

# ANNUAL REPORT 2022/23



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# A message from the Mayor and Chief Executive – He pito kōrero nā te Koromatua me te Tumu Whakarae.

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*E ngā mana, e ngā iwi, e ngā karangatanga maha*  
*Greetings to everybody,*  
*Tēnā koutou katoa*

Reforms, economy and the climate have all been factors in another bumpy twelve months. Inflation and interest rates increases are being driven higher than forecasted by domestic and global factors. As a Council we have managed the volatile economic climate to ensure we are still delivering the services we said we would. These past twelve months we have tried to remain focused on business as usual in the continuing unpredictability, this has not been without its challenges, with a number of sectors still under pressure.

We were fortunate to escape the number of weather events that hit our region with minimal infrastructural damage. Cyclone Gabrielle in February caused surface flooding, slips and road closures across the district. This required us to activate our Emergency Management Operations Centre. Our emergency management team worked hard to provide the support where it was needed. The frequency of these large-scale weather events highlights the importance of being ready in an emergency. Make sure your whānau and those close to you are prepared and know what to do in an emergency.

Central Government reforms continued and it required us to be agile to the ever changing legislation.

The Water Services Reform (previously known as Three Waters Reform) has undergone some changes these past twelve months. The amendments have meant the four entities originally proposed will now multiply into ten and the establishment date of the entities has been extended. This means the entity will not take over July 2024 as first proposed. We are working with the Department of Internal Affairs and our Entity to work through the changes.

The Future for Local Government Panel released its final report. The report is the panel's final recommendations and findings about what is needed to ensure local government can best support local democracy, intergenerational wellbeing and Te tiriti partnership. This has given us some food for thought and we will be working through robust discussion of these recommendations and wait to see what comes from this review.

Resource management reform continues with the Natural and Built Environment and Spatial Planning bills passed in Parliament. This reform is intended to change the way the environment is managed. We are looking at significant changes to how we prepare and deliver plans. This reform is slow and steady with the transition advised it may take ten years.

We will continue to work through the proposed change, and advocate for the best results for our district.

## **Some of what we achieved**

Over the year we completed the following projects across a number of our activities.

**Water Supply**- As part of our ongoing project to install water meters in line with new technology, we installed 500 new water meters which will help us to better track our water demand.

**Karangahake Reserve carpark** - The development of overflow car parking at what is known as Cornes Paddock (Karangahake) was undertaken to provide more car parking for visitors to this area.

**Playgrounds** – Whiritoa Beach Reserve and Kaiaua were upgraded with playground swings sets.

**OnYa Awards** – We awarded thirteen OnYa awards in 2022/23. These awards celebrate those who are making a positive difference in their community.

**Gr8 Job Hauraki** - Continued its success with 60 placements in 2022/23. Putting local people into local jobs. This collaboration between Council, other government agencies, and local business continues to help strengthen our communities' resilience and improve the recovery and wellbeing of our community.

In terms of our financials, we ended the year with a \$9.2 million deficit. This was \$13 million more than what we had anticipated. Although revenue was slightly higher than anticipated, operational expenditure was significantly higher than projected. The weather events (previously mentioned) caused surface damage to a number of Council's roads, which required immediate repairs. In addition to this flooding, landslides and extreme wind, also caused an accumulation of silt, and debris throughout our water and wastewater network needing to be treated. The additional chemicals, energy and maintenance work required as part of this work programme was extensive and costly. Other costs also continued to increase with inflationary pressures across the board and Council is acutely aware of needing to mitigate these moving forward.

We have had nearly twelve months in our new triennium and our new Council has hit the ground running. I am proud of the Hauraki District and the continued resilience and willingness to move forward to make this place great for generations to come.

## Hauraki District Council Statement of compliance and responsibility as at 30 June 2023

### Statement of Compliance

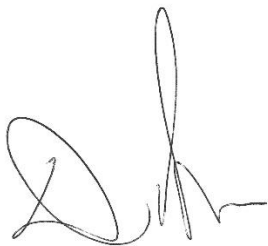
The Council and Management of Hauraki District Council confirm that all statutory requirements in relation to the Annual Report as outlined in the Local Government Act 2002, have been complied with.

### Statement of Responsibility

The Council and Management of Hauraki District Council accept responsibility for the preparation of the Annual Report and the judgements used in it.

The Council and Management of Hauraki District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and non-financial reporting.

In the opinion of the Council and Management of Hauraki District Council, the Annual Report for the year ended 30 June 2023 fairly reflects the financial position and operations of Hauraki District Council.



Toby Adams  
Mayor



Langley Cavers  
Chief Executive

# Introduction and overview

## Your Elected Members 2022/23

The Hauraki District Council elected members include the Mayor and 13 Councillors - four elected from the Paeroa Ward, four from the Plains Ward and five from the Waihi Ward.

### Mayor



**District Mayor**  
Mr Toby Adams  
027 808 4217  
[toby.adams@hauraki-dc.govt.nz](mailto:toby.adams@hauraki-dc.govt.nz)

### Waihi Ward



**Councillor**  
Anne Marie Spicer  
021 0253 6559  
[annemarie.spicer@hauraki-dc.govt.nz](mailto:annemarie.spicer@hauraki-dc.govt.nz)

### Paeroa Ward

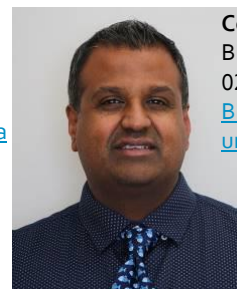


**Councillor**  
Carole Daley  
(07) 862 7253  
[carole.daley@hauraki-dc.govt.nz](mailto:carole.daley@hauraki-dc.govt.nz)

### Plains Ward



**Councillor**  
Phillip Buckthought  
027 459 9143  
[Phillip.Buckthought@hauraki-dc.govt.nz](mailto:Phillip.Buckthought@hauraki-dc.govt.nz)



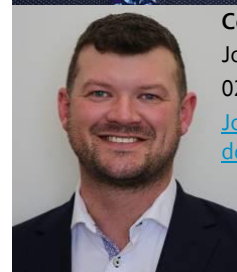
**Councillor**  
Bhavesh Ranchhod  
027 418 7712  
[Bhavesh.Ranchhod@hauraki-dc.govt.nz](mailto:Bhavesh.Ranchhod@hauraki-dc.govt.nz)



**Councillor**  
Paul Milner  
(Deputy Mayor)  
021 051 5799  
[paul.milner@hauraki-dc.govt.nz](mailto:paul.milner@hauraki-dc.govt.nz)



**Councillor**  
Ray Broad  
07 867 8121  
[raymond.broad@hauraki-dc.govt.nz](mailto:raymond.broad@hauraki-dc.govt.nz)



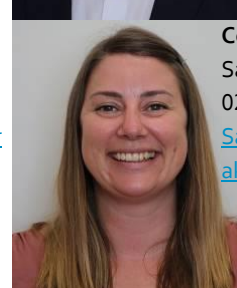
**Councillor**  
Josh Martyn  
022 190 0850  
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**Councillor**  
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**Councillor**  
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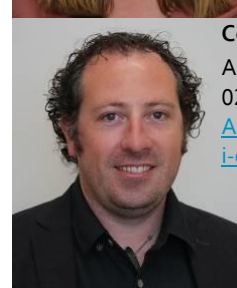
**Councillor**  
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**Councillor**  
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021 937 138  
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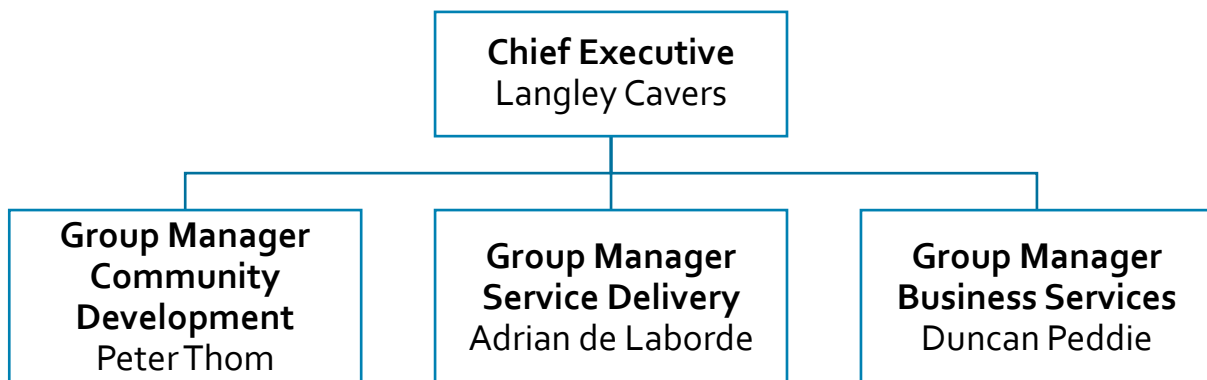


**Councillor**  
Neil Gray  
027 446 0067  
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**Councillor**  
Austin Rattray  
021 060 1742  
[Austin.Rattray@hauraki-dc.govt.nz](mailto:Austin.Rattray@hauraki-dc.govt.nz)

## Hauraki District Council's Executive Leadership Team





## Mission Statement

### It is the Council's mission to:

- actively provide leadership to and advocate for, our communities
- provide good quality infrastructure, services and regulatory functions
- foster open-minded and two-way communication with our communities
- ensure the sustainable use and management of resources

...for the benefit of all who live in, work in and visit the Hauraki District.

## Customer Charter

### Your rights as a customer are:

- to be treated with respect
- to receive a timely and accurate response
- to have access to relevant information.

### Our commitment to you:


- We will respond to you promptly.
- Our staff will identify themselves.
- We will provide knowledgeable staff at first contact.
- We will fairly interpret and apply the laws, by-laws and regulations.
- Our services standards will be freely available.
- We will review feedback from our customers.

### Customer feedback:

- We welcome feedback about our service.
- The Council has formal feedback procedures. Ask for an information brochure, or check out the "Suggestions" section on the website - [www.hauraki-dc.govt.nz](http://www.hauraki-dc.govt.nz) - to submit your feedback.

## Community Outcomes

Our **community outcomes** express in more detail about what we'd like to see happen in our District. These outcomes continue to stay at the forefront of the decisions we make. During the development of the 2021-2031 Long Term Plan we asked our community what they love about our District, and what they want to see in the future, from there we developed these community outcomes.



**Healthy environment | Te Mauri o te Taiao**

- Ecosystems are protected, restored and respected.
- We minimise waste.
- Our rivers, streams and wetlands are healthy and we use water carefully.
- We reduce our carbon footprint to minimise climate change.

**Connected people | Tūhono**

- We look after each other.
- We are partners with iwi.
- We collaborate with other local authorities, and central government.
- Youth are engaged and supported.
- We're proud to live here.

**Vibrant and safe communities | Te Oranga pai o te Hapori**

- Public spaces are fun and inviting.
- Everyone has access to safe, healthy and affordable homes.
- Roads and bridges are safe and well-maintained.
- We have a reliable drinking water supply.
- We plan for and adapt to the effects of climate change.

**Strong economy | Oranga Ōhanga**

- Local business is supported – we can get what we need locally.
- There is opportunity for paid work and employment, and training.
- We are skilled and educated.

## Legislative framework

All local authorities are required to work within many statutory frameworks. The key empowering act for local authorities is the Local Government Act 2002.

### Purpose of local government

Section 10 of the Local Government Act 2002 defines the purpose of local authorities as being:

- to enable democratic local decision-making and action by, and on behalf of, communities
- to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

### Role of local government

Section 11 of the Local Government Act 2002 defines the role of local authorities as being to:

- give effect, in relation to its district or region, to the purpose of local government stated in section 10
- Perform the duties, and exercise the rights, conferred on it by or under this Act and any other enactment.

These legislative requirements set the broad framework within which every local authority must work.

### Key principles

There is further direction for local authorities in relation to their status and powers, in particular the principles relating to local authorities, contained in sections 12-14 of the Local Government Act 2002. These can be viewed in full on the website [www.legislation.govt.nz](http://www.legislation.govt.nz). All of Council's policy and strategic frameworks are developed to be in compliance with these requirements.

## About this Annual Report and our planning cycle

In our key strategic planning document, the 2021-2031 Long Term Plan (LTP), we set out what we aim to achieve each year for the next ten year period, and use measures and targets as a way of monitoring whether we are meeting our goals. The performance measures in the annual report are detailed in the 2021-2031 Long term plan. These measures are developed to measure our progress against meeting our community outcomes. Some activities have mandatory performance measures these are intended to provide consistency across Councils. The non-mandatory measures included cover all material aspects of performance and are developed based on judgements of public interest, community satisfaction levels, public safety and community wellbeing.

The LTP also details the projects we plan to undertake and when we expect those projects to be completed. We produce an annual report like this one every year, which we use to report back to the community the progress we've made towards achieving those targets. Our annual reports also outline some of the projects that we have completed during the year. Additionally, an annual plan is produced in years two and three of the LTP to update the projects and budgets for those years.

This annual report document presents our key achievements for the 2022/23 year (1 July 2022 to 30 June 2023).

## What you'll find in this document

- An introduction and overview of this document, including a message from the Mayor and Chief Executive, the wider context, your 2022/23 elected members, our community outcomes and more.
- Our progress against the goals we set in our Financial Strategy.
- For each of our activities, this annual report outlines:
  - What the activity cost and how it was funded
  - Our progress in 2022/23 against our intended level of service targets (including the results for the mandatory performance measures where applicable)
  - An outline of the projects that were completed in 2022/23
  - The projects that we planned to complete in 2022/23 but weren't able to
- Our financial statements for the 2022/23 year
- An overview of the achievements of our Council Controlled Organisations (CCOs) in the 2022/23 year.
- A list of all Council Committees and their members.
- A report from Audit New Zealand regarding this annual report

## Satisfaction Survey

Through Key Research, Council independently surveys our customers' satisfaction with our services annually. Every third year the survey is broadened to include additional areas of focus to aid the newly elected Council's strategic decision-making. For the 2023 survey, the methodology involved a postal to online survey. A sample of 620 was achieved. The sample was proportionate to each Ward to ensure the survey was representative of the Hauraki District overall. Age and gender weights were applied to the final dataset to ensure specific demographic groups were not under or over represented. The margin of error for the 2023 survey was +/-3.85% at the 95% confidence interval.

We also undertake an annual survey to measure applicants' perceptions and satisfaction of residents who have lodged a building or resource consent in the 2022/23 year. A total of 144 interviews were achieved.

# Progress against our Financial Strategy

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Our financial strategy presented in our LTP consists of carefully reducing debt levels, minimising and smoothing rates increases and ensuring our business is well managed.

We have three caps set out in our financial strategy, one that limits the amount of debt we hold, and two that limit the rates we set. If we go over our limits (or caps), we need to provide good reason as to why it happened.

## Rates affordability benchmark

For this benchmark, the Council's quantified limits on rates as stated in the financial strategy included in the Council's long-term plan are quantified limits on rates increases, not rates income. The Council has not therefore reported on planned rates income.

Council has two quantified limits for rates increases for both its water and non-water rates:

### Non-water rates

- **Income** - Council's planned non-water rates increase each year (excluding water) will be capped at the forecast LGCI plus 4.5%; and
- **Increases** - The quantified limit is that the income from all rates excluding water, will be no more than the 2020/21 income from all rates excluding water plus annual increases of the Local Government Cost Index plus 4.5%.

### Water rates

- **Income** - Council will cap rates increases for water at the forecast LGCI plus 7.5% in the first three years of the Long Term Plan, and equal to or less than the forecast LGCI plus 3% in the remaining years of the Long Term Plan; and
- **Increases** - The quantified limit is the percentage increase in water rates should not exceed the Local Government Cost Index (LGCI) plus 7.5% per annum for the first three years of the plan, and the Local Government Cost Index (LGCI) plus 3.0% per annum for the last seven years of the plan.

The Council meets the rates affordability benchmark if it's planned rates increases for the year equal or are less than each quantified limit on rates increases.

## Progress against our rates affordability benchmarks

### Non-water rates

Council only met one rate affordability benchmark in the 2022/23 financial year for non-water rates.

- Actual rates collected (excluding water) totalled \$28.37m. The quantified limit set was \$27.8m.
- The rates increase from 2021/22 to 2022/23 was 2.8%. The quantified limit set for this increase was 7.4%.

This is principally due to upward changes to the rating database. The rates were set based on the previous year's rates in the dollar and the rates database was revalued as at 30 June 2022.

### Water rates

Council only met one rate affordability benchmark in the 2022/23 financial year for non-water rates.

- Actual water rates collected totalled \$8.26m. The quantified limit set was \$8.25m.
- The rates increase from 2021/22 to 2022/23 was -2.6%. The quantified limit set for this increase was 10.4%.

Water rates are based on consumption. Water consumption will vary year by year based on external factors to the Council, such as changes in weather, which can drive demand. Because of this variability and uncertainty, the Council acknowledges that the water rates cap may be breached in some years depending on external factors.

For example, in 2019/20, the district experienced a record-breaking drought, which saw water consumption spike again. A number of breaks in pipes were also identified throughout the district. The dry ground conditions caused substantial movement (contraction) in the soil and caused damage to a number of pipes and other water reticulation assets.

## Debt affordability benchmarks

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

Council has four quantified limits on borrowing:

- external net debt per rating unit is equal to or less than \$8,000
- net interest expense is equal to or less than 10% of total revenue
- net interest expense is equal to or less than 15% of rates revenue
- net external debt is equal to or less than 175% of total revenue

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

## Progress against our debt affordability benchmarks

The Council set a variety of debt parameters around total debt limits and interest cost limits, which indirectly determines debt limits. The debt cap that the Council set is that its total debt should not exceed \$8,000 per property in any year. At 30 June 2023, total debt was \$4,533 per property.

In addition, year two of the 21-31 LTP saw debt forecasted to be \$67 million, with the debt cap being \$88 million, this meant that the Council's sat comfortably within its debt cap.

Due to the lower than anticipated borrowing levels (from those set out in our Long-term Plan), both net interest expense benchmarks are well within the limits set out in the long-term plan.

# Annual report disclosure statement for year ending 30 June 2023

## What is the purpose of this statement?

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

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

## Rates affordability benchmark

The Council meets the rates affordability benchmark if:

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

### Rates (income) affordability

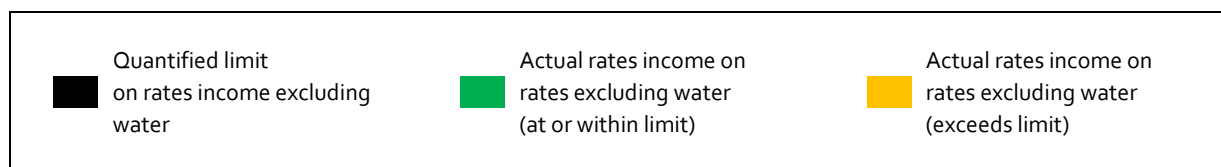
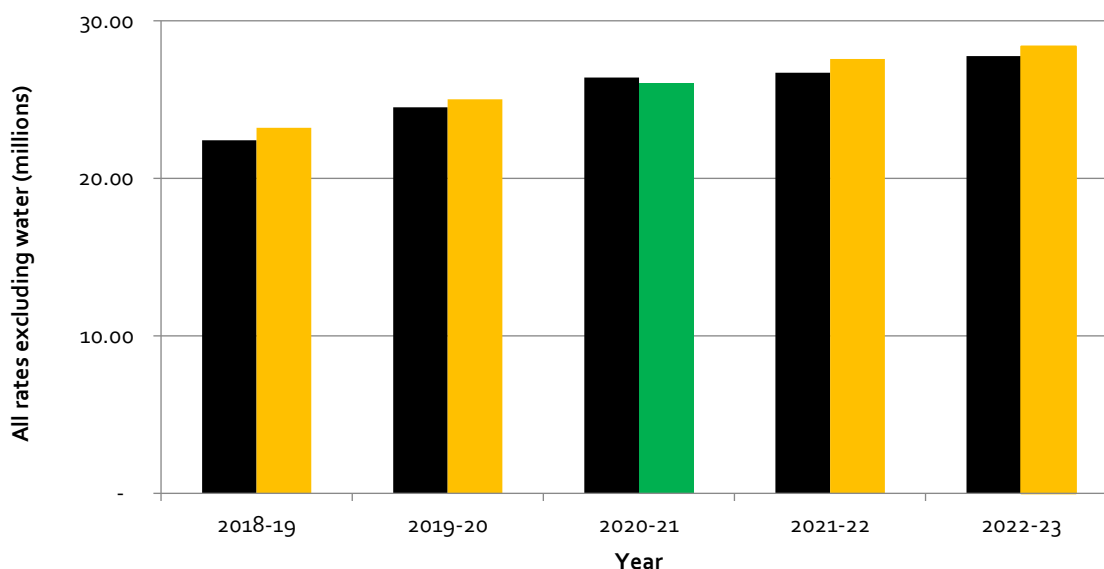
Council has two quantified limits on rates income as stated in the financial strategy included in the Council's long-term plan:

- The first quantified limit is for all rates excluding water rates.
- the second quantified limit is for water rates

### Rates excluding water rates (income) affordability

The following graph compares the Council's actual rates income (excluding water rates) with a quantified limit on rates income (excluding water rates) included in the financial strategy and in the Council's long-term plan.

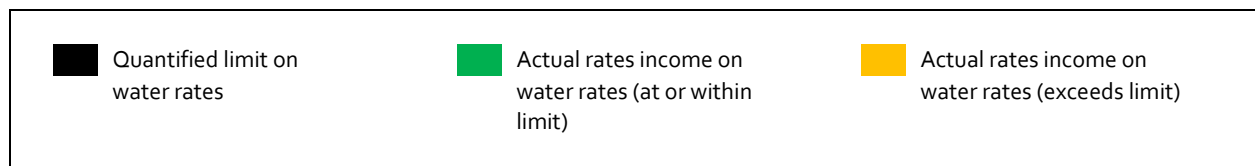
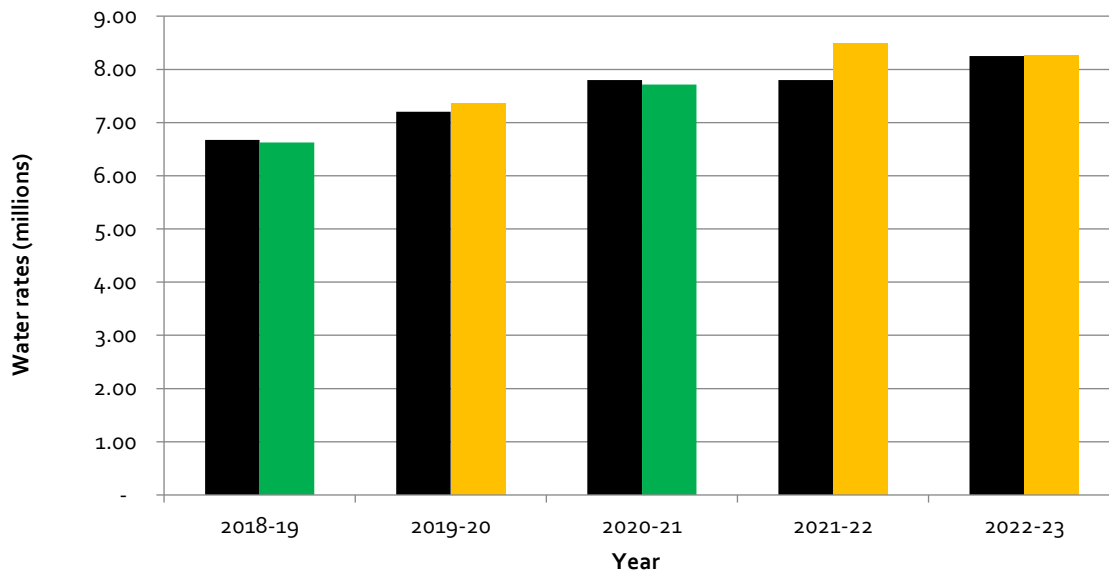
The quantified limit for 2023 was \$27.8 million, being the forecasted rates (excluding water) for 2021/22 year in the long-term plan plus 7.4%. (2022: \$26.7 million being the forecasted rates (excluding water) for 2020/21 year in the long-term plan plus 8.2%).



### Water rates (income) affordability

The following graph compares the Council's actual water rates income with a quantified limit on water rates contained in the financial strategy included in the long-term plan.

The quantified limit for 2022 was \$8.3 million, being the forecasted income from water rates in the 2021/22 year plus 10.4%. (2022: \$7.8 million, being the forecasted income from water rates in the 2020/21 year plus 11.2%).



Rates revenue is higher than budget. This is principally due to upward changes to the rating database. The rates were budgeted based on an old valuation roll. This was revalued in the 2021/22 financial year. This has impacted the rates set.

Water rate revenue is higher than budgeted due to higher demand than budgeted.



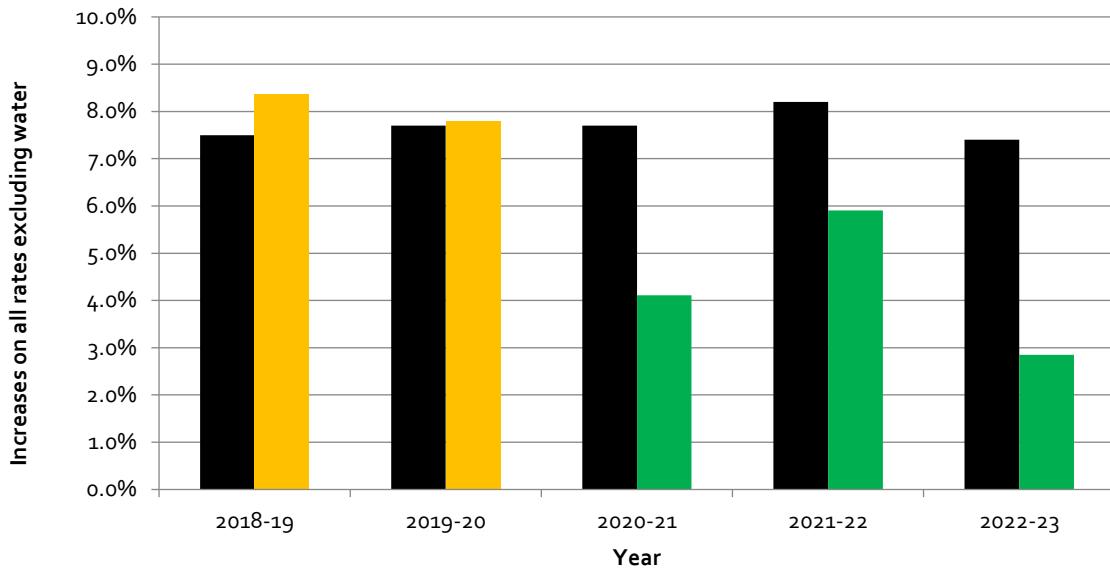
**Rates (increases) affordability**




Council has two quantified limits for rates increases:

- the first quantified limit is for all rates excluding water, and is expressed as the Local Government Cost Index (LGCI) plus 4.5%
- the second quantified limit is for water rates, and is expressed as the Local Government Cost Index (LGCI) plus 7.5% per annum for the first three years of the plan, and the Local Government Cost Index (LGCI) plus 3.0% per annum for the last seven years of the plan.

The following graph compares the Council’s actual rates increases with a quantified limited on rates increases included in the financial strategy included in the Council’s long-term plan.

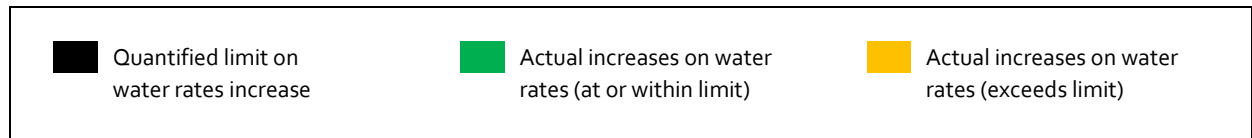
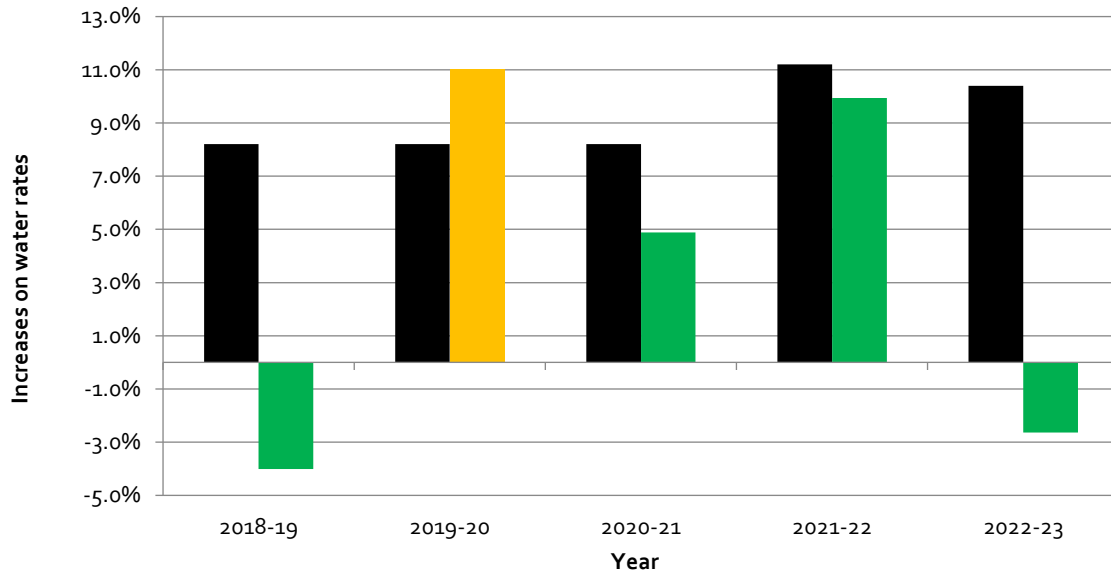
The quantified limited for the amount rates can increase (excluding water) is the forecast LGCI plus 4.5%



 <p>Quantified limit on increases in all rates excluding water</p>	 <p>Actual increases on all rates excluding water (at or within limit)</p>	 <p>Actual increases on all rates excluding water (exceeds limit)</p>
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## Water rates

The following graph compares the Council's actual rates increases with a quantified limit on water rates increases included in financial strategy included in the council's long-term plan. The quantified limit is that the percentage increase in water rates will be no more than the LGCI plus 7.5%, for the first three years of the long term plan, and less than or equal to the forecast LGCI plus 3.0% in the remaining years of the long term plan.



## Debt affordability benchmarks

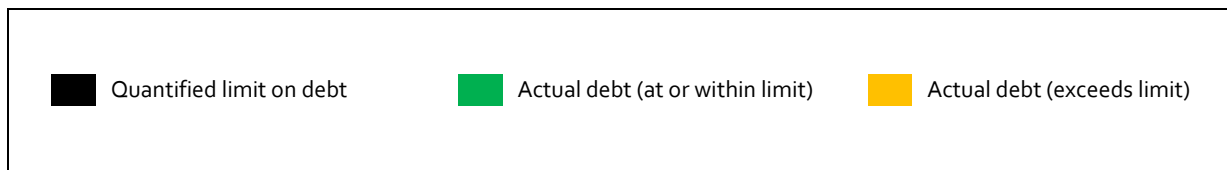
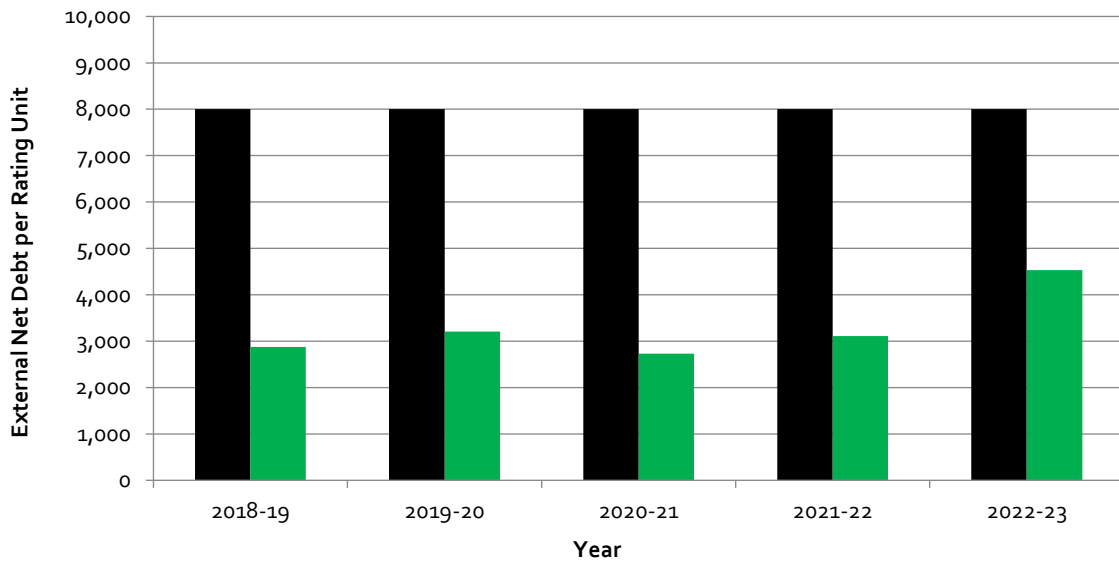
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council has four quantified limits on borrowing:

- external public debt per assessment is equal to or less than \$8,000
- net interest expense is equal to or less than 10% of total revenue
- net interest expense is equal to or less than 15% of rates revenue
- debt is equal to or less than 175% of total revenue

### Debt (external net debt per rating unit) affordability

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan.

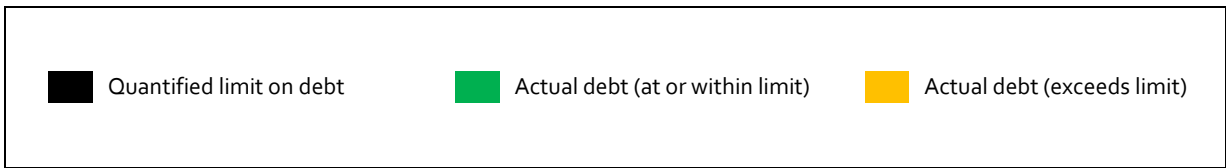
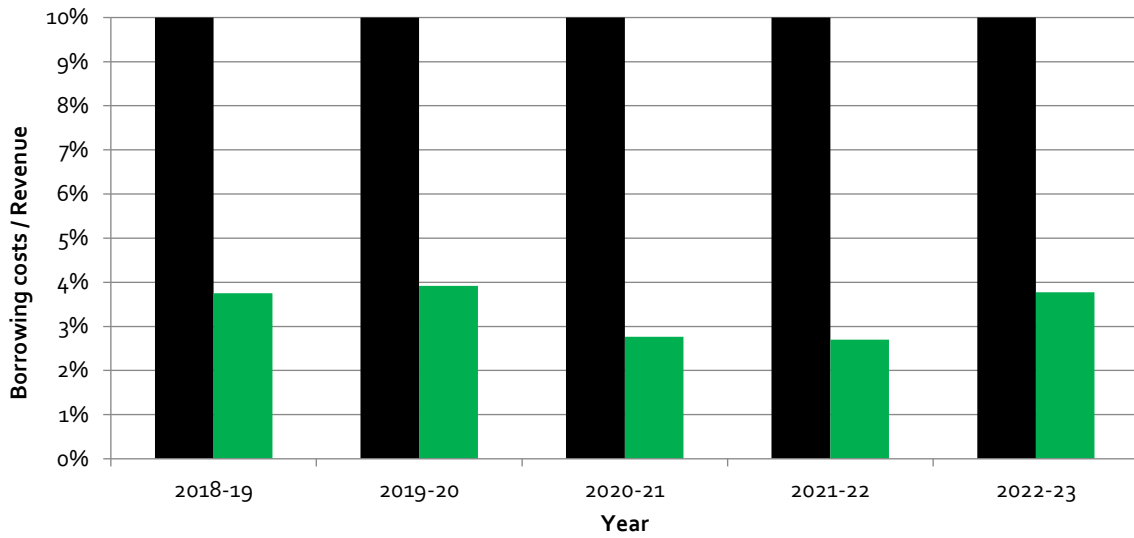
The quantified limit is that external net debt per rating unit is equal to or less than \$8,000.



### Debt (net interest expense to total revenue) affordability

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan.

The quantified limit is that net interest expense is equal to or less than 10% of total revenue.

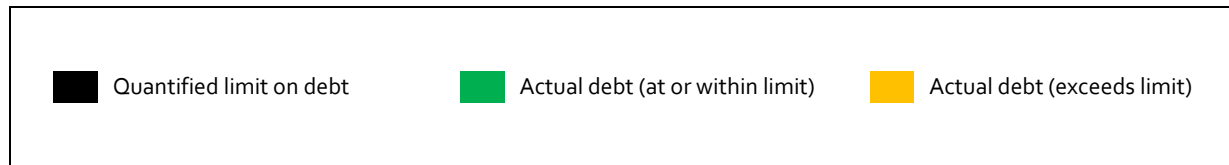
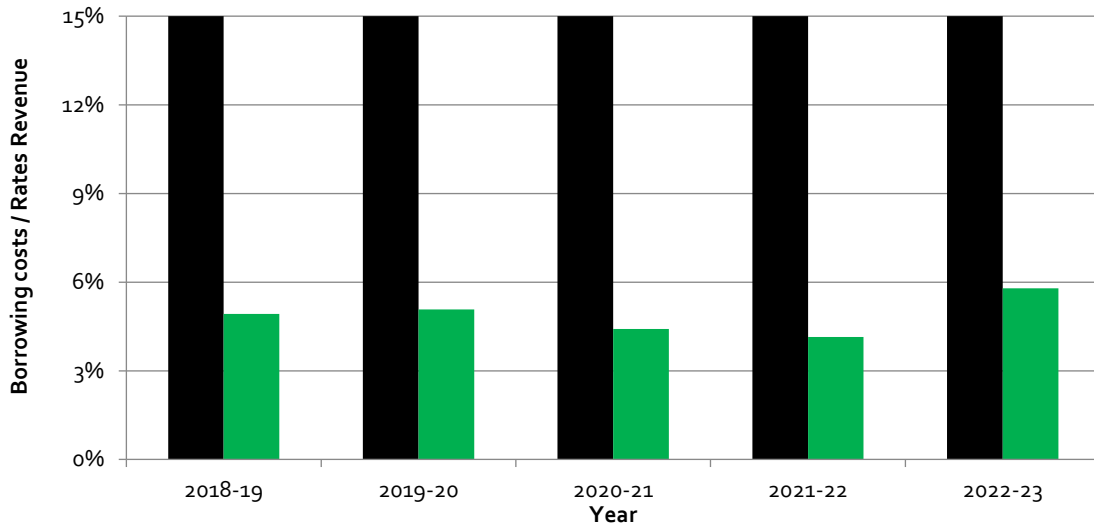


Council is comfortably within this limit.

### Debt (net interest expense to rates revenue) affordability

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan.

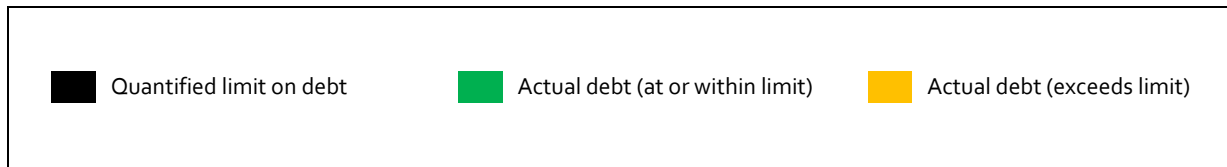
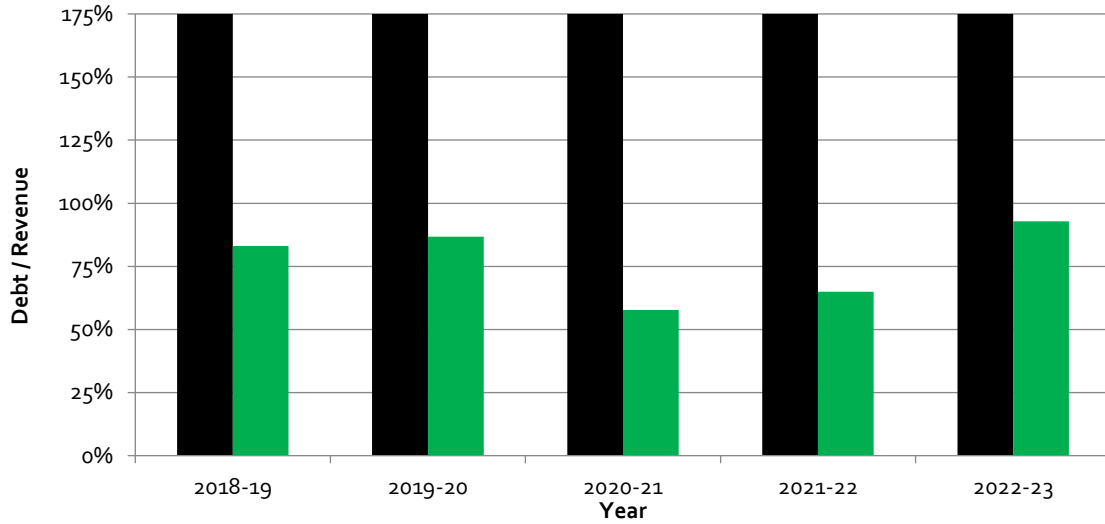
The quantified limit is that net interest expense is equal to or less than 15% of rates revenue.



Council is comfortably within this limit.

### Debt (debt to total revenue) affordability

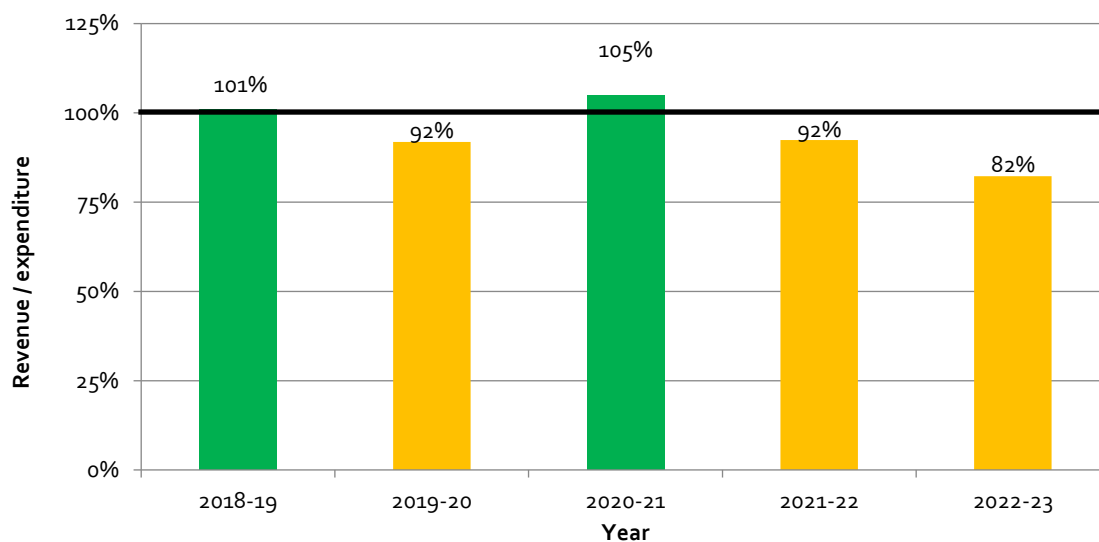
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is that debt is equal to or less than 175% of total revenue.



Council is comfortably within this limit.

## Balanced budget benchmark

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

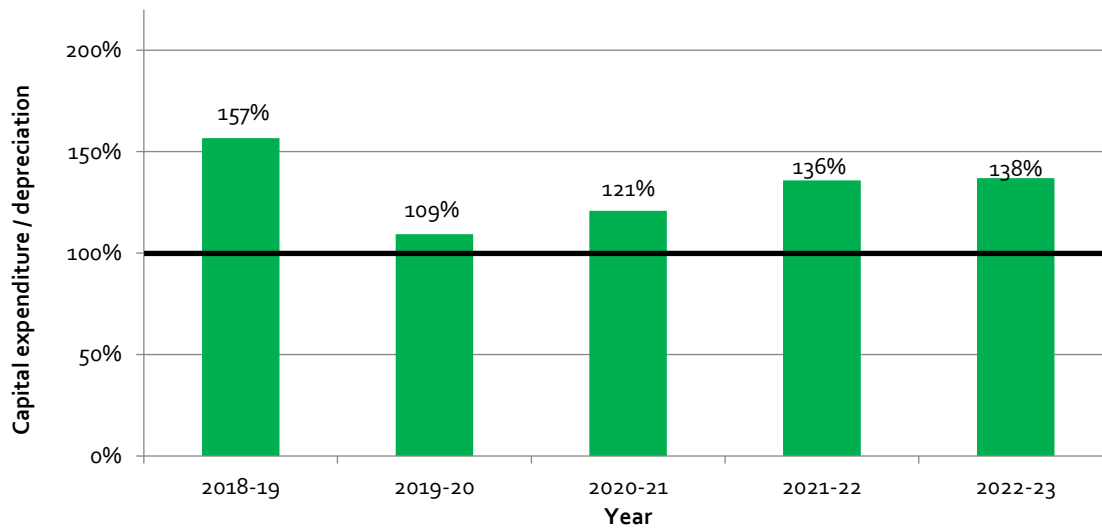


The Council aims to maximise the services it provides to the District, while minimising rates revenue increases. This is reflected in the 93% average proportion of revenue to operating expenditure over the five-year period from 2018/19 to 2022/23. Over time, the Council expects that revenue and expenditure will average out to 100%.

However, this year operating expenditure was \$16.1m higher than budget as Council dealt with a number of unbudgeted costs increases. These unbudgeted costs are expanded on further under our financial statements section, note 26 – explanations to budget.

## Essential services benchmark

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



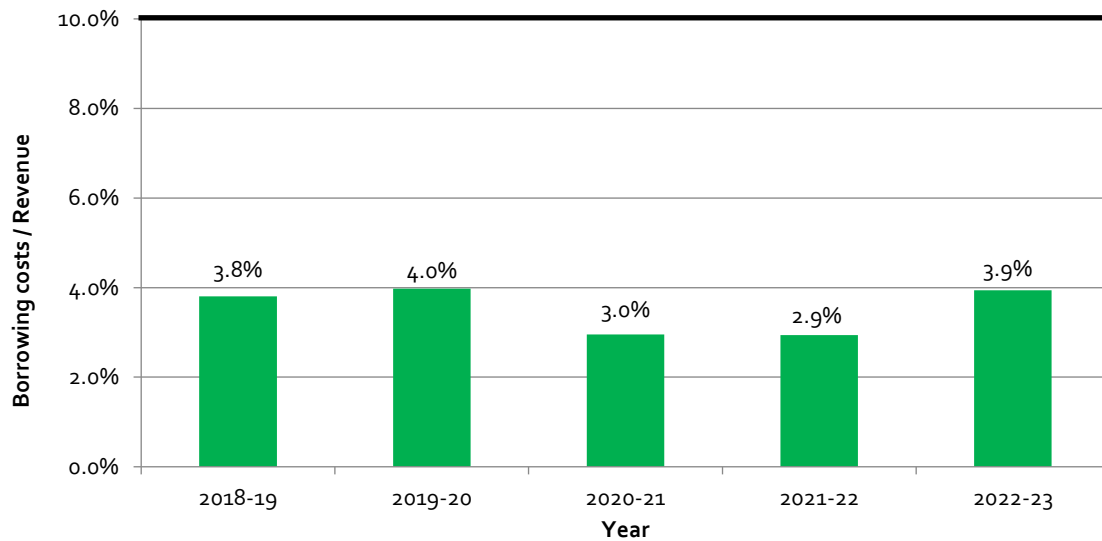
The Council's capital expenditure on network services is consistent with depreciation on network services. The average proportion of capital expenditure to depreciation expense is 132% over the five-year period from 2018-19 to 2022/23.



## Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

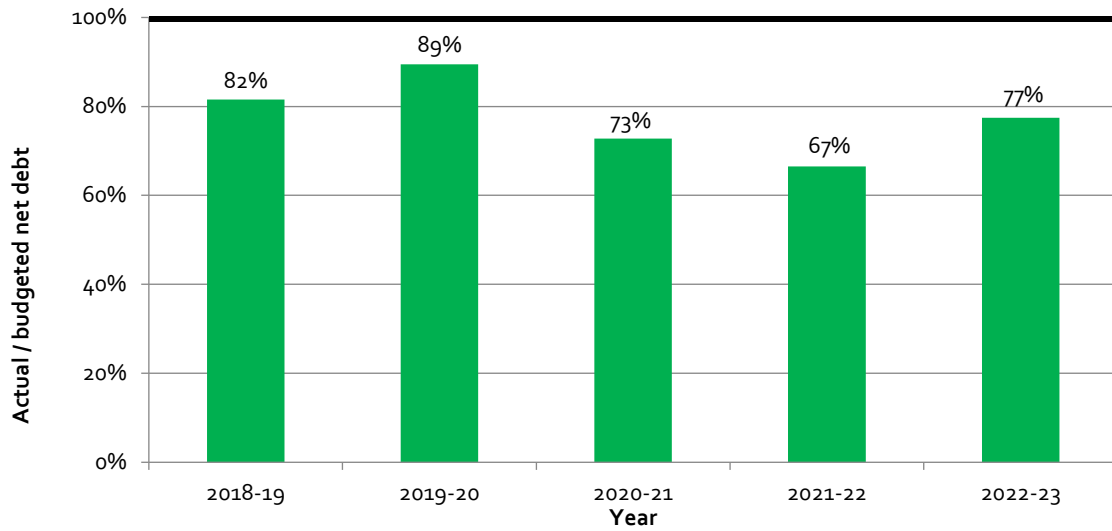


The Council maintains a significantly lower borrowing cost to revenue ratio than that required to meet the benchmark. The average proportion of borrowing costs to revenue over the five-year period from 2018/19 to 2022/23 was 3.5%.

## Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of its planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

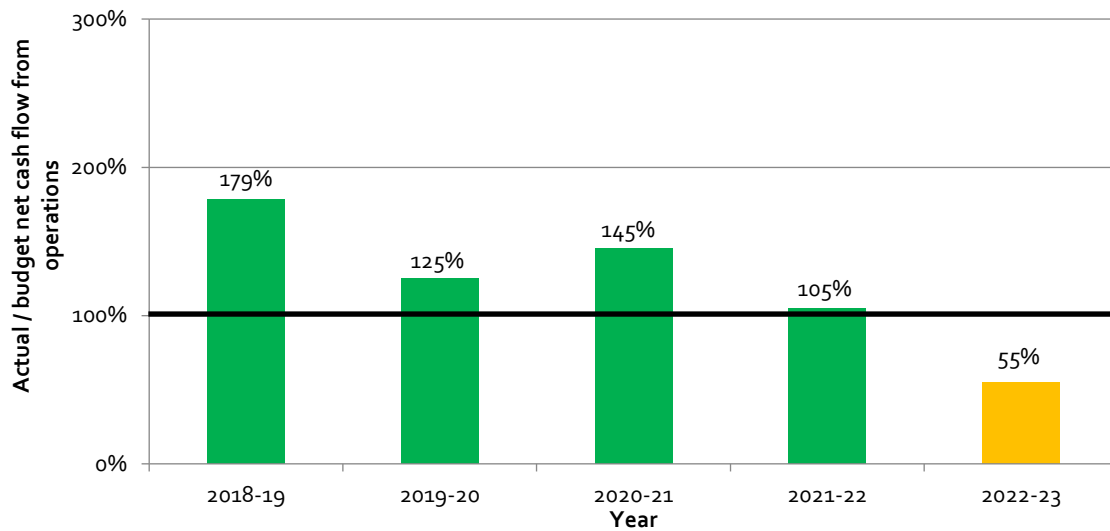


The Council has consistently maintained lower actual than planned net debt. The average proportion of actual to planned net debt was 77% over the five-year period from 2018/19.

## Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



The average proportion of actual to planned net cash flow from operations was 115% over the five-year period from 2018/19 to 2022/23.

Council did not meet this benchmark as operating expenditure was significantly higher than that budgeted mainly due to inflationary cost pressures and payments to staff being higher than anticipated.

# Our services

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## What do we do?

We are involved in delivering many activities across the District. You can expect us to deliver the following:



## Summary of our performance

We had 76 service targets listed in the 2021-2031 Long Term Plan for 2022/23 – here is a summary of the results:



### Service targets not achieved

Of the 76 service targets 45 percent were not achieved.

Our water and land transport activities continued to perform well despite the disruptions caused by the weather events. Of the eleven roading performance measures in the roading activity two were affected by the weather events.

Of the 23 performance measures included for our three waters and land drainage activity four were affected by the severe weather events. There was an increase in complaints in regards to the stormwater system and some dry weather overflows were due to the storm events.

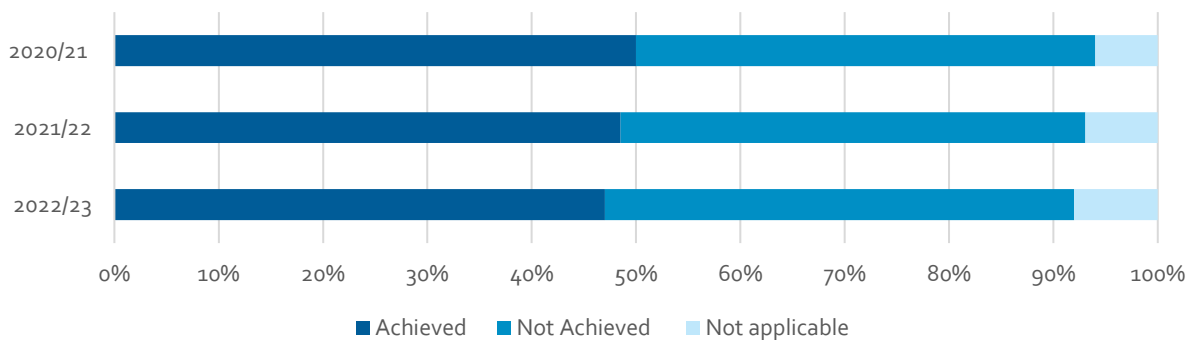
Response times to complaints and service requests were affected as staff were deployed to other areas to help in the storm recovery.

Other factors that contributed to some measures not being achieved were due to staff resourcing and software errors.

We are using these results to inform our service delivery in the future. As shown above, 45% of our non-financial performance measures were not achieved for various reasons. We're using these results to inform and improve our service delivery in the future. For further non-financial performance results see the *Meeting our Service Targets* tables below.

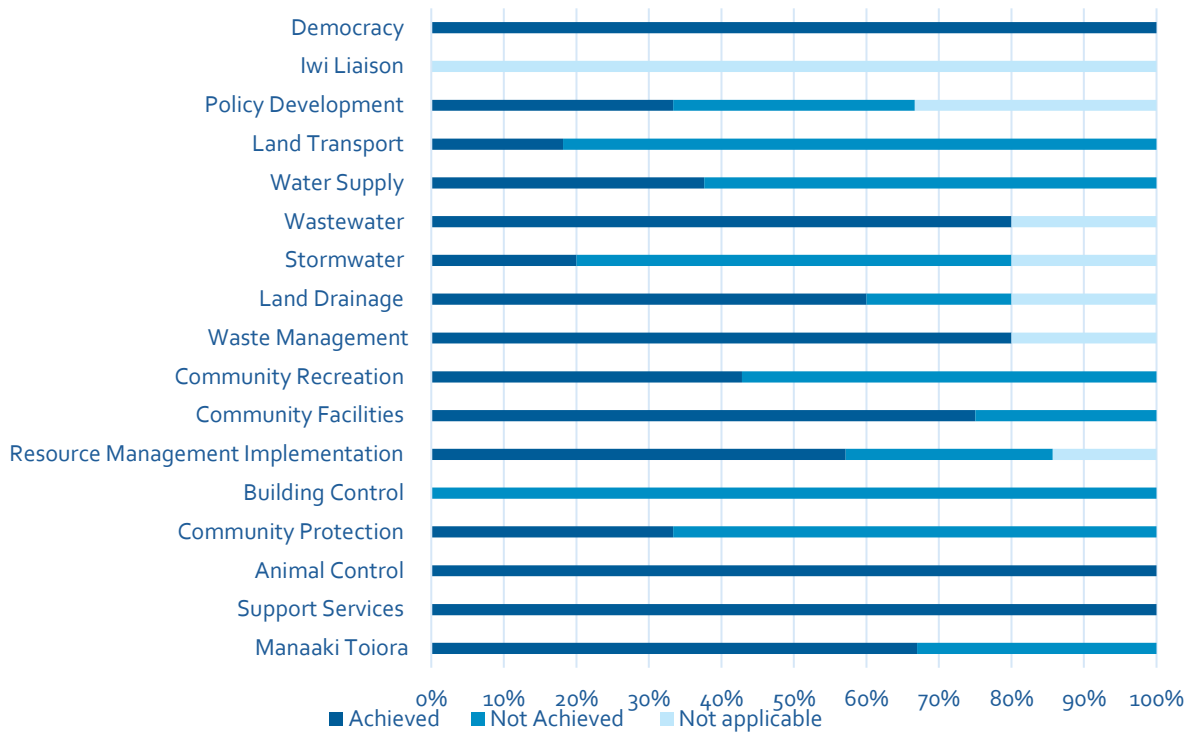
### Overall service performance by year

The following graphs summarise our overall performance by year and by activity. Further explanation is provided in the Groups of Activities sections.









For more detail on each activity that we provide, refer to the 2021-2031 Long Term Plan document available on our website [www.hauraki-dc.govt.nz](http://www.hauraki-dc.govt.nz)

## Overall service performance by activity



Group of Activity	Number of measures	Achieved	Not Achieved	Not applicable
Democracy	1	100%		
Iwi Liaison	1			100%
Policy Development	3	33%	33%	33%
Land Transport	11	18%	82%	
Water Supply	9	38%	63%	
Wastewater	5	80%		20%
Stormwater	5	20%	60%	20%
Land Drainage	5	60%	20%	20%
Waste Management	5	80%		20%
Community Recreation	7	43%	57%	
Community Facilities	4	75%	25%	
Resource Management Implementation	7	57%	29%	14%
Building Control	3		100%	
Community Protection	3	33%	67%	
Animal Control	3	100%		
Support Services	2	100%		
Manaaki Toiora	3	67%	33%	

<p><b>Community services   Raona Hapori</b></p>  <p>This group involves the provision of recreation services to enhance our communities' recreation and social needs.</p> <p>The Community Recreation activities achieved 3 out of the 7 (43%) performance measures across libraries, parks &amp; reserves and swimming pools. The Community Facilities activities achieved 3 out of the 4 (75%) of its performance measures across cemeteries, elderly persons housing, halls and public convenience Unfavorable weather conditions have meant that a number of maintenance and renewal work has been delayed.</p>	<p><b>Governance and Leadership   Kāwanga me te rangatiratanga</b></p>  <p>This group includes democracy, policy development and Iwi liaison</p> <p>This group has achieved 2 out of 5 (40%) of the performance measures with similar results to the previous year.</p>
<p><b>Water supply, wastewater, stormwater and land drainage</b></p>  <p>The three waters and land drainage activity includes water supply, wastewater stormwater overall these services have been preparing for the affordable waters reform. This activity achieved 10 out of 24 (37%) of its performance measures.</p> <p>Our land drainage systems experienced three weather events that were measured as 1 in 10 year events and there were no rural properties that had ponding occur for more than three days for those events. The water and wider service delivery team worked hard to ensure the impacts of the severe weather were minimal to our community as a result waste water services were marginally impacted The significant weather events impacted attendance to overflows requests during this time.</p>	<p><b>Waste Management   Whakahaere ururua</b></p>  <p>This activity includes kerbside collection, waste minimisation promotion and refuse stations.</p> <p>The waste management activity contributes to the healthy environment community outcome. Planning and preparation for the new waste contract has been undertaken during 2022/23 also implementation of the waste management &amp; minimisation plan (WMMP) with zero waste campaigns targeting children and adults. This activity achieved 4 out of 5 (80%) of its performance measures.</p>
<p><b>Regulatory services</b></p>  <p>Regulatory service provide support for implementation and compliance across the resource management, building, animal control and community health and safety activities. Regulatory services aims to contribute to Hauraki's healthy environment and vibrant and safe communities. For the 2022/23 year the group had mixed results. This activity achieved 8 out of 16 (50%) of the performance measures. A number of factors</p>	<p><b>Land Transport</b></p>  <p>Land transport activity includes the maintenance of our sealed and unsealed roads (excluding state highways), footpaths and road safety, it also includes the response to disruption caused by severe weather events such as slips and flooding.</p> <p>During 2022/23 the roading team responded to a number of weather related events which meant some measures were not achieved. This activity achieved 2 out of 11 (18%) of its performance measures. Most</p>

<p>affected performance such as: staff resourcing and severe weather events, which meant some requests for service could not be responded to in time.</p>	<p>notably the roading team were committed to keeping our roads open during those weather events and impacted roads were all open within either 24 or 72 hours.</p> <p>\$3 million was spent on emergency work to repair roads that were damaged by storm events.</p>
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## Our activities in this report

For each group of activities within this annual report document you will find:

- a brief overview of the group (where applicable).
- an explanation of the identified effects that the provision of the group of activities has on the community.
- the *effects on the community* section includes how the group of activity effects the social, economic, environmental or cultural wellbeing of the community.
- a doughnut chart showing the percentage of performance targets that were achieved overall for that group of activities.
- the community outcomes that the group primarily contributes to.
- an overview of what the group of activities cost and how it was paid for.

For every activity the following further information is provided:

### <Activity name>

This section provides an overview of the activity where there is more than one activity within a group. It includes the purpose of the activity, the rationale for our involvement and what is involved in us delivering that activity.

### Meeting our service targets

The levels of service, measures and targets for groups of activities or activities, as detailed in the 2021-2031 Long Term Plan for the 2022/23 year, are detailed in the 'meeting our service targets' table. The table for each group of activities or activity also includes progress indicator icons to show the achievement of each measure. The icons are as follows:

Achieved

Not Achieved

Not Applicable

Within this table, the previous year's results are shown to provide a comparison between years. Additionally, the mandatory performance target results are also included for roads and footpaths, water supply, sewerage and the treatment and disposal of sewage (wastewater), stormwater, and flood protection and control works (land drainage) activities.

Note that the results of some measures are based the annual satisfaction survey. This was undertaken in August/September 2023, to record customers' satisfaction with our services and facilities in the 2022/23 year.

### What else happened in 2022/23?

This section details the projects that were completed in the 2022/23 year; this includes projects that were scheduled for 2022/23 in the Long Term Plan, or other projects that had been carried over from previous years.

### What didn't happen and why

This section details the projects that were scheduled for 202/23 that didn't occur, and the reasons why.

### What these activities cost and how they were paid for

This section includes the operating statement which shows how much it cost to operate the activity, and the funding impact statement for the group of activities. The funding impact statement also includes the budgeted capital expenditure for the activity and the actual amount spent, split into: what was spent on meeting additional demand, improved levels of service, or replacement of existing assets.

### Our easy reference stamp

A lot more information on our activities can be found in the LTP; this annual report is a summary of our performance against what we said we would do in the LTP. This reference stamp placed throughout this report will let you know where you can find out more in the LTP which is available at each Council service centre, or library, or you can download an electronic copy from [www.hauraki-dc.govt.nz](http://www.hauraki-dc.govt.nz).





# Governance and Leadership | Kāwangatanga me te rangatiratanga

Our governance and leadership group includes our local democratic system which represents the residents of our district, our relationships with Māori, and the development of policies – including those required by law and other voluntary local policies.

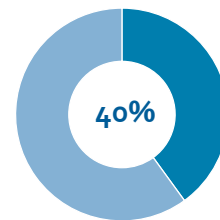
## Effects on the community

Our governance and leadership group of activities work towards achieving a consistent policy approach for the community through leadership, governance and advocacy.

The promotion of the district and advocacy roles that the Mayor and councillors undertake, including at a national and regional level, are often not evident as far as reporting goes, but it is fair to say that it is instrumental to their roles as elected members. This work ensures that the qualities the public agree are important for a person's happiness, quality of life and welfare, are addressed. The advocacy and decision-making undertaken by elected members helps to promote the district, and to provide the infrastructure and services that support its service delivery and economic growth.



## Achieving our service targets



The governance and leadership group mainly contributes to the following community outcomes



Connected People  
Tūhono



Vibrant and Safe Communities  
Te Oranga pai o te Hapori

## What it cost and how it was paid for?

### Cost of operating Governance and Leadership

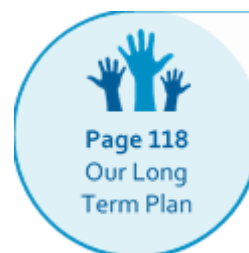
	Annual Plan	Actual	Actual
	2023	2023	2022
	\$000	\$000	\$000
<b>Expenditure</b>			
Democracy	2,451	2,391	2,207
Iwi Liaison	108	76	125
Policy development	802	749	766
RMA policy	656	682	442
<b>Total expenditure</b>	<b>4,017</b>	<b>3,898</b>	<b>3,540</b>
<b>Revenue</b>			
Fees, charges and other revenue	0	49	48
External subsidies	0	69	0
Targeted rates	0	0	0
General rates	3,593	3,749	3,906
<b>Total revenue</b>	<b>3,593</b>	<b>3,867</b>	<b>3,954</b>
<b>Operating surplus / (deficit)</b>	<b>(424)</b>	<b>(31)</b>	<b>414</b>

**Hauraki District Council: Funding impact statement for the year ended 30 June 2023 for Governance and Leadership**

	Long-Term Plan 2022 \$000	Long-Term Plan 2023 \$000	Actual 2023 \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	3,600	3,704	3,749
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	69
Fees and charges	0	0	49
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
<b>Total operating funding (A)</b>	<b>3,600</b>	<b>3,704</b>	<b>3,867</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,322	1,445	1,338
Finance costs	0	0	0
Internal charges and overheads applied	2,440	2,498	2,560
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>3,762</b>	<b>3,943</b>	<b>3,898</b>
<b>Surplus / (deficit) of operating funding (A - B)</b>	<b>(162)</b>	<b>(239)</b>	<b>(31)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total Sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>			
Capital expenditure		0	
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	(162)	(239)	(31)
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>(162)</b>	<b>(239)</b>	<b>(31)</b>
<b>Surplus / (deficit) of capital funding (C - D)</b>	<b>162</b>	<b>239</b>	<b>31</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Democracy | Te Manapori

Local government in New Zealand receives its mandate from the government through legislation. We provide democracy services to provide representative and accountable governance, provide local leadership, assess issues that affect the district and local communities and responses, and make informed decisions on local services and funding on behalf of our communities.



### Meeting our service targets

How we measure our performance ▼		Result 2022/23 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
<b>What we said we would do: the Council to conduct all its business in an open and transparent manner.</b>		
<b>Measure:</b> Agendas for meetings (other than extraordinary meetings) of the Council and its Committees are publically available at least two clear working days prior to the meeting date.  <b>Target:</b> 100% of agendas are available on the internet and in the Council offices and libraries two clear working days before each meeting.	2022/23: <input checked="" type="checkbox"/>	<b>Achieved: 100% (59/59) agendas were publicly available at least two working days prior to the meeting.</b>
	2021/22: <input checked="" type="checkbox"/>	Achieved: 100% (63/63) agendas were publicly available at least two working days prior to the meeting.

### What else happened in 2022/23?

#### 2023 Customer Satisfaction Survey

In July/August 2023, we conducted our annual customer satisfaction survey to find out users' satisfaction with Council's services and facilities. The satisfaction survey results are included in this annual report under the *Meeting Our Service Targets* section. The full report is available on the Council's website.

#### Local Government Election

The Local Government Elections were held in October 2022. We have six newly elected members across the district.

### What didn't happen in 2022/23?

There were no planned projects that didn't happen in 2022/23

## Iwi liaison | Kaitakawaenga Iwi



Our iwi liaison function is provided to fulfil the particular responsibilities the Council has to Hauraki Iwi and Māori including strengthening our capacity to respond and effectively engage with Hauraki iwi. We are working to;

- Strengthen a Te Ao Māori viewpoint across the organisation.
- Assist in growing the abilities of Hauraki iwi in contributing to decision making.
- Work with senior leadership and Council staff to ensure Council’s obligations to Māori are met through proactive engagement and culturally appropriate policies and processes.
- To act as the principal advisor to Council on te reo Māori me ona tikanga, and guide elected members through rangatira ki te rangatira relationships.
- Give advice which is focused on preserving and strengthening partnerships with iwi and Māori communities across the district.

### Meeting our service targets

How we measure our performance ▼		Result 2022/23 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
<b>What we said we would do: the Council to establish formal relationships with Iwi holding mana whenua status in the district following the signing of Treaty Settlements.</b>		
<b>Measure:</b> We will work with Mana Whenua to grow the capacity and Mana Motuhake of Mana Whenua.	2022/23: <input type="checkbox"/>	<b>Not applicable. There have been no treaty settlements signed in 2022/23.</b>
<b>Target:</b> Within three years of the signing of the treaty settlement, a Hauraki Iwi Forum will be established.	2021/22 <input type="checkbox"/>	<i>Not applicable: In the next year we will be looking to develop partnerships with Iwi, We will also focus on increasing and measuring the cultural capability within Council.</i>

### Opportunities for Māori to contribute to decision making processes

Hauraki District Council recognises the special position of Tangata Whenua within the Hauraki District Council boundaries. Our current Significance and Engagement Policy sets out what Māori and the community can expect from Council in terms of the likely impact on present and future interests of the community, by recognising Māori culture values and their special relationship with land, water and the Hauraki world view across the entire Hauraki rohe.

#### What else happened in 2022/23?

Our key focus has been on developing a Cultural Competency Framework that will better enable Council to engage more effectively with Hauraki iwi. This includes aligning with Te Tiriti o Waitangi and upholding the principles of Te Tiriti to create a clear and consistent legislative framework.

We have been heavily involved in aligning Council practice with Te Tiriti o Waitangi to ensure we are a more inclusive society where indigenous voices are heard, embedded and acted upon to create better outcomes.

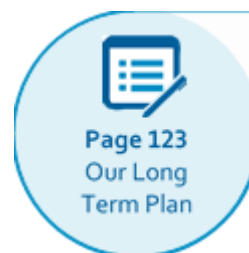
This has included involvement at a project basis on a wide and varied level. But also in developing a high level strategic direction to ensure all of Council is able to actively progress partnerships with Hauraki Iwi.

#### What didn't happen in 2022/23?

There were no planned projects that didn't happen in 2022/23.

## Policy development | Whanaketanga kaupapa

Our policy development function involves ensuring appropriate responses are developed to meet community needs, ensure a consistent approach to decision making and action across the Council and sometimes the Waikato region. Also to ensure our statutory requirements are met and provide accountability to our residents and ratepayers through reporting mechanisms.



### Meeting our service targets

How we measure our performance ▼		Result 2022/22 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
<b>What we said we would do: the Council to plan its policy development in accordance with relevant legislative requirements.</b>		
<b>Measure:</b> All legislatively required policies, bylaws, plans and strategies are adopted within statutory timeframes, as recorded in the resolution database.  <b>Target:</b> 100% of all legislatively required documents are adopted within statutory timeframes.	2022/23: <input checked="" type="checkbox"/>	<b>Achieved: 100% (5/5) legislatively required documents adopted within statutory timeframes.</b>
	2021/22: <input checked="" type="checkbox"/>	<i>Achieved: 100% (5/5) legislatively required documents adopted within statutory timeframes.</i>
<b>What we said we would do: the Council to make decisions in a transparent and democratically accountable way.</b>		
<b>Measure:</b> Percentage of customers satisfied with the Council's consultation and engagement regarding major policies and strategies, as measured by customer satisfaction survey.  <b>Target:</b> ≥65% of customers satisfied.	2022/23: <input checked="" type="checkbox"/>	<b>Not achieved: The 2023 customer satisfaction survey results showed that 49% of customers are satisfied with the Council's consultation and engagement regarding major policies and strategies.</b>
	2021/22: <input checked="" type="checkbox"/>	<i>Not achieved: The 2022 customer satisfaction survey results showed that 49% of customers are satisfied with the Council's consultation and engagement regarding major policies and strategies.</i>
<b>What we said we would do: the Council to meet its statutory requirements under the Resource Management Act 1991.</b>		
<b>Measure:</b> All Changes and Variations to the District Plan are processed within statutory requirements, as measured by Council records.  <b>Target:</b> There are no successful appeals or judicial reviews on any Change or Variation to the District Plan as a result of administrative or process matters.	2022/23: <input type="checkbox"/>	<b>Not applicable: there were no appeals or judicial reviews lodged during 2022/23.</b>
	2021/22: <input type="checkbox"/>	<i>Not applicable: there were no appeals or judicial reviews lodged during 2021/22.</i>

### What else happened in 2022/23?

#### Wharekawa Coast 2120

During 2022/23 and after receipt of the Community Panel's Recommendations and the Companion Reports were finalised, the project team started working on a response in the form of a draft Wharekawa Coast 2120 Community Plan. The draft plan adopts the vision developed by the Community Panel and acknowledges the

community's values that make the Wharekawa Coast unique. It commits to some future actions by the Partner Councils and identifies who is responsible for undertaking those actions, when they will be done and how success will be measured. There are still some uncertainty around dealing with the effects of climate change and actions relating thereto, and we are waiting for Central Government to provide the certainty and resourcing needed. The draft plan will be presented to the Partner Councils for adoption to consult in 2023/24. If adopted, a community consultation on the plan will follow with feedback to be reflected in the final plan.

## **Plans, Policies and Strategies**

### **Significance and Engagement policy**

Our significance and engagement policy was reviewed and adopted in March 2023.

### **Local Governance Statement**

The Local Governance Statement was updated and adopted in March 2023.

### **2023/24 Annual Plan**

Our 2023/24 Annual Plan was prepared, audited and adopted in April 2023

### **Conservation and Heritage fund**

The Conservation and Heritage Fund guidelines were adopted in May 2023. The fund is to provide financial incentives to owners of Significant Natural Areas, Outstanding Natural Features, Heritage Features and Significant Trees to maintain/enhance these areas.

## **What didn't happen in 2022/23?**

There were no planned projects that didn't happen in 2022/23



# Land transport | Te kawa o ngā waka whenua

Our land transport activity includes the maintenance of our sealed and unsealed roads, bridges, streetlights, and road drainage. It also includes the clearing of roads after weather events such as slips or flooding, footpaths, road safety and some public transport coordination, street cleaning, vegetation control for improved visibility for users and mobility purposes, and noxious weed control on road sides.

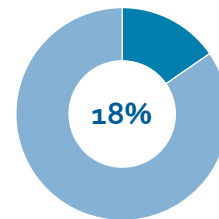
We promote road safety and having an increasing focus on improving how our residents with more limited transport options can get around, including children, the elderly and the mobility impaired. We have a small role in supporting public transport.

## Effects on the community

The land transport group focuses primarily on the provision of safe and reliable local roading networks for district communities, ensuring people (and those with limited transport options) are able to move freely around the district in an efficient manner and have appropriate links with national state highways. This in turn contributes to economic viability and social wellbeing for all people.



**Achieving our  
service targets**



**The land transport group mainly  
contributes to the following  
community outcome**



**Vibrant and Safe Communities  
Te Oranga pai o te Hapori**

## Meeting our service targets

### How we measure our performance ▼

		Result 2022/23 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
<b>What we said we would do: provide a safe transport network for users and the community.</b>		
<p><b>Measure:</b> The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.*</p> <p><b>Target 1:</b> Reduce fatalities and serious injury crashes from the previous financial year.</p> <p><b>Target 2:</b> Reduce fatalities and serious injury crashes attributable to council managed road conditions, to 0.</p>	2022/23: <input checked="" type="checkbox"/>	<p><b>Target 1:</b> Not achieved: 2022/23: 2 fatal/6 serious 2021/22: 1 fatal/ 5 serious There has been an increase in crashes when compared to 2021/22. The change from previous year:</p> <ul style="list-style-type: none"> <li>• <b>Fatalities: +1</b></li> <li>• <b>Serious injuries: +1</b></li> </ul>
	<input checked="" type="checkbox"/>	<p><b>Target 2:</b> Not achieved: 2022/23: 0 fatal/3 serious crashes on the local road network attributed to council managed road conditions. The change from previous year:</p> <ul style="list-style-type: none"> <li>• <b>Fatalities: 0</b></li> <li>• <b>Serious injuries: +2</b></li> </ul>
	2021/22: <input checked="" type="checkbox"/>	<p><b>Target 1:</b> Achieved: 2021/22: 1 fatal/ 5 serious 2020/2021: 4 fatal/ 5 serious There has been a reduction in crashes when compared to 2020/21. The change from previous year:</p> <ul style="list-style-type: none"> <li>• <i>Fatalities: -3</i></li> <li>• <i>Serious injuries: no change</i></li> </ul>
	<input checked="" type="checkbox"/>	<p><b>Target 2:</b> Not achieved: 2021/22: 0 fatal/1 serious crash on the local road network attributed to council managed road conditions as reported in the Waka Kotahi NZ Transport Agency Crash Analysis System (CAS).</p>
<b>What we said we would do: footpath assets to be fit for purpose.</b>		
<p><b>Measure:</b> Percentage of residents satisfied with the quality of footpaths, as measured by the annual customer satisfaction survey.</p> <p><b>Target:</b> ≥ 65%</p>	2022/23: <input checked="" type="checkbox"/>	<p><b>Not achieved: The 2023 satisfaction survey showed that 50% of residents were satisfied with the quality of footpaths.</b></p>
	2021/22: <input checked="" type="checkbox"/>	<p><i>Not achieved: The 2022 satisfaction survey showed that 49% of residents were satisfied with the quality of footpaths.</i></p>

## How we measure our performance ▼

		Result 2022/23 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
<p><b>Measure:</b> The percentage of footpaths within the district that fall within the level of service or service standard for the condition of footpaths that is set out in the Council's relevant documents (e.g. the annual plan, asset management plan, annual works programme or long term plan).*</p> <p><b>Target:</b> 80% of trip hazards (&gt;10mm displacement) on footpaths as identified in the triennial condition survey to be remedied over a three year period All other trip hazards identified to be isolated for safety within 2 days and remedied within a month.</p>	<p>2022/23: <input checked="" type="checkbox"/></p>	<p><b>Not achieved:</b></p> <ul style="list-style-type: none"> <li>66% (428/653) of trip hazards (&gt;10mm displacement) as identified in the triennial condition survey have been remedied at the end of the second year of the three year period.</li> <li>66% (39/59) of all other trip hazards identified were isolated for safety within 2 days, and 100% (59/59) were remedied within a month.</li> </ul> <p>The first part of the target was reached as work is on track to repair 80% of all trip hazards within the three year period.</p>
	<p>2021/22: <input checked="" type="checkbox"/></p>	<p><i>Achieved:</i></p> <ul style="list-style-type: none"> <li>40% (248/626) of the trip hazards identified in the triennial condition survey were remedied (&gt;10mm displacement). The annual target over the triennial period is 33%.</li> <li>100% (59/59) of all other trip hazard requests received by the Council were isolated within two days and remedied within one month.</li> </ul>
<p><b>What we said we would do: provide a roading network that addresses safety and amenity issues.</b></p>		
<p><b>Measure:</b> Damaged, missing or leaning signs are remedied on District roads within specified timeframes, measured by the Council's service request system.</p> <p><b>Target:</b> 95% regulatory/ warning signs within 7 days. All other signs within 6 weeks.</p>	<p>2022/23: <input checked="" type="checkbox"/></p>	<p><b>Not achieved: 83% (122/147) of regulatory/ warning/ other sign issues were resolved within 2 days, 7 days, or resolved within 6 weeks as applicable.</b></p> <p>Non-achievement of this measure was largely due to storm recovery taking precedence, but also to some extent driven by the difficulty in procurement of signs.</p>
	<p>2021/22: <input checked="" type="checkbox"/></p>	<p><i>Not achieved: 94% (174/186) of regulatory/warning/other sign issues were resolved within 7 days, or within 6 weeks as applicable.</i></p>
<p><b>Measure:</b> All reported potholes are repaired on District roads within specified timeframes measured by the Council's service request system.</p> <p><b>Target:</b> 85% within 5 days for Arterial and Collector roads and within 14 days for Access and Low Volume Roads.</p>	<p>2022/23: <input checked="" type="checkbox"/></p>	<p><b>Not achieved:</b></p> <ul style="list-style-type: none"> <li>68% (50/73) potholes on arterial and collector roads were repaired within five (5) days.</li> <li>76% (97/127) potholes on access and low volume roads were repaired within fourteen (14) days.</li> </ul> <p>Team resourcing was impacted by storm damage response throughout quarters three and four in 2022/23. The transition between maintenance contracts also impacted performance.</p>
	<p>2021/22: <input checked="" type="checkbox"/></p>	<p><i>Not achieved:</i></p>

## How we measure our performance ▼

		Result 2022/23 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
		<ul style="list-style-type: none"> <li>84% (26/31) potholes on arterial and collector roads were repaired within five (5) days.</li> <li>93% (71/76) potholes on access and low volume roads were repaired within fourteen (14) days.</li> </ul>
<b>What we said we would do: preserve the pavement life of sealed roads.</b>		
<p><b>Measure:</b> The average quality of ride on a sealed local road network, measured by smooth travel exposure.*</p> <p><b>Target:</b></p> <ul style="list-style-type: none"> <li>85% for urban low speed roads</li> <li>93% for rural high speed roads.</li> </ul>	<p><b>2022/23:</b> <input checked="" type="checkbox"/></p>	<p><b>Not achieved: The smooth travel exposure (STE) for 2022/23 is:</b></p> <ul style="list-style-type: none"> <li>84% for urban low speed roads</li> <li>97% for rural high speed roads.</li> </ul> <p>This target was not achievable under current budget constraints. The pavement rehabilitation of urban Hauraki Road in Turua as proposed in the 24/34 LTP should rectify the urban STE measure.</p>
	<p><b>2021/22:</b> <input checked="" type="checkbox"/></p>	<p><i>Not achieved:</i></p> <p><i>The smooth travel exposure for 2021/22 is:</i></p> <ul style="list-style-type: none"> <li>84% for urban low speed roads</li> <li>96% for rural high speed roads.</li> </ul>
<p><b>Measure:</b> The percentage of the sealed local road network that is resurfaced.*</p> <p><b>Target:</b> 7% of the local road network resealed per year.</p>	<p><b>2022/23:</b> <input checked="" type="checkbox"/></p>	<p><b>Not achieved: 6.2% (32.3 km) of the local road network was resealed in 2022/23.</b></p> <p>This target was not achievable under current budget constraints.</p>
	<p><b>2021/22:</b> <input checked="" type="checkbox"/></p>	<p><i>Achieved: At the end of 2021/22, the resurfacing programme was completed, representing 9% of the local road network.</i></p>
<p><b>Measure:</b> Percentage of customers satisfied with the quality of roads in the District (excluding state highways), as measured by the annual customer satisfaction survey.</p> <p><b>Target:</b> ≥70% of customers satisfied</p>	<p><b>2022/23:</b> <input checked="" type="checkbox"/></p>	<p><b>Not achieved: The 2023 satisfaction survey showed 39% of customers were satisfied with the quality of roads in the district.</b></p>
	<p><b>2021/22:</b> <input checked="" type="checkbox"/></p>	<p><i>Not achieved: The 2022 satisfaction survey showed 37% of customers were satisfied with the quality of roads in the district.</i></p>
<b>What we said we would do: customer service requests will be dealt with promptly and appropriately.</b>		
<p><b>Measure:</b> The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan.*</p> <p><b>Target:</b> 100% of maintenance related service requests are responded to within 10 working days</p>	<p><b>2022/23:</b> <input checked="" type="checkbox"/></p>	<p><b>Not achieved: 84.6% (1005/1187) of maintenance related customer service requests were responded to within 10 working days in 2022/23.</b></p> <p>Resourcing was challenging, particularly when considering the impacts of extreme weather events in the third and fourth quarters. The transition from the old to the new maintenance contract also significantly affected response times.</p>
	<p><b>2021/22:</b> <input checked="" type="checkbox"/></p>	<p><i>Not achieved: 87% (772/886) of maintenance related customer service requests were responded to within 10</i></p>

## How we measure our performance ▼

		Result 2022/23 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
		<i>working days in 2021/22. COVID related staff absences and staff changes with key contractors affected this measure. The development of a transport policy is also ongoing, to provide further clarity to the team when responding to some types of service requests.</i>
<b>Measure:</b> Issues reported to the Council regarding state highways are forwarded to the New Zealand Transport Agency.*  <b>Target:</b> 100% all reported issues are forwarded within two working day.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Achieved: 100% (231/231) of all reported issues regarding state highways were forwarded to Waka Kotahi NZ Transport Agency within two working days in 2022/23.</b>
	<b>2021/22:</b> <input type="checkbox"/>	<i>Not achieved: 99% (150/151) of all reported issues (on State Highways) were forwarded to Waka Kotahi within two working days in 2021/22.</i>
<b>What we said we would do: access to be provided to the network of local roads.</b>		
<b>Measure:</b> Time for road access to be restored to communities following a 1 in 10 year climatic event.  <b>Target:</b> 100% of Arterial and Collector roads open within 24 hours, all other roads within 72 hours.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Achieved: 100% (11/11) of arterial and collector roads were open within 24 hours and all other roads were open within 72 hours in 2022/23.</b>
	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Achieved: 100% (3/3) of arterial and collector roads were open within 24 hours, and all other roads were open within 72 hours in 2021/22.</i>
* Mandatory performance measure under section 261B of the Local Government Act 2002.		

## What else happened in 2022/23?

### Sealed road resurfacing

32.3 km of roads have been resealed throughout the district at a total cost of \$1.9 million.

### Unsealed road renewals

45.9 km of unsealed roads were re-metalled throughout the district at a total cost of \$400,900.

### Pavement rehabilitation (rebuilding the road)

1 km of pavement rehabilitation work on Hauraki Road and Mahuta Rd North was completed in 2022/23.

Pavement rehabilitation work on Waihi Beach road was finalised and designs were completed for work on Pukekauri and Waitawheta roads for 2023/24; \$1,073,000 was spent.

### Minor improvements

Improvements in 2022/23 included the following projects:

- \$1,041,000 was spent on the replacement of Mahuta Road North Bridge No. 2 (Mangatarata) in 2022/23
- \$692,000 was spent in 2022/23 on replacing culverts on Pukekauri Road (Waitawheta).
- \$11,400 was spent on improving resiliency on Deam Rd (Waitawheta)

- \$56,300 was spent on designs for the implementation of the Speed Management Plan in 2023/24
- \$18,900 was spent on finalising designs for the urbanisation of Ridgeview Place, Waihi.

#### **New kerb channel and stormwater**

A total of \$103,000 was spent on the installation and maintenance of kerb channel and stormwater.

#### **New road and footpath extensions**

Designs are in progress for the extension of seal on Ngatitangata Rd in 2023/24.

#### **Emergency works**

- \$3 million was spent on repairs on roads that were damaged by storm events, including Cyclone Gabrielle.

#### **Carparks**

- \$65,000 was spent on carpark renewals.

### **What didn't happen in 2022/23?**

Approximately 8km of reseals were removed from the 2022/23 programme due to constrained budget.

## What it cost and how it was paid for?

### Operating statement for Land Transport

	Annual Plan	Actual	Actual
	2023	2023	2022
	\$000	\$000	\$000
<b>Expenditure</b>			
Amenity	155	103	79
Carriageways and Bridges	3,430	5,618	4,514
Footpath Maintenance	90	126	94
Lighting	309	413	293
Network Management	1,483	1,515	1,219
Other	973	786	678
Depreciation/Assets written off	4,345	5,716	4,727
Interest	404	532	448
<b>Total expenditure</b>	<b>11,189</b>	<b>14,809</b>	<b>12,052</b>
<b>Revenue</b>			
Fees, charges and other revenue	252	720	546
External subsidies	6,430	8,484	5,627
Targeted rates	5,791	5,859	5,166
General rates	0	0	0
<b>Total revenue</b>	<b>12,473</b>	<b>15,063</b>	<b>11,339</b>
<b>Operating surplus / (deficit)</b>	<b>1,284</b>	<b>254</b>	<b>(713)</b>

**Hauraki District Council: Funding impact statement for the year ended 30 June 2023 for Land Transport**

	Long-Term Plan 2022 \$000	Long-Term Plan 2023 \$000	Actual 2023 \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	5,013	5,592	5,859
Subsidies and grants for operating purposes	3,173	3,217	5,656
Fees and charges	60	62	10
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
<b>Total operating funding (A)</b>	<b>8,246</b>	<b>8,871</b>	<b>11,525</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	5,636	5,744	7,968
Finance costs	409	407	532
Internal charges and overheads applied	514	527	595
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>6,559</b>	<b>6,677</b>	<b>9,094</b>
<b>Surplus / (deficit) of operating funding (A - B)</b>	<b>1,687</b>	<b>2,193</b>	<b>2,430</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	2,220	2,279	2,829
Development and financial contributions	192	174	84
Increase (decrease) in debt	1,534	1,830	376
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total Sources of capital funding (C)</b>	<b>3,946</b>	<b>4,283</b>	<b>3,289</b>
<b>Applications of capital funding</b>			
Capital expenditure		0	
- to meet additional demand	0	0	0
- to improve the level of service	2,017	2,188	181
- to replace existing assets	3,094	3,273	5,280
Increase (decrease) in reserves	522	1,016	259
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>5,633</b>	<b>6,476</b>	<b>5,720</b>
<b>Surplus / (deficit) of capital funding (C - D)</b>	<b>(1,687)</b>	<b>(2,193)</b>	<b>(2,430)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>





# Water Supply | Te Waipuna

Our water supply activity provides domestic, commercial, industrial and agricultural water to our communities. We currently service our three main urban communities of Paeroa, Waihi and Ngātea, as well as six smaller communities, and the rural areas of Hauraki Plains, Kaimanawa and Ōhinemuri. Nearly 65% of the water treated by the Council is consumed by rural communities for agriculture.

## Effects on the community

The water supply group provides for the sustainable supply of safe, clean water as needed by the community to support a good quality of life and physical and mental wellbeing. The provision of a reliable water supply also supports local businesses to enable them to continue their operation - knowing water is available to them as they require it.

## Drinking water standards

New drinking water standards from Taumata Arowai were introduced on 14 November 2022. We have reported against these standards from 1 January 2023. The standards set maximum acceptable values for a range of contaminants that affect the safety and quality of drinking water. For more detail refer to pages 47-48

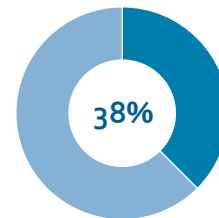
## Affordable Waters Reforms

In July 2020, the Government launched the Three Waters Reform programme – Water services will be combined into 10 publicly owned water service entities. With a staged 'go live' approach. Hauraki District is expected to 'go live' in July 2025.

The implementation of the water services reform is supported through a suite of legislation. The Water Services Entity Act passed in late 2022. The Water Services legislation Bill and The Water Services Economic Efficiency Consumer Protection Bill were passed in August 2023.



Achieving our service targets



The water supply group mainly contributes to the following community outcomes



Healthy Environment  
Te Mauri o te Taiao



Connected People  
Tūhono



Vibrant and Safe Communities  
Te Oranga pai o te Hapori

## Meeting our service targets

### How we measure our performance ▼

Result 2022/23 ▼

Key:  Achieved  Not Achieved  Not Applicable

#### What we said we would do: provide water that is safe to drink.

**Drinking Water Standards;** Taumata Arowai introduced the Drinking Water Quality Assurance Rules (DWQAR) 25 July 2022. These came into effect 14 November 2022 and reporting was required from 1 January 2023, therefore, we are reporting on our performance against two different requirements for 2022/2023. Compliance against both requirements was independently assessed and verified by 3 Waters Consulting. From 1 July 2022- 31 December 2022 compliance was measured against Part 4 and Part 5 of the Drinking Water Standards 2005 (revised 2018) and from 1 January 2023 – 30 June 2023 against 4.10.1 and 4.10.2 of the DWQAR (2022) with a target of 100% bacteria and protozoa compliance. We did not meet this target for this period. Our compliance performance against each of the criteria is listed below.

**Measure:** The extent to which the Council's drinking water supply complies with:  
a) Part 4: Bacterial Compliance Criteria  
b) Part 5: Protozoal Compliance Criteria  
measured by the National Water Information New Zealand (WINZ) database\*  
(1 July 2022 – 31 December 2022)

**Target:** 100% compliance for:  
a) Bacteria  
b) Protozoa  
at all water plants.

**2022/23:**

**Not achieved:**

Supply:	Bacteria:	Protozoa:
Kerepēhi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Waitakaruru	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Paeroa	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Waihi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

*The non-compliances in 2022/23 were due to high turbidity, data loss and instrument errors. These were low-risk non-compliances. The water treatment plant has alarms and processes in place to ensure operation of the plan continues to supply water that is safe to drink.*

**2021/22:**

**Not achieved:**

Supply:	Bacteria:	Protozoa:
Kerepēhi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Waitakaruru	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Paeroa	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Waihi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

*The non-compliances in 2021/22 was due to technical non-compliance as a result of, data loss and instrument errors. Despite these non-compliances, water treatment was not affected. The water treatment plant has alarms and processes in place to ensure operation of the plan continues to supply water that is safe to drink.*

## How we measure our performance ▼

		Result 2022/23 ▼														
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable														
<p><b>Measure:</b> The extent to which the Council's drinking water supply complies with the Drinking Water Quality Assurance Rules (DWAQR) from 1 January 2023 – 30 June 2023);</p> <ul style="list-style-type: none"> <li>• <b>4.10.1 T3 Bacterial Rules</b></li> <li>• <b>4.10.2 T3 Protozoal Rules</b></li> </ul> <p><b>Target:</b> 100% compliance for: c) Bacteria d) Protozoa at all water plants.</p>	<p><b>2022/23:</b> <input type="checkbox"/></p>	<p><b>Supply:</b></p> <table border="0"> <tr> <td>Kerepēhi</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Waitakaruru</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Paeroa</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Waihi</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Kerepēhi	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Waitakaruru	<input type="checkbox"/>	<input type="checkbox"/>	Paeroa	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Waihi	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Bacteria:</b></p>	<p><b>Protozoa:</b></p>
	Kerepēhi	<input checked="" type="checkbox"/>	<input type="checkbox"/>													
Waitakaruru	<input type="checkbox"/>	<input type="checkbox"/>														
Paeroa	<input checked="" type="checkbox"/>	<input type="checkbox"/>														
Waihi	<input type="checkbox"/>	<input type="checkbox"/>														
		<p><i>Non-compliance is due to missed daily membrane integrity tests, high turbidity, instrument errors, low UV dose, low membrane cell performance and missing data. These were low-risk non-compliances.</i></p> <p><i>These results differ to the results received from the independent external assessment undertaken by 3 Waters Consulting. Councils reporting has taken into account the DWQAR assurance rules (required operational activities i.e. daily integrity testing) that were not met for Kerepēhi and Waihi protozoal compliance, where 3 Waters Consulting assessment did not undertake these in their assessment as they focused predominately on the monitoring rules, not assurance rules.</i></p>														
<b>What we said we would do: losses from the water supply network to be minimised.</b>																
<p><b>Measure:</b> The percentage of real water loss from the Council's networked reticulation system<sup>1</sup> measured by real losses through leaks in the network and apparent losses through metering inaccuracies or water theft.*</p> <p><b>Target:</b> 30%.</p>	<p><b>2022/23:</b> <input type="checkbox"/></p>	<p><b>Not achieved: The percentage of real water lost from Council's networked reticulation system was 39% in 2022/23.</b></p>														
	<p><b>2021/22:</b> <input type="checkbox"/></p>	<p><i>Not achieved: The percentage of real water lost from Council's networked reticulation system was 31% in 2021/22. There was an increase in pipe breaks and subsequent leakage due to the recent drought conditions.</i></p>														
<b>What we said we would do: provide a reliable water supply.</b>																
<p><b>Measure:</b> The number of unplanned interruptions to the water supply system per 1000 properties per year.</p> <p><b>Target:</b> &lt;10</p>	<p><b>2022/23:</b> <input type="checkbox"/></p>	<p><b>Not achieved: There were 15.7 unplanned interruptions to the water supply system per 1000 properties in the 2022/23 year.</b></p> <p><b>The current service request system enables single events to be reported multiple times. Without an upgraded system, some requests will continue to be counted more than once.</b></p>														
	<p><b>2021/22:</b> <input type="checkbox"/></p>	<p><i>Not achieved: There were 19.1 unplanned interruptions to the water supply system per 1000 properties in the 2021/22 year. The current service request system enables single events to be reported multiple times.</i></p>														

<sup>1</sup> Mandatory requirement includes a description of the methodology used to calculate this.

## How we measure our performance ▼

Result 2022/23 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
		<i>Without an upgraded system, some requests will continue to be counted more than once.</i>
<p><b>Measure:</b> The average consumption of drinking water per day per resident within the Hauraki District, measured by litres consumed per person, per day.</p> <p><b>Target:</b> &lt;250 litres per resident per day (measured annually).</p>	<p><b>2022/23:</b> <input checked="" type="checkbox"/></p>	<p><b>Achieved: The average consumption of drinking water was 189 litres per person per day in 2022/23.</b></p>
	<p>2021/22: <input checked="" type="checkbox"/></p>	<p><i>Achieved: The average consumption of drinking water was 181.5 litres per person per day in 2021/22.</i></p>
<p><b>What we said we would do: customer service requests will be dealt with promptly and appropriately.</b></p>		
<p><b>Measure:</b> Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:</p> <p><b>Urgent Call-outs:</b></p> <ul style="list-style-type: none"> <li>▪ Attendance (from the time that the Council receives notification to the time that service personnel reach the site)</li> <li>▪ Resolution (from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption)</li> </ul> <p><b>Non-Urgent Call-outs:</b></p> <ul style="list-style-type: none"> <li>▪ Attendance</li> <li>▪ Resolution</li> </ul> <p><b>Target:</b></p> <p><b>Urgent call-outs:</b></p> <ul style="list-style-type: none"> <li>▪ Median attendance: 1 hour</li> <li>▪ Median resolution: 3 hours</li> </ul> <p><b>Non-urgent call-outs:</b></p> <ul style="list-style-type: none"> <li>▪ Median attendance: 3 hours</li> <li>▪ Median resolution: 72 hours</li> </ul>	<p><b>2022/23:</b> <input checked="" type="checkbox"/></p>	<p><b>Achieved:</b></p> <p><b>Urgent:</b></p> <ul style="list-style-type: none"> <li>• <b>Median attendance: 35 minutes</b></li> <li>• <b>Median resolution: 106 minutes (1 hour 46 minutes)</b></li> </ul> <p><b>Non-Urgent:</b></p> <ul style="list-style-type: none"> <li>• <b>Median attendance: 153 minutes (2 hour 33 minutes)</b></li> <li>• <b>Median resolution: 1,227 minutes (20 hours 27 minutes)</b></li> </ul>
		<p>2021/22: <input checked="" type="checkbox"/></p>
<p><b>What we said we would do: potable water will be supplied to consumers.</b></p>		
<p><b>Measure:</b></p> <p>The total number of complaints received by Council about any of the following:</p> <ul style="list-style-type: none"> <li>▪ drinking water clarity;</li> <li>▪ drinking water taste;</li> <li>▪ drinking water odour;</li> <li>▪ drinking water pressure or flow;</li> <li>▪ continuity of supply;</li> </ul> <p>and the Council's response to any of these issues, expressed per 1000 connections to the Council's networked reticulation system.*</p> <p><b>Target:</b> ≤ 22 complaints per 1000 connections.</p>	<p><b>2022/23:</b> <input checked="" type="checkbox"/></p>	<p><b>Not achieved: 45.4 complaints received per 1000 connections about drinking water clarity, taste, odour, pressure or flow, and continuity of supply in 2022/23.</b></p>
		<p>2021/22: <input checked="" type="checkbox"/></p>
<p><b>What we said we would do: the Council will provide its water supply services at agreed levels of service.</b></p>		
	<p><b>2022/23:</b> <input checked="" type="checkbox"/></p>	<p><b>Not achieved: The 2023 annual satisfaction survey showed 63% of</b></p>

## How we measure our performance ▼

Result 2022/23 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
<b>Measure:</b> Customers are satisfied with the water quality supplied by the Council, as measured by the annual customer satisfaction survey.  <b>Target:</b> ≥80%		<b>customers were satisfied with quality of drinking water supplied.</b>
	2021/22: <input type="checkbox"/>	<i>Not achieved: The 2022 annual satisfaction survey showed 66% of customers were satisfied with quality of drinking water supplied.</i>
<b>What we said we would do: water supplies to be operated in compliance with regulatory requirements.</b>		
<b>Measure:</b> Achieve a high level of compliance at all water treatment plants, as measured by the number of: <ul style="list-style-type: none"> <li>▪ abatement notices; and</li> <li>▪ infringement notices; and</li> <li>▪ enforcement orders; and</li> <li>▪ prosecutions</li> </ul> received by Council in relation those resource consents.  <b>Target:</b> 0	2022/23: <input checked="" type="checkbox"/>	<b>Achieved: There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2022/23 in relation to resource consents.</b>
	2021/22: <input type="checkbox"/>	<i>Not achieved: There was one abatement notice received in 2021/22 in relation to our resource consents.</i>
* Mandatory performance measure under section 261B of the Local Government Act 2002.		

## What else happened in 2022/23?

### Water meter replacements

As part of our ongoing project to install water meters in line with new technology, we spent \$245,000 in 2022/23 which includes 300 new meters and 200 'Smart'-meters which will allow us to better track demand.

### Pipe renewals

As part of the ongoing pipe renewals programme 1,959m of water main renewals were progressed throughout the year at a cost of \$380,400.

### Miscellaneous renewals

We spent \$457,000 on upgrades and ongoing maintenance of treatment plant equipment across the district as well as \$99,350 for the refurbishment of one of the intake-pumps on the Waitawheta-river.

### Upgrade of Kerepēhi raw water supply system

We completed the design for the Raw Water line from the Waihou to Kerepēhi. We also went out on tender for the construction of new Raw Water Reservoirs at Kerepēhi.

These two projects will increase Council's resilience of supply to the largest treatment plant to the Plains to an estimated cost of \$5.8-million

### Waihi second membrane

We appointed the contractor for the expansion of the plant and installation of a second membrane at Waihi. This project aims to increase resilience to water supply to Waihi and is estimated to cost approximately \$3.5 million

**Other projects:**

We concluded the design for the pressure improvements to Orongo which entails the renewal of pipes between Pipiroa to Kopuarahi School, increasing it in size to improve water pressure to the Orongo area. Total estimated costs for this is \$95,000.

A new bulk-water take point in Paeroa was constructed close to the Refuse Transfer Station at a value of \$32,632.

**What didn't happen in 2022/23?**

Second intake for Paeroa – feasibility study to define the risk and investigate a second intake or backup pump from the Dell Reserve to Paeroa water treatment plant, \$31,500

Plains and Paeroa water connection – feasibility study to investigate the connecting of Plains and Paeroa supply to add resilience to the network, \$1 million

Replacement of generator housing at Kerepēhi – this project was deferred as the final costs were considered too high. Staff will investigate alternative solutions.

## What it cost and how it was paid for?

### Operating statement for Water Supply

	Annual Plan	Actual	Actual
	2023	2023	2022
	\$000	\$000	\$000
<b>Expenditure</b>			
Treatment	2,193	3,029	2,642
Reticulation	936	1,623	1,085
Intakes and Headworks	1,140	790	417
Fixed costs	215	324	265
Overheads	1,476	1,476	1,195
Pumpstations	68	74	60
Major Maintenance	32	42	26
Other	518	800	335
Depreciation/Assets written off	2,148	3,388	2,137
Interest	871	1,195	936
<b>Total expenditure</b>	<b>9,597</b>	<b>12,741</b>	<b>9,098</b>
<b>Revenue</b>			
Fees, charges and other revenue	369	382	181
External subsidies	0	308	91
Targeted rates	8,133	8,085	8,231
General rates	0	0	0
<b>Total revenue</b>	<b>8,502</b>	<b>8,775</b>	<b>8,503</b>
<b>Operating surplus / (deficit)</b>	<b>(1,095)</b>	<b>(3,966)</b>	<b>(595)</b>

**Hauraki District Council: Funding impact statement for the year ended 30 June 2023 for Water Supply**

	Long-Term Plan 2022 \$000	Long-Term Plan 2023 \$000	Actual 2023 \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	7,565	8,133	8,085
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	44
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
<b>Total operating funding (A)</b>	<b>7,565</b>	<b>8,133</b>	<b>8,129</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	4,385	3,746	6,554
Finance costs	779	805	1,195
Internal charges and overheads applied	1,280	1,319	1,589
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>6,444</b>	<b>5,869</b>	<b>9,338</b>
<b>Surplus / (deficit) of operating funding (A - B)</b>	<b>1,121</b>	<b>2,263</b>	<b>(1,210)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	333	0	308
Development and financial contributions	342	311	116
Increase (decrease) in debt	775	13,319	4,357
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total Sources of capital funding (C)</b>	<b>1,449</b>	<b>13,630</b>	<b>4,780</b>
<b>Applications of capital funding</b>			
Capital expenditure		0	
- to meet additional demand	0	0	0
- to improve the level of service	660	10,432	603
- to replace existing assets	2,300	5,281	2,928
Increase (decrease) in reserves	(390)	181	40
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>2,570</b>	<b>15,893</b>	<b>3,571</b>
<b>Surplus / (deficit) of capital funding (C - D)</b>	<b>(1,121)</b>	<b>(2,263)</b>	<b>1,210</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>





# Wastewater | Te wai ururua

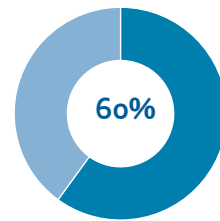
Our wastewater activity involves the collection, treatment and disposal of wastewater for seven urban townships in the district. At our treatment plants the wastewater is treated to clean it up before releasing it – mostly to waterways. We also make sure that trade wastes are appropriately collected and treated. We operate seven wastewater schemes in the District, which services approximately 5,720 properties.

## Effects on the community

The wastewater group ensures the collection, treatment and disposal of wastewater is done in a way that ensure a safe standard of living for our district residents. Our communities are kept healthy and free from disease and our environment is protected (especially our waterways) from pollution.



Achieving our service targets



The wastewater group mainly contributes to the following community outcomes



Healthy Environment  
**Te Mauri o te Taiao**

## Meeting our service targets

### How we measure our performance ▼

Result 2022/23 ▼

Key:  Achieved  Not Achieved  Not Applicable

What we said we would do: the risk of environmental and public health impacts to be mitigated.		
<p><b>Measure:</b> The number of dry weather wastewater overflows from the Council's wastewater system, expressed per 1000 wastewater connections to that wastewater system, measured by the Council's service request system.*</p> <p><b>Target:</b> &lt;2 per 1000 connections.</p>	<p><b>2022/23:</b> <input checked="" type="checkbox"/></p>	<p><b>Not achieved:</b> There were 2.39 dry weather overflows per 1000 wastewater connections in 2022/23. The overflows were due to a number of factors; storm events, pump failures and blockages. There was no immediate risk to public health.</p>
	<p><b>2021/22:</b> <input checked="" type="checkbox"/></p>	<p><i>Not achieved: There were 2.13 dry weather overflows per 1000 wastewater connections in 2021/22.</i></p>
What we said we would do: the community and the environment will be provided with protection.		
<p><b>Measure:</b> Compliance with the Council's resource consents for discharge from its wastewater system, as measured by the number of:</p> <ul style="list-style-type: none"> <li>▪ abatement notices; and</li> <li>▪ infringement notices; and</li> <li>▪ enforcement orders; and</li> <li>▪ prosecutions</li> </ul> <p>received by Council in relation to those resource consents.*</p> <p><b>Target:</b> 0</p>	<p><b>2022/23:</b> <input checked="" type="checkbox"/></p>	<p><b>Achieved:</b> There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2022/23</p>
	<p><b>2021/22:</b> <input checked="" type="checkbox"/></p>	<p><i>Not achieved:</i></p> <ul style="list-style-type: none"> <li>• 1 abatement notices;</li> <li>• 0 infringement notices;</li> <li>• 0 enforcement orders;</li> <li>• 0 prosecutions</li> </ul> <p><i>2 abatement notices issued in 2021/22 in relation to the Whiritoa treatment plant, which is a manual configuration. We are in the process of automating this plant which will address these issues going forward. The second was a wastewater overflow at the Paeroa treatment plant due to technical issues with the alarm systems. Staff are working to resolve this issue. Four formal warnings were issued.</i></p>
What we said we would do: customer service requests to be dealt with promptly and appropriately.		
<p><b>Measure:</b> Where the Council attends to wastewater overflows resulting from a blockage or other fault in the Council's wastewater system, the following median response times measured:</p> <ul style="list-style-type: none"> <li>▪ attendance time (from the time that the Council receives notification to the time that service personnel reach the site)</li> <li>▪ resolution time (from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault).</li> </ul> <p><b>Target:</b></p> <ul style="list-style-type: none"> <li>▪ Median attendance time: 1 hour</li> </ul>	<p><b>2022/23:</b> <input checked="" type="checkbox"/></p>	<p><b>Not achieved:</b></p> <ul style="list-style-type: none"> <li>• <b>Median attendance time: 69 minutes (1 hour 9 minutes)</b></li> <li>• <b>Median Resolution time: 1,065 minutes (17 hours 45 minutes)</b></li> </ul>
	<p><b>2021/22:</b> <input checked="" type="checkbox"/></p>	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• <i>Median attendance time: 0 hours 56 minutes</i></li> <li>• <i>Median Resolution time: 5 hours 28 minutes</i></li> </ul>

## How we measure our performance ▼

- Median resolution time: 12 hours.

### Result 2022/23 ▼

Key:  Achieved  Not Achieved  Not Applicable

#### What we said we would do: a safe and reliable wastewater service.

<b>Measure:</b> The total number of complaints received by Council about any of the following: <ul style="list-style-type: none"> <li>wastewater odour;</li> <li>wastewater system faults;</li> <li>wastewater system blockages; and</li> <li>the Council's response to any of these issues, expressed per 1000 connections to Council's wastewater system.</li> </ul> <b>Target:</b> ≤12 per 1000 connections	<b>2022/22:</b> <input checked="" type="checkbox"/>	<b>Achieved: The total number of complaints received was 2.29 per 1000 connections in 2022/23.</b>
	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Achieved: The total number of complaints received was 7.3 per 1000 connections in 2021/22.</i>
<b>Measure:</b> Percentage of users satisfied with the quality of the wastewater services provided, as measured by the annual customer satisfaction survey.  <b>Target:</b> ≥85%	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Achieved: The 2023 annual satisfaction survey showed 87% of customers were satisfied with quality of wastewater services.</b>
	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Achieved: The 2022 annual satisfaction survey showed 88% of customers were satisfied with quality of wastewater services.</i>

\* Mandatory performance measure under section 261B of the Local Government Act 2002.

## What else happened in 2022/23?

### Treatment plant upgrades

- A tender has gone out for the upgrade of the Paeroa wastewater treatment plant and a contractor is expected to be appointed early in the 23/24 financial year
- \$380,000 was spent on the upgrade and automation of the Whiritoa wastewater treatment plant and replanting of Redwood Forest used for discharge.
- \$28,000 was spent on the upgrade to the Waitakaruru wastewater treatment plant.

### Reticulation upgrades

- \$1.5 million was spent on the relining and renewal of bulk sewer lines in Paeroa.
- \$1.3 million was spent on the upgrade to the Welling Street pump station and new rising main to the Waihi wastewater treatment plant and the project is expected to be completed early in the 2023/24 financial year.

## What didn't happen in 2022/23?

For the wastewater activity, some projects were unable to be completed in 2021/22. These included:

- Wastewater district wide pipe renewals: Waihi East manholes: We experience a lot of rainwater infiltration into the wastewater system which puts the infrastructure at risk. This project is aimed at identifying and fixing the issues.
- The upgrading of the Kerepēhi reticulation was deferred to the next financial year due to a lack of available contractors.

## What it cost and how it was paid for?

### Operating statement for Wastewater

	Annual Plan	Actual	Actual
	2023	2023	2022
	\$000	\$000	\$000
<b>Expenditure</b>			
Treatment	641	1,519	1,158
Reticulation	162	274	319
Intakes and Headworks	0	0	0
Fixed costs	143	220	205
Overheads	709	709	687
Pumpstations	292	591	463
Major Maintenance	19	977	1,650
Other	477	220	151
Depreciation/Assets written off	1,265	2,860	1,505
Interest	304	404	262
<b>Total expenditure</b>	<b>4,011</b>	<b>7,774</b>	<b>6,400</b>
<b>Revenue</b>			
Fees, charges and other revenue	567	648	374
External subsidies	0	0	2,336
Targeted rates	3,584	3,647	3,851
General rates	0	0	0
<b>Total revenue</b>	<b>4,151</b>	<b>4,295</b>	<b>6,561</b>
<b>Operating surplus / (deficit)</b>	<b>140</b>	<b>(3,479)</b>	<b>161</b>

**Hauraki District Council: Funding impact statement for the year ended 30 June 2023 for Wastewater**

	Long-Term Plan 2022 \$000	Long-Term Plan 2023 \$000	Actual 2023 \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	3,584	3,674	3,647
Subsidies and grants for operating purposes	0	0	0
Fees and charges	148	153	174
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	3
<b>Total operating funding (A)</b>	<b>3,732</b>	<b>3,827</b>	<b>3,823</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,601	1,343	3,767
Finance costs	191	261	404
Internal charges and overheads applied	716	737	742
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>3,508</b>	<b>2,342</b>	<b>4,913</b>
<b>Surplus / (deficit) of operating funding (A - B)</b>	<b>224</b>	<b>1,485</b>	<b>(1,090)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	1,232	0	0
Development and financial contributions	328	298	139
Increase (decrease) in debt	2,768	2,211	6,508
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total Sources of capital funding (C)</b>	<b>4,327</b>	<b>2,510</b>	<b>6,647</b>
<b>Applications of capital funding</b>			
Capital expenditure		0	
- to meet additional demand	0	0	0
- to improve the level of service	1,535	2,887	2,980
- to replace existing assets	2,445	561	2,579
Increase (decrease) in reserves	571	546	(2)
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>4,551</b>	<b>3,995</b>	<b>5,557</b>
<b>Surplus / (deficit) of capital funding (C - D)</b>	<b>(224)</b>	<b>(1,485)</b>	<b>1,090</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Stormwater | Wai āwhātanga

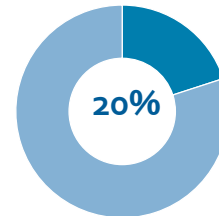
Our stormwater activity involves collecting and disposing of excess rainfall runoff from urban areas using various drainage systems. These services are provided in Paeroa, Waihi, Ngātea, Turua, Kerepēhi, Whiritoa, Mackaytown, Karangahake, Waikino and Kaiaua. Stormwater assets include open drains, piped network, manholes and pump stations which operate in combination to remove surface water runoff. All stormwater systems eventually discharge into the Waihou or Piako Rivers, with the exception of the Kaiaua and Whiritoa systems which discharge directly to sea.

## Effects on the community

The stormwater group helps ensure the safety of people's lives and property in times of rainfall, by ensuring runoff is efficiently and effectively dealt with, to assist in achieving social and commercial certainty and avoiding the risk of flooding.



Achieving our service targets



The stormwater group mainly contributes to the following community outcomes



Healthy Environment  
**Te Mauri o te Taiao**



Vibrant and Safe Communities  
**Te Oranga pai o te Hapori**

## Meeting our service targets

### How we measure our performance ▼

Result 2022/23 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
<b>What we said we would do: provide stormwater systems to protect houses from flooding in urban areas.</b>		
<p><b>Measure:</b> The number of flooding events that occur in the Hauraki District. For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the Council's stormwater system), measured by the Council's service request system.</p> <p><b>Target:</b> Number of habitable floors affected &lt;2 per 1000 connections.</p>	2022/23: <input type="checkbox"/>	<b>Not applicable: There were no flooding events that affected habitable floors in the district in 2022/23.</b>
	2021/22: <input checked="" type="checkbox"/>	<i>Achieved: There was one flooding event but zero habitable floors were affected in 2021/22.</i>
<b>What we said we would do: provide a stormwater network that is reliable.</b>		
<p><b>Measure:</b> The number of complaints received by Council about the performance of the stormwater system. Expressed per 1000 properties connected Council's stormwater system.*</p> <p><b>Target:</b> &lt;8/1,000 connections.</p>	2022/23: <input checked="" type="checkbox"/>	<b>Not achieved: The number of complaints received about the performance of the stormwater system in 2022/23 was 14.7 per 1000 properties connected to the stormwater system.</b>
	2021/22: <input checked="" type="checkbox"/>	<i>Achieved: The number of complaints received about the performance of the stormwater system in 2021/22 was 4.1 per 1000 properties connected to the stormwater system. The decrease in complaints has been due to the maintenance and upgrades to some parts of the stormwater network also significantly lower rainfall has occurred when compared to 2020/21.</i>
<p><b>Measure:</b> Customers are satisfied with the stormwater service provided.</p> <p><b>Target:</b> ≥75%</p>	2022/23: <input checked="" type="checkbox"/>	<b>Not achieved: The 2023 annual satisfaction survey showed 59% of customers were satisfied with quality of stormwater services.</b>
	2021/22: <input checked="" type="checkbox"/>	<i>Not achieved: The 2022 annual satisfaction survey showed 63% of customers were satisfied with quality of stormwater services.</i>
<b>What we said we would do: provide the community and the environment with protection.</b>		
<p><b>Measure:</b> Compliance with the Council's resource consents for discharge from its stormwater system.</p> <p>Measured by the number of:</p> <ul style="list-style-type: none"> <li>▪ abatement notices; and</li> <li>▪ infringement notices; and</li> <li>▪ enforcement orders; and</li> <li>▪ prosecutions</li> </ul> <p>received by Council in relation those resource consents.*</p> <p><b>Target:</b> 0</p>	2022/23: <input checked="" type="checkbox"/>	<b>Achieved: There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2022/23 in relation to stormwater discharge resource consents.</b>
	2021/22: <input checked="" type="checkbox"/>	<i>Achieved: There were: 0 notices or orders received in relation to stormwater discharge resource consents.</i>
<b>What we said we would do: customer service requests will be dealt with promptly and appropriately.</b>		

## How we measure our performance ▼

		Result 2022/23 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
<p><b>Measure:</b> The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site.</p> <p><b>Target:</b> &lt;2 hours.</p>	<p><b>2022/23:</b></p> <p><input checked="" type="checkbox"/></p>	<p><b>Not achieved:</b></p> <ul style="list-style-type: none"> <li>• <b>There was 1 flooding event threatening habitable floor space in 2022/23.</b></li> <li>• <b>The median time to attend a flooding event in 2022/23 was 18 hours 48 minutes.</b></li> </ul>
	<p><b>2021/22:</b></p> <p><input type="checkbox"/></p>	<p><i>Not applicable: 0 recorded flooding events in 2021/22.</i></p>
<p>* Mandatory performance measure under section 261B of the Local Government Act 2002.</p>		

## What else happened in 2022/23?

Council submitted the application for a district-wide comprehensive stormwater discharge consent with the Waikato Regional Council at the end of January 2023. This application was developed at a cost of \$202,000

## What didn't happen in 2022/23?

The stormwater condition assessments were not completed for Waihi and Paeroa. The first focus for this project was the condition assessment of manholes in Waihi as this is the greatest area of concern. That has been completed but this project will be ongoing for the foreseeable future.

The stormwater pump station at Criterion Bridge is also delayed and is still in the design-phase.



## What it cost and how it was paid for?

### Operating statement for Stormwater

	Annual Plan	Actual	Actual
	2023	2023	2022
	\$000	\$000	\$000
<b>Expenditure</b>			
Vegetation control	31	16	7
Reticulation	54	110	59
Maintenance/fencing/culverts	10	0	0
Mechanical cleaning	22	23	18
Floodgates	1	6	1
Pumps	11	13	4
Overheads	249	249	245
Other	295	232	210
Depreciation/Assets written off	481	918	468
Interest	(53)	(94)	(58)
<b>Total expenditure</b>	<b>1,099</b>	<b>1,473</b>	<b>954</b>
<b>Revenue</b>			
Fees, charges and other revenue	155	103	150
External subsidies	0	0	0
Targeted rates	962	965	955
General rates	170	177	173
<b>Total revenue</b>	<b>1,287</b>	<b>1,245</b>	<b>1,278</b>
<b>Operating surplus / (deficit)</b>	<b>187</b>	<b>(228)</b>	<b>324</b>

**Hauraki District Council: Funding impact statement for the year ended 30 June 2023 for Stormwater**

	Long-Term Plan 2022 \$000	Long-Term Plan 2023 \$000	Actual 2023 \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	159	171	177
Targeted rates	902	967	965
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
<b>Total operating funding (A)</b>	<b>1,062</b>	<b>1,138</b>	<b>1,142</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	436	346	401
Finance costs	(51)	(48)	(94)
Internal charges and overheads applied	245	251	249
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>629</b>	<b>550</b>	<b>555</b>
<b>Surplus / (deficit) of operating funding (A - B)</b>	<b>432</b>	<b>588</b>	<b>587</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	45	39	41
Increase (decrease) in debt	244	377	573
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total Sources of capital funding (C)</b>	<b>289</b>	<b>416</b>	<b>613</b>
<b>Applications of capital funding</b>			
Capital expenditure		0	
- to meet additional demand	0	0	0
- to improve the level of service	118	143	531
- to replace existing assets	481	589	669
Increase (decrease) in reserves	122	272	0
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>721</b>	<b>1,004</b>	<b>1,200</b>
<b>Surplus / (deficit) of capital funding (C - D)</b>	<b>(432)</b>	<b>(588)</b>	<b>(587)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Land Drainage | Te rerenga whenua me te aukatinga o ngā waipuke

Our land drainage activity involves collecting runoff from the rural catchment areas of the district and leading it to the primary flood protection assets which discharge it directly to river or sea outlets. Additional drainage assets include stopbanks, floodgates and pumps. Land drainage services are provided in four drainage districts –

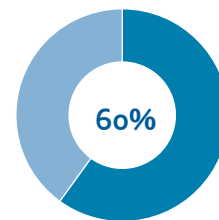
Western Plains, Eastern Plains, Paeroa Rural and Taramaire.

## Effects on the community

The provision of services within the land drainage group is positive and essential for those communities where the preservation and protection of the land's farming capacity is required. Both assets and stock require protection against high water tables, extreme weather events, high tides and river floods which is essential for land productivity and protecting the livelihood of those in affected areas.



Achieving our service targets



The land drainage group mainly contributes to the following community outcomes



Healthy Environment  
**Te Mauri o te Taiao**



Connected People  
**Tūhono**



Vibrant and Safe Communities  
**Te Oranga pai o te Hapori**

## Meeting our service targets

### How we measure our performance ▼

#### Result 2022/23 ▼

Key:  Achieved  Not Achieved  Not Applicable

What we said we would do: quality land drainage and flood protection to be provided to all Drainage Districts.		
<p><b>Measure:</b> The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the Council's relevant planning documents (such as this plan, annual works program or long-term plan).</p> <p><b>Target:</b> 100%.</p>	2022/23: <input checked="" type="checkbox"/>	<b>Achieved: 100% of floodgates and pump stations were maintained, repaired and/or renewed to their full service potential in 2022/23.</b>
	2021/22: <input checked="" type="checkbox"/>	<i>Achieved: 100% of floodgates and pump stations were maintained, repaired and/or renewed to their full service potential in 2021/22.</i>
<p><b>Measure:</b> Number of rural properties still ponding after 3 days from a 10% AEP<sup>1</sup> event or less (impacting the pasture), measured by the Council's service request system and field staff reports.</p> <p><b>Target:</b> 0 rural properties ponding for more than three days following a 10% AEP event or less.</p>	2022/23: <input checked="" type="checkbox"/>	<b>Achieved: No rural properties had ponding occur for more than 3 days following a 10% AEP (1 in 10 year) event or less during 2022/23.</b>
	2021/22: <input type="checkbox"/>	<i>Not applicable: There were no 10% AEP (1 in 10 year) events or less during the 2021/22 year.</i>
What we said we would do: reliable land drainage and flood protection networks.		
<p><b>Measure:</b> Percentage of affected customers satisfied with the land drainage and flood protection services, measured by the customer satisfaction survey.</p> <p><b>Target:</b> ≥ 65% satisfied.</p>	2022/23: <input checked="" type="checkbox"/>	<b>Not achieved: The 2023 annual satisfaction survey showed 47% of customers were satisfied with land drainage and flood protection services.</b>
	2021/22: <input checked="" type="checkbox"/>	<i>Not achieved: The 2022 annual satisfaction survey showed 58% of customers were satisfied with land drainage and flood protection services.</i>
<p><b>Measure:</b> The number of failures of stopbanks and floodgates in a 2% AEP tidal surge event, measured by the Council's service request system and field staff reports.</p> <p><b>Target:</b> 0 failures in a 2% AEP tidal surge event.</p>	2022/23: <input type="checkbox"/>	<b>Not applicable: There were no 2% AEP tidal surge events throughout the 2022/23 year.</b>
	2021/22: <input type="checkbox"/>	<i>Not applicable: There were no 2% AEP tidal surge events throughout the 2021/22 year.</i>
What we said we would do: efficient response to drainage problems and emergencies.		
<p><b>Measure:</b> Where the Council responds to a service request regarding the Council's land drainage and flood protection systems, the following median response times measured for:</p> <ul style="list-style-type: none"> <li>▪ <b>Urgent</b><sup>2</sup> service requests and</li> <li>▪ <b>Non-urgent</b><sup>3</sup> service requests</li> </ul> <p>measured by the Council's service request system.</p> <p><b>Target:</b> Median response times:</p> <ul style="list-style-type: none"> <li>▪ Urgent: 1 hour</li> <li>▪ Non-urgent: 2 working days</li> </ul>	2022/23: <input checked="" type="checkbox"/>	<p><b>Achieved: There have been 0 urgent and 43 non-urgent requests in 2022/23.</b></p> <ul style="list-style-type: none"> <li>• <b>Urgent: median response time: 0 minutes/hours for urgent requests.</b></li> <li>• <b>Non-urgent: median response time: 1 hours and 46 minutes for non-urgent requests.</b></li> </ul>
	2021/22: <input checked="" type="checkbox"/>	<p><i>Achieved: There have been 0 urgent and 3 non-urgent requests in 2021/22.</i></p> <ul style="list-style-type: none"> <li>• <i>Urgent: median response time: 0 minutes/hours for urgent requests.</i></li> </ul>

## How we measure our performance ▼

### Result 2022/23 ▼

Key:  Achieved  Not Achieved  Not Applicable

- *Non-urgent: median response time: 1.97 working days for non-urgent requests.*

\* Mandatory performance measure under section 261B of the Local Government Act 2002.

<sup>1</sup>Annual Exceedance Probability – the probability of a storm exceeding a certain intensity in any one year.

<sup>2</sup>**Urgent requests** are requests when emergency actions are required to protect people from injury and/or adverse health and safety consequences and assets from serious damage.

<sup>3</sup>**Non urgent requests** are all other service requests apart from urgent ones, where the response required are not that immediate e.g. normal maintenance or corrective action required.

## What else happened in 2022/23?

### Stopbank reconstruction

The Karito-canal stopbank and the Hot Springs canal stopbank were reconstructed with works totalling \$1.53 million.

### Vegetation control & machine cleaning

We sprayed 339km of drains to control vegetation in 2022/23 at a value of \$108,000. We also spent \$181,000 to machine-clean the 67km of drains.

### Pump station communication upgrade

The design and costing for the installation of communication systems at the land drainage pump stations has have been completed and installation is scheduled towards the end of 2023.

### Western Plains Drainage District Pouarua Maukoro (Muggeridge) project

The Hauraki District Council and Waikato Regional Council started a project to do long-term adaptive planning for the Waihou-catchment and Hauraki Plains. This will be done along with various stakeholders including landowners and mana whenua to determine the best outcome for all projects along the Plains while looking broader than the HDC's territorial boundaries.

The outcome of this project will guide the best approach for the Pouarua Maukoro project as a whole.

## What didn't happen in 2022/23?

### Mangawhero flume

The replacement of the Mangawhero Flume was scheduled for 2021/22, however this work has been carried over to 2023/24 due to the new National Policy Statement for Freshwater Management and the requirement to provide for fish passage.

## What these activities cost and how they were paid for?

### Operating statement for Land Drainage

	Annual Plan	Actual	Actual
	2023	2023	2022
	\$000	\$000	\$000
<b>Expenditure</b>			
Vegetation control	181	109	128
Maintenance/fencing/culverts	17	3	5
Mechanical cleaning	272	201	131
Floodgates	34	30	44
Pumps	307	497	161
Overheads	243	243	247
Other	70	72	52
Depreciation/Assets written off	413	155	337
Interest	(84)	(127)	(114)
<b>Total expenditure</b>	<b>1,453</b>	<b>1,183</b>	<b>991</b>
<b>Revenue</b>			
Fees, charges and other revenue	0	0	0
External subsidies	0	0	0
Targeted rates	1,223	1,254	1,149
General rates	216	225	212
<b>Total revenue</b>	<b>1,439</b>	<b>1,479</b>	<b>1,361</b>
<b>Operating surplus / (deficit)</b>	<b>(14)</b>	<b>296</b>	<b>370</b>

**Hauraki District Council: Funding impact statement for the year ended 30 June 2023 for Land Drainage**

	Long-Term Plan 2022 \$000	Long-Term Plan 2023 \$000	Actual 2023 \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	196	207	225
Targeted rates	1,108	1,175	1,254
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
<b>Total operating funding (A)</b>	<b>1,304</b>	<b>1,383</b>	<b>1,480</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	852	881	912
Finance costs	(57)	(36)	(127)
Internal charges and overheads applied	247	253	243
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>1,042</b>	<b>1,098</b>	<b>1,029</b>
<b>Surplus / (deficit) of operating funding (A - B)</b>	<b>262</b>	<b>285</b>	<b>451</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	646	24	247
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total Sources of capital funding (C)</b>	<b>646</b>	<b>24</b>	<b>247</b>
<b>Applications of capital funding</b>			
Capital expenditure		0	
- to meet additional demand	0	0	0
- to improve the level of service	0	0	578
- to replace existing assets	930	308	119
Increase (decrease) in reserves	(22)	1	0
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>908</b>	<b>309</b>	<b>697</b>
<b>Surplus / (deficit) of capital funding (C - D)</b>	<b>(262)</b>	<b>(285)</b>	<b>(451)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Waste Management | Whakahaere ururua

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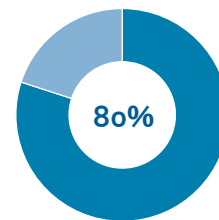
Our waste management activity includes kerbside collection, waste minimisation promotion and education, landfill aftercare, litter bin, loose litter and illegal dumping collection and the operation of refuse transfer stations at Paeroa and Waihi.

## Effects on the community

The aim of the waste management group is to ensure the sanitary and safe collection and disposal of recycling and solid waste, to help protect the social and environmental wellbeing of our communities, and to implement recycling initiatives to ensure environmental sustainability. The provision of services within the waste management activity assists in enabling communities to function in a healthy, comfortable and safe environment, with appropriate mechanisms for solid waste disposal in an environmentally appropriate manner.



### Achieving our service targets



The waste management group  
mainly contributes to the following  
community outcomes



Healthy Environment  
**Te Mauri o te Taiao**



## Meeting our service targets

### How we measure our performance ▼

Result 2022/23 ▼

Key:  Achieved  Not Achieved  Not Applicable

What we said we would do: public education on waste minimisation and the adverse effects of waste on the environment be minimised.		
<p><b>Measure:</b> A waste minimisation education strategy is developed and implemented, measured by the waste minimisation working party action plan.</p> <p><b>Target:</b> 4</p> <ul style="list-style-type: none"> <li>▪ Two campaigns focused on educating children in schools each year.</li> <li>▪ Two campaigns focused on educating adults each year.</li> </ul>	<p>2022/23:</p> <input checked="" type="checkbox"/>	<p><b>Achieved:</b></p> <ul style="list-style-type: none"> <li>• Two campaigns targeted at children (Zero Waste and Enviroschools), and</li> <li>• Multiple adult campaigns in 2022/23.</li> </ul>
	<p>2021/22:</p> <input checked="" type="checkbox"/>	<p><i>Achieved:</i></p> <ul style="list-style-type: none"> <li>• Two campaigns targeted at children (Zero Waste and Enviroschools), and</li> <li>• Two campaigns targeted at adults (WMMP and soft plastics) in 2021/22.</li> </ul>
<p><b>Measure:</b> Number of justified<sup>2</sup> complaints that collection is not completed on the scheduled day, measured by the Council's service request system.</p> <p><b>Target:</b> ≤3 justified complaints (that collection was not completed) per 1000 customers per annum.</p>	<p>2022/23:</p> <input checked="" type="checkbox"/>	<p><b>Achieved:</b> There were 2.44 justified complaints that kerbside collection was not completed on the scheduled day in 2022/23 (per 1000 customers per annum).</p>
	<p>2021/22:</p> <input checked="" type="checkbox"/>	<p><i>Achieved:</i> There were 2.86 justified complaints that kerbside collection was not completed on the scheduled day in 2021/22 (per 1000 customers per annum).</p>
<p><b>Measure:</b> Reduction in solid waste to landfill from the Council's transfer stations and kerbside collection, measured by monthly landfill disposal data.</p> <p><b>Target:</b> A 3% reduction.</p>	<p>2022/23:</p> <input checked="" type="checkbox"/>	<p><b>Achieved:</b> The amount of household waste collected from the kerbside and transfer stations going to landfill was 157.86kg p/p/annum in the year to date. This is a reduction of 123.48kg/p/p/annum from the previous year's 281.34kg p/p/annum (43.89% reduction). The large decrease is due to commercial waste being deducted.</p>
	<p>2021/22:</p>	<p><i>New measure in 2022/23.</i></p>
<p><b>Measure:</b> Reduction in organics being disposed of at the kerbside, measured by triennial Solid Waste Analysis Protocol (SWAP) Waste Audits.</p> <p><b>Target:</b> A 28% reduction by 2023/24.</p>	<p>2022/23:</p> <input type="checkbox"/>	<p><b>Not applicable:</b> A SWAP Waste Audit will be carried out end November 2023.</p>
	<p>2021/22:</p>	<p><i>New measure in 2022/23.</i></p>
What we said we would do: provide reliable solid waste collection.		
<p><b>Measure:</b> Percentage of users satisfied with the kerbside collection service, as measured by the annual customer satisfaction survey.</p> <p><b>Target:</b> ≥75% of users satisfied.</p>	<p>2022/23:</p> <input checked="" type="checkbox"/>	<p><b>Achieved:</b> The 2023 annual satisfaction survey showed 85% of customers were satisfied with the kerbside collection service.</p>
	<p>2021/22:</p> <input checked="" type="checkbox"/>	<p><i>Achieved:</i> The 2022 annual satisfaction survey showed 80% of customers were satisfied with the kerbside collection service.</p>

<sup>2</sup> Where there is a reasonable case for the complaint.

## What else happened in 2022/23?

### Transfer stations – Waihi and Paeroa

We spent \$352,000 on the Paeroa transfer station weigh bridge upgrade.

\$41,776 was spent on the installation of safety rails at the Paeroa and Waihi.

### Paper for trees programme

We have contributed funding to schools and preschools in the Paper4trees programme in the Hauraki District. This programme consists of swapping paper and cardboard for native trees to plant at school or in the community. This saves cubic metres of landfill space and prevents carbon emissions. This programme aims to develop positive lifelong attitudes to waste minimisation in children, which will have a positive spin-off of reducing waste volumes in future years.

### Enviroschools / Zero waste programmes

We provide annual funding for the Enviroschools and Zero waste programmes for schools in our District. Enviroschools aims to develop life-long waste awareness and responsibility in children, which will result in reduced waste volumes in future years. The Zero waste education programme is carried out using external teachers to educate the children about sustainability. We currently have 16 schools participating in the Enviroschools programme, and 25 schools participating in Zero waste.

## What didn't happen in 2022/23?

There were no planned projects that didn't happen in 2022/23

## What these activities cost and how they were paid for?

### Operating statement for Waste Management

	Annual Plan 2023 \$000	Actual 2023 \$000	Actual 2022 \$000
<b>Expenditure</b>			
Refuse collection	1,265	1,565	1,439
Closed tip sites	72	448	85
Transfer stations	1,459	1,789	1,495
Other	194	148	169
Interest	0	7	11
<b>Total expenditure</b>	<b>2,990</b>	<b>3,957</b>	<b>3,199</b>
<b>Revenue</b>			
Fees, charges and other revenue	1,765	2,002	1,870
External subsidies	225	442	111
Targeted rates	334	338	292
General rates	871	909	796
<b>Total revenue</b>	<b>3,196</b>	<b>3,691</b>	<b>3,069</b>
<b>Operating surplus / (deficit)</b>	<b>206</b>	<b>(266)</b>	<b>(130)</b>

**Hauraki District Council: Funding impact statement for the year ended 30 June 2023 for Waste Management**

	Long-Term Plan 2022 \$000	Long-Term Plan 2023 \$000	Actual 2023 \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	733	764	909
Targeted rates	270	290	338
Subsidies and grants for operating purposes	75	77	442
Fees and charges	1,134	1,166	1,801
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	200
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
<b>Total operating funding (A)</b>	<b>2,211</b>	<b>2,298</b>	<b>3,691</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,879	1,975	3,597
Finance costs	17	13	7
Internal charges and overheads applied	172	176	291
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>2,068</b>	<b>2,164</b>	<b>3,895</b>
<b>Surplus / (deficit) of operating funding (A - B)</b>	<b>144</b>	<b>134</b>	<b>(204)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	2	2	1
Increase (decrease) in debt	108	(58)	(285)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total Sources of capital funding (C)</b>	<b>110</b>	<b>(56)</b>	<b>(284)</b>
<b>Applications of capital funding</b>			
Capital expenditure		0	
- to meet additional demand	0	0	0
- to improve the level of service	150	0	349
- to replace existing assets	15	0	45
Increase (decrease) in reserves	89	78	(882)
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>254</b>	<b>78</b>	<b>(488)</b>
<b>Surplus / (deficit) of capital funding (C - D)</b>	<b>(144)</b>	<b>(134)</b>	<b>204</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Community Services | Ratonga Hapori

Our community services group has the Community Recreation group which is the provision of recreation services such as libraries, parks, reserves, and the Community Facilities group which provides for facilities like public toilets, cemeteries, pensioner housing and the Waihi event centre.

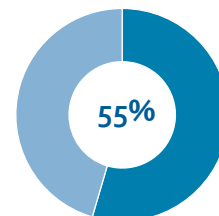
We provide a number of services intended to enhance our communities' needs for recreation and enjoyment. We do this to help make our communities a vibrant place to live and visit.

## Effects on the community

The provision of services within the community services group of activities primarily focuses on improving the social and cultural wellbeing of the community. Recreational facilities, such as parks and reserves, have a positive impact in the community and relate to aspects of life that are important for a person's happiness, quality of life and welfare. Libraries also service the educational and cultural needs of the community, at a low cost to the user, making historical, cultural, educational and electronic resources accessible for all. Other facilities such as pensioner housing give people in the community the opportunity to have access to basic housing needs in an affordable way, creating a positive impact in the lives of those who utilise these facilities.



**Achieving our service targets**



**The community services group mainly contributes to the following community outcomes**



**Vibrant and Safe Communities  
Te Oranga pai o te Hapori**



**Connected People  
Tuhono**

## What these activities cost and how they were paid for?

### Operating statement for Community Services

	Annual Plan	Actual	Actual
	2023	2023	2022
	\$000	\$000	\$000
<b>Expenditure</b>			
<b>Recreation</b>			
Libraries	1,321	1,363	1,407
Sportsfields	795	765	863
Recreation reserves	1,882	2,380	2,125
Cycleway	725	718	1,285
Events centre	185	167	172
Swimming pools	848	884	869
Sports-coordinator	106	90	90
<b>Facilities</b>			
Cemeteries	442	417	419
Community halls	319	304	307
Pensioner housing	467	596	555
Public conveniences	649	677	588
Rural halls	37	39	16
Interest	283	381	290
<b>Total expenditure</b>	<b>8,059</b>	<b>8,781</b>	<b>8,986</b>
<b>Revenue</b>			
Fees, charges and other revenue	935	1,227	979
External subsidies	55	281	255
Targeted rates	3,342	3,362	3,262
General rates	4,013	4,167	4,174
<b>Total revenue</b>	<b>8,345</b>	<b>9,037</b>	<b>8,670</b>
<b>Operating surplus / (deficit)</b>	<b>286</b>	<b>256</b>	<b>(316)</b>

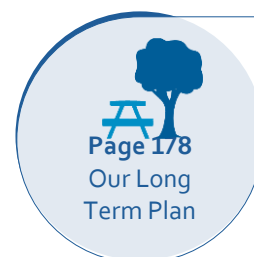
**Hauraki District Council: Funding impact statement for the year ended 30 June 2023 for  
Community Services**

	Long-Term Plan 2022 \$000	Long-Term Plan 2023 \$000	Actual 2023 \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	3,936	3,970	4,167
Targeted rates	3,119	3,233	3,362
Subsidies and grants for operating purposes	5	5	196
Fees and charges	809	831	812
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	9
<b>Total operating funding (A)</b>	<b>7,870</b>	<b>8,040</b>	<b>8,545</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	4,506	4,367	5,251
Finance costs	272	288	381
Internal charges and overheads applied	1,571	1,610	1,680
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>6,348</b>	<b>6,265</b>	<b>7,312</b>
<b>Surplus / (deficit) of operating funding (A - B)</b>	<b>1,522</b>	<b>1,775</b>	<b>1,234</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	431
Development and financial contributions	118	107	60
Increase (decrease) in debt	707	(735)	(520)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total Sources of capital funding (C)</b>	<b>825</b>	<b>(628)</b>	<b>(29)</b>
<b>Applications of capital funding</b>			
Capital expenditure		0	
- to meet additional demand	0	0	0
- to improve the level of service	1,706	264	1,020
- to replace existing assets	524	577	623
Increase (decrease) in reserves	117	306	(438)
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>2,347</b>	<b>1,147</b>	<b>1,205</b>
<b>Surplus / (deficit) of capital funding (C - D)</b>	<b>(1,522)</b>	<b>(1,775)</b>	<b>(1,234)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Community recreation | Ngā hapori rēhia

Our community recreation services include:

- Provision of public libraries in Ngātea, Paeroa and Waihi which lend a variety of resources, deliver education programmes and provide free internet access.
- Support of community-operated libraries at Kaiaua, Turua and Whiritoa.
- Operation of three community pools in Ngātea, Paeroa and Waihi.
- Provision of sports fields in Paeroa, Ngātea, Waihi and Whiritoa.
- Maintenance of a number of recreation reserves, including playgrounds, furniture, walkways and other amenities, travellers reserves, passive reserves and cycleways.
- Two jetties/boat ramps on the Waihou River available for community use.
- Provision of the Waihi events centre facility for indoor sporting and some non-recreational use.
- Provision of sports coordination services to foster residents' participation in sports, recreation and leisure.



### Meeting our service targets

How we measure our performance ▼		Result 2022/23 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
<b>Libraries</b>		
<b>What we said we would do: modern and relevant library spaces to support community needs.</b>		
<b>Measure:</b> Percentage of library users satisfied with library services, as measured by annual resident satisfaction survey.  <b>Target:</b> ≥90% of customers satisfied	<b>2022/23:</b> <input type="checkbox"/>	<b>Not achieved: The 2023 customer satisfaction survey results showed that 85% of customers are satisfied with library services.</b>
	<b>2021/22:</b> <input type="checkbox"/>	<i>Not achieved: The 2022 customer satisfaction survey results showed that 83% of customers are satisfied with library services.</i>
<b>Measure:</b> The number of library members is stable or increasing, as measured by the Library Management System.  <b>Target:</b> ≥20% of the district population are active members.	<b>2022/23:</b> <input type="checkbox"/>	<b>Not achieved: An average of 16.9% (3,626) of the district population (21,400) were active library members in 2022/23.</b>
	<b>2021/22:</b> <input type="checkbox"/>	<i>Not achieved: 19.3% (4,128) of the district population (21,400) were active library members in 2021/22. Covid-19 lockdown and subsequent alert levels has affected the number of active memberships.</i>
<b>What we said we would do: opportunities to learn, meet and grow in a friendly library environment.</b>		
<b>Measure:</b> The number of library-led community based learning programmes and/or events available, as measured by monthly library report to Council.  <b>Target:</b> 20 sessions across the district per quarter.	<b>2021/22:</b> <input checked="" type="checkbox"/>	<b>Achieved: 50 programmes, including 158 sessions, were held across the district libraries in 2022/23.</b>
	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Achieved: 115 sessions were held across 19 library-led programmes across our district libraries in 2021/22.</i>
<b>Swimming Pools</b>		
<b>What we said we would do: Council operated swimming pool facilities to be safe for users and staff.</b>		



## How we measure our performance ▼

Result 2022/23 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
<p><b>Measure:</b> Daily safety and maintenance audits are carried out at each Council pool during the public swimming season, as measured by the monthly reports prepared by the Community Facilities Officer.</p> <p><b>Target:</b> 100% of safety and maintenance audits completed during swimming season with all safety and maintenance issues addressed, investigated and actioned within:</p> <ol style="list-style-type: none"> <li>1. High risk – addressed within 24 hours</li> <li>2. Medium risk – addressed within one week</li> <li>3. Low risk - addressed as soon as is practical.</li> </ol>	<p><b>2022/23:</b> <input checked="" type="checkbox"/></p>	<p><b>Achieved: 100% (334/334) of safety and maintenance audits were completed during the year to date.</b></p> <ol style="list-style-type: none"> <li>1. 1/1 high risk occurrences addressed within 24 hours.</li> <li>2. 6/6 medium risk occurrences addressed within one week.</li> <li>3. 11/11 low risk occurrences addressed as soon as is practical.</li> </ol>
	<p><b>2021/22:</b> <input checked="" type="checkbox"/></p>	<p><i>Achieved: 100% (384/384) of safety and maintenance audits were completed during 2021/22.</i></p> <ol style="list-style-type: none"> <li>1. 0 high risk occurrences all addressed within 24 hours.</li> <li>2. 4/4 medium risk occurrences all addressed within one week.</li> <li>3. 17/17 low risk occurrences all addressed as soon as was practical.</li> </ol>
<p><b>Measure:</b> Percentage of pool users satisfied with the operation of Council swimming pools, as measured by the annual resident satisfaction survey.</p> <p><b>Target:</b> ≥85% of customers satisfied.</p>	<p><b>2022/23:</b> <input type="checkbox"/></p>	<p><b>Not achieved: The 2023 annual satisfaction survey showed 79% of users were satisfied with operation of Council swimming pools.</b></p>
	<p><b>2021/22:</b> <input type="checkbox"/></p>	<p><i>Not achieved: The 2022 annual satisfaction survey showed 75% of users were satisfied with operation of Council swimming pools.</i></p>
<p><b>Sports fields and recreation reserves</b></p>		
<p><b>You can expect: sports fields and recreational reserves that meet the requirements of users.</b></p>		
<p><b>Measure:</b> Percentage of reserve users satisfied with reserves services, as measured by the resident satisfaction survey.</p> <p><b>Target:</b> ≥90% of customers satisfied.</p>	<p><b>2022/23:</b> <input type="checkbox"/></p>	<p><b>Not achieved: The 2023 annual satisfaction survey showed 86% of users were satisfied with the services provided at district's sports fields, parks and reserves.</b></p>
	<p><b>2021/22:</b> <input type="checkbox"/></p>	<p><i>Not achieved: The 2022 annual satisfaction survey showed 83% of users were satisfied with the services provided at district's sports fields, parks and reserves.</i></p>
<p><b>You can expect: safe playground facilities.</b></p>		
<p><b>Measure:</b> Playground facilities are regularly inspected to ensure they are safe, and compliant with national playground safety standards, as measured by Playground audit reports completed by Construction &amp; Maintenance (C&amp;M) staff.</p> <p><b>Target:</b> 100% of playground inspections are completed as per scheduled frequency and identified safety issues are addressed.</p>	<p><b>2021/22:</b> <input checked="" type="checkbox"/></p>	<p><b>Achieved: 100% (249/249) of playground inspections were completed in 2022/23.</b></p>
	<p><b>2021/22:</b> <input checked="" type="checkbox"/></p>	<p><i>Achieved: 100% (239/239) of playground inspections were completed in 2021/22.</i></p>

## What else happened in 2022/23?

### Libraries

We spent \$119,764 in 2022/23 on renewing our library book collections at our district libraries.

### Swimming pools

\$15,405 was spent on the replacement of the pool cover at the Waihi pool.

### Playgrounds

\$20,618 was spent on the replacement swing set at Kaiaua

\$22,120 was spent on the Whiritoa Beach reserve playground swings

### Reserves

Whiritoa Beach reserve improvements \$36,000.

Karangahake Reserve development \$182,339

Gilmour reserve maintenance \$51,000.

### Car park renewals

\$84,502 was spent on carpark renewals across the district.

### Hauraki Rail Trail

We spent \$563,000 on the Waihi extension.

\$44,900 was also spent on the re construction of the Waitakaruru to Kopu section of the trail.

\$114,990 was spent on emergency works due to the weather events that affected parts of the trail.

## What didn't happen in 2022/23?

### Pools

Ramp access for the Ngātea Pool has been delayed to 2023/24

Water pumps and lane rope replacements for all three pools has been delayed. **Playground and Skate parks**

Playground replacements for Kerepēhi, Turua, and Victoria Park in Waihi, were delayed in 2022/23 due to bad weather.

Paeroa Railway reserve and Waihi Skate Park are in the design and consultation phase.

Adult exercise equipment installation at Waihi was delayed and will be incorporated as part of the Morgan Park skate and recreation area project.

## Community facilities | Ngā wharehenui o te hāpori

Our community facilities activity provides a range of facilities to meet public health needs (public toilets, cemeteries), social and cultural needs (public halls, housing for the elderly) and amenity needs (non-recreation reserves). Our halls sub-activity consists of three memorial halls (Paeroa, Ngātea and Waihi) which are owned and operated by the Council, and 11 community halls which are owned and managed by hall committees or incorporated societies (those being Kaihere, Kerepēhi, Karangahake, Nethererton, Kaiaua, Mangatarata, Kopuarahi, Pātetonga, Turua, Waikino and Waitakaruru halls. We own or manage 22 public conveniences, three cemetery sites (Waihi, Paeroa, and Miranda) and one ashes memorial wall site



We also own and administer 57 elderly persons housing units within nine individual complexes. In Waihi, Paeroa and Ngātea.

### Meeting our service targets

How we measure our performance ▼		Result 2022/23 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
<b>Halls</b>		
<b>What we said we would do: Council-managed halls to be clean and well maintained to meet the needs of the community.</b>		
<b>Measure:</b> Number of justified complaints from hall users regarding the cleanliness and maintenance standard of the halls, as measured by the service request database.  <b>Target:</b> ≤3 complaints per 100 bookings per year.	2022/23: <input checked="" type="checkbox"/>	<b>Achieved: There were 2.16 justified complaints per 100 bookings in 2022/23.</b>
	2021/22: <input checked="" type="checkbox"/>	<i>Achieved: There were 2.85 justified complaints per 100 bookings in 2021/22.</i>
<b>Elderly Persons Housing</b>		
<b>What we said we would do: pensioner units to be maintained to a comfortable and safe standard.</b>		
<b>Measure:</b> Percentage of tenants satisfied with the comfort and safety of the unit, as measured by the annual tenant satisfaction survey.  <b>Target:</b> ≥85% of tenants satisfied with the comfort and safety of the units.	2022/23: <input checked="" type="checkbox"/>	<b>Achieved: 92% of tenants were satisfied with the comfort and safety of the units.</b>
	2021/22: <input checked="" type="checkbox"/>	<i>Achieved: 94% of tenants satisfied with the comfort and safety of the units.</i>
<b>Public Conveniences</b>		
<b>What we said we would do: clean and maintained public conveniences which meet the needs of the public.</b>		
<b>Measure:</b> Number of justified complaints regarding whether public conveniences are clean, maintained and sufficiently stocked with consumables, as measured by service request database.  <b>Target:</b> ≤50 complaints per year.	2022/23: <input type="checkbox"/>	<b>Not achieved: 59 justified complaints received regarding public conveniences in 2022/23.</b>  There has been a change to personnel and processes with regards to cleaning and servicing our public conveniences with the transition taking time to achieve the expected results and efficiency. There have also been challenges with staffing resources.

## How we measure our performance ▼

Result 2022/23 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
2021/22:	<input type="checkbox"/>	<i>Not achieved: 54 justified complaints received regarding public conveniences in 2021/22. There was increased usage during December, and despite increased cleaning, we did receive an increased number of service requests.</i>
<b>Cemeteries</b>		
<b>You can expect: efficiently serviced and well maintained cemeteries.</b>		
<b>Measure:</b> Number of justified complaints regarding grounds maintenance at all Council cemeteries, as measured by the service request database.  <b>Target:</b> A total of ≤10 complaints regarding grounds maintenance across all Council cemeteries per year.	2022/23:	<b>Achieved: Two justified complaints received regarding cemeteries in 2022/23.</b>
	2021/22:	<i>Achieved: Two justified complaints received regarding cemeteries in 2021/22.</i>

## What else happened in 2022/23?

### Elderly persons housing

We completed the following renewals to our elderly persons housing in 2022/23:

- Paeroa: \$17,967 was spent on renewals such as carpet and vinyl, stoves, tapware, new kitchen, shower upgrade and hot water cylinder replacements.
- Waihi: \$32,864 was spent on renewals such as security doors, joinery, back doors, fencing, and hot water cylinders.
- Plains: \$33,600 was spent on renewals such as replacing tapware, stoves, and an interior refurbishment.
- \$34,000 was spent on heating, ventilation and kitchen extractors in the units across the district.

### Public toilets

- \$134,000 was spent on the Patetonga toilet. This project is ongoing. Currently it is at the resource and building consent stage, with the structure ready to be installed.
- \$8,000 was spent on painting our facilities at Turua, Waitakaruru and Morgan Park. More facilities are planned to be painted in 2023/24.
- To date \$3,500 was spent on the renovation to the Haszard Street toilets after it was vandalised in May 2023.

## What didn't happen in 2022/23?

Casket berm and ashes garden installations at Paeroa and Waihi were delayed due to wet weather.

Carpark renewals at the Paeroa RSA cemetery and Paeroa cemetery were delayed due to wet weather.

\$9,351 was spent on Pukerimu cemetery development for project management costs. This project has been delayed due to weather.



# Manaaki Toiora

Manaaki Toiora means 'to assist in wellbeing or to lift one's mana in the sense of wellbeing'. The Manaaki Toiora activity consists of:

- Economic project assistance.
- Social project assistance.
- Promotions (whakatairanga).
- Donations and grants.
- Extended relationships (whakawhanaunga).

We provide these services to support and encourage local groups and initiatives that benefit the greater community and support increased economic growth.

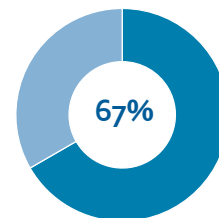
Since the last long term plan, we decided to join the previous Community Growth and Community Initiatives within the Community Development Group to form the new Manaaki Toiora activity.

## Effects on the community

The Manaaki Toiora development group is primarily focused on encouraging economic and social growth for our District communities. This group celebrates and promotes the Hauraki District as a great environment to live, work and experience life, with opportunities for all. Besides strongly supporting economic development initiatives, the community development group provides an avenue for Council to support community initiatives focused on social well-being.



Achieving our service targets



The Manaaki Toiora group mainly contributes to the following community outcomes



Connected People  
**Tūhono**



Vibrant and Safe Communities  
**Te Oranga pai o te Hapori**



Strong Economy  
**Oranga Ōhanga**

## Meeting our service targets

		Result 2022/23 ▼
How we measure our performance ▼		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
<b>What we said we would do: effective strategies, policies and initiatives that support community well-being.</b>		
<b>Measure:</b> Annual review of the action plan to support the Manaaki Toiora activity.  <b>Target:</b> 80% of actions are completed and an annual review of action plan completed.	2022/23: <input checked="" type="checkbox"/>	<b>Not achieved: 71% of all actions are completed.</b>
	2021/22 <input checked="" type="checkbox"/>	<i>Achieved: The Manaaki Toiora Strategy has been adopted and an action plan and implementation plan are under development. We are continuing to progress priority areas while the action plan is being developed.</i>
<b>What we said we would do: strong support of our business community.</b>		
<b>Measure:</b> Support existing businesses through the growth of business promotional initiatives.  <b>Target:</b> 8% increase in 'likes' on the LoveHauraki Facebook page to previous year.	2022/23: <input checked="" type="checkbox"/>	<b>Achieved: 12% increase in LoveHauraki Facebook page likes in the year to date when compared to the baseline (30 June 2022).</b>
	2021/22 <input checked="" type="checkbox"/>	<i>Achieved: 19% increase in LoveHauraki Facebook page likes in 2021/22 when compared with the baseline (30 June 2021).</i>
<b>What we said we would do: effective administration of the grants schemes for Council.</b>		
<b>Measure:</b> Provide funding for community-led projects and initiatives, as demonstrated through accountability reports to Council.  <b>Target:</b> 85% compliance of grant recipients meet grant obligations.	2022/23: <input checked="" type="checkbox"/>	<b>Achieved: All grant recipients meet the grant obligations in 2022/23.</b>
	2021/22 <input checked="" type="checkbox"/>	<i>Achieved: 100% of grant recipients met grant obligations in 2021/22.</i>

## What else happened in 2022/23?

### OnYa Awards

In 2022/23 we awarded thirteen OnYa awards. These awards celebrate the incredible achievements of members of the community, and the positive difference they have made within their communities through their outstanding dedication and community spirit.

### Gr8 Job Hauraki

Council continued to provide the Community Recovery Programme funded through Mayors Taskforce for Jobs. This programme has continued to successfully place local people into local jobs, with a number of these being into apprenticeships.

## What didn't happen in 2022/23?

There were no planned projects that didn't happen in 2022/23.

## What these activities cost and how they were paid for

### Operating statement for Maanaki Toiora

	Annual Plan	Actual	Actual
	2023	2023	2022
	\$000	\$000	\$000
<b>Expenditure</b>			
Economic project assistance	432	441	457
Social initiative	428	582	448
Promotions	317	265	284
Grants and donations	317	271	338
Extended relationships   Whakawhanaunga	60	22	22
<b>Total expenditure</b>	<b>1,554</b>	<b>1,581</b>	<b>1,549</b>
<b>Revenue</b>			
Fees, charges and other revenue	56	56	56
External subsidies	132	766	0
Targeted rates	158	158	165
General rates	1,181	1,230	1,354
<b>Total revenue</b>	<b>1,527</b>	<b>2,210</b>	<b>1,575</b>
<b>Operating surplus / (deficit)</b>	<b>(28)</b>	<b>629</b>	<b>26</b>

**Hauraki District Council: Funding impact statement for the year ended 30 June 2023 for Maanaki Toiora**

	Long-Term Plan 2022 \$000	Long-Term Plan 2023 \$000	Actual 2023 \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	1,257	1,305	1,230
Targeted rates	156	161	158
Subsidies and grants for operating purposes	0	0	766
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	56	56	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	56
<b>Total operating funding (A)</b>	<b>1,469</b>	<b>1,522</b>	<b>2,210</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	907	937	924
Finance costs	0	0	0
Internal charges and overheads applied	552	565	656
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>1,459</b>	<b>1,502</b>	<b>1,580</b>
<b>Surplus / (deficit) of operating funding (A - B)</b>	<b>10</b>	<b>21</b>	<b>630</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total Sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>			
Capital expenditure		0	
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	10	21	630
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>10</b>	<b>21</b>	<b>630</b>
<b>Surplus / (deficit) of capital funding (C - D)</b>	<b>(10)</b>	<b>(21)</b>	<b>(630)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>





# Regulatory Services | Ratonga whakahaere

Our regulatory services activity is involved in a number of regulatory services from preparing regulations to promoting compliance. Our focus areas include supporting:

- appropriate land use management
- safe building development (including building consents)
- community health and safety (including food and alcohol safety, civil defence, animal control)
- animal welfare

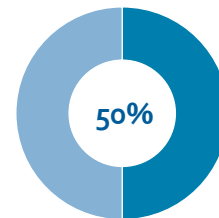
## Effects on the community

The regulatory services group of activities assists the Council in the improvement of local communities through the regulation of building work, the control of social issues via bylaws, and the protection of lifestyles and the environment enjoyed by residents, making a safer District for all. Many mechanisms of the regulatory services group are mandatory or legislatively required, but the underlying theme is the protection and safety of our communities and an increase in social wellbeing.



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Our Long  
Term Plan

Achieving our  
service targets



The regulatory services group  
mainly contributes to the following  
community outcomes



Healthy Environment  
**Te Mauri o te Taiao**



Vibrant and Safe Communities  
**Te Oranga pai o te Hapori**

## What these activities cost and how they were paid for?

### Operating statement for Regulatory Services

	Annual Plan	Actual	Actual
	2023	2023	2022
	\$000	\$000	\$000
<b>Expenditure</b>			
RMA implementation	1,597	1,953	1,585
Building services	1,613	1,879	1,888
Emergency management	351	374	347
Health	500	529	409
Liquor licensing	133	137	110
CCTV and abandoned mines	83	69	34
Dog registration	324	305	290
Animal control	307	312	262
<b>Total expenditure</b>	<b>4,909</b>	<b>5,559</b>	<b>4,925</b>
<b>Revenue</b>			
Fees, charges and other revenue	2,062	2,202	2,455
External subsidies	0	0	0
Targeted rates	0	0	0
General rates	2,738	2,851	2,588
<b>Total revenue</b>	<b>4,801</b>	<b>5,053</b>	<b>5,043</b>
<b>Operating surplus / (deficit)</b>	<b>(108)</b>	<b>(506)</b>	<b>118</b>

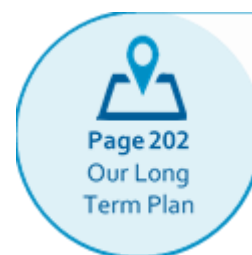
**Hauraki District Council: Funding impact statement for the year ended 30 June 2023 for Regulatory Services**

	Long-Term Plan 2022 \$000	Long-Term Plan 2023 \$000	Actual 2023 \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	2,409	2,476	2,851
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,757	1,804	2,208
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	(5)
<b>Total operating funding (A)</b>	<b>4,166</b>	<b>4,280</b>	<b>5,053</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	971	996	1,863
Finance costs	0	0	0
Internal charges and overheads applied	3,190	3,266	3,695
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>4,161</b>	<b>4,261</b>	<b>5,557</b>
<b>Surplus / (deficit) of operating funding (A - B)</b>	<b>5</b>	<b>19</b>	<b>(504)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(8)	(8)	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total Sources of capital funding (C)</b>	<b>(8)</b>	<b>(8)</b>	<b>0</b>
<b>Applications of capital funding</b>			
Capital expenditure		0	
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	(3)	10	(504)
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>(3)</b>	<b>10</b>	<b>(504)</b>
<b>Surplus / (deficit) of capital funding (C - D)</b>	<b>(5)</b>	<b>(19)</b>	<b>504</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Resource management implementation | Te whakatinananga ō ngā māhere taiao

The resource management implementation service includes regulating land use and development activities through implementation of resource management legislation and district plans (i.e. resource consents).

We also monitor compliance of consent conditions, as well as providing technical advice on mining matters.



## Meeting our service targets

How we measure our performance ▼		Result 2022/23 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
<b>What we said we would do: resource consents to be decided and issued within Resource Management Act 1991 timeframes.</b>		
<b>Measure:</b> Notified resource consent decisions issued within statutory timeframes, as measured by the resource consent database.	<b>2022/23:</b> <input type="checkbox"/>	<b>Not Applicable: There were no notified resource consents to process for the 2022/2023 year.</b>
<b>Target:</b> 100% of decisions issued within statutory timeframes.	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Not achieved: 80% (4/5) of notified resource consent decisions were issued within statutory timeframes. Due to the complexity of one consent, delays were incurred.</i>
<b>Measure:</b> Non-notified resource consent decisions are issued within statutory timeframes, as measured by the resource consent database.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Not achieved: 98.6% (217/220) of non-notified resource consent decisions were issued within statutory timeframes.</b>
<b>Target:</b> 100% of decisions issued within statutory timeframes.	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Not achieved: 91% (155/170) of non-notified resource consent decisions were issued within statutory timeframes.</i>
<b>Measure:</b> Permitted boundary activity certificates are issued within statutory timeframes, as measured by the resource consent database.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Achieved: 100% (14/14) of permitted boundary activity certificates were issued within statutory timeframes.</b>
<b>Target:</b> 100% of decisions issued within statutory timeframes.	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Achieved: 100% (17/17) of permitted boundary activity certificates were issued within statutory timeframes.</i>
<b>What we said we would do: a monitoring service which ensures compliance with consent conditions.</b>		
<b>Measure:</b> Land use consents issued during the previous financial year are monitored within 12 months of being granted, as measured by the resource consent database.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Achieved: 98.9% (90/91) of land use consents issued were monitored within 12 months of being granted.</b>
<b>Target:</b> 90% of consents granted in the previous financial year are monitored within the next 12 months.	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Not achieved: 84% (67/80) of land use consents issued were monitored within 12 months of being granted.</i>
<b>What we said we would do: Land Information Memoranda (LIM) to be issued within agreed timeframes.</b>		
<b>Measure:</b> Non-urgent LIMs issued within 10 working days (statutory), as measured by the applications database.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Not achieved: 98.7% (323/327) of non-urgent LIMs were issued within 10 working days.</b>
<b>Target:</b> 100% issued on time.	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Not achieved: 99% (295/297) of non-urgent LIMs were issued within 10 working days.</i>

## How we measure our performance ▼

Result 2022/23 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
<b>Measure:</b> Urgent LIMS are issued within 3 working days, as measured by the applications database.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Achieved: 100% (113/113) of urgent LIMS were issued within 3 working days.</b>
<b>Target:</b> 100% issued on time.	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Achieved: 100% (140/140) of urgent LIMS were issued within 3 working days.</i>
<b>What we said we would do: public satisfaction with the Council's administering of the resource consent services.</b>		
<b>Measure:</b> Percentage of customers satisfied with the service they receive during the resource consent process, as measured by the customer satisfaction survey.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Achieved: The 2023 satisfaction survey results showed that 77% of residents are satisfied with the Council's resource consent services.</b>
<b>Target:</b> ≥75% of customers satisfied.	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Achieved: The 2022 satisfaction survey results showed that 85% of residents are satisfied with the Council's resource consent services.</i>

## What else happened in 2022/23?

Our resource management implementation was business as usual in 2022/23.

## What didn't happen in 2022/23?

There were no planned projects that didn't happen in 2022/23.

## Building control | Mana hanga

Our building control activity includes regulating building work (building consents), building warrants of fitness monitoring, swimming pool fencing, project information memorandums, implementing earthquake prone, dangerous and insanitary building regulations.



### Meeting our service targets

How we measure our performance ▼		Result 2022/23 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
<b>What we said we would do: building consent applications to be processed within the statutory timeframes of the Building Act 2004.</b>		
<b>Measure:</b> Building consent applications are processed within 20 working days, as measured by the Building Consent Tracking Database.  <b>Target:</b> 100% are issued within 20 working days of receiving the application, providing the application is complete.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Not achieved: 95.5% (424/444) of building consent applications were processed within 20 working days.</b>
	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Not achieved: 92% (490/534) of building consent applications were processed within 20 working days. Increased numbers of consent applications, resourcing issues and Covid has resulted in this measure not being achieved.</i>
<b>You can expect: that known privately owned swimming pools comply with the Building Act 2004<sup>3</sup>.</b>		
<b>Measure:</b> Private swimming pools on Council's pools register will be inspected at least every three years as measured by the pools register.  <b>Target:</b> 33% of all pools to be inspected annually.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Not achieved: 98% (102/104) of pools were inspected in 2022/23.</b>
	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Not achieved: 90% (99/110*) of pools were inspected in 2021/22. *110 differs from the target of 134 as the number of pools to be inspected changed - i.e. was either a spa or the pool was removed.</i>
<b>What we said we would do: satisfactory service to our building consent customers.</b>		
<b>Measure:</b> Percentage of customers satisfied with the service they receive during the building consent process, as measured by the customer satisfaction survey.  <b>Target:</b> ≥80% of customers satisfied.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Not achieved: The 2023 satisfaction survey results showed that 73% of residents are satisfied with the service they received during the building consent process.</b>
	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Not achieved: The 2022 satisfaction survey results showed that 77% of residents are satisfied with the service they received during the building consent process.</i>

<sup>3</sup> As a result of the Building (Pools) Amendment Act 2016, the Fencing of Swimming Pools Act 1987 was repealed and requirements incorporated into the Building Act 2004.

## **What else happened in 2022/23?**

### **The Waikato Building Consent Group**

We continue to work collaboratively as part of the Waikato Building Group (under Waikato Co-Lab) to provide consistency across Waikato councils for the processing of building consent applications.

## **What didn't happen in 2022/23?**

There were no planned projects that didn't happen in 2022/23.

## Community protection | Tiaki hāpori

Our community protection activity provide services to protect our communities from health and safety issues. This includes alcohol licensing, hazard zone monitoring, food licensing, noise control, public pools, gambling venue policy, psychoactive substances policy, responsible freedom camping policy and compliance.

Emergency management is also part of our community protection activity. It involves planning to reduce risks that could result in an emergency situation, responding and recovering from emergency situations that do occur.



### Meeting our service targets

How we measure our performance ▼		Result 2022/23 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
<b>What we said we would do: that the Council will carry out its role in public food safety by enforcing the Food Act 2014.</b>		
<b>Measure:</b> All known food premises are monitored for compliance with relevant legislation as measured by the food premises database.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Achieved: 100% (95/95) of food premises required to be monitored in 2022/23, were monitored.</b>
<b>Target:</b> 100% of all food premises are assessed annually.	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Not achieved: 99% (74/75) of food premises required to be monitored in 2021/22, were monitored. The one premises not completed due to the business being in Covid isolation was completed in early 2022/23.</i>
<b>What we said we would do: that the Council will carry out its role in public safety by implementing the Sale and Supply of Alcohol Act 2012.</b>		
<b>Measure:</b> New and renewed On/Off and Club Liquor Licences are issued within three months of receiving the application, providing there are no objections and the application is complete, as measured by audit(s) of application records	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Not achieved: 91.6% (11/12) of On/Off/Club liquor licences were issued within three months.</b>
<b>Target:</b> 100% are issued within three months.	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Achieved: 100% (27/27) of On/Off/Club liquor licences were issued within three months.</i>
<b>What we said we would do: Excessive noise complaints will be responded to by the Council.</b>		
<b>Measure:</b> All complaints regarding excessive noise are investigated within two hours of the complaint being received, as measured by contractor's monthly report (from service request database).	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Not achieved: 96% (144/150) of complaints regarding excessive noise were investigated within two hours of the complaint being received.</b>
<b>Target:</b> 100% investigated within two hours.	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Achieved: 100% (204/204) of complaints regarding excessive noise were investigated within two hours of the complaint being received.</i>

### What else happened in 2022/23?

It was business as usual in 2022/23.

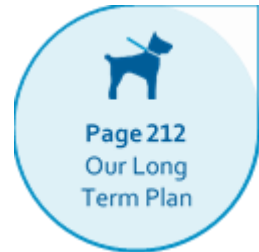
### What didn't happen in 2022/23?

There were no planned projects that didn't happen in 2022/23.



## Animal control | Mana kararehe

We play a role in protecting public safety from nuisance animal behaviours as well as promoting animal control. This includes dog registration, education and control and control of other animal nuisances.



### Meeting our service targets

How we measure our performance ▼		Result 2022/23 ▼	
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
<b>What we said we would do: that the Council will ensure compliance with the Dog Control Act 1996 and bylaw, and the Impounding Act 1955, to provide for public safety.</b>			
<b>Measure:</b> Known dogs in the District are registered annually, as measured by registration records.  <b>Target:</b> ≥97% of known dogs are registered.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Achieved: 100% (4391/4391) of known dogs in the district are registered.</b>	
	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Achieved: 100% (4434/4434) of known dogs in the district are registered.</i>	
<b>Measure:</b> Complaints about wandering stock on public roads are responded to within two hours, as measured by the contractor's monthly report.  <b>Target:</b> 100% of complaints responded to within two hours.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Achieved: 100% (36/36) of complaints about wandering stock on public roads were responded to within two hours.</b>	
	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Achieved: 100% (36/36) of complaints about wandering stock on public roads were responded to within two hours.</i>	
<b>Measure:</b> Dog attack complaints are responded to within two hours, as measured by the contractor's monthly report.  <b>Target:</b> 100% of complaints responded to within two hours.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Achieved: 100% (38/38) of dog attack complaints were responded to within two hours.</b>	
	<b>2021/22:</b> <input checked="" type="checkbox"/>	<i>Achieved: 100% (52/52) of dog attack complaints were responded to within two hours.</i>	

### What else happened in 2022/23?

Our animal control activity was business as usual in 2022/23.

### What didn't happen in 2022/23?

There were no planned projects that didn't happen in 2022/23.

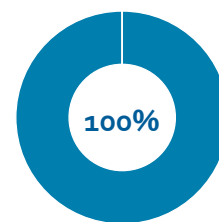
# Support Services | Ngā ratonga tautoko

Our Support Services Group includes the sub-activities of property, forestry, subdivision, fleet management, overheads and project operations (previously encompassing all Council Business Units).

Our property function includes managing a range of corporate buildings such as Council libraries, area offices, depots, dog pounds and property that supports a range of our activities. Wastewater, water supply and land drainage buildings are not included in the property function (these are covered in those activities), with the exception of the land.



**Achieving our  
service targets**



**The Support Services group mainly  
contributes to the following  
community outcomes**



**Healthy Environment  
Te Mauri o te Taiao**



**Vibrant and Safe Communities  
Te Oranga pai o te Hapori**

## Meeting our service targets

### How we measure our performance ▼

### Result 2022/23 ▼

Key:  Achieved  Not Achieved  Not Applicable

#### What we said we would do: We will operate in a financially prudent manner.

<b>Measure:</b> Debt complies with the limits set in the council's financial strategy (Affordability benchmark/debt benchmark) as measured by external debt as a proportion of total revenue.  <b>Target:</b> Total net external debt will not exceed 175% of total revenue in any year.	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Achieved: At the end of 2022/23, total net external debt was 98% of budgeted total revenue for the year.</b>
	<b>2021/22</b> <input checked="" type="checkbox"/>	<i>Achieved: At the end of the 2021/22 year, total net external debt was 75.8% of budgeted total revenue for the year.</i>
<b>Measure:</b> Critical computers systems available for internal and external customers.  <b>Target:</b> ≥99%	<b>2022/23:</b> <input checked="" type="checkbox"/>	<b>Achieved: Critical computer systems were available 99.97% of the time in 2022/23.</b>
	<b>2021/22</b> <input checked="" type="checkbox"/>	<i>Achieved: Critical computer systems were available for internal and external customers &gt;99.9% of the time in 2021/22.</i>

### What else happened in 2022/23?

\$1,212,138 was spent on construction of the Ngātea North subdivision stage 4.

\$252,078 was spent on the Waihi Museum Earthquake Strengthening.

\$116,569 was spent on Technology Renewals.

\$784,381 was spent on plant renewals.

\$9,910 was spent on the Hauraki House Air-conditioning replacement.

### What didn't happen in 2022/23?

Ngātea Southern Estate Subdivision - \$1.5M was allocated for 2022/23, however only \$210,543 was spent on planning and consents. The remainder will be carried forward to 2023/24.

Depot Upgrade and Rationalisation - \$500,000 was allocated for 2022/23, however only \$106,121 was spent. The remainder will be carried forward to 2023/24.

Ngātea Library and Service Centre - \$1,132,284 was allocated for 2022/23, however only \$53,498.76 was spent on design costs. The remainder will be carried forward to 2023/24.

## What these activities cost and how they were paid for

### Operating statement for Support Services

	Annual Plan	Actual	Actual
	2023	2023	2022
	\$000	\$000	\$000
<b>Expenditure</b>			
Business Units	47	1,759	2,660
Overheads	(2)	1,243	831
Other P&L	(365)	(454)	(996)
Property	791	1,094	961
Plant	(44)	(32)	(77)
Forestry	54	57	75
<b>Total expenditure</b>	<b>481</b>	<b>3,667</b>	<b>3,454</b>
<b>Revenue</b>			
Fees, charges and other revenue	4,551	2,164	4,680
External subsidies	0	51	62
Targeted rates	(361)	(8,749)	(7,749)
General rates	(328)	8,027	7,013
<b>Total revenue</b>	<b>3,862</b>	<b>1,492</b>	<b>4,006</b>
<b>Operating surplus / (deficit)</b>	<b>3,381</b>	<b>(2,175)</b>	<b>552</b>

## Hauraki District Council: Funding impact statement for the year ended 30 June 2023 for Support Services

	Long-Term Plan 2022 \$000	Long-Term Plan 2023 \$000	Actual 2023 \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	(328)	(343)	8,027
Targeted rates	(361)	(381)	(8,749)
Subsidies and grants for operating purposes	0	0	51
Fees and charges	281	246	980
Internal charges and overheads recovered	0	0	23,845
Interest and dividends from investments	(56)	(56)	175
Local Authorities fuel tax, fines, infringement fees, and other receipts	168	4,252	261
<b>Total operating funding (A)</b>	<b>(296)</b>	<b>3,717</b>	<b>24,589</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	9,516	11,323	15,023
Finance costs	(85)	(117)	(175)
Internal charges and overheads applied	(10,927)	(11,566)	11,543
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>(1,496)</b>	<b>(360)</b>	<b>26,391</b>
<b>Surplus / (deficit) of operating funding (A - B)</b>	<b>1,200</b>	<b>4,077</b>	<b>(1,802)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	6,002	379	7,730
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total Sources of capital funding (C)</b>	<b>6,002</b>	<b>379</b>	<b>7,730</b>
<b>Applications of capital funding</b>			0
Capital expenditure		0	0
- to meet additional demand	0	0	0
- to improve the level of service	4,436	365	1,845
- to replace existing assets	2,560	1,042	1,427
Increase (decrease) in reserves	206	3,049	2,656
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>7,202</b>	<b>4,456</b>	<b>5,928</b>
<b>Surplus / (deficit) of capital funding (C - D)</b>	<b>(1,200)</b>	<b>(4,077)</b>	<b>1,802</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Financial statements

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[Statement of Comprehensive Revenue and Expense for the year ended 30 June 2023](#)

[Statement of Financial Position as at 30 June 2023](#)

[Statement of Changes in Equity for the year ended 30 June 2023](#)

[Statement of Cash flows for the year ended 30 June 2023](#)

[Whole of Council Funding Impact Statement for the year ended 30 June 2023](#)

[Notes to the Financial Statements for the year ended 30 June 2023](#)

## Hauraki District Council - Statement of comprehensive revenue and expense

For the year ended 30 June 2023

		2023 Budget	2023 Actual	2022 Actual
	Notes	\$000's	\$000's	\$000's
<b>Revenue</b>				
Rates revenue	3	35,621	36,253	35,526
Fees and charges	3	5,104	6,078	6,329
Development and financial contributions		949	441	611
Subsidies and grants	3	6,842	10,748	8,486
Interest revenue	3	100	370	302
Other revenue	3	4,559	2,317	4,104
<b>Total revenue</b>		<b>53,175</b>	<b>56,207</b>	<b>55,358</b>
<b>Expenses</b>				
Personnel costs	4	18,694	19,082	17,162
Depreciation and amortisation expense	15	11,275	14,642	11,032
Finance costs	5	1,260	2,121	1,496
Other expenses	6	18,131	29,578	25,456
<b>Total expenses</b>		<b>49,360</b>	<b>65,423</b>	<b>55,147</b>
<b>Surplus/(deficit) before tax</b>		<b>3,815</b>	<b>(9,217)</b>	<b>212</b>
Income tax expense		0	0	0
<b>Surplus/(deficit) after tax</b>		<b>3,815</b>	<b>(9,217)</b>	<b>212</b>
<b>Other comprehensive revenue and expense</b>				
<i>Items that will not be reclassified to surplus/(deficit)</i>				
Gain on property, plant and equipment revaluations	13	18,375	10,710	169,390
Gain/(loss) on financial assets revaluations	12	0	(6)	12
<b>Total other comprehensive revenue and expense</b>		<b>18,375</b>	<b>10,704</b>	<b>169,402</b>
<b>Total comprehensive revenue and expense</b>		<b>22,191</b>	<b>1,487</b>	<b>169,614</b>

The notes to the financial statements form part of these financial statements. Explanations of major variances against budget are provided in Note 26.

## Hauraki District Council - Statement of financial position

For the year ended 30 June 2023

		2023 Budget	2023 Actual	2022 Actual
	Notes	\$000's	\$000's	\$000's
<b>Current assets</b>				
Cash and cash equivalents	7	2,203	9,882	7,096
Receivables	8	8,689	8,429	6,730
Assets held for sale	10	0	9	9
Derivative financial instruments	11	0	746	209
Other financial assets	12	141	255	132
Inventory	9	306	149	3,646
<b>Total current assets</b>		<b>11,339</b>	<b>19,470</b>	<b>17,822</b>
<b>Non-current assets</b>				
<i>Other financial assets:</i>				
Community loans	12	96	95	115
Borrower notes	12	621	1,099	684
Investments in other entities	12	187	57	63
Investments in CCOs and similar entities	12	0	137	137
Total other financial assets		904	1,388	999
Inventory	9	0	2,790	0
Derivative financial instruments	11	0	722	683
Intangible assets	14	584	1,902	1,086
Forestry assets	16	1,373	1,444	1,427
Property, plant and equipment	13	676,767	818,538	800,890
<b>Total non-current assets</b>		<b>679,628</b>	<b>826,784</b>	<b>804,085</b>
<b>Total assets</b>		<b>690,967</b>	<b>846,255</b>	<b>822,907</b>
<b>Current liabilities</b>				
Payables and deferred revenue	17	4,533	10,788	9,024
Derivative financial instruments	11	759	0	96
Employee entitlements	19	2,804	2,593	2,234
Provisions	20	340	69	200
Borrowings	18	10,000	13,016	7,015
<b>Total current liabilities</b>		<b>18,436</b>	<b>26,465</b>	<b>18,569</b>
<b>Non-current liabilities</b>				
Derivative financial instruments	11	1,727	0	28
Employee entitlements	19	479	283	263
Provisions	20	202	828	708
Borrowings	18	46,000	49,044	36,060
<b>Total non-current liabilities</b>		<b>48,408</b>	<b>50,156</b>	<b>37,058</b>
<b>Total liabilities</b>		<b>66,844</b>	<b>76,621</b>	<b>55,628</b>
<b>Net assets (assets minus liabilities)</b>		<b>624,123</b>	<b>769,633</b>	<b>767,279</b>

The notes to the financial statements form part of these financial statements. Explanations of major variances against budget are provided in Note 26.



## Hauraki District Council - Statement of financial position

For the year ended 30 June 2023

	Notes	2023 Budget \$000's	2023 Actual \$000's	2022 Actual \$000's
<b>Equity</b>				
Accumulated funds		421,664	410,234	417,914
Reserves		202,459	359,399	349,365
<b>Total equity</b>		<b>624,123</b>	<b>769,633</b>	<b>767,279</b>

## Hauraki District Council - Statement of Changes in Equity

For the year ended 30 June 2023

	Notes	2023 Budget \$000's	2023 Actual \$000's	2022 Actual \$000's
<b>Balance at 1 July</b>		<b>601,932</b>	<b>767,279</b>	<b>597,666</b>
ECL adjustment due to adoption of PBE IPSAS 41*		0	867	0
Total comprehensive revenue and expense for the year		22,191	1,487	349,365
<b>Balance at 30 June</b>		<b>624,123</b>	<b>769,633</b>	<b>767,279</b>
<b>Total equity consists of:</b>				
<b>Accumulated funds</b>				
<b>As at 1 July</b>		<b>417,991</b>	<b>417,914</b>	<b>417,076</b>
ECL adjustment due to adoption of PBE IPSAS 41*		0	867	0
Transfers from asset revaluation reserves		0	563	568
Transfers from other reserves		0	(245)	(199)
Transfers to other reserves		(143)	351	258
Surplus/(deficit) for the year		3,815	(9,217)	212
<b>As at 30 June</b>		<b>421,664</b>	<b>410,234</b>	<b>417,914</b>
<b>Other Reserves</b>				
<b>As at 1 July</b>		<b>2,928</b>	<b>2,726</b>	<b>2,785</b>
Transfers to Accumulated Funds		(56)	(351)	(258)
Transfers from Accumulated Funds		199	245	199
<b>As at 30 June</b>	22	<b>3,071</b>	<b>2,620</b>	<b>2,726</b>
<b>Asset Revaluation Reserves</b>				
<b>As at 1 July</b>		<b>180,989</b>	<b>346,603</b>	<b>177,782</b>
Transfers to other reserves		0	(563)	(568)
Revaluation gains/(losses)		18,375	10,710	169,390
<b>As at 30 June</b>	22	<b>199,364</b>	<b>356,749</b>	<b>346,603</b>
<b>Fair value through other comprehensive income and expense reserve</b>				
<b>As at 1 July</b>		<b>23</b>	<b>36</b>	<b>23</b>
Net change in fair value	12	0	(6)	12
<b>As at 30 June</b>		<b>23</b>	<b>30</b>	<b>36</b>
<b>Total equity as at 30 June</b>		<b>624,123</b>	<b>769,633</b>	<b>767,279</b>

The notes to the financial statements form part of these financial statements. Explanations of major variances against budget are provided in Note 26.

## Hauraki District Council - Statement of cash flows

For the year ended 30 June 2023

	2023 Budget \$000's	2023 Actual \$000's	2022 Actual \$000's
<b>Cash flows from operating activities</b>			
Receipts from rates revenue	36,489	35,878	37,387
Receipts from other revenue	16,541	17,683	14,881
Interest received	100	141	67
Dividends received	0	5	3
GST (net)	0	(168)	(7)
Payments to suppliers and employees	(41,248)	(45,826)	(40,921)
Interest paid	(1,260)	(1,843)	(1,437)
<b>Net cash flow from operating activities</b>	<b>10,622</b>	<b>5,870</b>	<b>9,973</b>
<b>Cash flows from investing activities</b>			
Advance payments received	0	20	16
Receipts from sale of property, plant and equipment	0	149	368
Advance payments made	0	(538)	(90)
Purchase of property, plant and equipment	(28,278)	(20,891)	(14,848)
Purchase of intangible assets	(255)	(809)	(242)
<b>Net cash flow from investing activities</b>	<b>(28,533)</b>	<b>(22,069)</b>	<b>(14,796)</b>
<b>Cash flows from financing activities</b>			
Receipts from finance leases	0	0	75
Proceeds from borrowings	21,000	26,000	7,000
Repayment of finance lease liabilities	0	(15)	0
Repayment of borrowings	(7,000)	(7,000)	(8,000)
<b>Net cash flow from financing activities</b>	<b>14,000</b>	<b>18,985</b>	<b>(925)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3,911)</b>	<b>2,786</b>	<b>(5,748)</b>
Cash and cash equivalents at the start of the year	6,115	7,096	12,844
<b>Cash and cash equivalents at the end of the year</b>	<b>2,203</b>	<b>9,882</b>	<b>7,096</b>

## Hauraki District Council - Statement of cash flows

For the year ended 30 June 2023

### Reconciliation of surplus/ (deficit) after tax to net cash flow from operating activities

	2023 Actual \$000's	2022 Actual \$000's
<b>Surplus/(deficit) after tax</b>	<b>(9,217)</b>	<b>212</b>
<b>Add/(less) non-cash items</b>		
Vested assets	(1,273)	(476)
Amortisation	50	130
Depreciation	14,593	10,903
(Gains)/losses in fair value of forestry assets	(17)	(54)
Net (gains)/losses on interest rate swaps	(700)	(3,341)
Net movement (gain)/loss on doubtful debts	12	(8)
<b>Total non-cash items</b>	<b>12,665</b>	<b>7,154</b>
<b>Add/(less) movements in working capital items</b>		
Increase/(decrease) in payables	1,764	(609)
Increase/(decrease) in provisions	(11)	(78)
Increase/(decrease) in employee entitlements	379	321
(Increase)/decrease in inventory	96	(318)
(Increase)/decrease in receivables	(840)	1,888
<b>Net movement in working capital items</b>	<b>1,388</b>	<b>1,204</b>
<b>Add/(less) items classified as investing activities</b>		
(Gains)/losses on sale of property, plant and equipment	1,034	1,404
<b>Total items classified as investing activities</b>	<b>1,034</b>	<b>1,404</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>5,870</b>	<b>9,973</b>

### Reconciliation of liabilities arising from financing activities

	2023 Actual \$000's	2022 Actual \$000's
<b>Borrowings – cash movements</b>		
Proceeds from borrowings	26,000	7,000
Repayment of borrowings	(7,000)	(8,000)
Proceeds from finance lease - principal	0	75
Repayment of finance lease – principal	(15)	0
<b>Borrowings – total cash movement</b>	<b>18,985</b>	<b>(925)</b>

## Hauraki District Council - Funding Impact Statement

For the year ended 30 June 2023

	Annual Plan 2022 \$000	Actual 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rate penalties	11,962	20,205	12,454	21,335
Targeted rates	21,357	15,322	23,167	14,919
Subsidies and grants for operating purposes	3,253	5,107	3,660	7,180
Fees and charges	4,188	6,330	5,125	6,078
Interest and dividends from investments	0	305	0	375
Local Authorities fuel tax, fines, infringement fees, and other receipts	168	230	4,348	324
<b>Total operating funding (A)</b>	<b>40,928</b>	<b>47,499</b>	<b>48,753</b>	<b>50,211</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	33,012	41,224	36,825	47,598
Finance costs	1,475	1,496	1,260	2,123
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>34,487</b>	<b>42,720</b>	<b>38,085</b>	<b>49,721</b>
<b>Surplus / (deficit) of operating funding (A - B)</b>	<b>6,441</b>	<b>4,779</b>	<b>10,669</b>	<b>490</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	3,784	3,378	3,182	3,568
Development and financial contributions	1,027	610	949	441
Increase (decrease) in debt	12,779	(1,001)	17,549	18,986
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total Sources of capital funding (C)</b>	<b>17,590</b>	<b>2,987</b>	<b>21,680</b>	<b>22,995</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	10,622	8,191	12,052	8,087
- to replace existing assets	12,350	7,152	16,481	13,670
Increase (decrease) in reserves	1,059	(7,577)	3,815	1,728
Increase (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>24,031</b>	<b>7,766</b>	<b>32,349</b>	<b>23,485</b>
<b>Surplus / (deficit) of capital funding (C - D)</b>	<b>(6,441)</b>	<b>(4,779)</b>	<b>(10,669)</b>	<b>(490)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The notes to the financial statements form part of these financial statements. Explanations of major variances against budget are provided in Note 26.

## Notes to the financial statements for the year ended 30 June 2023

### Note 1 – Statement of accounting policies

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#### Reporting entity

Hauraki District Council (HDC) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The reporting date of Council is 30 June.

The Council has designated itself as a public benefit entity (PBE) for the purposes of complying generally accepted accounting practice.

The financial statements of the Council are for the year ended 30 June 2023 and were authorised for issue by Council on 31 October 2023.

#### Basis of preparation

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

#### Statement of compliance

The financial statements and Service Performance information of the Council has been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with and comply with PBE standards.

#### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000) other than the remuneration and the severance payment disclosures in note 4, and the total capital and land values of rating units in note 3. These disclosures are rounded to the nearest dollar.

#### Other changes in accounting policies

##### *PBE IPSAS 41 Financial instruments*

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement.

The main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected credit losses, which may result in earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

## Notes to the financial statements for the year ended 30 June 2023

### Note 1 – Statement of accounting policies

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#### ***PBE IPSAS 2 Cash Flow Statement***

An amendment to PBE IPSAS 2 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes.

#### ***PBE FRS 48 Service Performance Reporting***

PBE FRS 48 Service Performance Reporting replaced that part of PBE IPSAS 1 Presentation of Financial Statements that deals with service performance reporting requirements and is effective for annual reporting period ending 30 June 2023.

The objective of the standard is to establish principles and requirements for an entity to present service performance information that is useful for accountability and decision-making purposes in a general purpose financial report.

#### **Standards issued, not yet effective and not early adopted**

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council are:

#### ***PBE IPSAS 1 – Presentation of Financial Reports***

An amendment to PBE IPSAS 1 aims to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit firm for different types of services.

Entities are required to disclose the fees incurred for services received from its audit or review firm, and a description of each service, using the following specified categories:

- Audit or review of the financial report
- Other non-audit and non-review services:
  - Audit or Review Related Services
  - Other Assurance Services and Other Agreed-Upon Procedures Engagements
  - Taxation Services
  - Other Services

Application of these amendments is required for accounting periods beginning on or after 1 January 2024. Council has not yet assessed the effects of the new standard. It does not plan to adopt the standard early.

#### ***PBE IFRS 17 Insurance Contracts***

The amending standard Insurance Contracts in the Public Sector adds public sector modifications to PBE IFRS 17 Insurance Contracts to include public sector entities and to ensure that this Standard is suitable for this sector. Application of these amendments is required for accounting periods beginning on or after 1 January 2026 with early adoption permitted for Council from 1 July 2024 onwards. Council has not yet assessed the effects of the new standard and does not intend to adopt the standard early.

#### **Summary of significant accounting policies**

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

#### **Goods and services tax**

The financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable, which are presented on a GST-inclusive basis.

Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue is included as part of receivables or payables in the statement of financial position.

## Notes to the financial statements for the year ended 30 June 2023

### Note 1 – Statement of accounting policies

---

The net GST paid to, or received from the IRD, including the GST relating to investing and financial activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### **Budget figures**

The budget figures are those approved by the Council in its 2022-23 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council in preparing these financial statements.

#### **Critical accounting estimates and assumptions**

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value of land, buildings, and infrastructural assets – see Note 13.
- Estimating the fair value of forestry assets – see Note 16.
- Estimating the retirement and long service leave obligations – see Note 19.
- Estimating the landfill aftercare provision – see Note 20.

#### **Critical judgements in applying accounting policies**

Management has exercised the following critical judgements in applying accounting policies:

- Donated or vested land and buildings with use or return conditions – see Note 3.
- Classification of property – see Note 13.

## Notes to the financial statements for the year ended 30 June 2023

### Note 2 - Summary of revenue and expenditure for groups of activities

#### Accounting policy

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity. Direct costs are charged directly to significant activities.

Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area. There have been no changes to the cost allocation methodology during the year.

#### Breakdown of summary revenue and expenditure for group of activities

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities (see Note 3).

In order to fairly reflect the total external operations for the Council in the statement of comprehensive revenue and expense, these transactions are eliminated as shown below.

	Annual Plan 2023 \$000	Actual 2023 \$000	Actual 2022 \$000
<b>Revenue</b>			
Leadership	3,593	3,867	3,954
Roading	12,473	15,063	11,339
Water	8,502	8,775	8,503
Wastewater	4,151	4,295	6,561
Stormwater	1,287	1,245	1,278
Land drainage	1,439	1,479	1,361
Waste management	3,196	3,691	3,069
Community services	8,345	9,037	8,670
Maanaki Toiora	1,527	2,210	1,575
Regulatory	4,801	5,053	5,043
Support services	3,862	1,492	4,005
<b>Activity revenue</b>	<b>53,175</b>	<b>56,207</b>	<b>55,358</b>
<b>Total revenue</b>	<b>53,175</b>	<b>56,207</b>	<b>55,358</b>
<b>Expenditure</b>			
Leadership	4,017	3,898	3,540
Roading	11,189	14,809	12,052
Water	9,597	12,741	9,098
Wastewater	4,011	7,774	6,400
Stormwater	1,099	1,473	954
Land drainage	1,453	1,183	991
Waste management	2,990	3,957	3,199
Community services	8,059	8,781	8,986
Community development	1,554	1,581	1,549
Regulatory	4,909	5,559	4,925
Support services	481	3,667	3,453
<b>Activity expenditure</b>	<b>49,360</b>	<b>65,423</b>	<b>55,147</b>
<b>Total expenditure</b>	<b>49,360</b>	<b>65,423</b>	<b>55,147</b>



## Notes to the financial statements for the year ended 30 June 2023

### Note 3 - Revenue

#### **Accounting policy**

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

#### ***Rates revenue***

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

#### ***Development and financial contributions***

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as revenue in advance until the Council provides, or is able to provide, the service.

#### ***New Zealand Transport Agency roading subsidies***

The Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

#### ***Other grants received***

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

#### ***Building and resource consent revenue***

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

#### ***Entrance fees***

Entrance fees are fees charged to users of the Council's local pools. Revenue from entrance fees is recognised upon entry to the pool.

#### ***Provision of commercially based services***

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date. Generally, this is determined by the proportion of costs incurred to date bearing to the estimated total costs of providing the service.

## Notes to the financial statements for the year ended 30 June 2023

### Note 3 - Revenue

#### ***Infringement fees***

Infringement fees mostly relate to noise and dog infringements. Revenue is recognised when the infringement notice is paid.

#### ***Sales of goods***

Revenue from the sale of goods is recognised when a product is sold to the customer.

#### ***Landfill fees***

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

#### ***Vested or donated physical assets***

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (for example, land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

#### ***Donated and bequeathed financial assets***

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability is released to revenue as the conditions are met (for example, as the funds are spent for the nominated purpose).

#### ***Interest and dividends***

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

#### **Critical judgements in applying accounting policies**

##### ***Accounting for donated or vested land and buildings with use or return conditions***

The Council has received land and buildings from non-exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity and no revenue would ever be recognised for the asset received. The Council considers that an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognise revenue immediately for such transfers and a liability is not recognised until such time as it is expected that the condition will be breached.

## Notes to the financial statements for the year ended 30 June 2023

### Note 3 - Revenue

#### Breakdown of rates and further information

	2023 Actual \$000's	2022 Actual \$000's
General rates	6,797	6,829
Uniform annual general charge	5,868	5,786
Targeted rates attributable to activities:		
- Targeted rates for metered water supply	8,260	8,483
- Other targeted rates	15,701	14,966
<b>Rates income</b>	<b>36,627</b>	<b>36,064</b>
Rates penalties	431	562
Rates remissions	(806)	(1,101)
<b>Total rates</b>	<b>36,253</b>	<b>35,526</b>

The following rating base information is disclosed on the rating base information at the end of the **preceding** financial year:

As at 30 June	2022
Number of rating units	11,511
Total capital values of rating units	9,846,575,130
Total land value of rating units	6,086,183,230

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other local authorities rate. The annual rates income of the Council for the year ended 30 June 2023 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	2023 Actual \$000's	2022 Actual \$000's
Rates	36,627	36,064
<b>Total gross annual rates income</b>	<b>36,627</b>	<b>36,064</b>

#### Breakdown of subsidies and grants

	2023 Actual \$000's	2022 Actual \$000's
New Zealand Transport Agency roading subsidies	8,484	5,627
Three waters funding	308	2,398
Other grants and subsidies	1,956	461
<b>Total subsidies and grants</b>	<b>10,748</b>	<b>8,486</b>

## Notes to the financial statements for the year ended 30 June 2023

### Note 3 - Revenue

#### Breakdown of fees and charges

	2023 Actual \$000's	2022 Actual \$000's
Building and resource consent charges	1,631	1,913
Land information memoranda sales	102	101
Other fees and charges	4,346	4,316
<b>Total fees and charges</b>	<b>6,078</b>	<b>6,329</b>

#### Breakdown of interest revenue

	2023 Actual \$000's	2022 Actual \$000's
<b>Interest revenue</b>		
Term deposits	121	69
Borrower notes interest revenue	48	(2)
Discount unwind on provisions	200	233
Other	0	2
<b>Total interest revenue</b>	<b>370</b>	<b>302</b>

#### Breakdown of other revenue

	2023 Actual \$000's	2022 Actual \$000's
Petrol tax	200	195
Court fees and fines	3	21
Vested land and infrastructure from property development	1,272	476
Forestry asset revaluation gains	17	54
Gain on changes in fair value of derivative financial instruments	700	3,341
Property, plant and equipment gains on disposal	0	0
Dividend revenue	5	3
Other	120	14
<b>Total other revenue</b>	<b>2,317</b>	<b>4,104</b>

#### Other disclosures

##### Revenue from exchange and non-exchange revenue

The Council receives their revenue from exchange or non-exchange transactions. Exchange transaction revenue arises when the Council provides goods and services to a third party and receives approximately equal value in return that is directly related to those goods and services.

Non-exchange transaction revenue arises when the Council receives value from another party without having to provide goods or services of equal value directly. Non-exchange revenue comprises rates and transfer revenue.

## Notes to the financial statements for the year ended 30 June 2023

### Note 3 - Revenue

Transfer revenue includes grants, subsidies and fees, and user charges derived from activities that are partially funded by rates. Revenue is measured at fair value, which is usually the cash value of a transaction.

	2023 Actual \$000's	2022 Actual \$000's
<b>Revenue from non-exchange transactions</b>		
Rates	27,992	27,043
<b>Total revenue from rates</b>	<b>27,992</b>	<b>27,043</b>
<b>Revenue from transfers:</b>		
Subsidies and grants	10,748	8,486
Building and resource consent charges	1,631	1,913
Land information memoranda sales	102	101
Other fees and charges	3,132	2,875
Petrol tax	200	195
Vested assets	1,272	476
Financial contributions	441	611
Court fees and fines	3	21
<b>Total revenue from transfers</b>	<b>17,529</b>	<b>14,678</b>
<b>Total revenue from non-exchange transactions</b>	<b>45,521</b>	<b>41,721</b>
<b>Revenue from exchange transactions:</b>		
Water by meter (targeted rate)	8,260	8,483
Finance revenue	370	302
Dividends received	5	3
Other exchange revenue	1,334	1,454
<b>Total revenue from exchange transactions</b>	<b>9,969</b>	<b>10,242</b>
<b>Total revenue (excluding other gains)</b>	<b>54,490</b>	<b>51,963</b>
Gain on disposal of property, plant and equipment	0	0
Gain on disposal of land inventory	0	0
Gain on changes in fair value of derivative financial instruments	700	3,340
Gain on revaluation of forestry	16	55
<b>Total revenue</b>	<b>56,207</b>	<b>55,358</b>

#### Operating leases as a lessor

Council leases property under operating leases. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2023 Actual \$000's	2022 Actual \$000's
<b>Operating leases as lessor</b>		
Not later than one year	201	200
Later than one year and not later than five years	529	473
Later than five years	1,027	1,132
<b>Total non-cancellable operating leases</b>	<b>1,758</b>	<b>1,804</b>

No contingent rents have been recognised during the year.

## Notes to the financial statements for the year ended 30 June 2023

### Note 4 – Personnel costs

#### Accounting policy

##### *Superannuation schemes*

##### Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

##### Defined benefit schemes

The Council makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit plan accounting, as it is not possible to determine from the terms of the scheme the extent to which the scheme's surplus or deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in Note 19.

#### Breakdown of personnel costs and further information

	2023	2022
	Actual	Actual
	\$000's	\$000's
Salaries and wages	18,211	16,426
Employer contributions to defined contribution plans	469	415
Increase/(decrease) in employee entitlements	379	321
<b>Total personnel costs</b>	<b>19,082</b>	<b>17,162</b>

At balance date, the Council employed 206 (2022: 160) full-time employees, with the balance of staff representing 15 (2022: 29) full-time equivalent employees. A full-time employee is determined on the basis of a 37.5-hour working week.

##### *Chief Executive Remuneration*

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$322,000 (2022: \$315,600).

##### *Severance payments*

For the year ended 30 June 2023, no severance payments were made to any employee (2022: \$7,500)

## Notes to the financial statements for the year ended 30 June 2023

### Note 4 – Personnel costs

#### *Council employee remuneration by band*

Total remuneration includes any non-financial benefits provided to employees.

	2023 Actual	2022 Actual
<b>Total annual remuneration by band for employees</b>		
< \$60,000	61	61
\$60,000-\$79,999	67	66
\$80,000-\$99,999	46	46
\$100,000-\$119,999	25	17
\$120,000-\$139,999	15	8
\$140,000-\$159,999	7	5
\$160,000-\$339,999	6	5
<b>Total employees</b>	<b>227</b>	<b>208</b>

#### *Elected representatives' remuneration*

Elected representatives received the following remuneration:

	2023 Actual \$000's	2022 Actual \$000's
<b>Elected representatives received the following remuneration:</b>		
Mr Toby Adams (Mayor)	125	122
Mrs Carole Daley	32	32
Mr Paul Milner (Deputy Mayor)	57	48
Mrs Jo Tilsley	31	28
Mr Rino Wilkinson	31	28
Mr Ray Broad	34	28
Mr Phillip Buckthought	33	30
Mrs Anne Marie Spicer	47	34
<b>New Councillors as of 26 October 2022</b>		
Mr Neil Gray	22	0
Mr Stephen Crooymans	23	0
Ms Sarah Holmes	22	0
Mr Josh Martyn	22	0
Mr Bhavesh Ranchhod	22	0
Mr Austin Rattray	25	0
<b>Councillors retired as of 28 September 2022</b>		
Mr Rodney Garrett	0	22
Mr Ross Harris	12	32
Mr Paul Anderson	9	24
Mr Brian Gentil	8	24
Mrs Sara Howell	8	24
Mr Duncan Smeaton	10	28
<b>Total elected representatives remuneration</b>	<b>573</b>	<b>504</b>

## Notes to the financial statements for the year ended 30 June 2023

### Note 4 – Personnel costs

The figures above include an annual, or part thereof, communication allowance of \$1,750 paid to each Councillor (2022: \$1,750). The Mayor received a communication allowance of \$1,050 (2022: \$1049.88).

### Note 5 – Finance costs

#### Accounting policy

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

#### Breakdown of finance costs

	2023 Actual \$000's	2022 Actual \$000's
<b>Interest expense</b>		
Interest on borrowings	2,121	1,496
Discount unwind on provisions	0	0
<b>Net finance costs</b>	<b>2,121</b>	<b>1,496</b>

### Note 6 – Other expenses

#### Accounting policy

##### *Grant expenditure*

The Council's grants awarded have no substantive conditions attached.

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

##### *Operating leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.



## Notes to the financial statements for the year ended 30 June 2023

### Note 6 – Other expenses

#### Breakdown of other expenses and further information

	2023 Actual \$000's	2022 Actual \$000's
Fees to auditors:		
fees to Audit New Zealand for audit of financial statements	201	156
- fees to Audit New Zealand for other services	68	6
- fees to Audit New Zealand for Long Term Plan	0	0
General grants and donations	422	569
Operating lease expense	38	38
Impairment of spare parts for obsolescence	0	3
Expected credit loss allowance for receivables	29	(8)
Loss on disposal of property, plant and equipment	1,034	1,404
Derivative financial instruments revaluation losses	0	0
Forestry asset revaluation losses	0	0
Other operating expenses	27,786	23,259
<b>Total other expenses</b>	<b>29,578</b>	<b>25,426</b>

The fees paid to Audit New Zealand for other services in the year ending 30 June 2023 were for the audit of Council's debenture trust deed and procurement assurance advice. (2022: audit of Council's debenture trust deed and Council's Long Term Plan).

#### Operating leases as lessee

The Council leases property, plant and equipment in the normal course of its business. The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2022: \$nil). Leases can be renewed at the Council's option, with rents set by reference to current market rates for items of equivalent age and condition. There are no restrictions placed on the Council by any of the leasing arrangements.

No contingent rents have been recognised in the Statement of Comprehensive Revenue and Expense during the period (2022: nil).

The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	2023 Actual \$000's	2022 Actual \$000's
Not later than one year	81	114
Later than one year and not later than five years	140	176
Later than five years	93	126
<b>Total non-cancellable operating leases</b>	<b>314</b>	<b>416</b>

#### Adverse Weather Events

The Auckland Anniversary floods and Cyclone Gabrielle created \$2.98 million of operational expenditure within our Roothing network relating to emergency work responding to these events. This includes geotechnical assessments of road embankment slip sites, clearing and repairing slip damage and repairing flood damaged roads to restore the current levels of service and allow the reopening of damaged roads. To 30 June 2023, \$2.7m of this expenditure was subsidised by Waka Kotahi.

## Notes to the financial statements for the year ended 30 June 2023

### Note 7 – Cash and cash equivalents

#### Accounting policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

#### Breakdown of cash and cash equivalents and further information

	2023 Actual \$000's	2022 Actual \$000's
Cash at bank and on hand	2,382	7,096
Short term deposits	7,500	0
<b>Total cash and cash equivalents</b>	<b>9,882</b>	<b>7,096</b>

The carrying value of cash at bank with maturities less than three months approximates their fair value. Cash and cash equivalents include that stated above for the purposes of the statement of cash flows.

Although cash and cash equivalents as at 30 June 2023 are subject to the expected credit loss requirements of PBE IPSAS 41, no lost allowance has been recognised because the estimated allowance is trivial.

### Note 8 – Receivables

#### Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses.

Council applies the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

#### Previous accounting policy

In the previous year, the allowance for credit losses was based on the incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence that the amount due would not be fully collected.

## Notes to the financial statements for the year ended 30 June 2023

### Note 8 - Receivables

#### Breakdown of receivables and further information

	2023 Actual \$000's	2022 Actual \$000's
<b>Receivables from non-exchange transactions</b>		
Rates receivables	2,057	1,898
Other receivables from non-exchange transactions	1,661	1,515
<b>Total receivables from non-exchange transactions</b>	<b>3,718</b>	<b>3,414</b>
<b>Receivables from exchange transactions</b>		
Water receivables	4,461	4,086
Other receivables from exchange transactions	294	130
<b>Total receivables from exchange transactions</b>	<b>4,755</b>	<b>4,216</b>
Less: allowance for credit losses	(44)	(900)
<b>Total receivables</b>	<b>8,429</b>	<b>6,730</b>

#### Rates receivables

The Council does not provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debts.

These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment.

If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

The Chief Executive approved the write-off of rates receivable during the year under the LG(R)A 2002 as follows:

- Section 90A: \$6,842 (2022: \$65,902)
- Section 90B: \$0 (2022: Nil)

#### Other receivables

The ECL rates for other receivables at 30 June 2023 and 1 July 2022 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period.

The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables.

Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

There have been no changes since 1 July 2020 in the estimation techniques or significant assumptions in measuring the loss allowance.

## Notes to the financial statements for the year ended 30 June 2023

### Note 8 - Receivables

The allowance for credit losses based on Council's credit loss matrix is as follows:

	Other receivables' days past due					Total
	Current	1-30 days	31-60 days	61-90 days	> 90 days	
<b>Council - 30 June 2023</b>						
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	15.36%	
Gross receivable amount (\$000)	1,233	63	3	51	290	1,640
Lifetime ECL (\$000)	0	0	0	0	44	44
<b>Council - 1 July 2022</b>						
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	12.80%	
Gross receivable amount (\$000)	1,205	52	8	11	252	1,528
Lifetime ECL (\$000)	0	0	0	0	32	32

Movements in the allowance for credit losses is as follows:

	2023 Actual \$000's	2022 Actual \$000's
Balance at 1 July measured under PBE IPSAS 29	900	978
ECL adjustment due to adoption of PBE IPSAS 41* (Rates and Water Receivables)	(802)	0
ECL adjustment due to adoption of PBE IPSAS 41* (Other Receivables)	(65)	0
<b>Opening balance for credit losses at 1 July</b>	<b>32</b>	<b>978</b>
Additional provisions made during the year	29	21
Provisions reversed during the year	0	(29)
Other receivables written off during the year	(17)	(71)
<b>Total receivables</b>	<b>44</b>	<b>900</b>

\*Re-measurements as a result of the Council's adoption of PBE IPSAS 41 have been recognised directly in accumulated funds – for more details refer to Note 19

## Notes to the financial statements for the year ended 30 June 2023

### Note 9 - Inventory

#### Accounting policy

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first. Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

Inventory is classified as current if Council intends to sell it within the next 12-months and non-current if it is doesn't expect it to be sold within the next financial period (i.e. post 30 June 2024).

#### Breakdown of inventory and further information

	2023 Actual \$000's	2022 Actual \$000's
<b>Non-commercial inventory:</b>		
Quarry metal stockpile	0	42
Other	149	204
<b>Commercial inventory:</b>		
Land being developed for sale	0	3,401
<b>Current inventory</b>	<b>149</b>	<b>3,646</b>
<b>Commercial inventory:</b>		
Land being developed for sale	2,790	0
<b>Non-current inventory</b>	<b>2,790</b>	<b>0</b>
<b>Total inventory</b>	<b>2,939</b>	<b>3,646</b>

The write-down of inventory during the year was nil (2022: \$3,305). There have been no reversals of write-downs (2022: \$nil). No inventory is pledged as security for liabilities (2022: \$nil).

As at 30 June 2022, Land being developed for sale was classified as a current asset on the basis that it would be sold in the 2022/23 financial year. Tests conducted early on in the financial year identified that the preloading on the site needed to remain on for a longer period of time than that originally anticipated. This then caused a delay in the construction of the physical works on site. It is now anticipated that physical works would not be complete until June 2024 and the sections would not be made available for sale until the 2024-2025 financial year. As such, this land was reclassified as a non-current asset as at 30 June 2023.

## Notes to the financial statements for the year ended 30 June 2023

### Note 10 –Non-current assets held for sale

#### Accounting policy

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).

	2023 Actual \$000's	2022 Actual \$000's
Land	9	9
<b>Total non-current assets held for sale</b>	<b>9</b>	<b>9</b>

Council held \$8,964 of stopped roading land for sale as at 30 June 2023 (2022: \$8,964). Council has approved the sale of the asset as it will provide no future use to Council. Settlement for this land is expected in September 2023.

### Note 11 - Derivatives

#### Accounting policy

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its Investment and Liability Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are initially measured at fair value on the contract date, and are re-measured to their fair value at each balance date. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. Any gains or losses arising from changes in fair value are recognised in the surplus or deficit.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in the surplus or deficit.

The portion of the fair value of an interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion classified as non-current. Council's interest rate swap portfolio was valued as at 30 June 2023 by Council staff using software provided by Hedgebook Ltd.

The Council has elected not to apply hedge accounting to its derivative financial instruments.

Council did not hold any forward exchange contracts at balance date.

## Notes to the financial statements for the year ended 30 June 2023

### Note 11 - Derivatives

#### Breakdown of derivative financial instruments and further information

	2023 Actual \$000's	2022 Actual \$000's
<b>Assets</b>		
<b>Current asset portion</b>		
Interest rate swaps	746	209
<b>Total current asset portion</b>	<b>746</b>	<b>209</b>
<b>Non-current asset portion</b>		
Interest rate swaps	722	683
<b>Total current asset portion</b>	<b>722</b>	<b>683</b>
<b>Total derivative financial instrument assets</b>	<b>1,468</b>	<b>892</b>

	2023 Actual \$000's	2021 Actual \$000's
<b>Liabilities</b>		
<b>Current liability portion</b>		
Interest rate swaps	0	96
<b>Total current liability portion</b>	<b>0</b>	<b>96</b>
<b>Non-current liability portion</b>		
Interest rate swaps	0	28
<b>Total current liabilities portion</b>	<b>0</b>	<b>28</b>
<b>Total derivative financial instrument liabilities</b>	<b>0</b>	<b>123</b>

#### Timing of nominal principal amounts and average fixed rates of interest rate swaps

	< 1 year	1-2 years	3-5 years	> 5 years	Total
<b>Council 2023</b>					
<b>Interest rate swaps – not hedge accounted</b>					
Nominal amount (in \$000)	9,000	15,000	18,000	19,000	61,000
Average fixed rate	3.21%	3.17%	3.41%	3.89%	3.39%
<b>Council 2022</b>					
<b>Interest rate swaps – not hedge accounted</b>					
Nominal amount (in \$000)	7,000	14,000	14,000	6,000	41,000
Average fixed rate	3.83%	3.55%	2.91%	3.60%	3.40%

#### Fair value

The fair values of interest rate swaps have been determined by calculating the expected future cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters. Most market parameters are implied from instrument prices.

## Notes to the financial statements for the year ended 30 June 2023

### Note 12 – Financial assets

#### Accounting policy

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- Amortised cost;
- Fair value through other comprehensive revenue and expense (FVTOCRE); and
- Fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless the asset has been designated at FVTSD, in which case it is recognised in surplus or deficit. The classification of a financial asset depends on its cash flow characteristics and the Council's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

#### Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits and LGFA Borrower notes and community loans.

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

#### Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council has no instruments in this category.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity.

Council designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

#### Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Other than for derivatives, the Council and group has no instruments in this category.



## Notes to the financial statements for the year ended 30 June 2023

### Note 12 – Financial assets

#### Expected Credit Loss allowance (ECL)

The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive.

ECLs are discounted at the effective interest rate of the financial asset. ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience an informed credit assessment and including forward-looking information.

Council considers a financial asset (excluding receivables, refer to Note 8) to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

#### Previous account policy summarised

In the previous year, other financial assets were classified into the following categories:

- Financial assets at fair value through surplus or deficit (included interest rate swaps);
- Loans and receivables at amortised cost (included debtors and other receivables, term deposits, community loans and LGFA borrower notes)
- Fair value through other comprehensive revenue and expenses (included unlisted shares)

The main differences for the prior year policies are:

- Impairment was recorded only when there was objective evidence of impairment. For equity instruments, a significant or prolonged decline in the fair value of the investment below its cost was considered objective evidence of impairment. For debt investments, significant financial difficulties of the debtor, probability the debtor would enter into bankruptcy, receivership or liquidation, and default in payments were indicators the asset was impaired.
- Impairment losses in shares were recognised in the surplus or deficit.
- For shares, the cumulative gain or loss previously recognised in other comprehensive revenue and expense was transferred from equity to surplus or deficit on disposal of the investment.

## Notes to the financial statements for the year ended 30 June 2023

### Note 12 – Financial assets

#### Breakdown of other financial assets and further information

	2023 Actual \$000's	2022 Actual \$000's
<b>Current portion</b>		
Term deposits	0	0
Borrower notes	235	112
<b>Other investments</b>		
Community loans	20	20
<b>Total current portion</b>	<b>255</b>	<b>132</b>
<b>Non-current portion</b>		
Borrower notes	1,099	684
Community loans	95	115
<b>Investment in CCOs and similar entities:</b>		
Local Government Funding Agency	100	100
Local Authority Shared Services Limited	37	37
<b>Total investment in CCOs and similar entities:</b>	<b>137</b>	<b>137</b>
<b>Other investments</b>		
Civic Financial Services Ltd	57	63
<b>Total non-current portion</b>	<b>1,388</b>	<b>998</b>
<b>Total other financial assets</b>	<b>1,643</b>	<b>1,130</b>

#### Fair value

##### *Community loans*

The face value of community loans is \$115,000 (2022: \$135,000). The carrying amount of these loans approximates their fair value.

The Council's community loan scheme is designed to help not-for-profit organisations in the Hauraki District community to develop or improve new or existing facilities and other major projects.

Only organisations with the ability to repay are granted loans.

Loans are for a maximum of 10 years and interest is 0% per annum.

##### *Unlisted shares*

Unlisted shares are recognised at fair value.

The fair value of unlisted shares in Civic Financial Services Ltd and Local Authority Shared Services Ltd has been determined at fair value through other comprehensive revenue and expense. Fair value has been determined by net asset backing.

Due to the immaterial size and nature of the Council's investment in the LGFA, the Council has estimated the fair value of this investment based on the LGFA's net asset backing as at 30 June.

## Notes to the financial statements for the year ended 30 June 2023

### Note 13 – Property, plant and equipment

#### Accounting policy

Property, plant, and equipment consist of:

**Operational assets** – These include land, buildings, landfill post-closure, library books, plant and equipment, and motor vehicles.

**Restricted assets** – Restricted assets are mainly parks and reserves owned by the Council and group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

**Infrastructure assets** – Infrastructure assets are the fixed utility systems owned by the Council and group. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

Land (operational and restricted) measured at fair value, buildings (operational and restricted) and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

#### Revaluation

Land and buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit.

Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

#### Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

## Notes to the financial statements for the year ended 30 June 2023

### Note 13 – Property, plant and equipment

#### Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

#### Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Roading	Pavement surface	6-60	1.7%-16.7%
	Pavement structure	20-100	1%-5%
	Footpaths	15-75 years	1.3%-6.7%
	Surface water channels	10-75 years	1.3%-10%
	Drainage	75 years	1.3%
	Bridges	30-100 years	1%-3.3%
	Street light poles	25 years	4%
	Street lights	25 years	4%
	Street light bracket	25 years	4%
	Retaining walls	85 years	1.2%
	Railings	20-50 years	2%-5%
	Signs	12.5-20 years	5%-8%
Buildings	Structure	30-150 years	0.7%-3.3%
	External Fit Out	7-108 years	0.9%-14.3%
	Electrical/Mechanical	13-38 years	2.6%-7.7%
	Fixtures and Fittings	3-49 years	2%-3.3%
	Internal wall linings	4-75 years	1.3%-25%
	Lifts	10-41 years	2.4%-10%
	Air conditioners	11-12 years	8.3%-9.1%
	Site improvements	5-102 years	1%-20%
All other assets	Water reticulation	20-120 years	0.8%-5%
	Water treatment	8-100 years	1%-12.5%
	Wastewater reticulation	25-130 years	0.8%-4%
	Wastewater treatment	3-100 years	1%-33.3%
	Stormwater reticulation	25-130 years	0.8%-4%
	Drainage and flood protection	15-999 years	0.1%-6.7%
	Library Books	8 years	12.5%
	Vehicles	3-21 years	4.8%-33.3%
	Equipment	2-94 years	1.1%-50%
	Technology	2-10 years	10%-50%
	Furniture and fittings	7-10 years	10%-14.3%

## Notes to the financial statements for the year ended 30 June 2023

### Note 13 – Property, plant and equipment

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

#### **Impairment of property, plant, and equipment**

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

#### ***Value in use for non-cash-generating assets***

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units' approach. The Most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

#### ***Value in use for cash-generating assets***

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

## Notes to the financial statements for the year ended 30 June 2023

### Note 13 – Property, plant and equipment

#### Critical accounting estimates and assumptions

##### Estimating the fair value of land, buildings, and infrastructure

###### *Land (operational, restricted, and infrastructural)*

All land was valued at 30 June 2021.

The most recent valuation of land was performed by Quotable Values NZ Ltd, who are qualified, independent valuers. All values were confirmed as being suitable for financial reporting.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Adjustments have been made to the 'unencumbered' land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

Restrictions on the Council's ability to sell land would normally not impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

###### *Buildings (operational and restricted)*

All buildings were valued at 1 July 2020 plus additions/development at cost, less disposals. Building valuations were completed by independent valuers, and confirmed as being suitable for financial reporting.

Specialised buildings were valued by SPM Assets Ltd at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) were valued by SPM Assets Ltd, using market data provided by Curnow Tizard Ltd at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

The valuation of earthquake prone buildings does not include any adjustment for estimated building strengthening and costs or any association lost rental during the time to undertake the strengthening work.

###### *Infrastructural assets*

Roading assets were valued by an independent valuer, WSP Limited as at 30 June 2023. This was an indexed valuation and was undertaken solely by WSP Limited.

Water, Wastewater, Stormwater and Drainage Assets were valued by Waugh Valuers Ltd as at 30 June 2022.

Infrastructural assets are also carried at fair value, which is deemed to be depreciated replacement costs because the assets are of a specialised nature. The depreciated replacement costs are determined on the basis of valuations prepared ever three years. The revaluation process involves assessing the current

## Notes to the financial statements for the year ended 30 June 2023

### Note 13 – Property, plant and equipment

optimised replacement cost of a brownfields basis, using highest and best use basis and remaining useful lives.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

#### Critical judgements in applying accounting policies

##### Classification of property

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property.

## Notes to the financial statements for the year ended 30 June 2023

### Note 13 – Property, plant and equipment

2023	Cost / Revaluation 01-Jul-22 \$000	Acc. Depn. 01-Jul-22 \$000	Carrying Amount 01-Jul-22 \$000	Transfers Cost \$000	Current Year Additions \$000	Current Year Disposals \$000	Current Year Impairment \$000	Current Year Depn. \$000	Acc Depn. Rev'd on Disposal \$000	Reval. Surplus \$000	Cost / Revaluation 30-Jun-23 \$000	Acc. Depn. 30-Jun-23 \$000	Carrying Amount 30-Jun-23 \$000
<b>Operational assets</b>													
Land	23,895	0	23,895	150	40	0	0	0	0	0	24,085	0	24,085
Buildings and structures	27,234	(2,253)	24,981	35	496	(60)	0	(1,135)	12	0	27,705	(3,375)	24,329
Library books	1,470	(1,134)	336	0	120	0	0	(152)	0	0	1,590	(1,286)	304
Vehicles	3,965	(2,256)	1,709	0	741	(361)	0	(242)	226	0	4,345	(2,273)	2,073
Equipment	18,773	(7,270)	11,504	760	1,028	0	0	(843)	0	0	20,561	(8,113)	12,448
Technology	2,029	(1,418)	610	0	193	0	0	(244)	0	0	2,221	(1,662)	559
Furniture and fittings	512	(340)	173	0	0	0	0	(20)	0	0	512	(360)	153
Technology - Finance leases	0	0	0	0	0	0	0	0	0	0	0	0	0
Work in progress	956	0	956	(795)	1,084	0	0	0	0	0	1,244	0	1,244
<b>Total operational assets</b>	<b>78,834</b>	<b>(14,671)</b>	<b>64,164</b>	<b>150</b>	<b>3,702</b>	<b>(421)</b>	<b>0</b>	<b>(2,636)</b>	<b>238</b>	<b>0</b>	<b>82,264</b>	<b>(17,069)</b>	<b>65,195</b>
<b>Infrastructural assets</b>													
Land	5,114	0	5,114	0	0	0	0	0	0	0	5,114	0	5,114
Wastewater system	106,730	(57)	106,674	91	2,946	(434)	0	(2,369)	10	0	109,333	(2,415)	106,917
Water system	115,202	(30)	115,172	267	1,440	(148)	0	(3,224)	3	0	116,760	(3,251)	113,509
Drainage network	76,480	(8)	76,472	47	308	(1)	0	(1,069)	0	0	76,835	(1,077)	75,757
Roading network	308,234	0	308,234	775	5,082	(422)	0	(5,295)	5	10,710	319,274	(185)	319,089
Land under roads	89,449	0	89,449	588	55	(5)	0	0	0	0	90,086	0	90,086
Work in progress	3,660	0	3,660	(1,237)	8,505	(8)	0	0	0	0	10,920	0	10,920
<b>Total Infrastructural assets</b>	<b>704,869</b>	<b>(95)</b>	<b>704,775</b>	<b>531</b>	<b>18,336</b>	<b>(1,018)</b>	<b>0</b>	<b>(11,957)</b>	<b>18</b>	<b>10,710</b>	<b>728,322</b>	<b>(6,928)</b>	<b>721,392</b>
<b>Council restricted assets</b>													
Land	31,951	0	31,951	0	0	0	0	0	0	0	31,951	0	31,951
<b>Total restricted assets</b>	<b>31,951</b>	<b>0</b>	<b>31,951</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,951</b>	<b>0</b>	<b>31,951</b>
<b>Total PPE</b>	<b>815,654</b>	<b>(14,766)</b>	<b>800,890</b>	<b>681</b>	<b>22,038</b>	<b>(1,439)</b>	<b>0</b>	<b>(14,593)</b>	<b>256</b>	<b>10,710</b>	<b>842,537</b>	<b>(23,997)</b>	<b>818,538</b>



## Notes to the financial statements for the year ended 30 June 2023

### Note 13 – Property, plant and equipment

2022	Cost / Revaluation 01-Jul-21 \$000	Acc. Depn. 01-Jul-21 \$000	Carrying Amount 01-Jul-21 \$000	Transfers Cost \$000	Current Year Additions \$000	Current Year Disposals \$000	Current Year Impairment \$000	Current Year Depn. \$000	Acc Depn. Rev'd on Disposal \$000	Reval. Surplus \$000	Cost / Revaluation 30-Jun-22 \$000	Acc. Depn. 30-Jun-22 \$000	Carrying Amount 30-Jun-22 \$000
<b>Operational assets</b>													
Land	25,471	0	25,471	(1,126)	0	(450)	0	0	0	0	23,895	0	23,895
Buildings and structures	26,944	(1,129)	25,815	78	312	(99)	0	(1,133)	9	0	27,234	(2,253)	24,981
Library books	1,346	(937)	409	0	125	0	0	(198)	0	0	1,470	(1,134)	336
Vehicles	3,806	(2,072)	1,734	0	194	(36)	0	(214)	33	0	3,965	(2,256)	1,709
Equipment	17,523	(6,451)	11,072	949	302	0	0	(818)	0	0	18,773	(7,270)	11,504
Technology	1,520	(1,250)	270	0	507	0	0	(168)	0	0	2,029	(1,418)	610
Furniture and fittings	484	(326)	158	0	29	0	0	(15)	0	0	512	(340)	173
Technology - Finance leases	0	0	0	0	0	0	0	0	0	0	0	0	0
Work in progress	1,949	0	1,949	(1,275)	711	(431)	0	0	0	0	956	0	956
<b>Total operational assets</b>	<b>79,043</b>	<b>(12,165)</b>	<b>66,878</b>	<b>(1,374)</b>	<b>2,180</b>	<b>(1,016)</b>	<b>0</b>	<b>(2,546)</b>	<b>42</b>	<b>0</b>	<b>78,834</b>	<b>(14,671)</b>	<b>64,164</b>
<b>Infrastructural assets</b>													
Land	5,114	0	5,114	0	0	0	0	0	0	0	5,114	0	5,114
Wastewater system	50,796	(1,196)	49,600	360	2,941	(100)	0	(1,225)	0	55,096	106,730	(57)	106,674
Water system	75,670	(2,107)	73,563	373	2,318	(56)	0	(2,049)	0	41,023	115,202	(30)	115,172
Drainage network	46,284	(861)	45,423	95	1,265	(6)	0	(804)	0	30,498	76,480	(8)	76,472
Roading network	274,777	(8,465)	266,312	241	3,392	(370)	0	(4,278)	165	42,773	308,234	0	308,234
Land under roads	89,413	0	89,413	(9)	44	0	0	0	0	0	89,449	0	89,449
Work in progress	2,212	0	2,212	(1,338)	3,180	(394)	0	0	0	0	3,660	0	3,660
<b>Total Infrastructural assets</b>	<b>544,266</b>	<b>(12,629)</b>	<b>531,637</b>	<b>(278)</b>	<b>13,140</b>	<b>(926)</b>	<b>0</b>	<b>(8,356)</b>	<b>165</b>	<b>169,390</b>	<b>704,869</b>	<b>(95)</b>	<b>704,775</b>
<b>Council restricted assets</b>													
Land	31,946	0	31,946	0	5	0	0	0	0	0	31,951	0	31,951
<b>Total restricted assets</b>	<b>31,946</b>	<b>0</b>	<b>31,946</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,951</b>	<b>0</b>	<b>31,951</b>
<b>Total PPE</b>	<b>655,255</b>	<b>(24,794)</b>	<b>630,461</b>	<b>(1,652)</b>	<b>15,325</b>	<b>(1,942)</b>	<b>0</b>	<b>(10,902)</b>	<b>207</b>	<b>169,390</b>	<b>815,654</b>	<b>(14,766)</b>	<b>800,890</b>

## Notes to the financial statements for the year ended 30 June 2023

### Note 13 – Property, plant and equipment

#### Significant acquisitions

Significant projects (>\$1m) undertaken during the year include Waihi Second Rising Main to Plant (\$1.4M) and Ngātea North Subdivision (\$1.2M), all of which are still in progress at the report date. Paeroa Hydraulic Pipe Renewals (\$1.8M) were completed during the year and Reseals were completed around the district with a cost of \$1.8M. There were no significant disposals during the year.

#### Core infrastructure asset disclosures

Included within the Council infrastructure assets above are the following core Council assets:

	Most recent replacement cost estimate for revalued assets	Closing book value	Additions: Constructed by Council	Additions: Transferred to Council
	\$000	\$000	\$000	\$000
<b>2023</b>				
Wastewater - Treatment	26,473	14,388	494	0
Wastewater - Other	147,977	92,530	2,211	332
Water - Treatment	39,834	24,494	544	0
Water - Other	170,894	89,015	940	222
Drainage and flood protection	17,861	13,423	0	0
Stormwater	94,890	62,335	293	63
Roading Network	421,971	319,089	5,265	592
<b>2022</b>				
Wastewater - Treatment	26,008	14,557	2,682	0
Wastewater - Other	145,839	92,117	473	146
Water - Treatment	39,298	24,996	844	0
Water - Other	169,871	90,176	1,711	136
Drainage and flood protection	17,861	13,576	1,192	0
Stormwater	94,537	62,896	24	144
Roading Network	400,717	308,234	3,632	0

#### Insurance

The following information relates to the insurance of Council assets as at 30 June

	2023 Actual \$000's	2022 Actual \$000's
The total value of all Council assets covered by Insurance contracts	369,477	355,758
The maximum amount to which insured assets are insured	593,905	408,794
Total value of assets that are self-insured	0	0
Value of funds maintained for self-insurance	0	0

Roading network infrastructure assets are self-insured. There is no separate fund maintained for self-insurance purposes. Land is not insured.

In the event of a natural disaster, central government may contribute up to 60% towards the restoration of water, drainage, and sewage assets, and provide a subsidy towards the restoration of roads.

## Notes to the financial statements for the year ended 30 June 2023

### Note 13 – Property, plant and equipment

#### Land under roads

Land under roads was valued by the independent valuers, Opus International Consultants Ltd as 30 June 2002 using the average market value of land by ward and land use category. Since the introduction of International Financial Reporting Standards, on 30 June 2007, land under roads has been recognised at deemed cost.

#### Library collections

These are valued at depreciated replacement cost as at 30 June 2023 by Council staff. Estimates of the remaining useful life over which the asset will be depreciated have been determined based on Council's policy on book replacement, as well as historical book replacement data.

#### Disposals

The carrying book value of the amount disposed was \$1.18 million (2022: \$1.74 million).

There were no significant disposals during the year.

#### Impairment

New Zealand has experienced several natural disasters in 2023. Cyclone Hale (10/01/23 to 11/01/23) caused widespread flooding and slips, mainly in the Coromandel and Gisborne regions. The Auckland Anniversary floods (21/01/23) caused severe flooding mainly in the Auckland region which caused significant damage. Cyclone Gabrielle (14/02/23) caused landslides and flooding throughout Northland, Gisborne and Hawke's Bay.

While these significant weather events did impact the Hauraki region and cause damage to our infrastructure assets everything was repaired and no long term damage was sustained to any asset that would reduce its useful life, therefore, there were no impairment losses during the year (2022: \$nil).

#### Work in progress

The total amount of property, plant and equipment in the course of construction was \$12,163,934 (2022: \$4,616,241)

Property, plant, and equipment in the course of construction by class of asset is detailed below:

	2023 Actual \$000's	2022 Actual \$000's
Land	2,549	1,253
Buildings	786	194
Equipment	458	762
Roading	1,485	1,128
Water	4,040	586
Wastewater	1,708	373
Stormwater	250	116
Drainage	888	204
<b>Total work in progress</b>	<b>12,164</b>	<b>4,616</b>

#### Restrictions

Land in the "Restricted Asset" category is subject to restrictions on either use or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land acquired under a bequest or donation that restricts the purpose for which the asset can be used).

## Notes to the financial statements for the year ended 30 June 2023

### Note 13 – Property, plant and equipment

#### Security

No assets have been pledged as security for any liability.

#### Capital commitments

The amount of contractual commitments for acquisition of property, plant, and equipment is:

	2023 Actual \$000's	2022 Actual \$000's
Roading	1,605	231
Wastewater	508	533
Water	3,108	0
Drainage Network	78	295
Buildings	0	84
Community Services	0	0
<b>Total capital commitments</b>	<b>5,298</b>	<b>1,143</b>

### Note 14 – Intangible assets

#### Accounting policy

##### *Software acquisition and development*

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly attributable to the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

##### *Software as a service (SaaS)*

Where a SaaS contract only gives Council a right to receive access to the supplier's application software, and the SaaS provider continues to hold, manage and update the SaaS application software over the period of the arrangement, costs associated with this type of arrangement would be viewed as payments for services and will be expensed (as incurred) over the term of the arrangement.

If the fees associated a SaaS arrangement give rise to an intangible asset, then Council will record the intangible asset at its cost.

Costs in relation to the configuration and customisation of a SaaS will be dependent on whether the SaaS has been assessed as an intangible asset from the outset.

## Notes to the financial statements for the year ended 30 June 2023

### Note 14 – Intangible assets

If no intangible asset has been previously recognised with regards to the SaaS, then the costs will be expensed when incurred, or over the term of the SaaS arrangement (with a prepayment recognised if paid up front).

If an intangible asset has been recognised, then these fees will be capitalised at cost.

#### **Easements**

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

#### **Carbon credits**

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

#### **Resource consents**

It is difficult to determine the fair value of resource consents due to their specialised nature and having no active market to compare values against. For these reasons, the Council holds resource consents at deemed cost and they are amortised over the average life of the asset for each water type.

#### **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Technology	Software	3-10 years	10%-33.3%
Resource Consents	Resource Consents	10-20 years	5%-10%

#### **Impairment of intangible assets**

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

For further details, refer to the policy for impairment of property, plant, and equipment in Note 13. The same approach applies to the impairment of intangible assets.

#### **Restrictions**

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

#### **Impairment**

##### **Carbon credits**

The Council considers that there is no impairment of carbon credits held, as they are expected to be fully utilised in satisfying carbon obligations from its landfill operations.

Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit for as long as the Emissions Trading Scheme is in place.

## Notes to the financial statements for the year ended 30 June 2023

### Note 14 – Intangible assets

#### Breakdown of intangible assets and further information

Movements in the carrying value for each class of intangible asset are as follows:

	Carbon Credits	Resource Consents	Software	Total
	\$000		\$000	\$000
<b>2023</b>				
Cost	49	1,999	30	2,078
Accumulated amortisation and impairment	0	(170)	(6)	(176)
<b>Closing carrying amount</b>	<b>49</b>	<b>1,829</b>	<b>24</b>	<b>1,902</b>
Opening Balance	49	1,010	27	1,086
Additions	0	0	0	0
Transfers	0	0	0	0
Work in Progress (WIP)				
Opening WIP	0	166	0	166
Closing WIP	0	1,032	0	1,032
Movement in Work in Progress	0	866	0	866
Amortisation charge	0	(47)	(3)	(50)
Disposals	0	0	0	0
<b>Closing carrying amount</b>	<b>49</b>	<b>1,829</b>	<b>24</b>	<b>1,902</b>
<b>2022</b>				
Cost	49	1,133	30	1,212
Accumulated amortisation and impairment	0	(123)	(3)	(126)
<b>Closing carrying amount</b>	<b>49</b>	<b>1,010</b>	<b>27</b>	<b>1,086</b>
Opening Balance	49	415	158	622
Additions	0	76	0	76
Transfers	0	388	0	388
Work in Progress	0	166	0	166
Amortisation charge	0	(35)	(94)	(129)
Disposals	0	0	(37)	(37)
<b>Closing carrying amount</b>	<b>49</b>	<b>1,010</b>	<b>27</b>	<b>1,086</b>

## Notes to the financial statements for the year ended 30 June 2023

### Note 15 – Depreciation and amortisation

#### Directly attributable depreciation and amortisation by group of activity:

	2023 Actual \$000's	2022 Actual \$000's
Roading	5,295	4,278
Water	3,240	2,064
Wastewater	2,411	1,256
Land drainage and flooding	153	336
Stormwater	917	469
Solid waste	63	62
Community services	1,170	1,204
Community development	347	347
Regulatory	0	0
<b>Total directly attributable depreciation and amortisation by group of activity</b>	<b>13,596</b>	<b>10,016</b>
Depreciation and amortisation not directly related to a group of activities	1,046	1,016
<b>Total depreciation and amortisation expense</b>	<b>14,642</b>	<b>11,032</b>

### Note 16 – Forestry assets

#### Accounting policy

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

#### Breakdown of forestry assets and further information

	2023 Actual \$000's	2022 Actual \$000's
<b>Balance at 1 July</b>	<b>1,427</b>	<b>1,373</b>
Increases due to purchases	0	0
Gains / (losses) arising from changes attributable to physical changes	134	19
Gains / (losses) arising from changes attributable to price changes	(117)	36
Decreases due to harvest	0	0
<b>Balance at 30 June</b>	<b>1,444</b>	<b>1,427</b>

Council owns 93.3 ha of Radiata forest (2022: 93.3 ha), which are at varying stages of maturity ranging from 8 to 23 years. No forest was harvested during the year (2022: 16.1 ha). A further 12.93 ha of forest was excluded from the 30 June 2023 valuation as it is either land-locked with no harvesting access rights across Neighbouring properties or land is banked and awaiting to be replanted. The tree crops at Waikino Sandpit,

## Notes to the financial statements for the year ended 30 June 2023

### Note 16 – Forestry assets

Henderson's Reserve and North Road are also excluded from the valuation as these are considered to have no commercial value.

Council had its forestry asset professionally valued as at 30 June 2023 by PF Olsen Ltd, a recognised forestry valuer. The basis used to value the forests was the expected yield at maturity. A pre-tax discount rate of 6.5% (2022: 6.0%) has been used in discounting the present value of expected cashflows.

There are no restrictions on title and no forestry assets pledged as security for liabilities (2022: nil). There are no commitments for development or acquisition of forestry assets (2022: nil).

Notional land rental costs have been included for freehold land. The forest has been valued on a going concern basis and only the value of the existing crops on a single rotation basis have been included. Costs and revenues associated with replanting and harvesting of any subsequent crop rotation have specifically excluded for the purposes of the valuation. Inflation has been assumed at 2% per annum. Cost are current average costs and log prices are based on a mixture of 1 and 5-year historical rolling averages.

Council is exposed to financial risks arising from changes in timber prices. Council is a long-term investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

### Note 17 – Payables and deferred revenue

#### Accounting policy

Short-term creditors and other payables are recorded at their face value.

#### Breakdown of payables and other information

	2023	2022
	Actual	Actual
	\$000's	\$000's
<b>Payables and deferred revenue under exchange transactions</b>		
Trade payables and accrued expenses	6,940	5,505
Revenue in advance	2,212	2,323
<b>Total payables and deferred revenue under exchange transactions</b>	<b>9,152</b>	<b>7,828</b>
<b>Payables and deferred revenue under non-exchange transactions</b>		
Revenue in advance	1,399	921
Other tax payable (e.g. GST and FBT)	237	275
<b>Total payables and deferred revenue under non-exchange transactions</b>	<b>1,636</b>	<b>1,196</b>
<b>Total payables and deferred revenue</b>	<b>10,788</b>	<b>9,024</b>

Payables are generally non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of payables approximates their fair value.



## Notes to the financial statements for the year ended 30 June 2023

### Note 18 - Borrowings

#### Accounting policy

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

#### Finance leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### Breakdown of borrowings and other financial liabilities and further information

	2023	2022
	Actual	Actual
	\$000's	\$000's
<b>Current portion</b>		
Finance leases	16	15
Secured loans	13,000	7,000
<b>Total current portion</b>	<b>13,016</b>	<b>7,015</b>
<b>Non-current portion</b>		
Finance leases	44	60
Secured loans	49,000	36,000
<b>Total non-current portion</b>	<b>49,044</b>	<b>36,060</b>
<b>Total borrowings and other financial liabilities</b>	<b>62,060</b>	<b>43,075</b>

#### Interest terms for secured loans

The Council's secured loans are mostly issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk.

#### Security

HDC has cash advance facilities with the maximum amount that can be drawn against these of \$5.0 million. There are no restrictions on the use of these facilities. There were no borrowings as at 30 June 2023 against this facility (2022: \$nil).

The Council's secured loans are secured over either separate or general rates of the Council.

#### Fair values

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of secured loans approximates their fair value.

## Notes to the financial statements for the year ended 30 June 2023

### Note 18 - Borrowings

The fair value of finance leases is \$60,144 (2022: \$75,268).

Fair value has been determined using contractual cash flows discounted using a rate based on market borrowing rates at balance date of 3.48% (2022: 3.48%).

	2023 Actual \$000's	2022 Actual \$000's
<b>Analysis of finance leases</b>		
<b>Total minimum lease payments payable</b>		
Not later than one year	17	17
Later than one year and not later than five years	46	64
Later than five years	0	0
<b>Total minimum lease payments</b>	<b>64</b>	<b>81</b>
Future finance charges	(4)	(6)
<b>Present value of minimum lease payments</b>	<b>60</b>	<b>75</b>
<b>Present value of minimum lease payments payable</b>		
Not later than one year	16	15
Later than one year and not later than five years	44	60
Later than five years	0	0
<b>Total present value of minimum lease payments</b>	<b>60</b>	<b>75</b>

#### Finance lease as lessee

Finance leases are for printers used by Council as part of the All of Government lease package. The net carrying amount of the equipment held under a finance lease is \$60,144 (2022: \$75,268).

There are no restrictions placed on the Council by any of the finance leasing arrangements.

#### Internal borrowings

Information on internal borrowings per activity group is provided in the tables below:

	Opening balance \$000	Drawdowns \$000	Repayments \$000	Closing balance \$000	Internal interest Expense/(Revenue) \$000
<b>2023</b>					
Roading	11,543	376	0	11,919	532
Water	25,921	4,357	0	30,278	1,195
Wastewater	8,759	6,508	0	15,267	404
Land drainage & flooding	(3,516)	247	0	(3,270)	(127)
Stormwater	(2,643)	573	0	(2,070)	(94)
Waste management	142	0	(285)	(143)	7
Leadership	0	0	0	0	0
Community Services	8,255	0	(520)	7,735	381
Maanaki Toiora	0	0	0	0	0
Regulatory	0	0	0	0	0
<b>Total</b>	<b>48,461</b>	<b>12,060</b>	<b>(805)</b>	<b>59,716</b>	<b>2,297</b>

## Notes to the financial statements for the year ended 30 June 2023

### Note 18 - Borrowings

	Opening balance	Drawdowns	Repayments	Closing balance	Internal interest Expense/(Revenue)
	\$000	\$000	\$000	\$000	\$000
<b>2022</b>					
Roading	11,794	0	251	11,543	448
Water	24,620	1,301	0	25,921	936
Wastewater	6,892	1,867	0	8,759	262
Land drainage & flooding	(4,070)	554	0	(3,516)	(114)
Stormwater	(2,143)	0	500	(2,643)	(58)
Waste management	283	0	141	142	11
Leadership	0	0	0	0	0
Community Services	7,640	615	0	8,255	290
Maanaki Toiora	0	0	0	0	0
Regulatory	0	0	0	0	0
<b>Total</b>	<b>45,015</b>	<b>4,338</b>	<b>892</b>	<b>48,461</b>	<b>1,775</b>

Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

### Note 19 – Employee entitlements

#### Accounting policy

##### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

##### *Long-term employee entitlements*

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- The present value of the estimated future cash flows.

##### *Presentation of employee entitlements*

Sick leave, annual leave, and vested long service leave are classified as a current liability.

Non-vested retirement and long service leave expected to be settled within 12 months of balance date are also classified as a current liability. All other employee entitlements are classified as a non-current liability.

## Notes to the financial statements for the year ended 30 June 2023

### Note 19 – Employee entitlements

#### Critical accounting estimates and assumptions

##### *Estimating retirement and long service leave obligations*

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis.

Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows.

The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary.

A weighted average discount rate of 4.30% (2022: 4.30%) and an inflation factor of 3.35% (2022: 3.01%) were used.

#### Breakdown of employee entitlements and further information

	2023 Actual \$000's	2022 Actual \$000's
<b>Current portion</b>		
Accrued pay	437	336
Annual leave	2,021	1,786
Retirement and long service leave	59	49
Sick leave	77	63
<b>Total current portion</b>	<b>2,593</b>	<b>2,234</b>
<b>Non-current portion</b>		
Retirement and long service leave	283	263
<b>Total non-current portion</b>	<b>283</b>	<b>263</b>
<b>Total employee entitlements</b>	<b>2,876</b>	<b>2,497</b>

### Note 20 - Provisions

#### Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs" (see Note 5).

## Notes to the financial statements for the year ended 30 June 2023

### Note 20 – Provisions

#### Critical accounting estimates and assumptions

##### *Estimating the landfill aftercare costs*

The cash outflows for landfill post-closure costs are expected to occur over the next 30 years. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The future cash outflows for the provision have been estimated taking into account existing technology and known changes to legal requirements. The gross provision before discounting is \$1,547,654 (2022: \$1,264,949). The following significant assumptions have been made in estimating the provision:

- A discount rate of 4.2% - 5.0% (2022: 2.88%) has been used to discount the estimated future cash outflows.
- An annual inflation factor of 1.89%-3.87% has been applied in estimating the future cash outflows (2022: 1.76%-3.87%)
- Landfill rehabilitation/aftercare costs have been assumed to range from 20 to 30 years (2022: 20-30 years)

The management of the landfill will influence the timing of recognition of some liabilities.

#### Breakdown of provisions and further information

	2023 Actual \$000's	2022 Actual \$000's
<b>Current portion</b>		
Other	0	156
Landfill aftercare	69	45
<b>Total current provision</b>	<b>69</b>	<b>200</b>
<b>Non-current portion</b>		
Landfill aftercare	828	708
<b>Total non-current portion</b>	<b>828</b>	<b>708</b>
<b>Total provision</b>	<b>897</b>	<b>908</b>

#### The movement in the provision is as follows:

	2023 Actual \$000's	2022 Actual \$000's
<b>Opening balance as at 1 July</b>	<b>908</b>	<b>986</b>
Additional provisions	0	156
Amounts used	(47)	(55)
Restatement of future liability	236	55
Discount unwind	(200)	(233)
<b>Closing balance as at 30 June</b>	<b>897</b>	<b>908</b>

## Notes to the financial statements for the year ended 30 June 2023

### Note 21 – Contingent liabilities

#### Contingent liabilities

	2023 Actual \$000's	2022 Actual \$000's
Land acquisition compensation claim	27	27
<b>Total contingent liabilities</b>	<b>27</b>	<b>27</b>

#### Land acquisition compensation claim

There is a request for compensation in relation to the historic acquisition of a small parcel of land under the Public Works Act. No final settlement has been reached.

#### Weather tight home claims

There was one known claim against Council as at 30 June 2023 (2022: one). As this property did not have a code compliance certificate issued, Council believes it has no liability.

#### Hauraki Rail Trail

The Council, along with Thames-Coromandel District Council (TCDC) and Matamata-Piako District Council (MPDC) are party to a trust deed which has formed the Hauraki Rail Trail Charitable Trust (the Trust). The deed, signed on 2 March 2012, allows the Trust to own, operate, maintain, repair, develop and facilitate the use and enjoyment of a rail trail within the region.

Upon formation of the Trust, it also entered into a "Management Agreement" to manage the rail trail. As part of that agreement, the Trust is required to obtain revenue from the rail trail to provide funding for its 'management obligations'. If the Trust is unable to obtain sufficient revenue from the rail trail to meet its management obligations, the Council, TCDC and MPDC have agreed to contribute additional funding to the Trust (as set out in the management agreement).

If Council is notified that the trust cannot generate sufficient funds to cover its operating costs, each of the settlor Councils shall contribute to the shortfall in funding on the following basis:

- Strategic and overhead costs are to be apportioned equally between the settlor Councils; and
- Proportionate costs are to be apportioned pro rata by each settlor Council based on the length of the Hauraki Rail Trail within each settlor Council's district.

Proportionate costs are costs incurred by the Trust which are set out in schedule of the agreement, they are however, essentially costs that are easily distinguishable by each district Council boundary.

#### New Zealand Local Government Funding Agency

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a current credit rating from Standard and Poor's of AAA and a foreign currency rating of AA+ as at 30 June 2023.

As at 30 June 2023, Council is one of 30 local authority shareholders and 70 local authority guarantors of the LGFA. The New Zealand Government also has a 20% shareholding in the LGFA. The LGFA has \$20m of uncalled capital from its council shareholders that is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors; Council is a guarantor of all of LGFA's borrowings.

## Notes to the financial statements for the year ended 30 June 2023

### Note 21 – Contingent liabilities

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At 30 June 2023, LGFA had borrowings totalling \$17,683 billion (2022: \$15,789b).

The LGFA's borrowing of \$17,683 billion is made up of the following (\$000's):

- \$16,678,000 face value of bonds on issue
- \$83,656 accrued interest on bonds on issue
- \$792,000 bills on issue
- \$130,043 treasury stock lent to counterparts under bond repurchase agreements

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of NZLGFA defaulting on repayments of interest or capital to be very low on the basis that:

- Council is not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

#### **Riskpool**

Hauraki District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool').

The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire.

However, as a result of the Supreme Court decision on 1 August 2023 in *Napier City Council v Local Government Mutual Funds Trustee Limited*, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects).

Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

#### **Other claims**

Other outstanding legal claims as at 30 June 2023 cannot yet be quantified (2022: nil).

#### **Contingent assets**

There are no contingent assets as at 30 June 2023.

## Notes to the financial statements for the year ended 30 June 2023

### Note 22– Equity

#### Accounting policy

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- accumulated funds;
- other reserves;
- property revaluation reserve;
- fair value through other comprehensive revenue and expense reserve

#### Other reserves

Other reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Other reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by Council without approval by Council. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

#### Property revaluation reserve

This reserve relates to the revaluation of property, plant, and equipment to fair value. Fair value through other comprehensive revenue and expense reserve.

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

#### Fair value through other comprehensive revenue and expense reserve

This reserve comprises the effective portion of the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

#### Other reserves

Further information about other reserve funds held for a specific purpose are provided below:

Other reserves consists of:	Opening \$000's	Transfers in \$000's	Transfers out \$000's	Closing \$000's
<b>2023</b>				
<b>Financial contributions</b>				
District community recreation	24	0	0	24
Plains community recreation	120	0	0	120
Paeroa community recreation	84	0	0	84
Waihi community recreation	632	0	(35)	597
<b>Council created reserves</b>				
District community projects assistance	790	143	(311)	622
Creative New Zealand Arts Grants	0	102	(5)	97
Economic development projects	77	0	0	77
Quarry renewal	1,000	0	0	1,000
<b>Total other reserves</b>	<b>2,726</b>	<b>245</b>	<b>(351)</b>	<b>2,620</b>



## Notes to the financial statements for the year ended 30 June 2023

### Note 22– Equity

Other reserves consists of:	Opening \$000's	Transfers in \$000's	Transfers out \$000's	Closing \$000's
<b>2022</b>				
<b>Financial contributions</b>				
District community recreation	24	0	0	24
Plains community recreation	140	0	(20)	120
Paeroa community recreation	139	0	(55)	84
Waihi community recreation	732	0	(100)	632
<b>Council created reserves</b>				
District community projects assistance	673	199	(83)	790
Economic development projects	77	0	0	77
Quarry renewal	1,000	0	0	1,000
<b>Total other reserves</b>	<b>2,785</b>	<b>199</b>	<b>(258)</b>	<b>2,726</b>

#### Other reserves

##### Financial contributions

###### *District, Paeroa, Plains, and Waihi Community Recreational Funds*

These reserve funds are historic and were used to accumulate Financial Contributions prior to Council changing to a Development Contributions regime.

The balances will be used to fund community recreational facilities capital works.

These funds relate to the Community Services activity only.

##### Council created reserves

###### *District Community Projects Assistance Fund*

This reserve fund is to assist with the completion of community projects.

The fund relates to all activities.

###### *Creative New Zealand Arts Grants Fund*

This reserve fund is for short-term funding for artists, arts practitioners, and arts organisations to complete a project.

The fund relates to the Manaaki Toiora activity.

###### *Quarry Renewal Fund*

This Reserve Fund is to provide funding for the cost of rehabilitating Tetley's Quarry post-closure.

The activity that this reserve relates to is Business Support.

###### *Economic development projects*

This reserve fund is to provide funding for the economic development projects.

The fund relates to all activities.

## Notes to the financial statements for the year ended 30 June 2023

### Note 22– Equity

#### Asset revaluation reserves

Further information about asset revaluation reserve funds are provided below:

Asset revaluation reserves consist of:	Opening \$000's	Transfers in \$000's	Transfers out \$000's	Closing \$000's
<b>2023</b>				
<b>Operational Assets</b>				
Land	50,881	0	(33)	50,848
Buildings	18,116	0	(10)	18,106
<b>Infrastructural Assets</b>				
Wastewater	73,437	0	(303)	73,133
Water	48,864	0	(62)	48,802
Land drainage	38,679	0	(1)	38,678
Roading	116,627	10,710	(155)	127,182
<b>Total asset revaluation reserves</b>	<b>346,603</b>	<b>10,710</b>	<b>(563)</b>	<b>356,749</b>
<b>2022</b>				
<b>Operational Assets</b>				
Land	51,239	0	(358)	50,881
Buildings	18,186	0	(71)	18,116
<b>Infrastructural Assets</b>				
Wastewater	18,410	55,096	(70)	73,437
Water	7,864	41,023	(23)	48,864
Land drainage	8,184	30,498	(3)	38,679
Roading	73,897	42,773	(43)	116,627
<b>Total asset revaluation reserves</b>	<b>177,781</b>	<b>169,390</b>	<b>(568)</b>	<b>346,603</b>

#### Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The LGA requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings. The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Council.

Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations.

Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the Council to make adequate and effective provision in its Long term plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

## Notes to the financial statements for the year ended 30 June 2023

### Note 22– Equity

The Council has two types of other reserves:

- Reserves for different of benefit; and
- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from payers of general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Trust and bequest reserves are set up where the Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable, and deductions are made where funds have been used for the purpose they were donated.

### Note 23 – Related party transactions

#### Key management personnel compensation

	2023 Actual \$000's	2022 Actual \$000's
<b>Key management personnel compensation</b>		
<b>Councillors</b>		
Remuneration	573	507
Full-time equivalent members	14	14
<b>Senior Management Team, including the Chief Executive</b>		
Remuneration	999	985
Fulltime equivalent members	4	4
Total key management personnel remuneration	1,572	1,493
<b>Total full-time equivalent personnel</b>	<b>18</b>	<b>18</b>

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in Note 4.

The figures above include pertaining to Councillor remuneration include an annual communication allowance of \$1,750 paid to each Councillor (2022: \$1,750). The Mayor received a communication allowance of \$1,050 (2022: \$1,050)

#### Related party transactions required to be disclosed

There are no other related party transactions that are required to be disclosed in accordance with *PBE IPSAS 20* Related Party Disclosures.

Related party disclosures have not been made for transactions with related parties that are:

- With related parties that are within a normal supplier or client/recipient relationship; and
- On terms and conditions no more or less favourable than those that it is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances

## Notes to the financial statements for the year ended 30 June 2023

### Note 24 – Events after balance date

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#### **Water services reform programme**

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand.

The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023

#### **COVID-19**

Council continues to be impacted to varying degrees both financially and non-financially due to increased costs and labour shortages.

## Notes to the financial statements for the year ended 30 June 2023

### Note 25 – Financial instruments

#### Adoption of PBE IPSAS 41

In accordance with the transitional provisions in PBE IPSAS 41, Council has elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 July 2022 (the date of initial application).

The accounting policies for the year ended 30 June 2023 have been updated to comply with PBE IPSAS 41. The main changes to the Council and group's accounting policies are:

- Note 8 – Receivables – This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified expected credit loss model.
- Note 13 – Financial assets – This policy has been updated to reflect:
  - The new classification categories;
  - The measurement and recognition of loss allowances based on the new expected credit loss (ECL) model; and
  - The removal of impairment loss considerations for equity investments at FVTOCRE.

The derivatives accounting policies in Note 11 – Derivatives remain unchanged as Council has not elected to apply the hedging requirements of PBE IPSAS 41.

PBE IPSAS 41 also significantly amended the financial instruments disclosures of PBE IPSAS 30. This has resulted in new or amended disclosures, mostly in relation to hedge accounting and credit risk.

On the date of initial of application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the tables below.

COUNCIL	Measurement classification		30-Jun-22	1-Jul-22	Adoption adjustment
	PBE IPSAS 29	PBE IPSAS 41	PBE IPSAS 29	PBE IPSAS 41	
			\$000	\$000	\$000
<b>Financial assets</b>					
Cash and cash equivalents	Loans and receivables	Amortised cost	7,096	7,096	0
Receivables	Loans and receivables	Amortised cost	6,730	7,597	867
Term deposits	Loans and receivables	Amortised cost	0	0	0
LGFA Borrower notes	Loans and receivables	Amortised cost	796	796	0
Listed shares and unlisted shares	FVTOCRE	FVTOCRE	200	200	0
Derivatives	FVTSD	FVTSD	892	892	0
Community loans	Loans and receivables	Amortised cost	135	135	0

FVTOCRE = Fair value through other comprehensive revenue and expense

FVTSD = Fair value through surplus or deficit

The measurement categories and carrying amounts for financial liabilities have not changed on transition to PBE IPSAS 41.

## Notes to the financial statements for the year ended 30 June 2023

### Note 25 – Financial instruments

#### Additional information in relation to subsequent measurement classification assessment

PBE IPSAS 41 requires debt instruments to be subsequently measured at FVTSD, amortised cost, or FVTOCRE. This classification is based on the business model for managing the debt instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding.

Council assessed the business model for its classes of financial assets at the date of initial application. Council's debt instruments are held to collect (as opposed to held to collect and sell).

Council's debt instruments are solely comprised of contractual cash flows solely for payments of principal and interest, in line with basic lending arrangements. This assessment was based on the facts and circumstances as at the initial recognition of the assets.

PBE IPSAS 41 requires equity instruments to be classified at FVTSD. However, it permits entities to make an irrevocable election on transition to PBE IPSAS 41 to subsequently measure at FVTOCRE if the shares are not held for trading. The Council has elected to subsequently measure all of its shares at FVTOCRE

#### Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

#### Financial assets

	2023 Actual \$000's	2022 Actual \$000's
<b>Financial assets</b>		
<b>Mandatorily measured at fair value through surplus or deficit - (2022: held for trading)</b>		
Derivative financial instrument liabilities	1,468	892
<b>Total fair value through surplus or deficit</b>	<b>1,468</b>	<b>892</b>
<b>Amortised cost (2022: Loans and receivables)</b>		
Cash and cash equivalents	9,882	7,096
Receivables	7,837	6,410
<i>Other financial assets</i>		
Community loans	115	135
Borrower notes from Local Government Funding Agency	1,334	796
<b>Total loans and receivables</b>	<b>19,168</b>	<b>14,437</b>
<b>Fair value through other comprehensive revenue and expense</b>		
<i>Other financial assets</i>		
Unlisted shares	194	200
<b>Total fair value through other comprehensive revenue and expense</b>	<b>194</b>	<b>200</b>

## Notes to the financial statements for the year ended 30 June 2023

### Note 25 – Financial instruments

#### Financial liabilities

	2023 Actual \$000's	2022 Actual \$000's
<b>Financial liabilities</b>		
<b>Mandatorily measured at fair value through surplus or deficit - held for trading</b>		
Derivative financial instrument liabilities	0	124
<b>Total fair value through surplus or deficit - held for trading</b>	<b>0</b>	<b>124</b>
<b>Financial liabilities at amortised cost</b>		
Payables	6,940	5,505
<i>Borrowings</i>		
Finance lease liabilities	60	75
Secured loans	62,000	43,000
<b>Total financial liabilities at amortised cost</b>	<b>69,000</b>	<b>48,580</b>

#### Fair value hierarchy

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	Total \$000's	Valuation technique		
		Quoted market price \$000's	Observable inputs \$000's	Non- observable inputs \$000's
<b>2023</b>				
<b>Financial assets</b>				
Shares	194	0	0	194
Derivatives	1,468	0	1,468	0
<b>2022</b>				
<b>Financial assets</b>				
Shares	200	0	0	200
Derivatives	892	0	892	0

There were no transfers between the different levels of the fair value hierarchy.

## Notes to the financial statements for the year ended 30 June 2023

### Note 25 – Financial instruments

#### Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	2023 Actual \$000's	2022 Actual \$000's
<b>Balance at 1 July</b>	<b>200</b>	<b>188</b>
Gains and losses recognised in other comprehensive revenue and expense	(6)	12
Transfers into level 3	0	0
Transfers out of level 3	0	0
<b>Balance at 30 June</b>	<b>194</b>	<b>200</b>

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

#### Financial instrument risks

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. The Council and group has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. The Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

##### **Market risk**

##### **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Council purchases plant and equipment for various activities from overseas, which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

##### **Interest rate risk**

Council is exposed to interest rate risk and seeks to minimise this exposure through adopted treasury policies. This includes entering into interest rate options or interest rate swap agreements. As at 30 June 2023, the Council had entered into interest rate swap agreements to a value of \$61m at interest rates between 0.12% and 4.96%. (2022: \$41m at interest rates between 1.42% and 4.96%).

##### **Cash flow interest rate risk**

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Council and group to cash flow interest rate risk.

Generally, the Council and group raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Council or group borrowed at fixed rates directly. Under the interest rate swaps, the Council and group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.



## Notes to the financial statements for the year ended 30 June 2023

### Note 25 – Financial instruments

#### **Credit risk**

Credit risk is the risk that a third party will default on its obligation to the Council and group, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits, which gives rise to credit risk. The Council can also provide financial guarantees, which gives rise to credit risk.

The Council's investment policy limits the amount of credit exposure to any one financial institution or organisation. The Council reduces its exposure to credit risk by only placing investments in accordance with its investment policy which ensures dispersion and minimisation of risk. The Council invests funds only with entities that have a Standard and Poor's credit rating of at least A1 for short-term and A+ for long-term investments. The Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

#### **Maximum exposure to credit risk**

The Council's maximum credit risk exposure for each class of financial instrument is as follows:

	2023 Actual \$000's	2022 Actual \$000's
Cash at bank and term deposits	9,882	7,096
Receivables	7,837	6,410
Community loans	115	135
Derivative financial instrument assets	1,468	892
NZ LGFA Borrower notes	1,334	796
NZ LGFA unlisted shares	100	100
<b>Total maximum exposure to credit risk</b>	<b>20,736</b>	<b>15,429</b>

The Council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in Note 21 - Contingencies.

#### **Credit quality of financial assets**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	2023 Actual \$000's	2022 Actual \$000's
<b>Counterparties with credit ratings</b>		
<b>Cash at bank and term deposits</b>		
AA-	9,882	7,096
<b>Derivative financial instruments</b>		
AA-	1,468	892
<b>NZ LGFA Borrower notes</b>		
AA+	1,334	796
<b>NZ LGFA unlisted shares</b>		
AA+	100	100
<b>Counterparties without credit ratings</b>		
Community and related loans with no defaults in the past	115	135

Receivables arise mainly from the Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to receivables, as it has a large number of

## Notes to the financial statements for the year ended 30 June 2023

### Note 25 – Financial instruments

credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

#### *Liquidity risk*

##### **Management of liquidity risk**

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

As part of meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy.

The Council has a maximum amount that can be drawn down against its on call facility of \$5.0 million (2022: \$3.0 million). There are no restrictions on the use of this facility.

The Council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 21 - Contingencies.

##### **Contractual maturity analysis of financial liabilities, excluding derivatives**

The table below analyses the Council and group's financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount \$000's	Contractual cashflows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
<b>2023</b>					
Payables	6,940	6,940	6,940	0	0
Secured loans	62,000	64,104	13,417	58,962	5,000
Finance leases	60	64	17	46	0
<b>Total financial liabilities</b>	<b>69,000</b>	<b>71,107</b>	<b>20,374</b>	<b>59,009</b>	<b>5,000</b>
<b>2022</b>					
Payables	5,505	5,505	5,505	0	0
Secured loans	43,000	44,474	7,268	25,837	11,368
Finance leases	75	81	17	64	0
<b>Total financial liabilities</b>	<b>48,580</b>	<b>50,059</b>	<b>12,790</b>	<b>25,901</b>	<b>11,368</b>

## Notes to the financial statements for the year ended 30 June 2023

### Note 25 – Financial instruments

#### Contractual maturity analysis of derivative financial instrument liabilities

The table below analyses the Council and group's derivative financial instrument liabilities into those that are settled on a net basis and those that will be settled on a gross basis into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

The amounts disclosed are the contractual undiscounted cash flows.

	Liability carrying amount \$000's	Contractual cashflows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
<b>2023</b>					
Nett settled derivative liabilities	0	0	0	0	0
<b>Total derivatives</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2022</b>					
Nett settled derivative liabilities	124	124	22	99	3
<b>Total derivatives</b>	<b>124</b>	<b>124</b>	<b>22</b>	<b>99</b>	<b>3</b>

#### Contractual maturity analysis of financial assets

The table below analyses the Council and group's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Carrying amount \$000's	Contractual cashflows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
<b>2023</b>					
Cash and cash equivalents	9,882	9,882	9,882	0	0
Receivables	7,837	7,837	7,837	0	0
<i>Other financial assets</i>					
Community loans	115	115	20	83	12
Borrower notes	1,334	1,334	235	974	125
<b>Total financial assets</b>	<b>19,168</b>	<b>19,168</b>	<b>17,974</b>	<b>1,057</b>	<b>137</b>
<b>2022</b>					
Cash and cash equivalents	7,096	7,096	7,096	0	0
Receivables	6,410	6,410	6,410	0	0
<i>Other financial assets</i>					
Community loans	135	135	20	91	24
Borrower notes	796	796	112	536	148
<b>Total financial assets</b>	<b>14,437</b>	<b>14,437</b>	<b>13,638</b>	<b>627</b>	<b>172</b>

## Notes to the financial statements for the year ended 30 June 2023

### Note 25 – Financial instruments

#### Contractual maturity analysis of derivative financial instrument assets

The table below analyses the Council and group's derivative financial instrument asset into those that are settled on a net basis and those that will be settled on a gross basis into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

The amounts disclosed are the contractual undiscounted cash flows.

	Asset carrying amount	Contractual cashflows	Less than 1 year	1-5 years	More than 5 years
	\$000's	\$000's	\$000's	\$000's	\$000's
<b>2023</b>					
Nett settled derivative assets	1,468	1,468	171	1,128	169
<b>Total derivatives</b>	<b>1,468</b>	<b>1,468</b>	<b>171</b>	<b>1,128</b>	<b>169</b>
<b>2022</b>					
Nett settled derivative assets	892	892	41	725	126
<b>Total derivatives</b>	<b>892</b>	<b>892</b>	<b>19</b>	<b>625</b>	<b>124</b>

#### Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on the Council and group's financial instrument market risk exposures at balance date.

	-50bps		+50bps	
	Surplus	Other equity	Surplus	Other equity
Interest rate risk	\$000's	\$000's	\$000's	\$000's
<b>2023</b>				
<b>Financial assets</b>				
Cash and cash equivalents	317	0	416	0
Derivatives	(631)	0	631	0
<b>Total sensitivity</b>	<b>(314)</b>	<b>0</b>	<b>1,047</b>	<b>0</b>
<b>2022</b>				
<b>Financial assets</b>				
Cash and cash equivalents	(19)	0	52	0
Derivatives	(407)	0	390	0
<b>Total sensitivity</b>	<b>(472)</b>	<b>0</b>	<b>486</b>	<b>0</b>

#### Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 50 bps is equivalent to a decrease in interest rates of 0.5%. The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -50bps/+50bps (2022: -50bps/+50bps).

## Notes to the financial statements for the year ended 30 June 2023

### Note 26 – Major variances

Explanations for major variations from the Council's budget figures in its 2022/23 Annual Plan are as follows:

#### Statement of comprehensive revenue and expense

##### Other fees and charges

Other fees and charges are higher than that budgeted by \$0.98m.

Council received unbudgeted income of \$0.5m for maintenance work undertaken by Council on behalf of the Hauraki Rail Trail which was then on-invoiced to an external party. Additional work was required due to two severe weather events.

Private works for services were undertaken by the construction and maintenance teams on behalf of Council, this resulted in an additional \$0.1m of unbudgeted income.

Building consent and inspection income was also \$0.2m higher than that budgeted. Council had to clear a backlog of consents and consent numbers remained steady throughout the year.

##### Development and financial contributions

Development and financial contribution income is lower than that budgeted by \$0.5m.

Throughout the year, inflation was at rates not seen for over a decade and interest rates increased dramatically. Lending to developments slowed, and the number of development projects within the district decreased.

##### Subsidies and grants

Revenue is higher than that budgeted by \$3.9m.

Subsidy income from NZTA was higher than anticipated by \$2.7m due to higher subsidy rates being applied to some of the land transport work programme than that budgeted and additional emergency work being funded that wasn't anticipated when preparing the annual plan.

Council received \$0.3 m of unbudgeted capital grants from the Ministry of Business, Innovation and Employment for the Three Waters transition programme. Other miscellaneous unbudgeted grants of \$1.5m were also received and related to the following work programmes:

- Hauraki Cycleway - \$0.2m
- Creative New Zealand funding for Council grants - \$0.1m
- Better off funding - \$0.07m
- Refuse collection and recycling - \$0.25m
- Mayoral taskforce for jobs - \$0.6m
- Other miscellaneous grants totalling \$0.3m

##### Other revenue

Other revenue is lower than that budgeted by (\$2.2m).

This is mainly due to a delay in selling land (classified as inventory). Council had budgeted \$4.08m for the sale of this asset.

This unbudgeted loss was offset (in part) by a higher than anticipated gain on changes in the fair value of Council's derivative financial instruments of \$700k; and higher than anticipated vested asset revenue (against that budgeted) of \$1.0m.

##### Depreciation costs

Depreciation costs were higher than that budgeted by (\$3.3m). This was due to a higher than anticipated out-of-cycle revaluation movement in the prior year for land transport and three water assets. There was

## Notes to the financial statements for the year ended 30 June 2023

### Note 26 – Major variances

a significant movement upward since the previous revaluation, which in turn resulted in a higher depreciation charge for these asset types in the current financial year.

#### Finance costs

Finance costs were higher than that budgeted by (\$0.9m). These costs increased as borrowings were higher than that budgeted.

#### Other expenses

Other expenses are higher than that budgeted by (\$11.4m). This is due to the following reasons:

- Unbudgeted losses on disposals of (\$0.7m) Council property, plant and equipment.
- Emergency works on roading assets due to the Auckland Anniversary weather event and Cyclone Gabrielle have resulted in unbudgeted emergency works of approximately (\$3.0m). Council receives a NZTA subsidy on this expenditure. Other roading works that were previously unbudgeted for, but incurred in this year, amounted to (\$0.4m).
- Kerbside recycling costs are higher than that budgeted for by (\$0.3m). The consumer price index inflation adjustment to the contract in place was higher than forecast, this can be attributed to inflationary pressures felt around both fuel and wage increases.
- Three water costs have increased the board. This is mainly due to the two weather events that occurred in the second half of the financial year. The cyclones resulted in a significant amount of dirty water that needed to be cleaned. The dirty water originated from floods and slips within the catchment, which then travelled through the reticulation network and to the treatment plants. Repairs (both routine and reactive), chemical costs, and energy costs were substantially higher due to both the volume and quantum of “dirty” water being processed within the network. The unbudgeted cost to Council for this work is as follows:
  - Energy costs (\$0.6m)
  - Chemicals (\$0.5m); and
  - Routine and reactive repairs (\$1.6m)
- Desludging of wastewater treatment plants has resulted in unbudgeted expenditure of (\$1.0 m). This work was deferred from the previous financial year.
- Three water transition costs are also being incurred by Council. These are unbudgeted costs and to 30 June amount to (\$0.2m)
- Insurance costs are higher budget by (\$0.3m). Insurance costs have increased due to the number of extreme weather events occurring across the country. The costs of reinsurance is for insurance companies has increased and these in turn have resulted in higher premiums for Council.
- Regulatory costs are higher than that budgeted by (\$0.2m). These are due to an increase in the complexity of consents requiring technical services, planning and other professional consultants in order to be processed, along with the quantum of consents received. These costs are passed on to the applicant.
- Mowing costs have increased by (\$0.3m). This is driven by an increase in the cost of petrol.
- Legal fees have increased by (\$0.2m), and are mainly due to complexities around consent appeals and surveying costs.
- Landfill aftercare liability expenditure increased by (\$0.4m) as monitoring costs have been higher than expected and the provision for this work needed to increase in order to cover the costs associated with this work.
- The design, projects and works teams have a collective unbudgeted loss of (\$1.1m). This is due to under recoveries on work completed up to 30 June 2023.

#### Gain on property, plant and equipment revaluations

Although a gain on the revaluation of property, plant and equipment was budgeted, the actual asset revaluation movement was lower than budgeted by (\$7.6m). This mainly attributable to Council only completing an indexed valuation of roading assets this financial year. A full revaluation was completed in

## Notes to the financial statements for the year ended 30 June 2023

### Note 26 – Major variances

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the prior year for this asset class, along with the three waters and land drainage assets. So another full revaluation for these asset types was not required.

#### Statement of financial position

##### Cash and cash equivalents

Cash and cash equivalents are higher than that budgeted by \$7.7m. The majority of this movement relates to funds borrowed on the expectation that the capital work programme, identified by Council last year would be completed as per the forecast provided. Due to a number of issues, including weather events outside of Council control, a large amount of this work was unable to be completed.

##### Derivative financial instruments

Due to the inherent difficulties in predicting valuation derivatives, Council does not budget for the movement in derivative financial instruments. As such, the fair value of these are \$4.0m over that stated in the annual plan.

##### Inventory

Council had originally budgeted for the value of the Ngātea North and South subdivision to be included within property, plant and equipment. However, this was required to be transferred for inventory for financial reporting purposes. This resulted in a positive variance of \$2.6m.

##### Financial assets – borrower notes

Borrower Notes are subordinated convertible debt instruments which each council that borrows from LGFA must subscribe for (in an amount equal to 2.5% of the total borrowing from LGFA by that council). As borrowing from LGFA increased in the 2023/2023FY, subsequently so did the subscribed borrower notes. Borrower Notes are redeemed when the Council's related borrowings are repaid or no longer owed to LGFA.

##### Intangible assets

Intangible assets increased by \$1.3m compared to that budgeted. These costs relate to wastewater and stormwater consents that Council are currently processing.

##### Property, plant and equipment

Property, plant and equipment is \$142m higher than that budgeted. The majority of this movement upwards can be attributed to the out-of-cycle revaluation that took place for Council land transport, three waters and land drainage assets in the previous financial year. The budget is based on the closing book value as at 30 June 2021 and adjusted for budgeted additions and disposals, and revaluation gains of approximately \$3m. As such, the budget would not have taken into consideration the actual gain of \$166m. The reason Council decided to undertake these revaluations was due to an internal fair value assessment showing evidence of a significant movement upward since its previous revaluation in July 2019 (land transport) and July 2020 (three waters and land drainage).

##### Payables and deferred revenue

Payables and deferred revenue are (\$6.2m) higher than budgeted. This is mainly attributable to revenue received in advance being (\$3.6m) higher than that budgeted. A large rent prepayment has been made and amounts to (\$1.6m) of the overall balance of revenue in advance. More and more ratepayers are also now electing to pay their water and rates on monthly/fortnightly direct debits, therefore resulting in a higher in revenue in advance balance as at 30 June (\$1.7m). Government grants of (\$0.3m) were also received as income in advance. In addition to this, overall operational expenditure was higher than that budgeted and this will correlate with a higher payables balance at year-end.

## Notes to the financial statements for the year ended 30 June 2023

### Note 26 – Major variances

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#### **Borrowings**

Borrowings are higher than that budgeted by \$6.0m. This can mainly attributed to Council not completing its re-forecasted capital works programme in the 2022/23 financial year. Borrowings are based not only the forecasted annual plan capex programme, but on capex budget variations indicated to Council. These were indicated at the start of the financial year to be \$42m. Council only ended up spending approximately half of that amount, but Council had borrowed based on the signalled funding requirements at the start of the financial year. After taking into consideration Council's starting cash position, and any grants and/or contributions, and operational funding surpluses that could contribute to Council's capital and operational funding requirements, Council ended up borrowing \$6m more than what it had originally anticipated.



# Our service providers

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We are required under the Local Government Act 2002 to include information in our annual report on Council-Controlled Organisations (CCOs) in which we are a shareholder. In accordance with Schedule 10, clause 28 of the Local Government Act 2002, the following section includes:

- identification of the CCOs relevant to the Hauraki District Council
- a report on the extent to which our significant policies and objectives in regard to ownership and control of the organisation (as set out in the relevant long term plan or annual plan) have been implemented or attained in the year to which the report relates
- a comparison between the nature and scope of the activities intended to be provided by the organisation in 2021/22 and the nature and scope of the activities actually provided by the organisation in that year
- a comparison between actual performance and the key performance targets as detailed in the Long Term Plan, by which performance is to be assessed.

We are a shareholder in two CCOs being the Waikato Local Authority Shared Services Limited (known as Co-Lab) and New Zealand Local Government Funding Agency Limited (LGFA).

We also have an interest in three council organisations that are currently exempt from the full reporting requirements of a CCO. These are therefore not included in this annual report. These organisations are Destination Coromandel Trust, Hauraki Rail Trail Charitable Trust and Martha Trust. We are also a shareholder of a fourth organisation, Civic Financial Services Limited, which is exempt from being a CCO under the Local Government Act, 2002.

We have no significant policies or objectives about the ownership and control of Waikato Local Authority Shared Services Ltd or New Zealand Local Government Funding Agency Ltd. Appointment of directors to these organisations is made in accordance with our Appointment of Remuneration and Directors Policy. This can be viewed on our website [Policies - Hauraki District Council \(hauraki-dc.govt.nz\)](https://www.hauraki-dc.govt.nz/policies)

## Co-Lab

In December 2005 the local authorities in the Waikato Region established Local Authority Shared Services Limited (WLASS) as a company and a Council-Controlled Organisation (CCO), for the purpose of working closely together on mutually beneficial joint projects to achieve better outcomes and cost savings for shareholders. Since December 2021 it is now trading as Co-Lab

## Shareholders

Co-Lab is jointly owned by the 12 local authorities of the Waikato Region. Each local authority owns an equal number of shares in Co-LAB. The local authorities are: Hamilton City Council, Hauraki District Council, Matamata-Piako District Council, Otorohanga District Council, Rotorua Lakes Council, South Waikato District Council, Thames-Coromandel District Council, Tāupo District, Waikato District Council, Waikato Regional Council, Waipa District Council and Waitomo District Council.

## Council Policies and Objectives relating to Co-Lab

The Council does not have any significant policies or objectives about ownership and control of Co-Lab. Council has an Appointment and Remuneration of Directors for Council Organisations Policy in place.

## Objectives of Company

The objectives of Co-Lab are:

- Achieve effectiveness and efficiency gains
- Reduce duplication of effort and eliminate waste through repetition.
- Helping the Councils achieve an appropriate balance in risk and return.

- Promote and contribute to the development of best practice.
- Make it easier for communities to engage with Councils in the Waikato region on a consistent basis.
- Promote business transformation to improve communities' experiences.
- Enable the Waikato Councils to collectively be more effective as a region on the national stage.
- Enable the Waikato Councils to collectively be more effective as a region on the national stage;
- Contribute to building central government's confidence in the Waikato region, and to encourage central government investment;

## Board and employees

The company has a Chief Executive, General Manager Service Delivery, Manager Project Delivery, Manager Communications, Change and Relationships, Manager Finance and an Executive Assistant,

TheCo-Lab Board includes the following members:

- An independent Chair; and
- Shareholding Council representation, appointed by:
  - Waikato Regional Council;
  - Hamilton City Council;
  - Central Waikato
  - East Waikato
  - South Waikato

## Nature and scope of activities

The major initiatives operating under the Co-Lab umbrella are:

- Co-Lab Water Services (CWS)
- Co-Lab RATA
- Energy management
- Health & safety pre-qualification
- Joint procurement initiatives
- LiDAR
- Regional Infrastructure Technical Specifications
- Shared Valuation Data Services (SVDS)
- Waikato Building Consent Group (WBCG)
- Waikato Geospatial Services: the Waikato Data Portal and Waikato One View
- Waikato Regional Aerial Photography Service (WRAPS)
- Waikato Regional Infrastructure Procurement (WRIP) Waikato Regional Transportation Model (WRTM)

## Performance of Co-Lab in 2022/23

The performance targets as outlined in the 2022 Statement of Intent, and the results, are as follows:

- Achieved
- Unable to currently measure
- Partially achieved: Activity remains in progress
- Not achieved

Priority	Performance measure	Target	Outcome (progress toward target)	
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more	Business cases will include measurable benefits linked to one or more of the outcomes sought.	Projected savings to councils of \$300k+.	Seven significant projects monitored during the year. However, each of these projects – which were largely guided by feedback from councils – were principally focused on valuation creation (rather than cost savings) and/or are at an early	●

Priority	Performance measure	Target	Outcome (progress toward target)	
<p>of our objectives Linked impact(s)</p>			<p>stage where potential costs saving are yet to be quantified.</p> <p>The Customer Digital Enablement (CDE) project has the potential to save significant amounts by pooling council investment. For example, market feedback suggested a ten-fold increase in the number of councils involved only bore a 16% increase in investment. Unfortunately, as noted earlier, most councils did not support progressing to RFP and product build. For these reasons, the target has not been met.</p> <p>The Strategic Case for the 'Right People, Right Place' project (see page 9) was approved by the Board in June 2023.</p> <p>A paper covering the 'People Post 3 Waters' project (see page 9) was present to Council Chief Executives in November 2022 with an update to the Board in March 2023. While we await feedback from councils on what resource might become available to redeploy, we are investigating a project management share service to address one area where many councils are resource constrained.</p> <p>Neither of these investigations can yet claim to give projected savings to councils, although both have the potential to reduce costs and create value in the future.</p>	
	<p>Opportunity assessments are supported by councils (evidenced by Board minutes)</p>	<p>75% of councils</p>	<p>We can't reasonably measure performance against this target because no opportunity assessments have been presented to the Board during this period. Having said that, as noted above, CDE is not expected to progress to this point, because of lack of support to progress the opportunity. To that extent, it is an opportunity that while initially supported by councils, has not ultimately been.</p> <p>Last year we reported that 9 of 12 Councils agreed to participate in Co-Lab Learning. A 10<sup>th</sup> confirmed their involvement in the current period.</p> <p>In July 2023 and August 2023, councils were presented with proposals to participate in a Building Consent Cadetship and in the RATA Spaces and</p>	<p>●</p>

Priority	Performance measure	Target	Outcome (progress toward target)	
			Places Rōpū. Decisions are pending in early FY24.	
<b>Develop opportunities and deliver projects within agreed budgets and timelines</b>	Opportunities / projects are developed / delivered within agreed timelines	80%	14%: The low proportion of projects delivered within agreed timelines is disappointing. However, this should be considered in the context that most Co-Lab investigations commence with significant uncertainty, including council staff's capacity to get involved in the projects, which makes reliably estimating the time to complete challenging. While capacity is the most prominent unknown when setting timelines, the LiDAR project has been delayed by vendor performance issues. We acknowledge that we must be more realistic when estimating timelines. It is important to note that none of the delays have caused costs to escalate (i.e., the anticipated work is simply spread over a longer period, or the contract protects against cost escalation).	●
	Opportunities / projects are developed / delivered, within approved budget	90%	80%: Four of the five projects were completed within budget. The exception was the Co-Lab Learning Implementation where the cost of the project team went over project budget. The remaining of two projects have not started in the current year.	●
	Overall, Company Management/ Support functions will be undertaken within budget, unless additional expenditure has board pre-approval		Actual Company Management & Support expenditure exceeded budget, mainly because the LAPP insurance cost, which is recovered from councils, was not included in the budget.	●
<b>Ensure projects realise their expected benefits</b>	Measurable benefits are actively monitored and reported against	Six-monthly	<p>During the current financial year, management reported to the Audit &amp; Risk Committee on:</p> <ul style="list-style-type: none"> <li>• Shared Valuation Data Service (SVDS): All benefits in the business case have been met</li> <li>• Co-Lab Water Services: The assessment considered benefits realised since the services inception. Of the 10</li> </ul>	●

Priority	Performance measure	Target	Outcome (progress toward target)	
			KPIs in the business case, only 1 (relating to service expectations) was determined to be 'not met' and action is already underway to remedy that.	
	Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised).	For \$200k+ Projects (based on cost of opportunity development and ongoing investment) Within 15 months		●
		90% of projected quantifiable benefits are realised		●
<b>Ensure existing services are meeting the needs of councils</b>	The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey).	80% of councils	Based on our annual survey of councils, the target of 80% has not been met. 79.8% of respondents (0.2% less than the target) said that the services met or exceeded expectations The survey response rate was 45% (200 were surveyed with 91 responses received).	●
<b>Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice</b>	Across these groups, ideas for future consideration and/or initiatives are identified each year	Four per annum	Ideas received and triaged in FY23: <ul style="list-style-type: none"> <li>• One digital library book database</li> <li>• Common LGOIMA manager tool</li> <li>• Councillor Induction Programme</li> <li>• Common staff induction content</li> <li>• Shared resources for election years</li> <li>• Parking enforcement app</li> <li>• Joint Procurement for contracted resources</li> </ul>	●

## New Zealand Local Government Funding Agency (LGFA)

The New Zealand Local Government Funding Agency Ltd (LGFA) specialises in financing the New Zealand local government sector, the primary purpose being to provide more efficient financing costs and diversified financing sources for New Zealand local authorities. LGFA was established to raise debt on behalf of local authorities on terms that are more favourable to them than if they raised the debt directly.

New Zealand Local Government Funding Agency Limited (LGFA) was enabled under the Local Government Borrowing Act 2011 and was incorporated on 1 December 2011. LGFA is a Council-Controlled Organisation (CCO) operating under the Local Government Act 2002.

### Shareholders

The LGFA Board is responsible for the strategic direction and control of LGFA's activities. The LGFA Board of Directors comprises of five independent directors and one non-independent director appointed by the shareholders. Additionally, the Shareholder's Council comprises five to ten appointees from the Council Shareholders and the New Zealand Government.

### Council Policies and Objectives relating to LGFA

The Council does not have any significant policies or objectives about ownership and control of LGFA. Council has an Appointment and Remuneration of Directors for Council Organisations Policy in place.

### Objectives of Company

The primary objective of LGFA is to optimise the debt funding terms and conditions for its member councils. Among other things this includes:

- Governance, capability and business practice
- Optimising financing services for local government
- Environmental and social responsibility
- Effective management of loans
- Industry leadership and engagement

### Nature and scope of activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities and CCOs and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business.

### Performance against primary objectives

The following gives a summary of actual performance against the primary objectives that were outlined in the 2022/23 Statement of Intent (SOI). This information is as reported in the LGFA 2022/23 Annual Report. For detailed information on the LGFA performance results, see its Annual Report, published on the LGFA website: [www.lgfa.co.nz](http://www.lgfa.co.nz)

Optimising financing services for Local Government	
Objective	How we measure our performance
Providing interest cost savings relative to alternative sources of financing;	Comparison to other high-grade issuers – secondary market spread to swap (bps) LGFA's borrowing margins are comparable to other high-grade issuers in the New Zealand capital markets.
Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;	LGFA provides members with short term loans (less than one year), long term loans on either a floating or fixed rate basis (between one year and April 2037), Green Social and Sustainable Loans, Climate Action Loans and standby facilities.

	<ul style="list-style-type: none"> <li>Over the year-ended June 2023, our members borrowed \$3.95 billion in 380 long term loans across maturity dates ranging between 2023 and 2033.</li> <li>As at June 2023 there was \$548 million short-term loans outstanding to 37 members.</li> <li>As at June 2023, standby facilities totalled \$727 million across 13 members</li> </ul>
Delivering operational best practice and efficiency for its lending services;	<p>Over the year-ended 30 June 2023, LGFA operations staff successfully:</p> <ul style="list-style-type: none"> <li>settled 2,039 new trades with a gross value of \$10.0 billion,</li> <li>processed 13,527 cash flows with a gross value of \$34.0 billion, and</li> <li>rate set 9,314 existing trades.</li> </ul> <p>There were no LGFA settlement errors over the year.</p>
Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.	<p>There was strong activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors). Over the year-ended 30 June 2023, we issued \$3.553 billion of primary bonds and secondary market turnover totalled \$10.5 billion</p>

Effective management of loans	
Objective	How we measure our performance
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies .Analyse finances at the Council group level where appropriate and report to shareholders	Over the year, we reviewed council agendas and management reports on an ongoing basis for all members on the LGFA borrower watch-list. We have received compliance certificates for LGFA covenants from all of our members with debt outstanding at June 2022 and no council has requested that they be measured on a group basis. Some certificates have been provided based upon unaudited financial statements given the delays in providing final audit signoff due to audit shortages.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	We met with all borrowers over the course of the year

Environmental and social responsibility	
Objective	How we measure our performance
Assist the local government sector in achieving their sustainability and climate change objectives.	<p>Over the year to 30 June 2023, we approved GSS loans to Hutt City Council for the Naenae swimming pool, Whangārei District Council for the Civic Centre, and approved our first eligible social lending project for Christchurch City Council's Ōtautahi Community Housing Trust.</p> <p>At 30 June 2023, we had approved five GSS loans with a combined approved value of \$562 million of which \$294.5 million had been advanced. On 1 December 2022, we launched Climate Action Loans (CALs) which provide a discounted loan margin for members who have implemented a Greenhouse Gas Emission</p>

	<p>Reduction Plan and meet their emission reduction targets.</p> <p>At 30 June 2023, we had approved CAL loans to Auckland Council, Hutt City Council and Dunedin City Treasury Limited, with combined advances totalling \$521 million.</p> <p>In September 2022, LGFA published our report on climate emergencies declared by New Zealand councils over 2019-2020 (16 out of 78), their subsequent responses and any opportunities for LGFA.</p>
Improve sustainability outcomes within LGFA.	In 2021, LGFA committed to reducing our carbon emissions over time, with our target of cutting per employee emissions by 30% by 2030, compared with a 2018/19 base year.

Industry leadership and engagement	
Objective	How we measure our performance
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	<p>This year we have introduced two new webinars for members:</p> <ul style="list-style-type: none"> <li>• LGFA Quarterly Update</li> <li>• Economic and Financial Market Update webinars</li> </ul>
Assist the local government sector with significant matters such as COVID -19 response and the proposed Three Waters Reform Programme.	<p>These inaugural webinars were well attended by participants and will be formalised as ongoing quarterly events. Over the year we met with Treasury, the National Transition Unit and Policy teams at DIA (and their advisers) regarding the proposed Affordable Water Reform, working actively on issues relating to the transition of council debt, as well as the borrowing options for the Water Services Entities (WSEs) following transition. In consultation with key stakeholders, we are considering what potential role LGFA could play under the proposed Affordable Waters Reform programme. LGFA provided input into the Ratepayer Financing Scheme (RFS) project managed by a group of councils with advice from Cameron Partners. If successful, the RFS could offer temporary financial relief to ratepayers via rates postponement. LGFA is not contributing financially to this project but providing intellectual capital and assistance. We are continuing work on initiatives to reduce compliance and documentation requirements for members when they borrow. These initiative relate to a universal stock security certificate and delegation of a CEO certificate for borrowing.</p>
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	

Governance, capability and business practice	
Objective	How we measure our performance
Demonstrate best practice corporate governance.	<p>LGFA is committed to demonstrating best practice corporate governance and we report annually on our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code. The 2023 Annual Report is the most recent report with commentary on our compliance with the NZX Code.</p>
Set and model high standards of ethical behaviour.	<p>LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.</p>



<p>Ensure products and services offered to participating borrowers are delivered in a cost-effective manner</p>	<p>LGFA prepares annual operating budgets and monitors progress against these monthly. Our performance against our financial targets for the year-ended 30 June 2023 is summarised below under our performance targets.</p>
<p>Be a good employer by providing safe working conditions, training and development and equal opportunities for staff.</p>	<p>LGFA is committed to being a good employer and we report our employment practices annually in our Annual Report. The 2023 Annual Report is our most recent report outlining our health and safety and wellbeing practices and policies, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development</p>

## Performance targets

2022/23 performance targets	Result for 12-month period to 30 June 2023	Outcome
LGFA total operating income for the period to June 2022 will be greater than \$12.2 million	\$11.6 million	<input checked="" type="checkbox"/>
LGFA's total operating expenses for the period to 30 June 2023. < \$9.4 million.	\$9.1 million	<input checked="" type="checkbox"/>
>80% Share of aggregate long-term debt funding to the Local Government sector	93.3%	<input checked="" type="checkbox"/>
Total lending to Participating Borrowers is > \$15,004 million	\$16,314	<input checked="" type="checkbox"/>
Conduct an annual survey of councils and achieve 85% satisfaction score as to the value added by LGFA to council borrowing activities	August 2022 survey outcome of 100 %	<input checked="" type="checkbox"/>
Successfully refinance 100% existing loans to councils and LGFA bond maturities as they fall	100%	<input checked="" type="checkbox"/>
Meet 100% of lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	<input checked="" type="checkbox"/>
Review each participating borrower's financial position under LGFA policies.	100%	<input checked="" type="checkbox"/>
Arrange to meet each Participating Borrower at least annually, including meeting with elected officials as required, or if requested.	100%	<input checked="" type="checkbox"/>
Comply with the Shareholder Foundation Polices and the Board approved Treasury Policy at all time	No breaches	<input checked="" type="checkbox"/>
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating entity	'AA+/AAA'	<input checked="" type="checkbox"/>
Comply with the Health and Safety at Work Act 2015	No breaches	<input checked="" type="checkbox"/>
Maintain Toitū net carbonzero certification	Toitū Net Carbon-zero recertification approved.	<input checked="" type="checkbox"/>
Meet reduction targets outlined in our carbon reduction management plan.	Met.	<input checked="" type="checkbox"/>
Increase our GSS lending book by at least two.	Three new participating borrowers approved for GSS lending.	<input checked="" type="checkbox"/>
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	2023 Annual Report prepared to meet the requirements of the Global Reporting Initiative	<input checked="" type="checkbox"/>
Meet all mandatory climate reporting standards.		<input checked="" type="checkbox"/>

# Exempt Council Controlled Organisations (CCO)

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Council has an interest in three council controlled organisations that are exempt from the full reporting requirements of a CCO. They are Martha Trust, Destination Hauraki Coromandel Trust and Hauraki Rail Trail Charitable Trust (the trusts)

The Local Government Act 2002 (LGA) section 7(3) provides for the exemption of a small organisation that is not a council controlled trading organisation from being a CCO and from the accountability requirements of the LGA. The trusts have been exempted from being a CCO by resolution of the Council. An exemption must be reviewed within three years after it is granted or after the first review not more than three years following the last review. Council may, at any time revoke an exemption. The exemptions for the trusts have been granted and reconfirmed by the Council.

The exemptions were granted on the basis that it is not practical or efficient for full accountability requirements and performance monitoring to take place. Council does request that as a minimum all exempted CCOs provide an annual report of Trust activities and financial statements or statement of funds. By granting an exemption the Council has provided dispensation from any form of accountability and monitoring processes.

In accordance with section 7(3) of the LGA, the exemptions of the trusts as a CCO will again be reviewed in three years, or earlier if required.

## Martha Trust

The Martha Trust (the Trust) was established in 2001 by a joint venture known as the Waihi Gold Company, settling the sum of \$10 to create the trust fund. The main purpose of the Trust is to monitor and maintain in perpetuity the tailings storage areas and mine pit lake so that it can be used for recreational or leisure purposes by the general public following completion of mining and closure of the site. This exemption has been revisited and subsequently reconfirmed by the Council, most recently in May 2021. It is due to be revised in May 2024.

## Destination Hauraki Coromandel

Destination Hauraki Coromandel is a sub-regional tourism organisation, which is funded annually by Hauraki District Council and Thames-Coromandel District Council. Established in 2011 to promote tourism and travel in the 'The Coromandel'. Destination Hauraki Coromandel also supports, promotes and assists in activities and projects which will increase the opportunities for employment in tourism and visitor industries. Thames-Coromandel District Council and Hauraki District Council may appoint 50% or more of the directors of the Trust. This exemption has been revisited and subsequently reconfirmed by the Council, most recently in November 2020. It is due to be revised in November 2023.

## Hauraki Rail Trail

The Hauraki Rail Trail Charitable Trust is a charitable trust formed to manage the cycleway known as the Hauraki Rail Trail (HRT). The Hauraki, Thames-Coromandel and Matamata-Piako District Councils are settlors to the Trust Deed. The Councils have the right to appoint 50% or more of the directors of the company. This exemption has been revisited and subsequently reconfirmed by the Council, most recently in September 2023, three years since the last exemption was granted.

# Related Documents

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## Liability and Investment Policy

### Background

The Liability Management Policy addresses a number of key objectives, including those required to address legislative requirements. The Liability Management Policy outlines the Council's objectives for prudence, flexibility and risk in three principle areas; liquidity and funding risk, interest rate risk, and credit risk. The Policy details Council's approach to minimising the total cost of borrowing over the medium to longer term.

The Investment Policy sets the parameters which investment activity can occur with approved organisations for investments, and the type of approved investment vehicles. The mix of investments between current and non-current is determined according to Council's working capital needs. The purpose of the policy is to ensure that Council's investments are managed prudently, within prescribed risk levels and they are set to mature at the appropriate time to match cash flow requirements.

### Overall Results

During the 2022/23 financial year, there have been significant variations and material departures from the Council's Liability and Investment Policy.

Council was outside the original parameters set in relation to the following:

- The portion of fixed to floating interest rates; and
- Actual debt allowed under the policy.

Debt was acquired for water and wastewater projects and operational expenditure. Based on updated advice from the DIA, Council's debt acquired under the three waters transition would not be repaid immediately. Instead this would be repaid over a possible 3-5 year period.

As new debt forecasts indicate that Council will have a higher level of residual debt, the Finance Committee, along with the Audit and Risk Committee requested that Council approve the following:

- Non-compliance with the recommended parameters for the fixed/floating interest rates as set out in the Liability Management Policy; and
- Non-compliance with the recommended parameters for the loan maturity profile as set out in the Liability Management Policy.

These non-compliance measures will remain in place, and endorsed by Council, until it believes it is prudent to reverse the recommendation.

# Appendix 1: Council Committees

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## Committees as at June 2023:

### Paeroa Ward Committee

- Carole Daley
- Paul Milner
- Jo Tilsley
- Rino Wilkinson

### Plains Ward Committee

- Ray Broad
- Phillip Buckthought
- Stephen Crooymans
- Neil Gray

### Waihi Ward Committee

- Anne Marie Spicer
- Sarah Holmes
- Josh Martyn
- Bhavesh Ranchhod
- Austin Rattray

### Community Partnership Committee

- Anne Marie Spicer (Chair)
- Mayor Toby Adams (Deputy Chair)
- All other elected members

### Audit and Risk Committee

- Conall Buchanan (Chair, Independent Member)
- Mayor Toby Adams (Deputy Chair)
- Deputy Mayor Paul Milner
- Cr Bhavesh Ranchhod
- Cr Carole Daley
- Cr Stephen Crooymans

### Finance Committee

- Cr. Bhavesh Ranchhod (Chair),
- Deputy Mayor Paul Milner (Deputy Chair)
- Mayor Toby Adams
- Cr. Carole Daley
- Cr. Stephen Crooymans

### Western Plains Drainage District Committee

- Brian Carter (Chair)
- Brian Pirie (Deputy Chair)
- Brian Keane
- Gavin Laurich
- Peter Johnstone
- Patrick Leonard
- Peter Paterson
- Ross Young
- Michael Karl
- Cr. Phillip Buckthought
- , Cr. Stephen Crooymans (alternate),
- Cr. Neil Gray (alternate)

### Eastern Plains Drainage District Committee

- Roger Hunter (Chair)
- Kim Reid (Deputy Chair)
- Richard Webster
- Andrew Green
- Ted Nicholson
- Kevin Caddy
- Peter Schouten
- Damon Coldicutt
- Cr. Phillip Buckthought,
- Cr. Stephen Crooymans (alternate),
- Cr. Neil Gray (alternate)

### Paeroa Rural Drainage District Committee

- Mike Peters (Chair)
- Peter Casey (Deputy Chair)
- Terry Hamilton
- Craig Zydenbos
- Cr. Phillip Buckthought, Cr. Stephen Crooymans (alternate), Cr. Neil Gray (alternate)

### Taramaire Drainage District

- Stephen Crooymans (Chairperson)
- Dennis Thompson (Deputy Chairperson)
- Cr. Phillip Buckthought, Cr. Stephen Crooymans (alternate), Cr. Neil Gray (alternate)

### **CEO Performance Committee**

- Mayor Toby Adams (Chair)
- Deputy Mayor Paul Milner (Deputy Chair)
- Cr. Anne Marie Spicer
- Cr. Neil Gray

### **Planning Committee**

- Mayor Toby Adams (Chair)
- Cr. Ray Broad (Deputy Chair)
- Deputy Mayor Paul Milner
- Cr. Austin Rattray
- Cr. Josh Martyn
- Cr. Neil Gray
- Cr. Sarah Holmes

### **Councillor Management Committee**

- Mayor Toby Adams (Chair)
- Deputy Mayor Paul Milner (Deputy Chair)
- Cr. Anne Marie Spicer
- Cr. Neil Gray
- Cr. Ray Broad

### **Adaptive Planning and Emergency Management Committee**

- Deputy Mayor Paul Milner (Chair)
- Cr. Phillip Buckthought (Deputy Chair)
- Mayor Toby Adams
- Cr. Anne Marie Spicer
- Cr. Josh Martyn
- Cr. Stephen Croymans
- Cr. Neil Gray
- Cr. Austin Rattray
- Cr. Sarah Holmes

### **District Licensing Committee**

- Deputy Mayor Paul Milner (Chair)
- Cr. Carole Daley (Deputy Co-Chairperson)
- Cr. Rino Wilkinson (Deputy Co-Chairperson)
- Five Committee List Members:  
Mary Carmine  
Denis Taylor  
John Goodman  
Brent Holmes  
Ross Murphy

### **Regulatory Hearings Committee**

- Deputy Mayor Paul Milner (Chair)
- Cr. Austin Rattray (Deputy Chair)
- Mayor Toby Adams
- Cr. Anne Marie Spicer
- Commissioners if required \*\*

## **Co-Governance Committees**

### **Ngati Koi Domain Co-Governance Committee**

- Cr. Anne Marie Spicer as Council representative
- John Tregidga as Council appointee

### **Tauwhare Koiora Reserve Co-Governance Committee**

- Phillip Buckthought – Council representative
- John Tregidga – Council appointee

# Appendix 2: Report of the Audit Office

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## Independent Auditor's Report

### To the readers of Hauraki District Council's annual report for the year ended 30 June 2023

The Auditor-General is the auditor of Hauraki District Council (the District Council). The Auditor-General has appointed me, Carl Wessels, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2023. This is the date on which we give our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 100 to 104 and 106 to 165:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2023; and
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the funding impact statement on page 105, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Annual plan; and
- the statement of service provision on pages 25 to 98:

- presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2023, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 32 to 97, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s Annual plan; and
- the funding impact statement for each group of activities on pages 33 to 98, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s long-term plan.

#### **Report on the disclosure requirements**

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 10 to 24, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

#### **Emphasis of matter - uncertainty over the water services reform programme**

Without modifying our opinion, we draw attention to Note 24 on page 153, which outlines developments in the Government’s water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities’ establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council as outlined in note 24 remains uncertain until the relevant water services entity’s establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.



### **Basis for our opinion on the audited information**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

### **Responsibilities of the Council for the audited information**

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit, that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

### **Responsibilities of the auditor for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Other Information**

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 9, 99 and 166 to 179, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Independence**

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International

Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's debenture trust deed, and assurance engagements related to the joint procurement of waste services across the Eastern Waikato, the procurement of a landfill disposal contract, the procurement of road maintenance contract and the tender process for the procurement of Paeroa wastewater treatment plant upgrade which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council.

A handwritten signature in black ink, appearing to be 'J. M. C.', written in a cursive style.

On behalf of the Auditor-General  
Auckland, New Zealand



For more information:

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