright.



NGĀ WHARE O TE HAPORI ME NGĀ PĀKA  
**COMMUNITY FACILITIES  
AND PARKS**



### What we do

We provide and support a wide range of parks and facilities throughout the district for use by the community, including:

- the Library and Archive,
- property (74 senior housing units, 13 public toilets, seven rural halls, rural holding paddocks, small roadside forestry blocks, Mawley Park camping ground and other rental properties),
- 215 hectares of urban and rural parks, reserves and sports fields,
- the Trust House Recreation Centre (including a stadium and a range of indoor and outdoor pools),
- four cemeteries,
- Hood Aerodrome.

We are also responsible for the municipal building and town hall; however these are currently closed to the community due to risks associated with the buildings' low earthquake rating.



## Our highlights from the year

### Library and Archives

- Library usage increased with more people returning to the library in person following Covid-19.
- Delivered over 700 free events with 12,000+ attendees at the Library.
- The Archive delivered 36 presentations to the community.

### Community Development

- Hosted a successful events programme, including the Christmas Parade, Halloween Cultural Festival and Waitangi Day events (see “Our service in action: Celebrating together: Developing community spirit through inclusive family-friendly events”).

### Property

- Completed the rear carpark expansion at Panama Village, increasing the parking capacity for residents and support agencies.
- Completed earthquake strengthening of the Queen Elizabeth Park Sports Club and installed energy efficient heat pumps.
- Upgraded the sewerage system and installed extra non-potable water storage at the Tinui Rural Hall to help support community resilience.

### Parks, reserves and sports fields

- Added approximately 8,000 native plants to the escarpment area in the Southern Reserve at Riversdale Beach to support the maintenance and expansion of the key native eco-system.
- Restored and secured beach access at Northern Reserve for the Riversdale Beach Surf Life Saving Club following Cyclone Gabrielle through the installation of a rock wall.

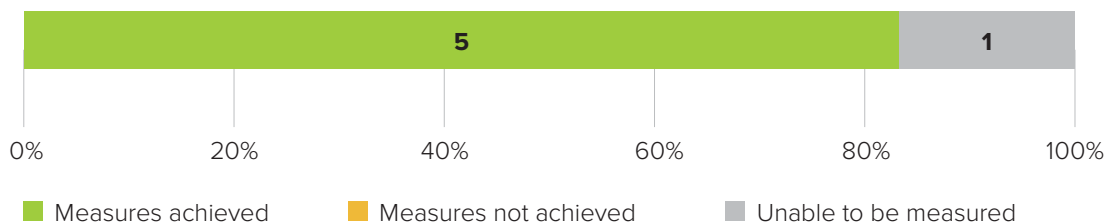
### Trust House Recreation Centre

- Completed a Condition and Energy Assessment, with work progressing on necessary remedial work.
- Completed a significant amount of corrective work during a facility shutdown between April and May 2024. This included upgrading the heat pump and improving the floor surface in the changing facilities for the main pool.

### Hood Aerodrome

- Appointed a contractor for the runway widening project and preparation work to create the new 30m wide runway was completed.

## Our performance at a glance



We achieved five of our six community facilities and park measures.

## Our service in action

### **Celebrating together: Developing community spirit through inclusive family-friendly events**

Following the challenges of COVID-19, the Council recognised the need to foster community spirit and create opportunities to reconnect and celebrate together. This vision materialised through the Council's community event programme, led by the Community Development team, which includes three signature events: the popular Halloween festivities, the cherished Christmas Parade, and a newly introduced Whānau Day as part of the Waitangi Day celebrations in 2024.

Halloween has become a staple in the district, transforming Queen Elizabeth Park into a fun and safe environment where families can enjoy the thrills of the season. In 2023, the festivities grew to include Coronation Hall, the green space around Queen Elizabeth Park Island (aka Halloween Island) and a new Haunted House thanks to Wai Techs. With decorations, face painting, roaming Halloween characters, spot prizes for best dressed, and a focus on inclusivity, this event has successfully drawn families out of their homes to experience the community in a vibrant, engaging way. It's more than just a night of costumes and candy; it's a chance for people of all ages to connect and appreciate all our place has to offer.

The Christmas Parade, a long-standing tradition, holds a special place in the hearts of the community. It's not just an event but a shared experience that spans generations. Grandparents, parents, and children come together, reminiscing about parades of the past while creating new memories. The parade reflects the community's values—family, togetherness, and celebration. It showcases local talent, businesses, and the spirit of the season, making it a highlight of the year for many.

In 2024, in partnership with iwi, the Council introduced Whānau Day on Saturday, 3 February, as a meaningful addition to the community's Waitangi Day programme. This event was carefully designed to honour the day's significance while remaining accessible and enjoyable for everyone. It was crucial that Whānau Day respected the occasion, serving as a platform for the wider community to learn about the Treaty of Waitangi while also providing a space for families to gather and enjoy Council facilities at no cost. The day featured free all-day access to the Trust House Recreation Centre Pools, the Queen Elizabeth Park miniature train and paddle boats on the Lake of Remembrance, along with a sausage sizzle and music.

The success of these events has been a source of pride for the Council, particularly the Community Development team, which has seen the positive impact of their efforts in the high levels of community engagement and support. These events have not only brought people together but have also highlighted our beautiful spaces and the vibrancy of local businesses. Looking ahead, the Community Development team is eager to build on this success, continuing to innovate and expand these events to ensure they remain a cornerstone of community life for years to come.



## MANA WHAKARITERITE **REGULATORY SERVICES**



### **What we do**

We plan for Masterton's future by ensuring development is sustainable, our natural and physical heritage is protected, and public health and safety is preserved and promoted. This activity involves delivering on our responsibilities under legislation, including:

- resource management and planning
- building control
- environmental health, alcohol licensing and parking control
- animal control
- financial contributions and staffing support for civil defence and emergency management provided by the Wellington Region Emergency Management Office (WREMO).

The Wairarapa Recovery Office (WRO) was established following the North Island Weather Events (NIWE) of early 2023 to coordinate recovery efforts across the three district councils in the region (Masterton, Carterton and South Wairarapa).



## Our highlights from the year

### Resource Management and Planning

- Progressed the review of the operative Wairarapa Combined District Plan with the proposed District Plan notified on 11 October 2023 and hearings started in mid-2024.

### Building services

- Completed the first full round of inspections of swimming pools in the district, inspecting all accessible pools.
- Completed 541 building consents.

### Environmental Health, Alcohol Licensing and Bylaws (including Parking Services)

- Completed a very successful Quality Management System Audit maintaining our high level for quality food verification service.
- Completed a Parking Study to review the Council’s public parking assets and existing capacity across Masterton to inform how parking will be managed in the future (see “Our service in action: Balancing demand”).

### Animal Services

- Progressed the development of a new animal shelter.
- Completed 17 education events including: “Hounds at Henley” microchipping event, “Dogs in Togs” and 15 school education talks about being safe around dogs. Staff noted that when out in public with their own dog children are asking permission before patting the staff members dog without being prompted .

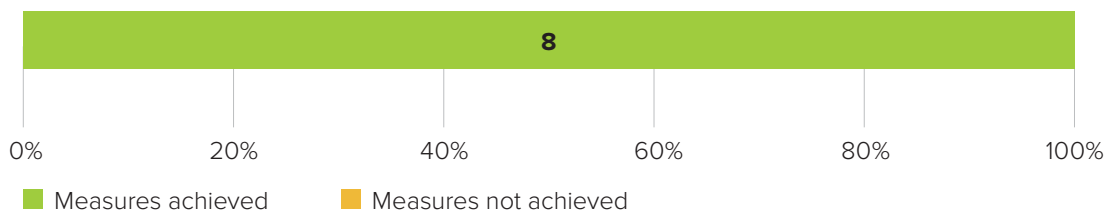
### Civil Defence and Emergency Management

- Continued to support the community to be resilient and prepared to respond and recover from emergency events.

### Wairarapa Recovery Office

- Continued to work closely with government agencies and rural sector, community and iwi organisations to support individuals, whānau and communities that were impacted by North Island weather events.v
- Continued to work with WREMO on activities to equip and prepare communities to recover from future disasters. This included installing water tanks, AEDs and additional wireless capability to community halls and marae that provide assistance during emergency events.
- Developed and implemented the Future of Severely Affected Locations (FOSAL) Voluntary Buy-out and Relocation Programme for the Masterton district.

## Our performance at a glance



We achieved all eight regulatory services measures.

## Our service in action

### Balancing demand: Insights from Masterton's 2023 parking study

In 2023, the Council completed a survey of parking to support decision-making on parking-related issues concerning our growing population and aging parking infrastructure. The study aimed to evaluate current parking performance, explore meter replacement options, and improve community outcomes.

The Council's parking inventory includes 2,065 public spaces (1,228 on-street and 837 off-street) and approximately 1,900 private spaces. Council-managed spaces represent about 52 per cent of the total public parking.

Using mobile license plate recognition technology, the study gathered data across key areas in November 2023. Surveys conducted every two hours revealed a peak parking demand of 72 per cent in the town centre. High demand (over 90 per cent) was noted at some fringe off-street car parks, while the Horseshoe and QE Park car parks saw minimal use. Residential streets on the outskirts did not experience significant commuter spillover.

The study confirmed that parking demand is below the industry standard of 85 per cent peak occupancy, indicating sufficient availability. As part of the 2025/26 Annual Plan, the Council will explore options with the community on upgrading our parking infrastructure, including how charging and enforcement will work. Future long-term options include mobility park provisions and potential options for seniors.

By balancing demand management with improved efficiency, the Council aims to enhance the parking experience for Masterton's residents. This proactive approach will position the town for better parking management and increased community satisfaction in the future.





## MANA WHAKAHAERE ME NGĀ RATONGA ŌKAWA

# LEADERSHIP, STRATEGY AND CORPORATE SERVICES



### What we do

Corporate Services activity provides strategic direction and leadership to the Council and our community. It enables democratic decision-making that is open, transparent and accountable, and supports the effective and efficient operation of all Council activities.

This includes working with iwi, consulting with the community on key decisions, running the local body election process every three years and pursuing strategic objectives for our community.

The corporate activity supports the organisation through various professional services including human resources, communications, finance, IT, policy and strategic planning, corporate planning and reporting, project management, elected member support, general administration and senior management.

### Our highlights from the year

- Adopted the 2024-34 Long-Term Plan following extensive public participation that saw 836 people taking the opportunity to complete a submission, and 78 participating in hearings held over 22-24 May 2024. (See Our service in action: Super Engaged).
- Reviewed Council's key financial policies, including the Revenue and Financing Policy. The review considered and invited community feedback on matters such as the fairest way to share the costs of Council services among users and ratepayers, and which sectors of the community should contribute and how.
- Reviewed and consulted on the Rates Remission and Postponement on Māori Freehold Land Policy to ensure it aligned with changes made by the local Government (Rating of Whenua Māori) Amendment Act 2021 to reduce rating barriers for Māori landowners.
- Continued to represent Council and our community on workstreams led by the Wellington Regional Leadership Committee, including the Regional Climate Change Impact Assessment and Adaptation Plan, Regional Economic Development Plan, Industrial Land Study and Food Systems Strategy.
- Approved 12 designated climate change community funds as part of the District Climate Change Action Plan.
- Partnered with iwi entities to strengthen our cultural competency including improving pronunciation of local place names, coordinating professional development for Te Reo Māori speaking staff, and guiding staff representation at events held on Marae.

## Our service in action

### **Super engaged: How Masterton's Long-Term Plan consultation captivated the community and scooped up an award**

Engaging a community in long-term planning can be challenging, especially when many issues have been consulted on. The Council's solution for the challenge for the Long-Term Plan (LTP) 2024-34 was to do different things well, and familiar things better.

By refining traditional methods and introducing new, creative tactics, the Council saw a remarkable 145 per cent increase in submissions, with 836 responses—far exceeding the previous average of around 340. This demonstrated that with fresh, innovative strategies, it is possible to broaden community engagement.

The consultation document was designed to be visually appealing and accessible, using stylistic representations that could be not so much anyone, but everyone. Clear, concise information was presented alongside detailed data for those interested. A one-page summary resembling a newspaper page, and handy business cards with QR codes, made participation easy. The Council also employed creative street decals, a town crier, and engaging posters co-designed by Masterton Youth Councillors to reach younger audiences. An in-house TV ad following the viral Wes Anderson trend further expanded the reach, particularly among residents under 44.

More than 100 hours of staff time were spent co-ordinating, supporting, and attending 30 face-to-face engagements. These included weekly pop-ups, like 'Mayor in a Chair' at the library, elected members answering community questions at the Thursday Night Food Markets, and a 'town hall-style' meeting about the Town Hall, that was also livestreamed to our Facebook and YouTube pages.

The Council's efforts paid off, with a significant increase in submissions from diverse demographics. The inclusion of gender-diverse categories and targeted outreach to Māori and younger residents resulted in a more inclusive consultation. The Council's responsiveness was evident in the adjustments made based on community feedback, particularly in the contentious decision regarding the Town Hall. The final decision balanced cost concerns with community desires, showing that the engagement process directly influenced the outcome.

The LTP consultation process won the SuperEngaged prize at the LGNZ's SuperLocal Awards. Judges said the consultation used clear, sharp messaging and closed feedback loops to overcome public consultation fatigue. "It was clear that the combination of bespoke engagements led to significant improvement in community engagement."

This successful engagement has set a new benchmark for future consultations, highlighting the importance of inclusivity, creativity, and transparency in fostering meaningful community participation. The Council's commitment to listening to its residents and acting on their feedback ensures that Masterton's future is shaped by the collective voice of its community.



# HE WHAKARĀPOPOTOTANGA PŪTEA **FINANCIAL SUMMARY**

## Summary financial statements

The specific disclosures included in these summary financial statements have been extracted from the full financial statements adopted by the Council on 4 December 2024.

The full financial statements of the Council were prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP), and in accordance with the PBE (public benefit entity) standards for a Tier 1 entity. The Council complied with the Local Government Act 2002 except as noted below (last bullet point).

The summary financial statements comply with the PBE Tier 1 Standards (IPSAS) as they relate to summary financial statements. They are presented in New Zealand dollars and all values are rounded to the nearest thousand (\$000).

- The Summary Statements of Financial Performance, Comprehensive Revenue and Expense, and Changes in Equity present the financial performance and equity movements of the Council. These statements summarise operating income and expenditure as well as other financial transactions that have impacted on the Council's net equity.
- The Summary Statement of Financial Position presents the assets we own and the liabilities we owe to other parties.
- The Summary Statement of Cashflows shows how we generated and used cash.
- The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.
- The full financial statements are included in the 2023-24 Annual Report which is available on the Council website: [www.mstn.govt.nz](http://www.mstn.govt.nz)
- This summary financial report has been examined by the auditor for consistency with the full financial report and an auditor's report is included with this summary.
- The full Annual Report received an unqualified audit opinion and contains an emphasis of matter on the uncertainty over the Water Services Reform programme.
- Legislative Compliance: Section 98 of the Local Government Act 2002 requires Masterton District Council to prepare and adopt an annual report within four months after the end of each financial year. The Annual Report 2023/24 was adopted by resolution of Masterton District Council on 4 December 2024. The delay was a result of a combination of resourcing issues.

## Summary statement of comprehensive revenue and expense

for the year ended 30 June 2024 - Masterton District Council

This statement shows the revenue Council received and what was spent on delivering services during the year. Overall Council has achieved a surplus less than budget for the year, mainly due to lower Waka Kotahi subsidies and a portion of cyclone road repairs being expensed rather than capitalised.

	Actual 2023/24 \$000	Budget 2023/24 \$000	Actual 2022/23 \$000
<b>REVENUE</b>			
Rates revenue	41,026	40,841	37,753
Other operating revenue (incl roading subsidies)	36,405	40,952	34,709
Finance revenue	1,626	1,185	1,027
Capital revenue (incl vested assets & valuation gains)	5,348	4,369	6,452
<b>TOTAL REVENUE</b>	<b>84,405</b>	<b>87,347</b>	<b>79,941</b>
<b>EXPENSES</b>			
Finance costs	3,178	2,966	2,538
Depreciation & amortisation	20,567	18,946	17,226
All Other Expenses	47,767	42,261	46,995
Other losses (incl write offs on disposal)	2,876	-	2,623
<b>TOTAL EXPENSES</b>	<b>74,388</b>	<b>64,173</b>	<b>69,382</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>10,017</b>	<b>23,174</b>	<b>10,559</b>
Income Tax Expense	-	-	-
<b>NET SURPLUS/(DEFICIT) AFTER TAX</b>	<b>10,017</b>	<b>23,174</b>	<b>10,559</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>			
Increase/(decrease) in asset valuations	15,462	21,173	76,544
Change in value of financial assets at fair value through comprehensive revenue & expense	-	-	-
<b>TOTAL COMPREHENSIVE INCOME AND EXPENSE</b>	<b>25,480</b>	<b>44,347</b>	<b>87,103</b>

### EXPLANATION OF THE MAJOR VARIANCES

**Operating revenue** - is \$2.9m or 3.4% less than planned. Subsidies & grants of \$23.6m was \$4.4m (15.6%) less than planned. The majority of this variance is due to less Waka Kotahi roading subsidy than planned - the cyclone damage reinstatement spend was less than planned and the subsidy rate on that work was not all at the 76% rate that was budgeted.

**Capital revenue** - this includes \$5.23m of infrastructural assets vested in the Council from new subdivisions and gains on revaluation of other assets of \$0.12m. Finance revenue of \$1.6m due to higher interest rates and interest from funds drawn early, prior to debt maturities.

**All Other Expenses** - \$5.51m or 13% more than planned. Roading operating costs, excl depreciation, were \$5.0m (63.8%) more than planned. This variance is largely the result of storm damage response and cleanup costs of \$3.4m being classed as operating when it had been budgeted as capital. The balance of \$1.7m more than planned relates to higher costs of the road maintenance activity through the year and is offset by a lower spending on the road renewals programme.

Operating costs for the urban water supply were \$0.55m (15.5%) more than planned, with higher costs being incurred on water reticulation repairs and chemicals. Operating costs for urban wastewater services have been \$0.43m (8.3%) more than planned, due to investigative costs and operating costs associated with the construction of the Colombo Road bridge pump station.

**Other losses** were not allowed for in 2023/24. Other losses include writing off the residual value of assets renewed and valuation decreases of cash flow hedges.

**Depreciation** - has increased reflecting the infrastructural asset revaluation as at 30 June 2023. The depreciation budgets for 2024/25 were set prior to knowing the revaluation result. This has resulted in some variances between plan and actual. The depreciation allowed to be funded into reserve funds remains at the level planned.

## Summary statement of financial position

as at 30 June 2024 - Masterton District Council

What we own and what we owe to other people is summarised below.

	Actual 2023/24 \$000	Budget 2023/24 \$000	Last Year 2022/23 \$000
Current assets	30,628	14,712	22,912
Non-current assets	1,144,948	1,147,760	1,116,266
<b>TOTAL ASSETS</b>	<b>1,175,576</b>	<b>1,162,472</b>	<b>1,139,178</b>
Current liabilities	26,124	22,593	20,027
Non-current liabilities	51,541	49,144	46,720
Ratepayers' equity	1,097,911	1,090,735	1,072,430
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,175,576</b>	<b>1,162,472</b>	<b>1,139,178</b>

### EXPLANATION OF THE MAJOR VARIANCES ARE:

Current assets - higher than planned as there was \$7.6m of pre-funded debt held on deposit and more receivables, particularly Government subsidies on a range of programmes.

Non-current assets - infrastructural assets are \$16.8m (1%) more than planned due to the revaluation of this class of assets being more than was anticipated in the Plan. The increase in value reflects the higher costs of replacing these assets in the current high inflationary environment. Overall non-current assets were less than plan with a lower building and land revaluation than budgeted.

Current liabilities - Creditors & other payables are \$13.66m which is 32.7% more than planned but similar to last year due to the higher value of construction work underway. Employee liabilities have increased 8.4% on last year.

Non-current liabilities - \$2.4m more than budgeted due to pre-funding of loan maturities of \$7.6m, but partially offset by less borrowing for capital projects.

## Summary statement of changes in equity

for the year ended 30 June 2024 - Masterton District Council

Changes in equity shows the movement in the net assets that ratepayers own. The variance in special funds and restricted reserves (actual vs budget) is due to less drawing on depreciation funds than anticipated, while the planned proceeds on disposal of Panama land (and transfer to reserves) did not occur. The revaluation reserve is less than planned due to the revaluation of land and buildings being lower than budgeted.

	Actual 2023/24 \$000	Budget 2023/24 \$000	Last Year 2022/23 \$000
Equity at the beginning of the year	1,072,431	1,046,387	985,328
Total Comprehensive Revenue & Expense	25,480	44,347	87,103
<b>EQUITY AT THE END OF THE YEAR</b>	<b>1,097,911</b>	<b>1,090,734</b>	<b>1,072,431</b>
Comprising:			
Retained earnings (ratepayers' equity)	488,563	470,672	472,930
Revaluation reserves	584,564	592,889	574,738
Special funds & restricted reserves	24,784	27,173	24,763
<b>EQUITY AT THE END OF THE YEAR</b>	<b>1,097,911</b>	<b>1,090,734</b>	<b>1,072,431</b>

## Summary statement of cashflows

for the year ended 30 June 2024 - Masterton District Council

The following table summarises how the Council generated and used cash during the respective financial years. Cash from operating activities was 83% of the level budgeted with a higher level of receivables at year end and some \$3.4 million of roading expenditure planned as capital being treated as operational. Cash applied to investing activities is less than plan due a number of capital projects not proceeding as planned. The budget for cash flow from financing activities anticipated borrowing \$8.6 million, but not all of that was required, while \$7.6 million of debt was drawn as pre-funding to meet loan maturities in 2024/25.

	Actual 2023/24 \$000	Budget 2023/24 \$000	Last Year 2022/23 \$000
Net cash flow from operating activities	30,753	37,042	26,844
Net cash flow from investing activities	(39,004)	(44,650)	(30,772)
Net cash flow from financing activities	10,900	8,600	1,700
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,649</b>	<b>992</b>	<b>(2,228)</b>
Cash and cash equivalents at beginning of the year	4,094	8,516	6,323
<b>CASH, CASH EQUIVALENTS AND BANK ACCOUNTS AT THE END OF THE YEAR</b>	<b>6,743</b>	<b>9,508</b>	<b>4,094</b>

## Summary statement of capital expenditure

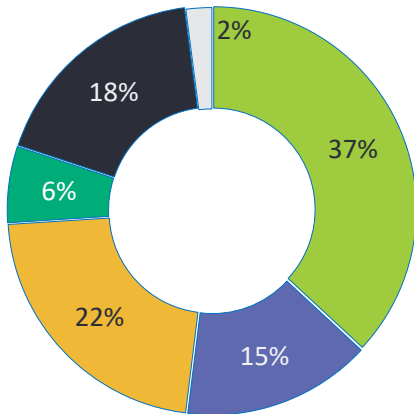
for the year ended 30 June 2024 - Masterton District Council

The table below shows a capital expenditure total of \$35.9 million against a Budget of \$49.6 million.

	Actual 2023/24 \$000	Budget 2023/24 \$000	Last Year 2022/23 \$000
Roading renewals programme	4,824	5,662	4,923
Other roading, streetlighting & footpaths	12,483	21,892	10,372
Town centre renewal project	30	465	168
Water supply renewals & land for water storage	3,502	2,588	3,651
Wastewater treatment & disposal renewals	1,351	3,085	398
Sewerage network renewals	2,990	3,287	3,863
Stormwater upgrades	280	692	475
Riversdale, Tinui & Castlepoint sewerage schemes	50	43	63
Solid waste management projects	94	421	18
Parks, Reserves & Sports facilities upgrades	727	2,180	1,035
Recreation Centre renewals	292	500	288
Waiata House & Civic Centre	405	410	357
Airport upgrades & renewals	2,156	3,802	1,550
Other property	529	701	365
Library books & other capital	143	196	832
Other assets	772	3,680	592
Vested Assets	5,231	-	5,440
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>35,859</b>	<b>49,604</b>	<b>34,390</b>

Note: explanation of variances against Plan can be found in Note 31 in the Annual Report.

**Operating revenue \$79.1m**



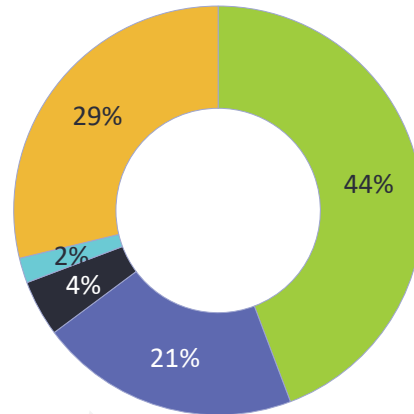
- Targeted Rates, value-based
- Targeted Rates, uniform charges
- NZTA subsidies
- Regulatory user charges & contributions
- Other services user charges & income
- Interest income

52 per cent of revenue came from rates. The Council sets targeted rates, split between urban and rural wards and uses both land value and capital value of properties to base the rates payable. Uniform charges are also used to spread a portion of the costs of Council services across properties, also on a targeted basis.

NZTA subsidies were \$4.6m less than planned due to less revenue being spent on cyclone reinstatement and the subsidy rate being less than planned, while regulatory and other contribution income of \$4.8m was 6.1 per cent of total revenue.

Not included in the graph above is income of \$5.2m which recognised the value of vested assets taken over by the Council from developers of subdivisions and \$2.9m of losses and \$117k of gains due to valuation changes and residual value of assets on disposal.

**Costs incurred \$71.5m**



- Expenditure on operating activities
- Employees & elected representative costs
- Interest expense
- Grants & funding to external organisations
- Depreciation

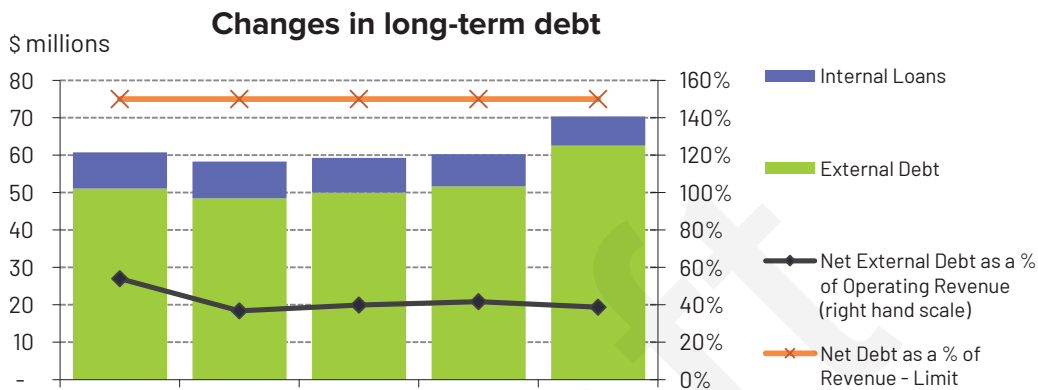
Council incurs costs to provide services necessary for the district to function. These include maintenance of infrastructure for water supply, wastewater and solid waste services, roads and footpaths, sporting and recreational facilities and Council property such as housing for the elderly and public toilets.

Personnel costs of \$14.7m were 20.6 per cent of total operating costs and very close to the total budgeted. Operating expenditure was up 23.8 per cent on the budgeted level with more than half of this due to the costs of responding to weather events. Variations both under and over make up the difference. More detail on variances against the plan can be read in Note 31 of the full annual report.

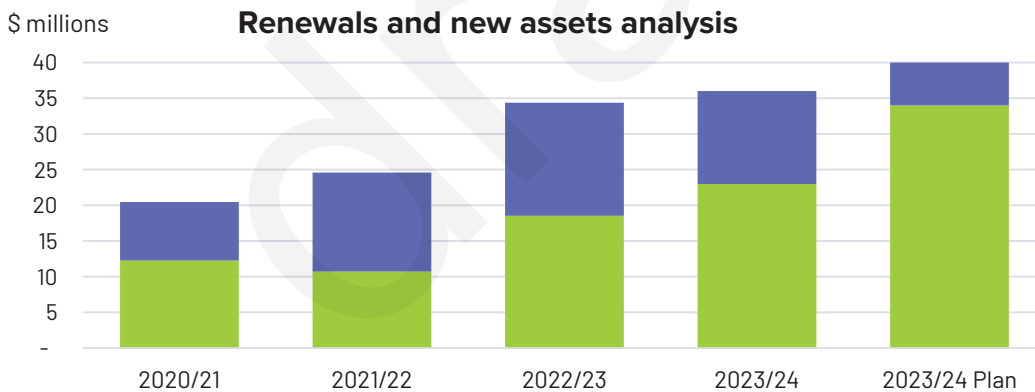
Interest costs were more than planned due to pre-funding for a bond maturity, with the cost offset by interest earned on deposit of those early-drawn funds.

## Long-term debt

The graph below shows the changes in the Council's long-term debt over the last five years. We have made planned repayments and we borrowed externally to fund some of the 2023/24 capital project work. In addition we borrowed \$7.6m to prefund loan maturities. Interest rate risk is managed by using swaps to fix a portion of the debt portfolio. The Council policy maximum is for net debt not to exceed 150 per cent of operating revenue. Net debt is defined as external debt, less any financial assets (excluding trade and other receivables).



## Capital expenditure



This year the Council spent \$23.3m on renewals which is \$4.7m more than the \$18.6m spent in the previous financial year and \$11.1m less than planned. The planned \$18.9m of recovery capital expenditure could not all be completed in the timeframe and some of the storm event spending is recorded as operating expenditure. Renewals is expenditure to maintain or extend the life of existing assets and is generally funded from depreciation reserves (ex rates) and roading subsidies. New asset capital expenditure of \$12.5m is \$3.3m less than last year and \$2.7m less than budget. Major contributors to this were the Colombo road bridge sewer pump (\$1.3m), water meter installations (\$0.5m), the new animal shelter (\$0.2m), the expansion and upgrades at Hood Aerodrome (\$2.2m), and assets vested in the Council from subdivision development (\$5.2m).



## Other disclosures

**Related Parties** – the Annual Report includes disclosure of the nature and value of transactions the Council had with other entities where those entities had a direct relationship with a Councillor or senior staff member. Entities include Masterton Trust Lands Trust, Trust House Limited, Te Hapori Skatepark group and Digital Seniors Trust. The transactions disclosed were effectively ‘at arms length’. The individuals involved were either not part of the decision-making process, or did not vote on the Council resolution where a decision affecting their interests was made. Agendas at Council meetings include an opportunity to declare any potential conflicts of interest.

**Commitments** – There were a total of 26 contract commitments for capital work with a value of \$7.86 million at 30 June 2024. Operating contract commitments were also in place at 30 June 2024 as well as operating lease commitments as a lessee and as a lessor.

**Contingencies** – The full Annual Report contains a description of matters relating to earthquake prone impairment of the Town Hall and District Building, contaminated sites, the Local Government Funding Agency guarantee and a court proceeding. There is no financial provision been made for the current court proceeding as there is no indication of the likelihood of the Council’s defence being successful or otherwise. One contingent asset relates to an insurance claim that has yet to have confirmation that insurance cover is applicable.

An obligation relating to the NZ Mutual Liability Risk Pool Scheme is described. It relates to historic claims and the potential for further calls being made on members of the scheme (MDC was a member).

## Events after balance date

The following events after balance date are worthy of noting.

### Water Services Reform Programme

In December 2023, the Government announced a new direction for water services (drinking water, wastewater and stormwater services) policy and legislation which it has called Local Water Done Well. This is being implemented in 3 stages namely:

- Stage 1 - repealing the previous affordable water reforms (completed in February 2024);
- Stage 2 - enacting the Local Government (Water Services Preliminary Arrangements) Act 2024 (the Act) which received Royal Assent on 2nd September 2024; and
- Stage 3 - implementing further legislative change (expected to be introduced in December 2024 to be passed by mid 2025).

The Act requires the Council to submit a Water Services Delivery Plan (WSDP) to the Secretary of Local Government, by September 2025. In broad terms, a WSDP must identify the current state of the Council’s water services and show how the Council will deliver those services.

The Council has been working with other councils in the Greater Wellington region along with the Horowhenua District on a WSDP to reform the region’s water services. The 10 councils have committed to the process and have been working on a model to provide an enduring approach to water management in our region. Masterton is also working with the other two Wairarapa councils and Tararua District to assess options for a smaller regional delivery model involving the three or four council areas. The Council is required to formally consult the community on aspects of a proposed model and arrangements for delivering water services, including a status quo option. The reforms to date have had no effect on the financial statements or performance information for the year to 30 June 2024.

### **FOSAL Buy-out Process**

The Council has been participating in the FOSAL scheme (Future of severely affected land). There are nine properties with 12 houses in the Tinui area that qualify for either buy-out or relocation, the Government agreeing to fund 50 per cent of the costs of the buy-outs. The total costs have been estimated at \$5 million, with the Council's share half of that. At the date of adoption of the Annual Report, there were three sale and purchase agreements signed, two of which had settled. The balance of the properties are in the process of being negotiated.

### **Late adoption of Annual Report**

The Council acknowledges that this Annual Report for the year to 30 June 2024 has not been adopted by the statutory date required by section 98(3) of the Local Government Act 2002 ie by 31 October 2024. This was due to a combination of limited staff capacity and competing priorities such the Local Waters Done Well (LWDW) processes.

draft

# INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## DRAFT

### To the readers of Masterton 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 Masterton District Council (the District Council) for the year ended 30 June 2024.

The summary of the annual report comprises the following summary statements on pages 13 to 30:

- the summary statement of financial position as at 30 June 2024;
- the summaries of the statement of comprehensive revenue and expense, 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 other explanatory information; and
- the summary of statement of service provision (non-financial performance).

## 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 29 November 2023.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the Government's three waters reform programme.

This matter is disclosed on page 30 of the summary financial statements.

## The Council's responsibility for the summary of the Annual Report

The District 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 carried out a limited assurance engagement related to the District Council’s debenture trust deed. These engagements are compatible with those independence requirements.

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

*Karen Young*

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Karen Young  
Audit New Zealand  
On behalf of the Auditor-General

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