

ANNUAL REPORT 2021/22



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

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

COVID remained a rollercoaster, not a new issue but certainly one that had its impacts on our decisions and the way we work. We worked hard to carry on with our normal activities in order to support the ongoing local economic recovery in our district. We also focused on supporting the wellbeing of our people and community through times of uncertainty.

As we move towards a bigger focus on the wellbeing of our communities, the adoption of the Manaaki Toiora strategy, sets out how we will work alongside our communities and stakeholders to enhance the wellbeing of people and community. This strategy gives us a good platform to build resilient, vibrant communities for the future. The strategy's five priority areas for the next ten years are:

- well housed people,
- healthy people,
- vibrant creative spaces,
- business attraction and supporting local, and
- Growing skills and the local workforce.

Central Government reforms also continued to progress over the last year, with Three Waters, Future for Local Government review and the Resource Management reform. All of the reforms are at different stages of development and are ongoing for the coming year. They will require a lot of attention from us at different times in the future.

The Three Waters reform has been a challenge with still some unknowns, my submission on behalf of Council highlighted that we don't believe the current model is best for Hauraki but we will work hard to ensure we put Hauraki's interest at the heart in whatever is delivered.

The Resource Management Reform has been another big piece of work which will be new for all Councils across New Zealand. As Mayor it has been great to be part of the steering group providing advice from local government lens.

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.

Hauraki Rail Trail Waihi extension – Work started in March 2022 on the extension from the Goldfields railway along the Ohinemuri River into Waihi. This extension is intended to provide a scenic trail into the central business area of Waihi.

Waste Minimisation – Our commitment to waste minimisation continues. We have supported the introduction of soft plastic recycling at retailers in Paeroa, Ngatea and Waihi. The Hauraki Repair and Reuse Centre received \$20,000 from Council to contribute to the operation costs to support the reuse and recovery of items from landfill.

Wharekawa Coast 1220 Community Plan - The community panel continued their work looking at the wide range of issues facing the Wharekawa Coast and developing a plan to address those issues. The Community Panel signed off their final recommendations and the Joint Working Party are now working on the Council's response to their recommendations.

Gr8 Job Hauraki - Continues its success with 60 placements in 2021/22. 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.

Water Treatment upgrades - Ongoing work at the Kerepēhi water treatment plant saw new equipment installed to help control the manganese levels in the water.

Wastewater – Upgrades to the wastewater treatment plants in Waihi, Paeroa, Kerepēhi and Ngatea will help to start the pond desludging process.

In terms of our financials, we ended the year with a \$0.2 million surplus. This was \$0.8 million less than what we had anticipated. Although revenue was higher than anticipated, inflationary pressures, labour shortages and supply chain issues meant that Council's overall expenditure was also higher than budgeted. This resulted in a surplus figure lower than that budgeted.

This annual report marks the end of term for our current Council. I want to thank all the Councillors for their commitment to our local communities and service to Local Government.

I also want to recognise the passing of Councillor Rodney Garrett during this year and highlight his dedication to service in the district, and particularly his local community of Kerepēhi.

Kei te tangi hotu te ngākau ki a rātou mā kua whetūrangita. Rātou mā ngā tangata nō Hauraki, kua wehi atu ki tua o te arai. Oki atu rā koutou.

Ki tā mātou hoa, te Kaikaunihera nō Kerepēhi me Ngātea, ara, A Rodney Garrett. Nei rā te mihi, nei rā te tangi. E kore mātou e warewaretia ōu ngakau nui mō tā mātou rohe o Hauraki District Council. E te Matua, E te kōroua, E te Rangatira, oki oki atu rā ki te wāhi ngaro, oki oki atu rā ki tō moenga roa. Moe mai rā, moe mai rā.

Our Council will continue to tackle the challenges and uncertain times ahead, in order to support our local communities to be resilient, and ensure that we are a place people are proud to call home.

Hauraki District Council Statement of compliance and responsibility as at 30 June 2022

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 2022 fairly reflects the financial position and operations of Hauraki District Council.

Toby Adams
Mayor

Langley Cavers
Chief Executive

Introduction and overview

Your Elected Members 2021/22

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
Portfolios: Policy and communications, RMA and Regulatory Policy, Finance and ICT, Iwi, Transportation, Emergency Management

Paeroa Ward



Councillor

Carole Daley
(Paeroa Ward Chair)
07 862 7253
carole.daley@hauraki-dc.govt.nz
Portfolios: Finance and ICT, Property



Councillor

Paul Milner
(Deputy Mayor)
021 051 5799
paul.milner@hauraki-dc.govt.nz
Portfolios: RMA and Regulatory Policy, Policy and Communications, Community Facilities, Recreation and Sport, Libraries



Councillor

Jo Tilsley
027 330 3170
jo.tilsley@hauraki-dc.govt.nz
Portfolio: Community Facilities, Libraries



Councillor

Rino Wilkinson
021 937 138
rino.wilkinson@hauraki-dc.govt.nz
Portfolio: Recreation and Sport

Plains Ward



Councillor

Ross Harris
(Plains Ward Chair)
027 291 6469
ross.harris@hauraki-dc.govt.nz
Portfolios: Water/Wastewater, Manaaki Toiora: economic and social



Councillor

Phillip Buckthought
027 459 9143
phillip.buckthought@hauraki-dc.govt.nz
Portfolios: Water Management (Stormwater, Land Drainage and Flood Protection), Transportation, Emergency Management



Councillor

Rodney Garrett
Sadly Rodney has passed away. Our thoughts are with his whanau and friends.



Councillor

Ray Broad
07 867 8121
raymond.broad@hauraki-dc.govt.nz
Portfolio: Property

Waihi Ward



Councillor

Anne Marie Spicer
(Waihi Ward Chair)
021 0253 6559
annemarie.spicer@hauraki-dc.govt.nz
Portfolios: Iwi, Community Initiatives, Manaaki Toiora: economic and social



Councillor

Paul Anderson
07 863 9280
paul.anderson@hauraki-dc.govt.nz



Councillor

Duncan Smeaton
(07) 863 7821
duncan.smeaton@hauraki-dc.govt.nz
Portfolio: Waste Management/Minimisation, Climate Change, Water and Wastewater



Councillor

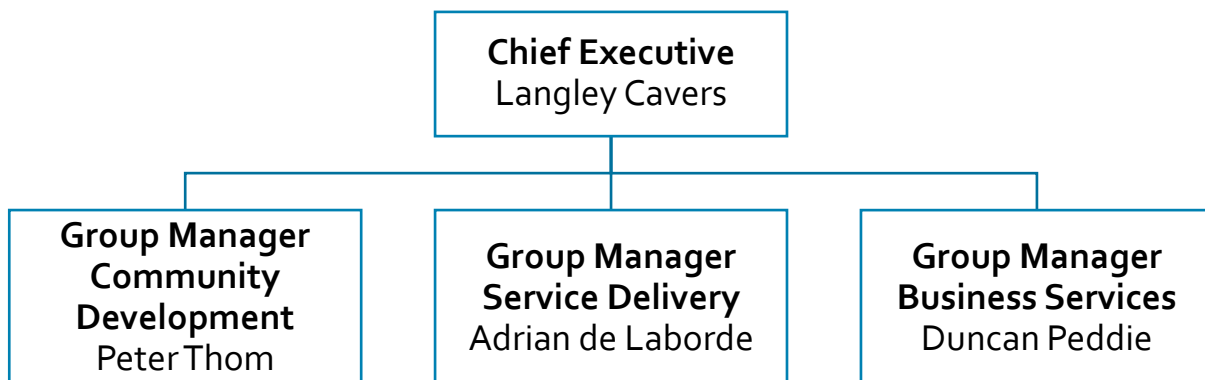
Sara Howell
07 863 7541
sara.howell@hauraki-dc.govt.nz



Councillor

Brian Gentil
021 147 2583
brian.gentil@hauraki-dc.govt.nz
Portfolio: Climate Change

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:

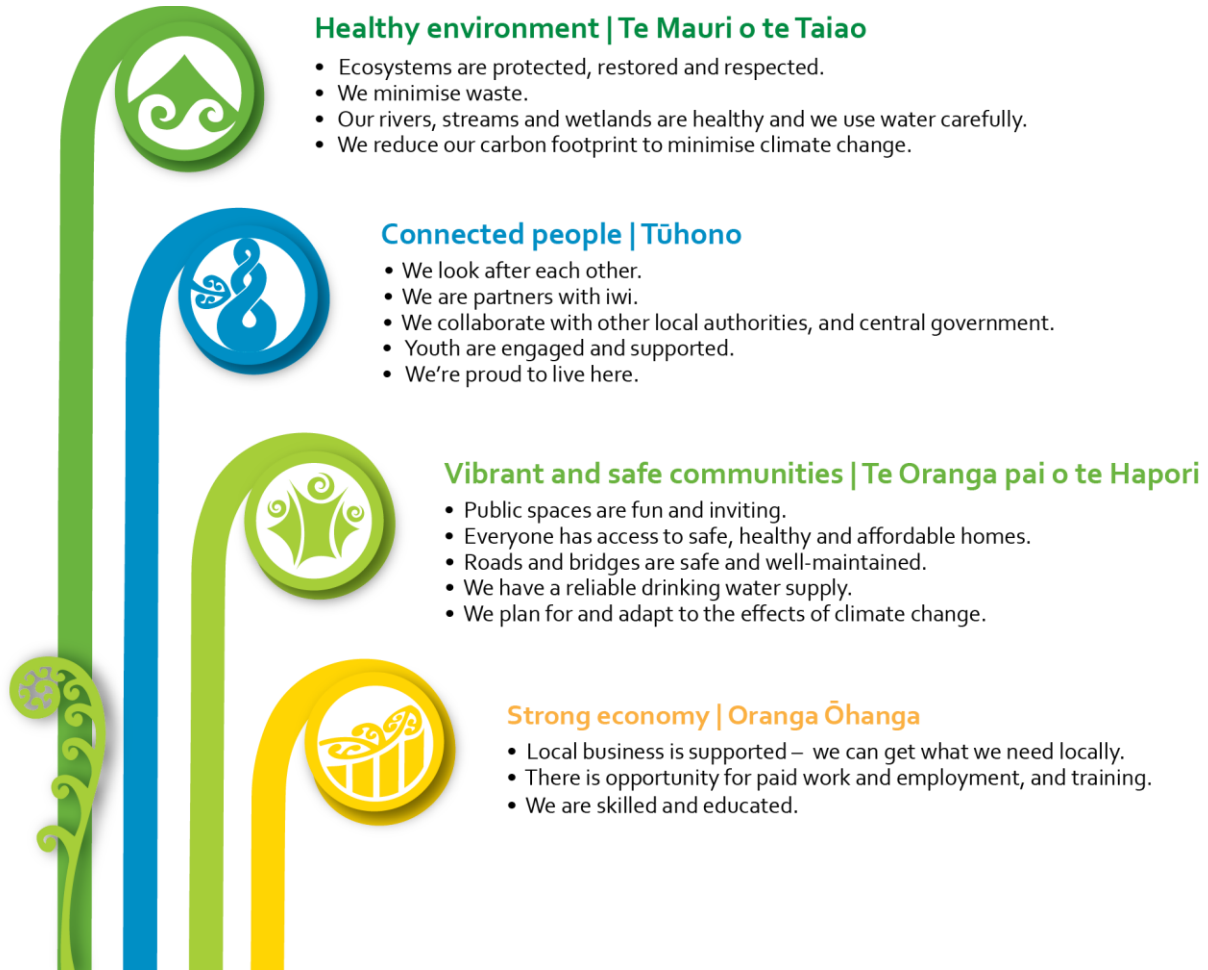
- We will respond to you promptly.
- Our staff will identify themselves.
- We will provide knowledgeable staff at first contact.
- We will fairly interpret and apply the laws, by-laws and regulations.
- Our services standards will be freely available.
- We will review feedback from our customers.

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 - 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.



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. 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 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 2021/22 year (1 July 2021 to 30 June 2022).

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 2021/22 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 2021/22 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 2021/22
 - The projects that we planned to complete in 2021/22 but weren't able to
- Our financial statements for the 2021/22 year
- An overview of the achievements of our Council Controlled Organisations (CCOs) in the 2021/22 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. This was the first year we have contracted Key Research to undertake the survey. For the 2022 survey, the methodology involved a postal to online survey. A sample of 638 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 2022 survey was +/-3.82% at the 95% confidence interval.

Versus research continued with the annual survey to measure applicants' perceptions and satisfaction of residents who have lodged a building or resource consent in the 2021/22 year. A total of 327 interviews were achieved.

Progress against our Financial Strategy

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 met only one rate affordability benchmark (increases) in the 2021/22 financial year for non-water rates.

The Hauraki District has seen considerable growth post-covid. This has seen an increase in the number of rate-able properties over this period with new builds and subdivisions taking place. This has contributed to the amount of non-water rates collected over this period of time.

Water rates

Council met only one rate affordability benchmark (increases) in the 2021/22 financial year for non-water rates.

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. 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.

Although water production in 2020/21 was consistent with that in 2019/20, Council still managed to keep water rate increases within the limits set in the annual plan and long-term plan. However, the increase in development in the district has seen this consumption spike in the 2021-22 financial year.

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 rates 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 2022, total debt was \$3,108 per property.

In addition, year one of the 21-31 LTP saw debt forecasted to be \$55 million, with the debt cap being \$96.9 million, this meant that the Council's sat comfortably within its debt cap.

Council's debt at the end of June 2022 was \$43 million, which was \$12 million lower than forecast because of delays experienced in the capital work programme.

Due to the lower than anticipated borrowing levels, 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 2022

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

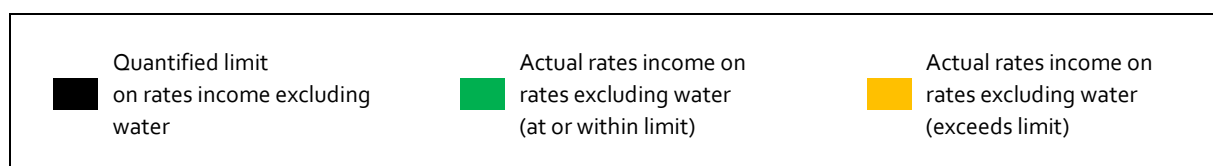
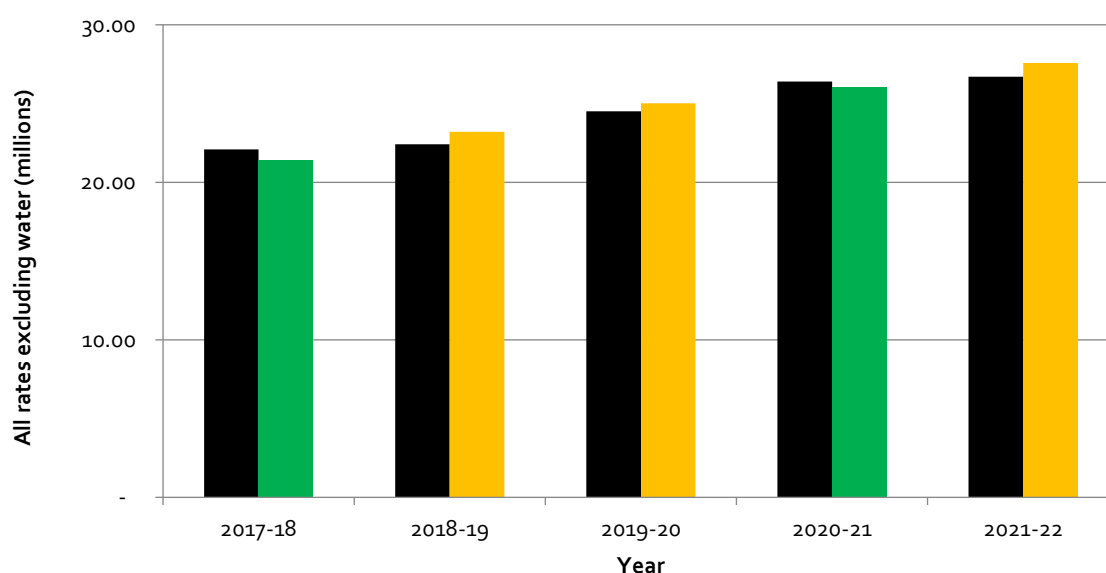
Council has two quantified limits on rates income as stated in the financial strategy included in the Council's long-term plan:

- 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.

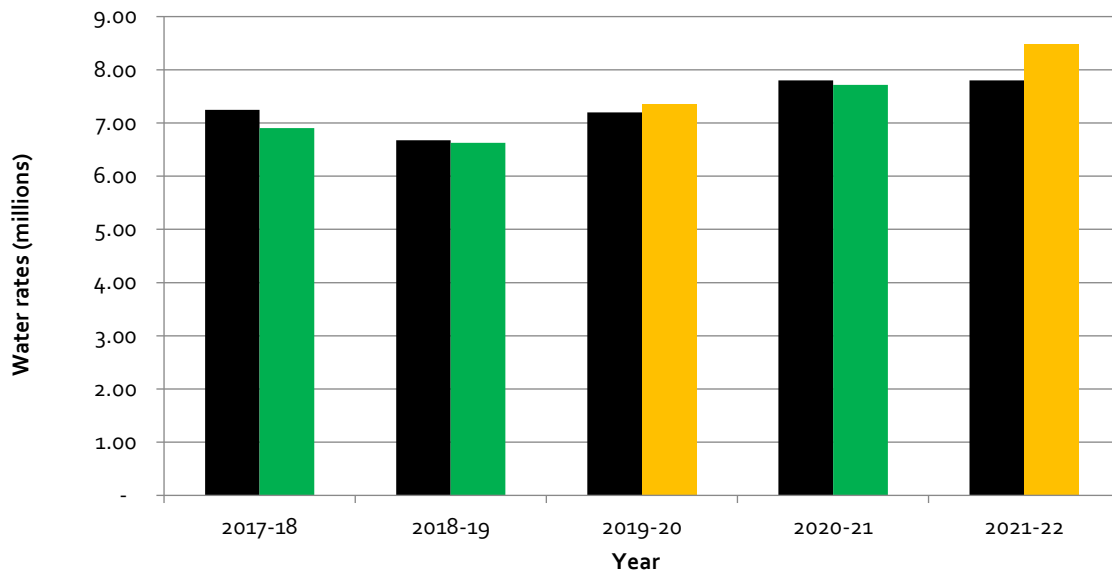
The quantified limit for 2022 was \$26.7 million, being the forecasted rates (excluding water) for 2020/21 year in the long-term plan plus 8.2%. (2021: \$26.5 million being the forecasted rates (excluding water) for 2019/20 year in the long-term plan plus 7.7%).



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 \$7.8 million, being the forecasted income from water rates in the 2020/21 year plus 11.2%. (2021: \$7.8 million, being the forecasted income from water rates in the 2019/20 year plus 8.2%).



Quantified limit on water rates

Actual rates income on water rates (at or within limit)

Actual rates income on water rates (exceeds limit)

Rates affordability

Rates revenue is higher than budget. 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. In the past with low growth, this method has not significantly impacted the rates set. However, in 2021/22 the actual growth was just over 3% which did have a significant effect on the amount of rates revenue assessed.

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

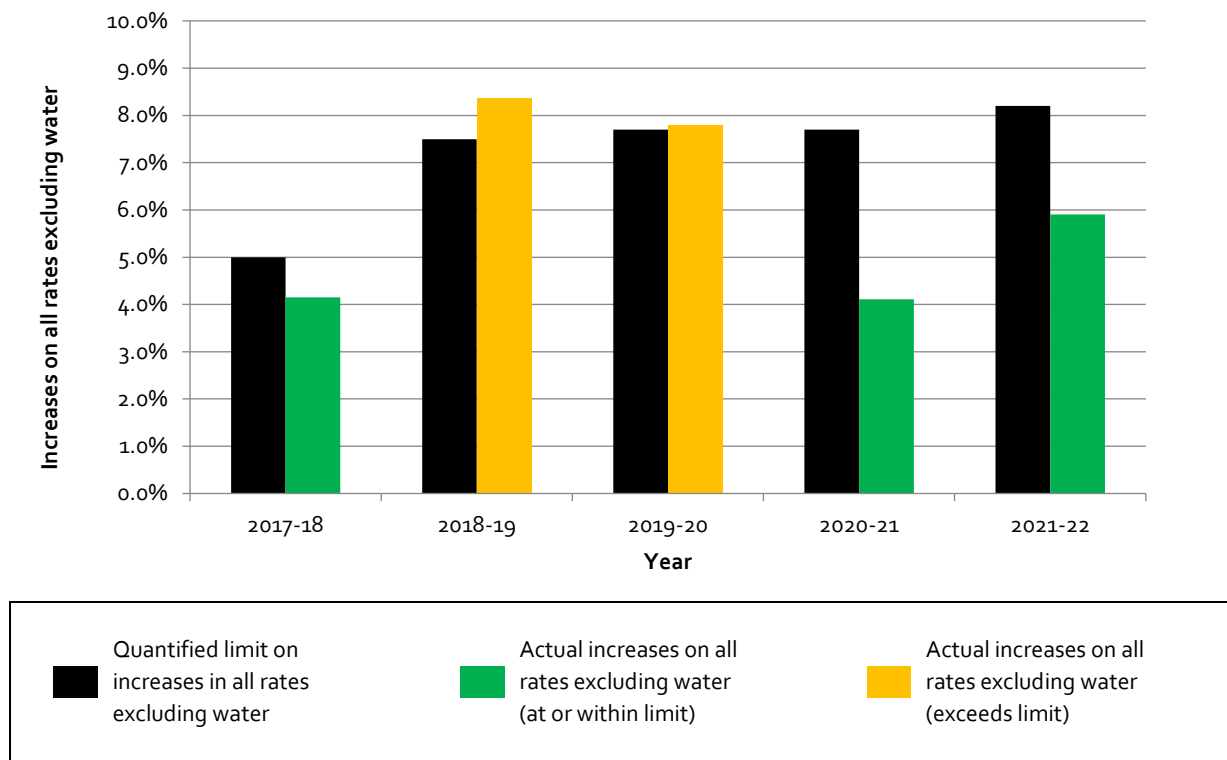
Rates (increases) affordability

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.

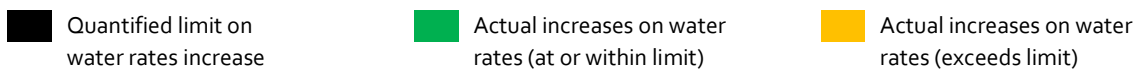
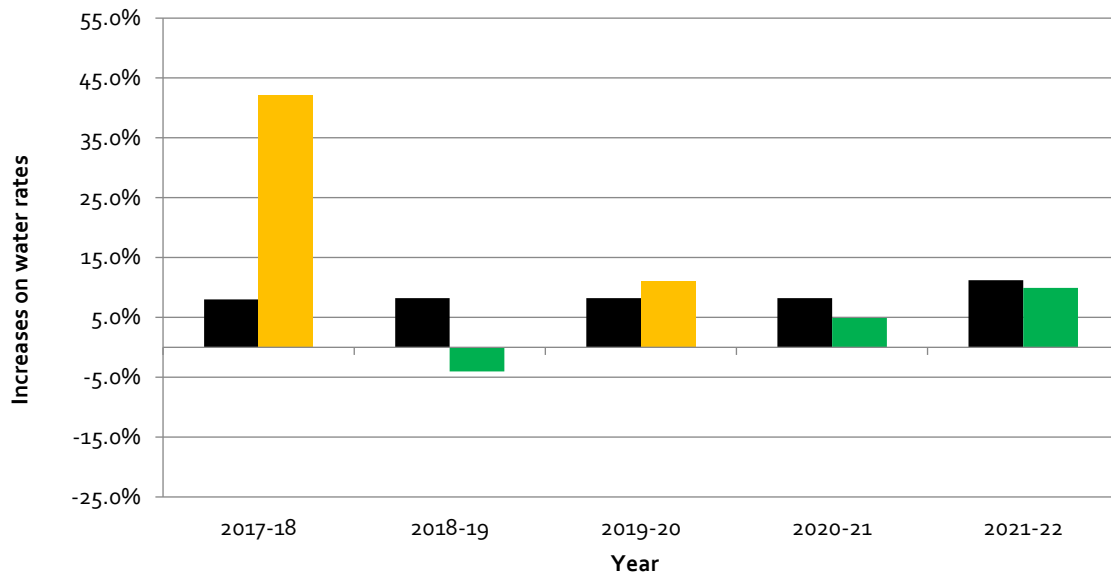
The following graph compares the Council's actual rates increases with a quantified limited on rates increases included in the financial strategy included in the Council's long-term plan.

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



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

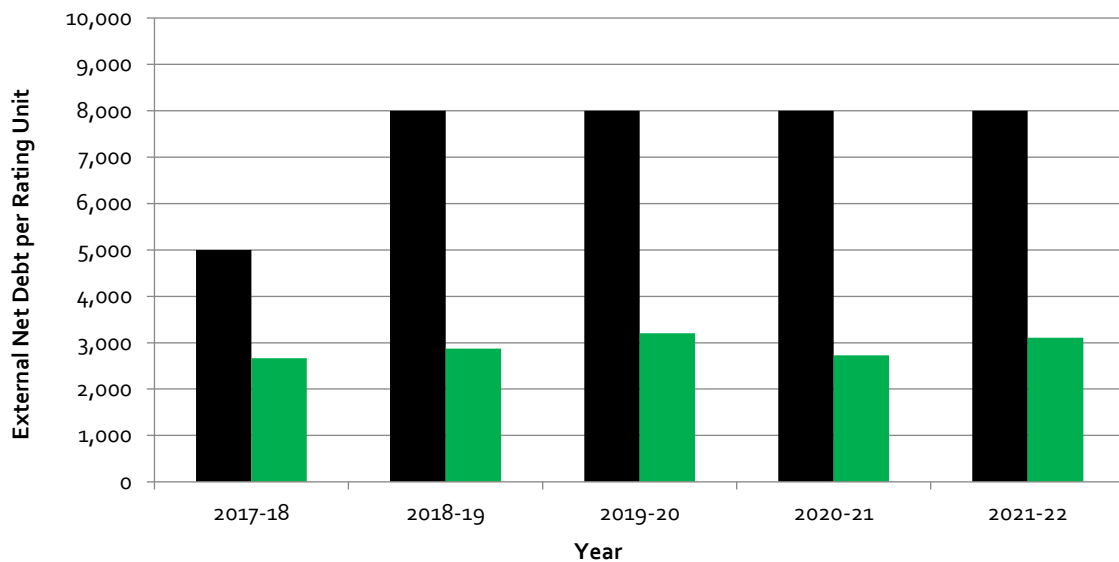
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council has four quantified limits on borrowing:

- 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.



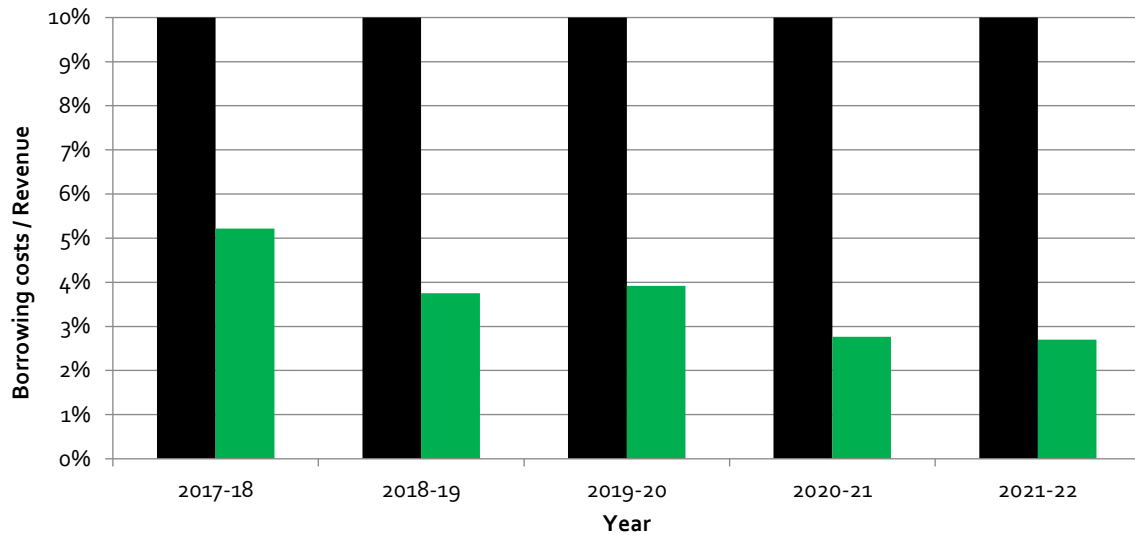
■ Quantified limit on debt ■ Actual debt (at or within limit) ■ Actual debt (exceeds limit)

In the 2018-28 Long Term Plan, the quantified limit for this measure changed from \$5,000 to \$8,000 per rating unit. The Council is comfortably within this borrowing limit.

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.



Quantified limit on debt

Actual debt (at or within limit)

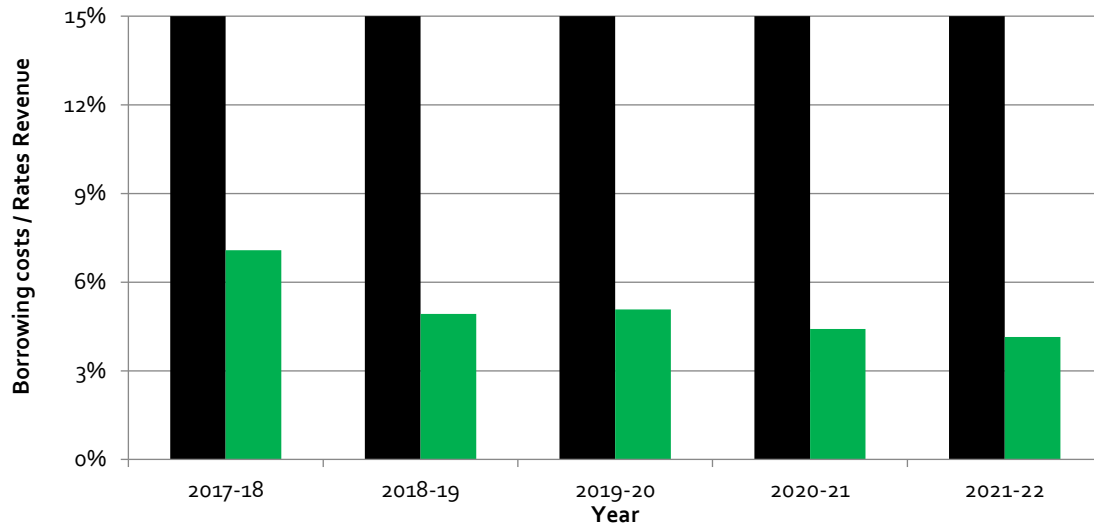
Actual debt (exceeds limit)

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.

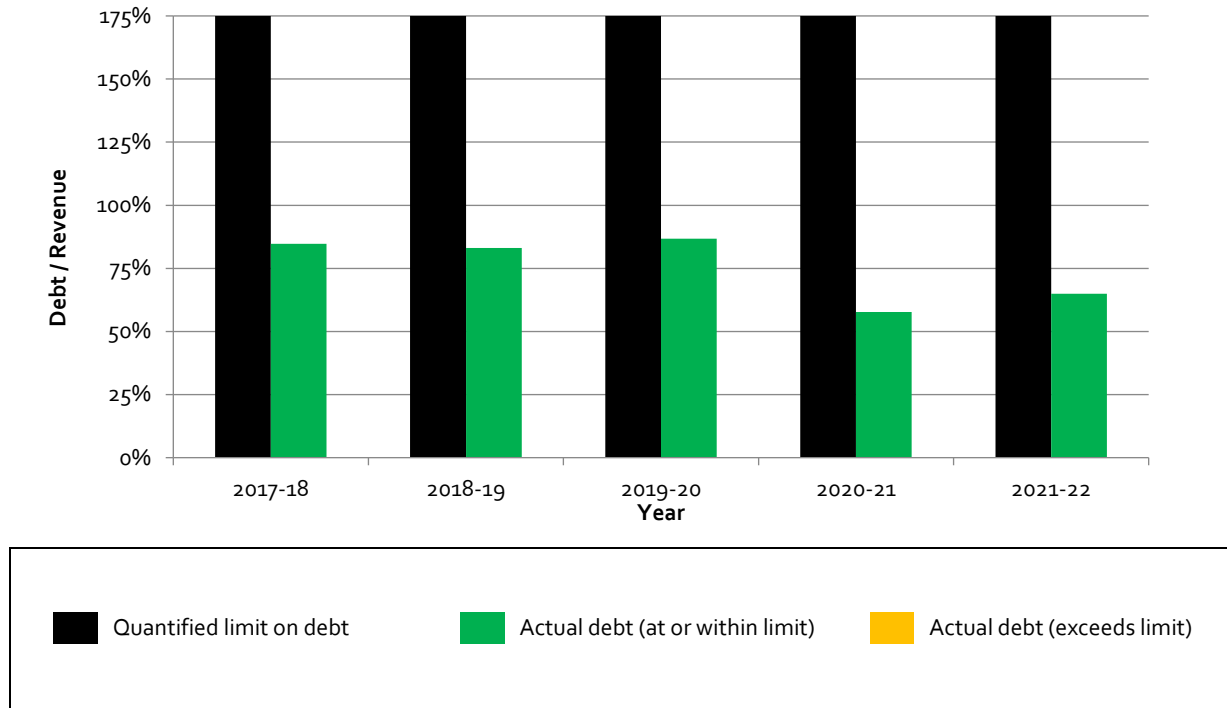


Quantified limit on debt Actual debt (at or within limit) Actual debt (exceeds limit)

Council is comfortably within this limit.

Debt (debt to total revenue) affordability

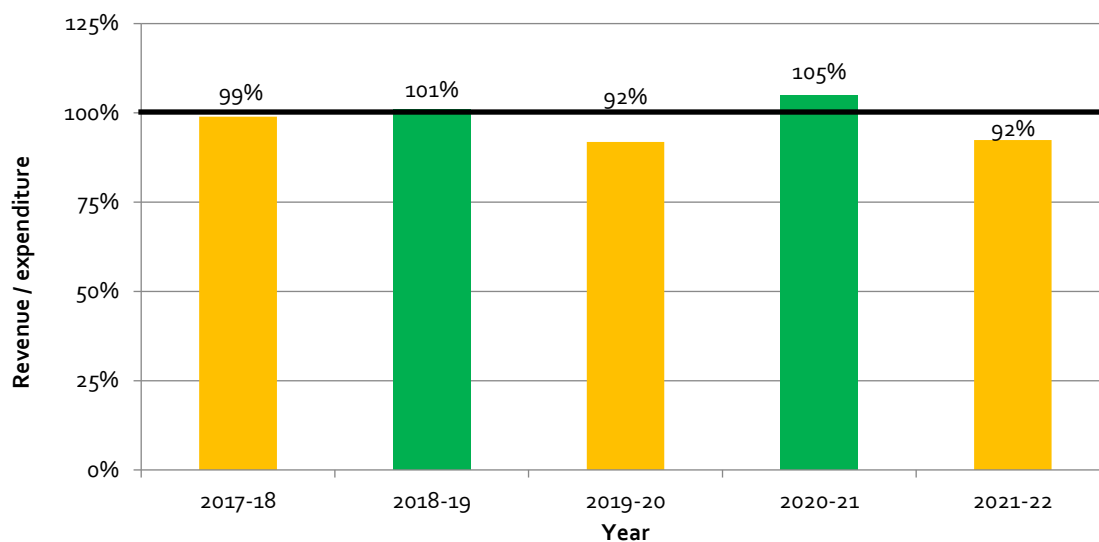
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is that debt is equal to or less than 175% of total revenue.



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.



■ Benchmark met

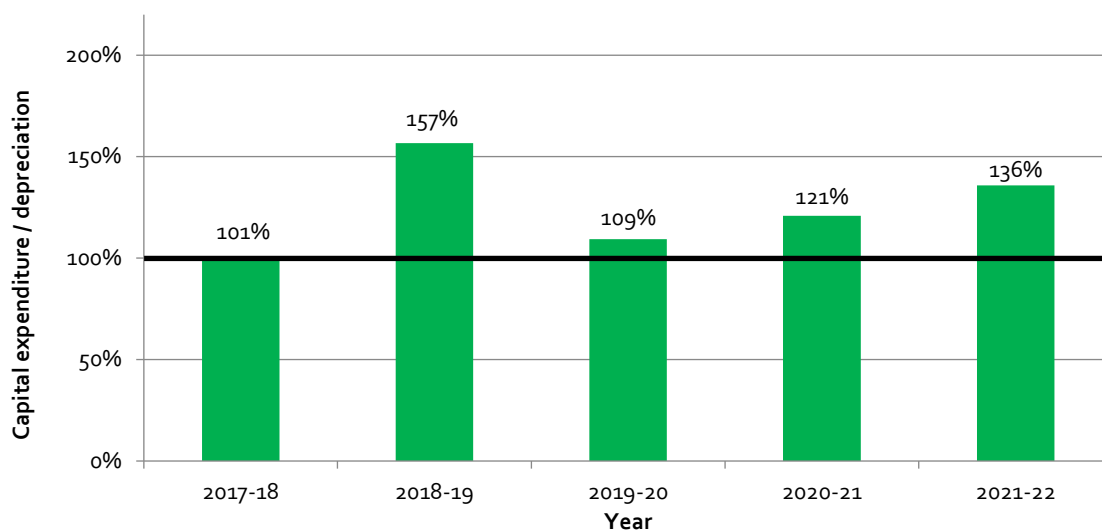
■ Benchmark not met

The Council aims to maximise the services it provides to the District, while minimising rates revenue increases. This is reflected in the 98% average proportion of revenue to operating expenditure over the five-year period from 2017/18 to 2021/22.

Over time, the Council expects that revenue and expenditure will average out to 100%.

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.



Benchmark met



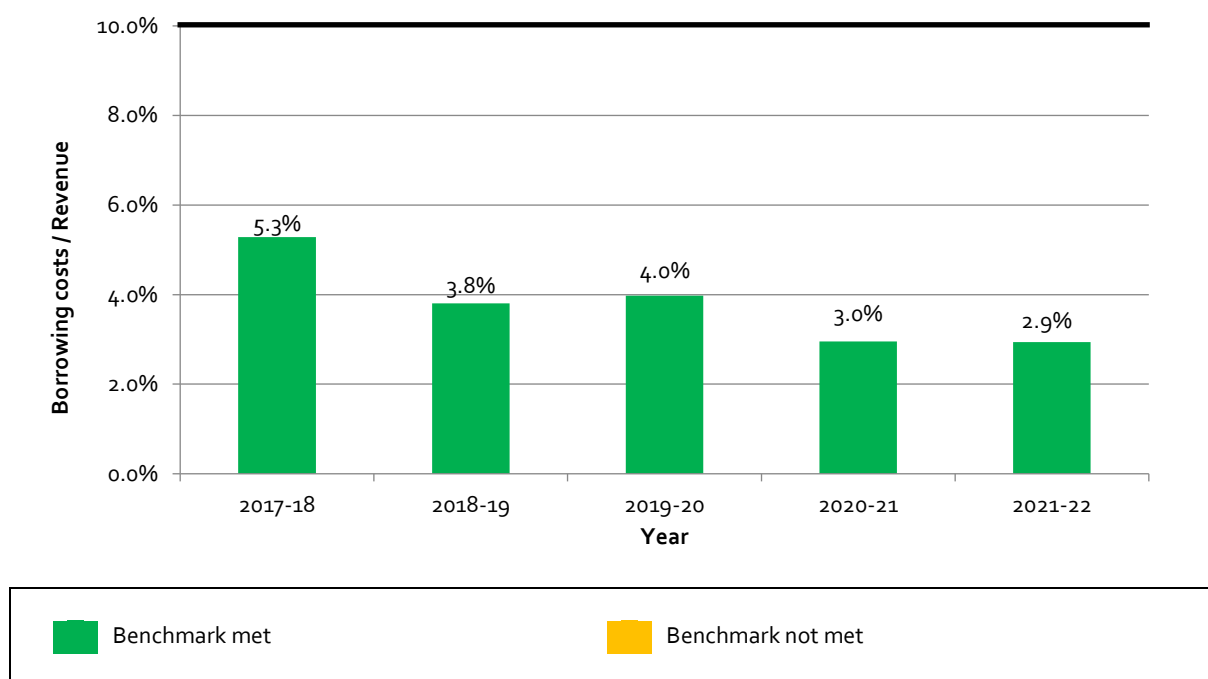
Benchmark not met

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 125% over the five-year period from 2017/18 to 2021/22.

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.

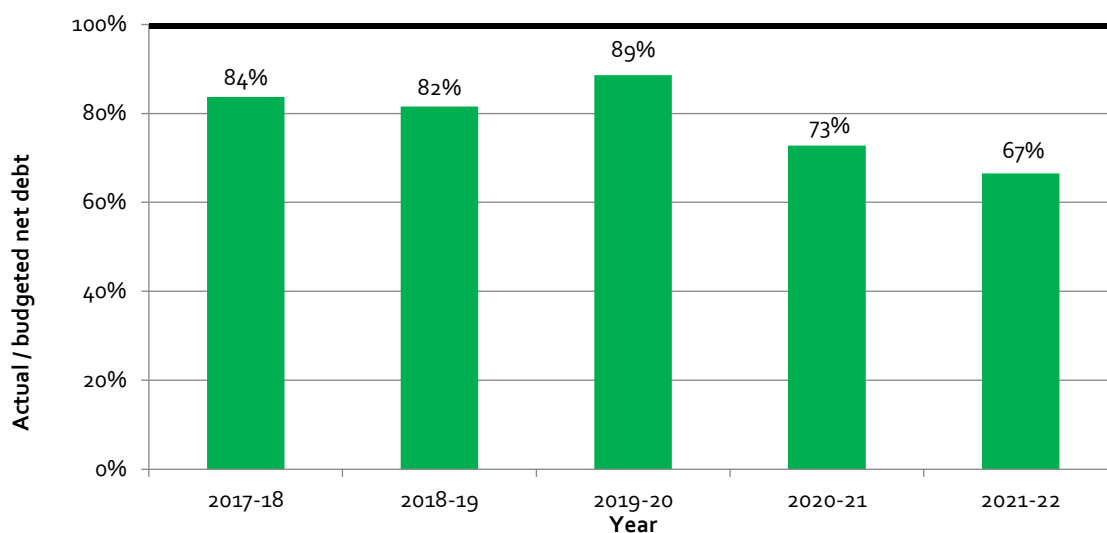



The Council maintains a significantly lower borrowing cost to revenue ratio than that required to meet the benchmark. The average proportion of borrowing costs to revenue over the five-year period from 2017/18 to 2021/22 was 4%.

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.



 Benchmark met

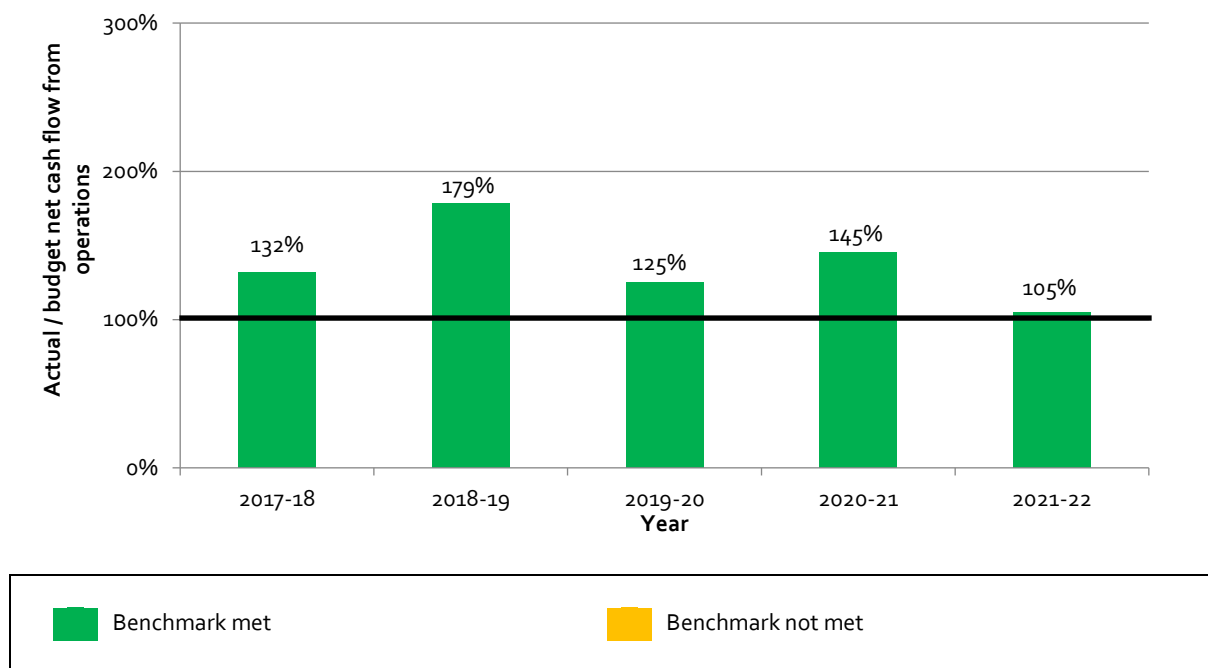
 Benchmark not met

The Council has consistently maintained lower actual than planned net debt. The average proportion of actual to planned net debt was 78% over the five-year period from 2017/18 to 2021/22.

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 135% over the five-year period from 2017/18 to 2021/22.

Our services

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 77 service targets listed in the 2021-2031 Long Term Plan for 2021/22 – here is a summary of the results:

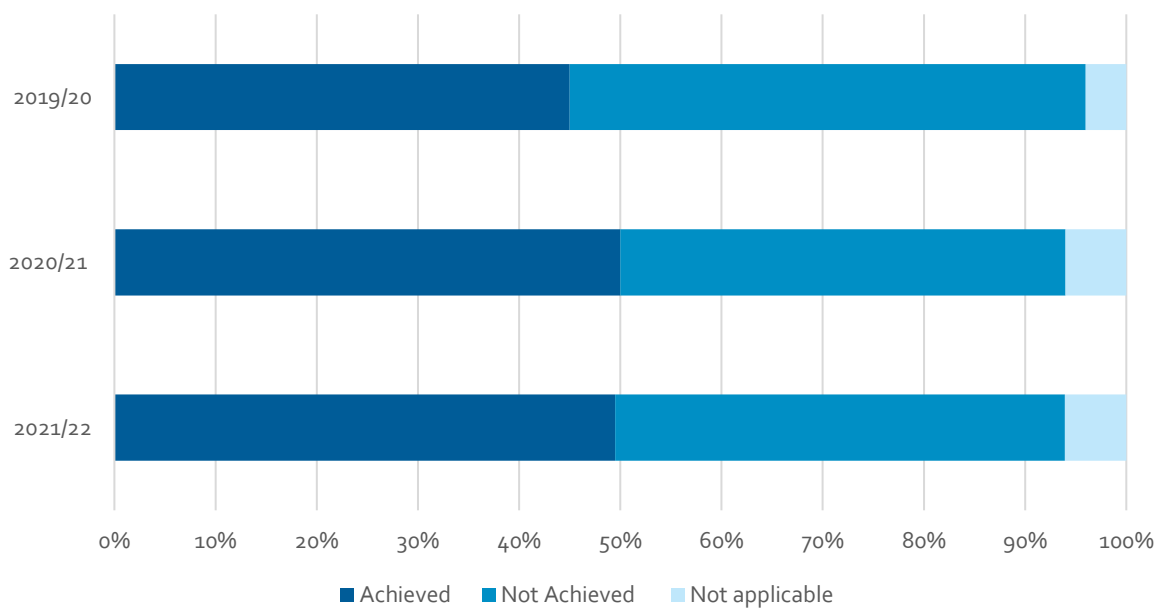


Service targets not achieved

As shown above, 44% 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.

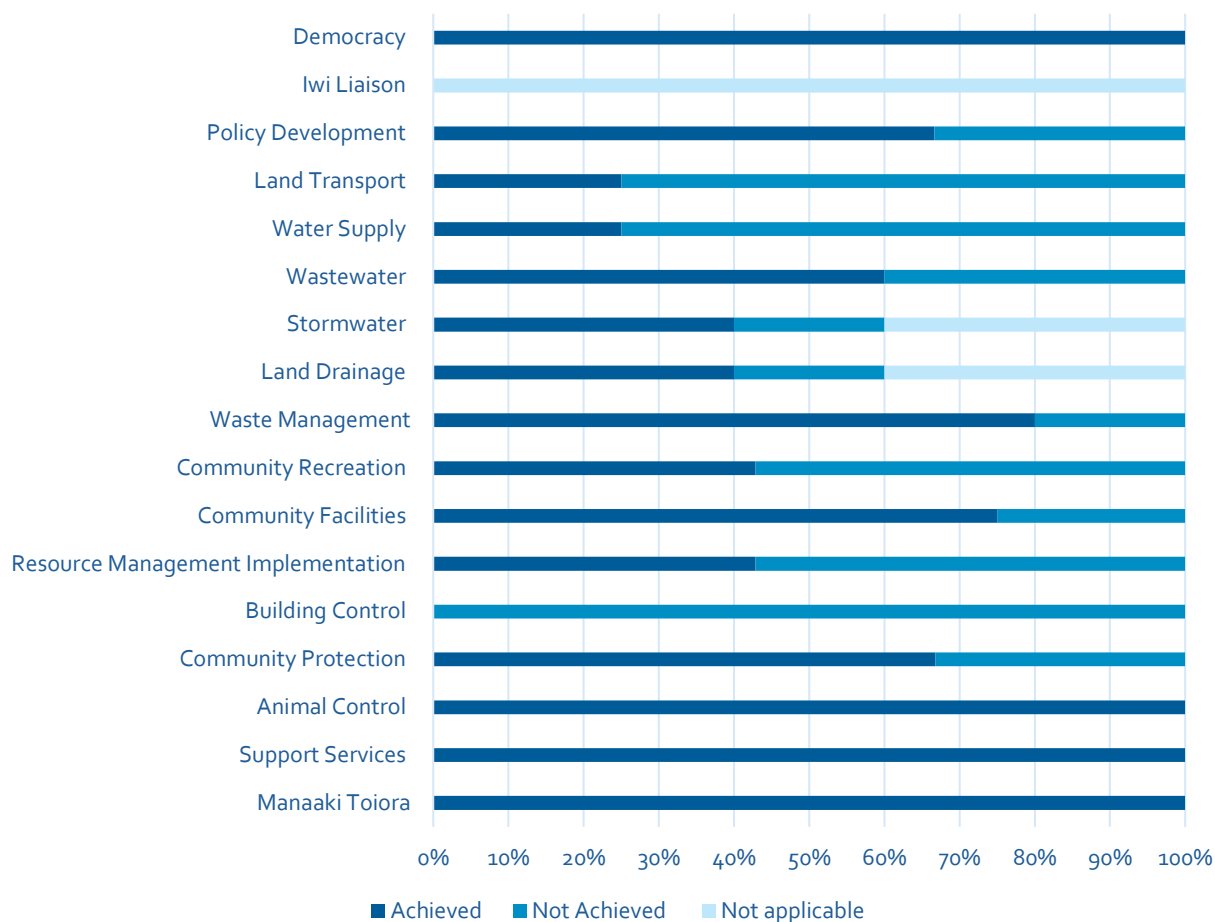
Overall service performance by year

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

Overall service performance by activity



Infrastructure

Infrastructure includes the activities of land transport, water supply, wastewater, stormwater, land drainage and solid waste. Across these activities there are themes of non-achievement in the areas of attendance and resolution times for service requests, and also system and process breakdowns. Staff and material resourcing have been affected by COVID. Staff have worked to implement improvements and will continue improvements.

Governance and Leadership

A key activity within the governance and leadership group is iwi liaison, with the measure being 'not applicable' in the 2021/22 year due to the treaty settlement process still ongoing. Council intend to focus on building partnerships with mana whenua. Customer satisfaction results for Council's consultation and engagement was not achieved and feedback in the survey said customers want to hear from Council more.

Regulatory Services

Regulatory services include animal control, building control community protection and resource consent implementation. Our building, LIM and resource consent teams saw increased applications and due to staffing resources and complex applications in some cases impacted the achievement on some of these measures. All aspects of animal control were achieved.

Community Services

The resident satisfaction results for libraries, pools and parks missed their target. Survey respondents mentioned improvements to increase satisfaction were for a wider selection of library material, better general maintenance and cleaning of outdoor spaces including emptying rubbish bins and upgrading pool facilities. We held 115 Library-led community based learning programmes at our libraries.

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 2021/22 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 two years' 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 triennial satisfaction survey. This was undertaken in July/August 2022, to record customers' satisfaction with our services and facilities in the 2021/22 year.

What else happened in 2021/22?

This section details the projects that were completed in the 2021/22 year; this includes projects that were scheduled for 2021/22 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 2021/22 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.



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.

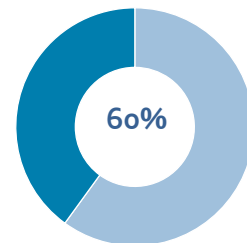
Effects on the community

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

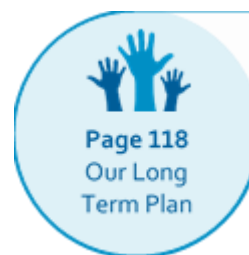
	Annual Plan	Actual	Actual
	2022	2022	2021
	\$000	\$000	\$000
Expenditure			
Democracy	2,301	2,207	2,030
Iwi Liaison	154	125	116
Policy development	753	766	693
RMA policy	553	442	390
Total expenditure	3,762	3,540	3,230
Revenue			
Fees, charges and other revenue	0	48	1
External subsidies	0	0	2
Targeted rates	0	0	0
General rates	3,600	3,906	3,671
Total revenue	3,600	3,954	3,674
Operating surplus / (deficit)	(162)	414	444

Hauraki District Council: Funding impact statement for the year ended 30 June 2022 for Governance and Leadership

	Long-Term Plan 2021 \$000	Long-Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	2,925	3,600	3,906
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	5
Fees and charges	0	0	43
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
Total operating funding (A)	2,925	3,600	3,954
Applications of operating funding			
Payments to staff and suppliers	1,270	1,322	1,099
Finance costs	308	0	0
Internal charges and overheads applied	2,019	2,440	2,440
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,597	3,762	3,539
Surplus / (deficit) of operating funding (A - B)	(672)	(162)	415
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	1,881	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	1,881	0	0
Applications of capital funding			
Capital expenditure			
- 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	1,209	(162)	415
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,209	(162)	415
Surplus / (deficit) of capital funding (C - D)	672	162	(415)
Funding balance ((A - B) + (C - D))	0	0	0

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 2021/22 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
What we said we would do: Customer can expect: the Council to conduct all its business in an open and transparent manner		
Measure: Agendas for meetings (other than extraordinary meetings) of the Council and its Committees are publicly available at least two clear working days prior to the meeting date, as measured by the Council secretary's checklist. Target: 100% of agendas are available on the internet and in the Council offices and libraries two clear working days before each meeting.	2021/22:	Achieved: 100% (63/63) agendas were publicly available at least two working days prior to the meeting.
	2020/21:	<i>Achieved: 100% (78 of 78) of agendas were available two clear working days before each meeting.</i>
	2019/20:	<i>98% (50 of 51) agendas were available two working days before each meeting.</i>

What else happened in 2021/22?

2022 Triennial Satisfaction Survey

In July/August 2022, we conducted our annual survey to find out users' satisfaction with Council's services and facilities. Every three years we also ask additional topical questions of the community to help inform the incoming Council following the triennial elections. 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.

Councillor Remuneration

The budget for councillor remuneration was increased to meet the required funding levels, as determined by the Remuneration Authority. There has been \$5,250.00 increase (in total) between 2020/21 and 2021/22. The Authority has been incrementally increasing councillor salary and allowance pools over time to better reflect the nature of their responsibilities.

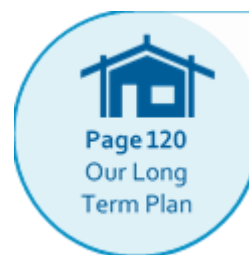
What didn't happen in 2021/22?

There were no planned projects that didn't happen in 2021/22.

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 2021/22 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="radio"/> Not Applicable
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.		
Measure: We will work with Mana Whenua to grow the capacity and Mana Motuhake of Mana Whenua. Target: Within three years of the signing of the treaty settlement, a Hauraki Iwi Forum will be established.	2021/22:	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.
	2020/21 2019/20	<i>New measure in 2021/22</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 2021/22?

Resourcing

Continued training to increase staff understanding and cultural responsiveness abilities to ensure effective engagement with Iwi can occur.

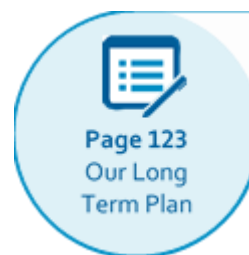
What didn't happen in 2021/22?

Relationships with Mana Whenua

Council did not establish any formal relationship agreements with Mana Whenua during the year. COVID has played a significant part in delaying the ability to meet Kānohi to Kānohi and engage in a manner that enhances the mana of Hauraki iwi.

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 2021/22 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
What we said we would do: the Council to plan its policy development in accordance with relevant legislative requirements		
Measure: All legislatively required policies, bylaws, plans and strategies are adopted within statutory timeframes, as recorded in the resolution database. Target: 100% of all legislatively required documents are adopted within statutory timeframes.	2021/22:	Achieved: 100% (5/5) legislatively required documents adopted within statutory timeframes. <input checked="" type="checkbox"/>
	2020/21:	Achieved: 100% (11/11) of legislatively required documents were adopted within the statutory timeframes. <input checked="" type="checkbox"/>
	2019/20:	Achieved: 100% (3/3) of legislatively required documents were adopted within the statutory timeframes. <input checked="" type="checkbox"/>
What we said we would do: the Council to make decisions in a transparent and democratically accountable way.		
Measure: Percentage of customers satisfied with the Council's consultation and engagement regarding major policies and strategies, as measured by customer satisfaction survey. Target: ≥65% of customers satisfied.	2021/22:	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. <input checked="" type="checkbox"/>
	2020/21:	Not achieved: 2021 survey: 60% satisfied. <input checked="" type="checkbox"/>
	2019/20:	Not achieved: 2020 survey: 58% satisfied. <input checked="" type="checkbox"/>
What we said we would do: the Council to meet its statutory requirements under the Resource Management Act 1991.		
Measure: All Changes and Variations to the District Plan are processed within statutory requirements, as measured by Council records. Target: 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.	2021/22:	Not applicable: there were no appeals or judicial reviews lodged during 2020/21. <input type="checkbox"/>
	2020/21:	Not applicable: there were no appeals or judicial reviews lodged during 2020/21. <input type="checkbox"/>
	2019/20:	Achieved: There were no successful appeals or judicial reviews on any Change or Variation to the District Plan. <input checked="" type="checkbox"/>

What else happened in 2021/22?

Wharekawa Coast 2120

During 2021/22 the Community Panel (the Panel), with assistance from the project team, continued their work looking at a wide range of issues for the Wharekawa Coast, as well as how to address these and provide for a resilient and prosperous future for all.

The Panel finalised their Recommendations Report on 19 July 2022. This was officially handed over to the Joint Working Party and represents the culmination of two years' work by the Panel (on and off with delays due to Covid).

Recommendations are grouped by:

- Community Actions (community and recreation facilities, coastal and rural environment, future growth and infrastructure, wildlife and natural environment, and hazards and impacts)
- Compartment Issues and Actions (Pūkoro Mirānda, Kaiaua, Whakatiwai, Wharekawa, Waharau)
- River Management Work Programme and Long Term Flood Management
- Coastal Hazards
- Next steps

The project team also prepared a companion report to be read alongside the Panel's report to provide a project overview, technical reports and context on the community panel's role in the project.

Prior to the finalisation of these reports, a community meeting was held in May 2022. The Panel's draft recommendations, as well as community risk threshold results, were presented to the wider community for their feedback.

Manaaki Toiora Strategy

In February 2022, we adopted our Manaaki Toiora Strategy. The Manaaki Toiora Strategy sets out the work we'll continue to undertake alongside our communities and stakeholders to enhance the wellbeing of people and our communities. The Strategy identifies our five priority areas for the next ten years and the associated actions.

Reserves Management Plan

During the 2021/22 year, we reviewed our Reserves Management Plan. Our Reserve Management Plan provides a guideline for what can happen on our district's parks and reserves into the future. Following consultation with the community, the Plan was adopted in June 2022.

Waste Management and Minimisation Plan (WMMP)

In 2021/22 we revised our Waste Management and Minimisation Plan – No Time to Waste. Our WMMP is our plan for reducing waste to landfill and minimising the harmful effects of waste in our district. The plan contains an overview of the waste issues we're facing in our district, with our goals, objectives, and action plan to achieve them. We adopted our WMMP in February 2022.

2022/23 Annual Plan

We adopted our 2022/23 Annual Plan in June 2022, following consultation with the community. We sought feedback on a proposed change to the way we rate some annual charges – from per property to per dwelling or business (also known as SUIPs (separately used or inhabited parts)). This is deemed to be a more fair and equitable way of charging rates. The rating change came into effect from 1 July 2022.

2020/21 Annual Report

The 2020/21 Annual Report was prepared, audited and adopted in the period July 2021 to December 2021. A legislative extension was provided to allow councils extra time to adopt their annual reports in 2021, due to implications for the sector as a result of Covid-19. We adopted our Annual Report prior to the extended legislative deadline.

Local Easter Sunday Shop Trading Policy 2021

A local Easter Sunday shop trading policy provides councils with the ability to allow shops to open on Easter Sunday in their entire District or any part or parts of their District. In 2021 we reviewed our current policy and on 23 November 2021 we adopted the Local Easter Sunday Shop Trading Policy 2021

Proposed Plan Change 5

We received a Private Plan Change application for the rezoning of the former Paeroa Racecourse. The proposed Plan Change was publicly notified in November 2021, with submissions closing in December 2021. 17 submissions were received. The Hearing had still not commenced within the 2021/22 year; but was scheduled for August 2022.

What didn't happen in 2021/22?

There were no planned projects that didn't happen in 2021/22.

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.

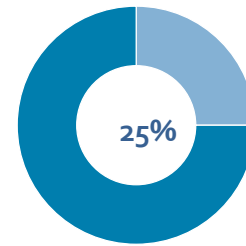
We promote road safety and having an increasing focus on improving how our residents with more limited transport options can get around, including children, the elderly and the mobility impaired. We have a small role in supporting public transport.

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 2021/22 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
What we said we would do: provide a safe transport network for users and the community.		
<p>Measure: 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>Target 1: Reduce fatalities and serious injury crashes from the previous financial year.</p> <p>Target 2: Reduce fatalities and serious injury crashes attributable to council managed road conditions, to 0. This target is a new target set in the 2021/31 LTP and not previously reported on.</p>	2021/22: <input checked="" type="checkbox"/>	<p>Target 1: Achieved:</p> <p>2021/22: 1 fatal/ 5 serious 2020/21: 4 fatal/ 5 serious</p> <p>There has been a reduction in crashes when compared to 2020/21. The change from previous year</p> <ul style="list-style-type: none"> • Fatalities: -3 • Serious injuries: no change
	<input checked="" type="checkbox"/>	<p>Target 2: Not achieved:</p> <p>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>
	2020/21: <input checked="" type="checkbox"/>	<p>Not achieved:</p> <p>2020/21: 4 fatal/5 serious 2019/20: 0 fatal/8 serious</p> <p>Change from previous year: Fatalities: +4 Serious injuries: -3</p>
	2019/20: <input checked="" type="checkbox"/>	<p>Not achieved:</p> <p>2019/20: 0 fatal/8 serious 2018/19: 3 fatal/2 serious</p> <p>Change from previous year: Fatalities: -3 Serious injuries: +6</p>
What we said we would do: footpath assets to be fit for purpose.		
<p>Measure: Percentage of residents satisfied with the quality of footpaths, as measured by the annual customer satisfaction survey.</p> <p>Target: ≥ 65%</p>	2021/22: <input checked="" type="checkbox"/>	<p>Not achieved: The 2022 satisfaction survey showed that 49% of residents were satisfied with the quality of footpaths.</p>
	2020/21: <input checked="" type="checkbox"/>	<p>Not achieved: The 2021 satisfaction survey showed that 61% of residents were satisfied with the quality of footpaths.</p> <p>2020/21 target was ≥ 75%</p>
	2019/20: <input checked="" type="checkbox"/>	<p>Not achieved: 2020 survey: 53% satisfied.</p>
<p>Measure: 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>Target: 80% of trip hazards (>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>	2021/22: <input checked="" type="checkbox"/>	<p>Achieved:</p> <ul style="list-style-type: none"> • 40% (248/626) of the trip hazards identified in the triennial condition survey were remedied (>10mm displacement) The annual target over the triennial period is 33% • 100% (59/59) of all other trip hazard requests received by the Council were isolated within two days and remedied within one month.
	2020/21: <input checked="" type="checkbox"/>	<p>Achieved: 99% (78/79) of reported footpaths with a defect rating of greater than 5 were isolated for safety and remedied within 7 days in 2020/21.</p>

How we measure our performance ▼

Result 2021/22 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
2019/20: <input checked="" type="checkbox"/>	Not achieved: 89% (69/78) of reported footpaths with a defect rating of greater than 5 were isolated for safety and remedied within 7 days.
What we said we would do: provide a roading network that addresses safety and amenity issues	
Measure: Damaged, missing or leaning signs are remedied on District roads within specified timeframes, measured by the Council's service request system. Target: 95% regulatory/ warning signs within 7 days All other signs within 6 weeks	2021/22: <input checked="" type="checkbox"/> Not achieved: 94% (174/186) of regulatory/warning/other sign issues were resolved within 7 days, or within 6 weeks as applicable.
	2020/21: <input checked="" type="checkbox"/> Not achieved: <ul style="list-style-type: none"> 92% (55/60) of regulatory/warning sign issues were resolved within 7 days. 67% (2/3) of safety sign issues were resolved within 2 days. For all other signs 88% (99/112) were resolved within 6 weeks.
	2019/20: <input checked="" type="checkbox"/> Not achieved: <ul style="list-style-type: none"> 88% (28/32) of regulatory/warning sign issues were resolved within 7 days. 100% (7/7) of safety sign issues were resolved within 2 days. For all other signs 92% (94/102) were resolved within 6 weeks.
Measure: All reported potholes are repaired on District roads within specified timeframes measured by the Council's service request system. Target: 85% within 5 days for Arterial and Collector roads and within 14 days for Access and Low Volume Roads.	2021/22: <input checked="" type="checkbox"/> Not achieved: <ul style="list-style-type: none"> 84% (26/31) potholes on arterial and collector roads were repaired within five (5) days. 93% (71/76) potholes on access and low volume roads were repaired within fourteen (14) days.
	2020/21: <input checked="" type="checkbox"/> Not achieved: 81% (38/47) potholes on >100 vpd roads were repaired within five days. 79% (45/57) potholes on <100 vpd roads were repaired within 14 days. Significant improvements to results were achieved following poor performance in the first quarter; however, the transport team and the contractor discussed the issue and process improvements were made.
	2019/20: <input checked="" type="checkbox"/> Not achieved: 78% (35/45) potholes on >100 vpd roads were repaired within five days. 71% (29/41) potholes on <100 vpd roads were repaired within 14 days.
What we said we would do: preserve the pavement life of sealed roads.	
	2021/22: <input checked="" type="checkbox"/> Not achieved: The smooth travel exposure for 2021/22 is:

How we measure our performance ▼

Result 2021/22 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
Measure: The average quality of ride on a sealed local road network, measured by smooth travel exposure.* Target: <ul style="list-style-type: none"> 85% for urban low speed roads, 93% for rural high speed roads. 	<ul style="list-style-type: none"> 84% for urban low speed roads. 96% for rural high speed roads.
	2020/21: <input checked="" type="checkbox"/> <i>Not achieved: The smooth travel exposure (STE), expressed as percentage vehicle kilometres travelled on smooth roads, is 95%. 2020/21 target; Smooth Travel Exposure is 96% or higher</i>
	2019/20: <input checked="" type="checkbox"/> <i>Not achieved: The smooth travel exposure, expressed as percentage vehicle kilometres travelled on smooth roads, is 95%.</i>
Measure: The percentage of the sealed local road network that is resurfaced.* Target: 7% of the local road network resealed per year	2021/22: <input checked="" type="checkbox"/> Achieved: At the end of 2021/22, the resurfacing programme was completed, representing 9% of the local road network.
	2020/21: <input checked="" type="checkbox"/> <i>Achieved: 10% (53 km of 525 km total length) of the sealed road network was resurfaced in 2020/21. 2021/21 target: 8%</i>
	2019/20: <input checked="" type="checkbox"/> <i>Achieved: 9.1% (47.4 km of 518.5 km total length) of the sealed local road network was resurfaced in 2019/20. 2021/21 target: 8%</i>
Measure: Percentage of customers satisfied with the quality of roads in the District (excluding state highways), as measured by the annual customer satisfaction survey. Target: ≥70% of customers satisfied	2021/22: <input checked="" type="checkbox"/> Not achieved: The 2022 satisfaction survey showed 37% of customers were satisfied with the quality of roads in the district.
	2020/21: <input checked="" type="checkbox"/> <i>Not achieved: The 2021 satisfaction survey showed that 50% of residents were satisfied with the quality of roads. 2020/21 target: ≥75% of customers satisfied</i>
	2019/20: <input checked="" type="checkbox"/> <i>Not achieved: The 2020 satisfaction survey showed that 49% of residents were satisfied with the quality of roads (excluding state highways).</i>
What we said we would do: customer service requests will be dealt with promptly and appropriately.	
Measure: 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.* Target: 100% of maintenance related service requests are responded to within 10 working days	2021/22: <input checked="" type="checkbox"/> Not achieved: 87% (772/886) of maintenance related customer service requests were responded to within 10 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.
	2020/21: <input checked="" type="checkbox"/> <i>Not achieved: 91% (1,249/1,366) of customer service requests were responded to within 10 working days in 2020/21. The transport team are instigating processes to improve the understanding of the response requirements relevant to the land transport activity and this includes developing a transport policy to provide further clarity for the team when responding to some types of</i>

How we measure our performance ▼

Result 2021/22 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
		requests. This policy is in the process of being prepared and is expected to be completed early 2022.
	2019/20: <input checked="" type="checkbox"/>	Not achieved: 89% (1,242/1,401) of customer service requests were responded to within 10 working days. Up to the end of March 2020 88% of responses were responded to within timeframes. Taking into account Covid-19, we responded to 79.5% in April, 94% in May and 97% in June within timeframes.
Measure: Issues reported to the Council regarding state highways are forwarded to the New Zealand Transport Agency. Target: 100% all reported issues are forwarded within two working day.	2021/22: <input checked="" type="checkbox"/>	Not achieved: 99% (150/151) of all reported issues (on State Highways) were forwarded to Waka Kotahi within two working days in 2021/22.
	2020/21: <input checked="" type="checkbox"/>	Achieved: 98% (166/169) of all reported issues regarding state highways were forwarded to Waka Kotahi NZTA within one working day in 2020/21. 2020/21 target 95% within one working day
	2019/20: <input checked="" type="checkbox"/>	Achieved: 98% (173/176) of all reported issues regarding state highways were forwarded to the NZ Transport Agency within one working day.
What we said we would do: access to be provided to the network of local roads .		
Measure: Time for road access to be restored to communities following a 1 in 10 year climatic event. Target: 100% of Arterial and Collector roads open within 24 hours, all other roads within 72 hours.	2021/22: <input checked="" type="checkbox"/>	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.
	2020/21: <input checked="" type="checkbox"/>	Not achieved: No arterial and collector roads were closed due to weather events in 2020/21. 88% (7/8) of all other roads were open within 72 hours.
	2019/20: <input checked="" type="checkbox"/>	Achieved: There were no arterial and collector road closures in 2019/20. 100% (2/2) of all other roads were open within 72 hours.
* Mandatory performance measure under section 261B of the Local Government Act 2002.		

What else happened in 2021/22?

Sealed road resurfacing

47 km of roads have been resealed throughout the district at a total cost of \$1.8 million.

Unsealed road renewals

15 km of unsealed roads were re-metalled throughout the district at a total cost of \$246,000.

Pavement rehabilitation (rebuilding the road)

1 km of pavement rehabilitation work on Waihi Beach Road was completed in 2021/22; \$515,000 was spent.

Minor improvements

Improvements in 2021/22 included the following projects:

- \$72,000 was spent on the replacement of Mahuta Road North Bridge No. 2 (Mangatarata) in 2021/22 to finalise the design and resource consents, and to appoint a contractor to construct in 2022/23.
- \$36,000 was spent in 2021/22 on the Pukekauri Road (Waitawheta) culvert replacements to finalise the design and resource consent, and to appoint a contractor to construct in 2022/23
- \$104,000 was spent in Grey Street, Paeroa to construct a turning head
- \$243,000 was spent on bridge and structure renewals on various bridges throughout the district.
- \$47,000 was spent on stormwater improvements in Ridgeview Place, Waihi.
- \$170,000 was spent on the upgrade of the hill section of Waitete Road North.

New road and footpath extensions

A total of \$150,000 was spent on the extension of Bradford Street, Waihi and the extension of the footpath in Consol Street, Waihi.

Emergency works

- \$1,246,000 was spent on repairs of roads on the Plains that were affected by drought.

Public transport

We contributed \$49,000 to the Waikato public transport system in 2021/22 to enable the link from Paeroa to Hamilton.

Footpaths

- \$314,000 in total was spent on the renewal of footpaths in Shaw Avenue, Arney Street, Opatito Road and Willoughby Street (Paeroa), and Pipiroa Road, Ngatea.

Carparks

- \$130,000 was spent on carpark on the corner of Hammond Lane Ngatea.
- \$57,000 was spent on overflow car parking in Railway Street, Paeroa.

What didn't happen in 2021/22?

There were no planned projects that didn't happen in 2021/22.

What it cost and how it was paid for

Operating statement for Land Transport

	Annual Plan	Actual	Actual
	2022	2022	2021
	\$000	\$000	\$000
Expenditure			
Pavement maintenance	0	0	1,547
Amenity maintenance	0	0	582
Professional services	0	0	992
Other subsidised	0	0	2,586
Administration	0	0	489
Non-subsidised works	0	0	341
Public transportation	0	0	23
Amenity	147	79	0
Carriageways and Bridges	3,279	4,514	0
Footpath Maintenance	88	94	0
Lighting	300	293	0
Network Management	1,438	1,219	0
Other	900	678	0
Depreciation/Assets written off	3,577	4,727	4,550
Interest	409	448	391
Total expenditure	10,138	12,052	11,501
Revenue			
Fees, charges and other revenue	252	546	38
External subsidies	5,393	5,627	6,054
Targeted rates	5,013	5,166	4,797
General rates	0	0	0
Total revenue	10,658	11,339	10,889
Operating surplus / (deficit)	520	(713)	(612)

Hauraki District Council: Funding impact statement for the year ended 30 June 2022 for Land Transport

	Long-Term Plan 2021 \$000	Long-Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	5,467	5,013	5,166
Subsidies and grants for operating purposes	2,467	3,173	3,555
Fees and charges	0	60	24
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
Total operating funding (A)	7,934	8,246	8,744
Applications of operating funding			
Payments to staff and suppliers	4,469	5,636	6,363
Finance costs	379	409	448
Internal charges and overheads applied	831	514	514
Other operating funding applications	0	0	0
Total applications of operating funding (B)	5,680	6,559	7,325
Surplus / (deficit) of operating funding (A - B)	2,254	1,687	1,419
Sources of capital funding			
Subsidies and grants for capital expenditure	1,700	2,220	2,072
Development and financial contributions	0	192	477
Increase (decrease) in debt	345	1,534	(251)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	2,045	3,946	2,299
Applications of capital funding			
Capital expenditure			
- to meet additional demand	157	0	0
- to improve the level of service	841	2,017	628
- to replace existing assets	2,992	3,094	3,323
Increase (decrease) in reserves	309	522	(233)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	4,299	5,633	3,718
Surplus / (deficit) of capital funding (C - D)	(2,254)	(1,687)	(1,419)
Funding balance ((A - B) + (C - D))	0	0	0



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 Ngatea, 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.

Three Waters Reforms

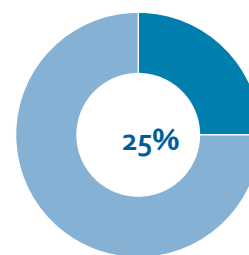
In July 2020, the Government launched the Three Waters Reform programme – a three-year programme to reform local government service delivery arrangements for drinking water, wastewater and stormwater. On 27 October the Local Government Minister announced that government will proceed with its three waters service delivery reforms using a legislated “all in” approach.

The reform involves the creation of four statutory water service entities that will own and operate three waters service delivery and infrastructure on behalf of councils. Under the new structure, the Hauraki District would be part of Entity B with 22 councils in total, including Waikato, Bay of Plenty, Taranaki and parts of Manawatu-Whanganui.

There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty, once legislated we will no longer be responsible for the delivery and infrastructure of three water services from 1 July 2024.



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 ▼

How we measure our performance ▼		Result 2021/22 ▼																		
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable																		
What we said we would do: provide water that is safe to drink .																				
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* Target: 100% compliance for: a) Bacteria b) Protozoa at all water plants.	2021/22: <input checked="" type="checkbox"/>	Not achieved: <table><tr><td>Supply:</td><td>Bacteria:</td><td>Protozoa:</td></tr><tr><td>Kerepēhi</td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr><tr><td>Waitakaruru</td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr><tr><td>Paeroa</td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr><tr><td>Waihi</td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr></table> 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 plant continues to supply water that is safe to drink.		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"/>		
	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"/>																		
2020/21: <input checked="" type="checkbox"/>	Not achieved: <table><tr><td>Supply:</td><td>Bacteria:</td><td>Protozoa:</td></tr><tr><td>Kerepēhi</td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr><tr><td>Waitakaruru</td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr><tr><td>Paeroa</td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr><tr><td>Waihi</td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr></table> The non-compliances triggered were regarding the real-time collection of data and not treatment related. All water was safe to drink.		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"/>			
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"/>																		
2019/20: <input checked="" type="checkbox"/>	Not achieved: <table><tr><td>Supply:</td><td>Bacteria:</td><td>Protozoa:</td></tr><tr><td>Kerepēhi</td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr><tr><td>Waitakaruru</td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr><tr><td>Paeroa</td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr><tr><td>Waihi</td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr><tr><td>Kaimanawa</td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr></table> An audit of the system has identified anomalies that means that some of the plants were technically non compliant for the year. The water was still safe to drink. Compliance for Kaimanawa has not been achieved. This supply is under a permanent boil water notice.		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"/>	Kaimanawa	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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"/>																		
Kaimanawa	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>																		
What we said we would do: losses from the water supply network to be minimised																				
Measure: The percentage of real water loss from the Council’s networked reticulation system¹ measured by	2021/22: <input checked="" type="checkbox"/>	Not achieved: The percentage of real water lost from Council's networked																		

¹ Mandatory requirement includes a description of the methodology used to calculate this.

How we measure our performance ▼

Result 2021/22 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
<p>real losses through leaks in the network and apparent losses through metering inaccuracies or water theft.*</p> <p>Target: 30%.</p>	<p>reticulation system was 31% in 2021/22.</p> <p>There was an increase in pipe breaks and subsequent leakage due to the recent drought conditions.</p>
	<p>2020/21: <input checked="" type="checkbox"/></p> <p><i>Achieved: The percentage of real water loss from the Council's networked reticulation system was 13.4% for 2020/21.</i></p>
	<p>2019/20: <input checked="" type="checkbox"/></p> <p><i>Not achieved: The percentage of real water loss from the Council's networked reticulation system was 32% for the year.</i></p>
What we said we would do: provide a reliable water supply	
<p>Measure: The number of unplanned interruptions to the water supply system per 1000 properties per year.</p> <p>Target: <10</p>	<p>2021/22: <input checked="" type="checkbox"/></p> <p>Not achieved: There were 19.1 unplanned interruptions to the water supply system per 1000 properties in the 2021/22 year.</p> <p>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.</p>
	<p>2020/21: <input checked="" type="checkbox"/></p> <p><i>Not achieved: There were 14.39 unplanned interruptions to the water supply system per 1000 properties in 2020/21.</i></p> <p><i>Our service request system does not enable parent/child service requests, meaning some are counted twice.</i></p>
	<p>2019/20: <input checked="" type="checkbox"/></p> <p><i>Overall, we have not achieved this measure. A lack of supporting information in the first half of the year has meant the first six months of results are not based on reliable data.</i></p>
<p>Measure: The average consumption of drinking water per day per resident within the Hauraki District, measured by litres consumed per person, per day.*</p> <p>Target: <250 litres per resident per day (measured annually).</p>	<p>2021/22: <input checked="" type="checkbox"/></p> <p>Achieved: The average consumption of drinking water was 181.5 litres per person per day in 2021/22.</p>
	<p>2020/21: <input checked="" type="checkbox"/></p> <p><i>Achieved: The average consumption of drinking water was 187.68 litres per person per day in 2020/21.</i></p>
	<p>2019/20: <input checked="" type="checkbox"/></p> <p><i>Achieved: The average consumption of drinking water was 178.75L per person per day.</i></p>
What we said we would do: customer service requests will be dealt with promptly and appropriately	
<p>Measure: Where the Council attends a call-out in response to a fault or unplanned interruption to its</p>	<p>2021/22: <input checked="" type="checkbox"/></p> <p>Achieved:</p> <p>Urgent:</p>

How we measure our performance ▼

Result 2021/22 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
<p>networked reticulation system, the following median response times are measured:*</p> <p>Urgent Call-outs:</p> <ul style="list-style-type: none"> Attendance (from the time that the Council receives notification to the time that service personnel reach the site) Resolution (from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption) <p>Non-Urgent Call-outs:</p> <ul style="list-style-type: none"> Attendance Resolution <p>Target:</p> <p>Urgent call-outs:</p> <ul style="list-style-type: none"> Median attendance = 1 hour Median resolution = 3 hours <p>Non-urgent call-outs:</p> <ul style="list-style-type: none"> Median attendance = 3 hours Median resolution = 72 hours 	<p> <ul style="list-style-type: none"> Median attendance = 20 minutes Median resolution = 89 minutes (1 hour) <p>Non-Urgent:</p> <ul style="list-style-type: none"> Median attendance = 95 minutes (1 hour 35 minutes) Median resolution = 456 minutes (7 hours 36 minutes) " </p> <p>2020/21: <input checked="" type="checkbox"/></p> <p><i>Not achieved:</i></p> <p>Urgent</p> <ul style="list-style-type: none"> 83.02% (88/106) attended in less than 2 hours 88.68% (94/106) resolved in less than 8 hours Median attendance = 25 minutes Median resolution = 98 minutes <p>Non-urgent</p> <ul style="list-style-type: none"> 75.61% (437/578) attended in less than 4 hours 86.85% (502/578) resolved in less than 3 days Median attendance = 74 minutes Median resolution = 315 minutes
	<p>2019/20: <input checked="" type="checkbox"/></p> <p><i>Not achieved; Overall, we have not achieved this measure. A lack of supporting information in the first half of the year has meant the first six months of results are not based on reliable data.</i></p>
What we said we would do: potable water will be supplied to consumers	
<p>Measure:</p> <p>The total number of complaints received by Council about any of the following:</p> <ul style="list-style-type: none"> drinking water clarity; drinking water taste; drinking water odour; drinking water pressure or flow; continuity of supply; <p>and the Council's response to any of these issues, expressed per 1000 connections to the Council's networked reticulation system.*</p> <p>Target: ≤ 22 complaints per 1000 connections.</p>	<p>2021/22: <input checked="" type="checkbox"/></p> <p>Not achieved: 53 complaints received per 1000 connections about drinking water clarity, taste, odour, pressure or flow, and continuity of supply in 2021/22.</p> <p>2020/21: <input checked="" type="checkbox"/></p> <p><i>Not achieved:</i></p> <ul style="list-style-type: none"> Water quality: 21.99 per 1000 connections Service quality: 6.24 per 1000 connections Water pressure/flow issues: 14.39 per 1000 connections. <p><i>We experienced difficulty treating manganese at Kerepēhi and we received a large number of complaints regarding taste and odour (water quality). 2020/21 Target;</i></p> <p>Water quality: ≤ 10/1000 complaints Service quality: ≤ 8/1000 complaints Water pressure / flow issues: ≤ 1/1000 complaints</p>

How we measure our performance ▼

Result 2021/22 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
	2019/20: <input checked="" type="checkbox"/>	Not achieved: Overall, we have not achieved this measure. A lack of supporting information in the first half of the year has meant the first six months of results are not based on reliable data.
What we said we would do: the Council will provide its water supply services at agreed levels of service		
Measure: Customers are satisfied with the water quality supplied by the Council, as measured by the annual customer satisfaction survey. Target: ≥80%	2021/22: <input checked="" type="checkbox"/>	Not achieved: The 2022 annual satisfaction survey showed 66% of customers were satisfied with quality of drinking water supplied.
	2020/21: <input checked="" type="checkbox"/>	Not achieved: The 2021 satisfaction survey showed that 77% of residents were satisfied with the quality of water supply.
	2019/20: <input checked="" type="checkbox"/>	2020 survey: 75% satisfied.
What we said we would do: water supplies to be operated in compliance with regulatory requirements		
Measure: Achieve a high level of compliance at all water treatment plants, as measured by the number of: <ul style="list-style-type: none"> ■ abatement notices; and ■ infringement notices; and ■ enforcement orders; and prosecutions received by Council in relation those resource consents. Target: 0	2021/22: <input checked="" type="checkbox"/>	Not achieved: There was one abatement notice received in 2021/22 in relation to our resource consents.
	2020/21: <input checked="" type="checkbox"/>	Achieved: There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2020/21. Two formal warnings were received for non-compliance in the previous financial year.
	2019/20: <input checked="" type="checkbox"/>	Achieved: There were no abatement notices, infringement notices, or enforcement orders and prosecutions received.
* Mandatory performance measure under section 261B of the Local Government Act 2002.		

What else happened in 2021/22?

Water meter replacements

As part of our ongoing project to install water meters in line with new technology, we spent \$374,000 in 2021/22 on the renewal of water meters as required.

Pipe renewals

As part of the ongoing pipe renewals programme 7,021m of water main renewals were progressed throughout the year at a cost of \$1.2 million.

Health and safety

We spent \$175,000 on health and safety improvements at our water treatment plants.

Plains manganese

We spent \$180,000 on new equipment at the Kerepēhi water treatment plant to control manganese levels in the water system.

Miscellaneous renewals

We spent \$345,000 on upgrades and ongoing maintenance of treatment plant equipment across the district.

Waihi second membrane

An additional unit to create more treatment capacity at the Waihi plant was designed in 2021/22; \$68,000 was spent.

What didn't happen in 2021/22?

Kerepēhi Tanners pond desludging: while partial desludging has been completed, this will be treated as an on-going project.

Paeroa raw water pumps: the pumps were procured in 2021/22 but will be installed in 2022/23.

Upgrade of the bulk water take points will occur in 2022/23 (District wide).

What it cost and how it was paid for

Operating statement for Water Supply

	Annual Plan	Actual	Actual
	2022	2022	2021
	\$000	\$000	\$000
Expenditure			
Treatment	1,736	2,642	1,419
Reticulation	777	1,085	1,696
Intakes and Headworks	1,177	417	361
Fixed costs	215	265	167
Overheads	1,195	1,195	979
Pumpstations	66	60	39
Major Maintenance	31	26	63
Other	470	335	504
Depreciation/Assets written off	2,242	2,137	2,439
Interest	779	936	726
Total expenditure	8,688	9,098	8,393
Revenue			
Fees, charges and other revenue	398	181	61
External subsidies	333	91	183
Targeted rates	7,565	8,231	7,551
General rates	0	0	0
Total revenue	8,295	8,503	7,795
Operating surplus / (deficit)	(393)	(595)	(598)

Hauraki District Council: Funding impact statement for the year ended 30 June 2022 for Water Supply

	Long-Term Plan 2021 \$000	Long-Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	7,345	7,565	8,231
Subsidies and grants for operating purposes	0	0	29
Fees and charges	0	0	6
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
Total operating funding (A)	7,345	7,565	8,265
Applications of operating funding			
Payments to staff and suppliers	3,529	4,385	4,730
Finance costs	890	779	936
Internal charges and overheads applied	919	1,280	1,293
Other operating funding applications	0	0	0
Total applications of operating funding (B)	5,338	6,444	6,959
Surplus / (deficit) of operating funding (A - B)	2,007	1,121	1,306
Sources of capital funding			
Subsidies and grants for capital expenditure	0	333	62
Development and financial contributions	0	342	39
Increase (decrease) in debt	299	775	1,301
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	299	1,449	1,402
Applications of capital funding			
Capital expenditure			
- to meet additional demand	237	0	0
- to improve the level of service	90	660	721
- to replace existing assets	1,979	2,300	1,979
Increase (decrease) in reserves	0	(390)	8
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	2,306	2,570	2,709
Surplus / (deficit) of capital funding (C - D)	(2,007)	(1,121)	(1,306)
Funding balance ((A - B) + (C - D))	0	0	0

Wastewater | Te wai ururua

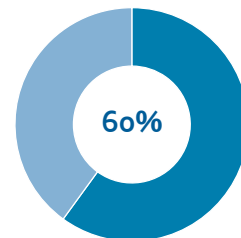
Our wastewater activity involves the collection, treatment and disposal of wastewater for seven urban townships in the district. At our treatment plants the wastewater is treated to clean it up before releasing it – mostly to waterways. We also make sure that trade wastes are appropriately collected 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 2021/22 ▼

Key: ☒ Achieved ☒ Not Achieved ☐ Not Applicable

What we said we would do: the risk of environmental and public health impacts to be mitigated.

Measure: 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.*

Target: <2 per 1000 connections.

2021/22:



Not achieved: There were 2.13 (total of 21) dry weather overflows per 1000 wastewater connections in 2021/22.

2020/21:



Achieved There were 1.78 (total of 10) dry weather overflows per 1000 wastewater connections in 2020/21.

2019/20:



Not achieved: A lack of supporting information in the first half of the year has meant the first six months of results are not based on reliable data.

What we said we would do: the community and the environment will be provided with protection.

Measure: Compliance with the Council's resource consents for discharge from its wastewater system, as measured by the number of:

- abatement notices; and
- infringement notices; and
- enforcement orders; and
- prosecutions received by Council in relation to those resource consents.*

Target:

- 0 abatement notices
- 0 infringement notices
- 0 enforcement orders, and
- 0 prosecutions.

2021/22:



Not achieved:

- 2 abatement notices
- 0 infringement notices;
- 0 enforcement orders;
- 0 prosecutions

2 abatement notices issued in 2021/22
One was 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

2020/21:



Achieved:

- 0 abatement notices
- 0 infringement notices;
- 0 enforcement orders;
- 0 prosecutions

received by Council in 2020/21.
 One formal warning was issued for non-compliances from the previous year.

2019/20:



Not achieved:

- 2 abatement notices
- 0 infringement notices;
- 0 enforcement orders;
- 0 prosecutions

received in 2019/20.

What we said we would do: customer service requests to be dealt with promptly and appropriately.

How we measure our performance ▼

Result 2021/22 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
<p>Measure: 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"> attendance time (from the time that the Council receives notification to the time that service personnel reach the site) resolution time (from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault) <p>Target: Median attendance time = 1 hour Median resolution time = 12 hours.</p>	<p>2021/22: <input checked="" type="checkbox"/></p>	<p>Achieved:</p> <ul style="list-style-type: none"> Median attendance time = 0 hours 56 minutes Median Resolution time = 5 hours 28 minutes
	<p>2020/21: <input checked="" type="checkbox"/></p>	<p><i>Not achieved:</i></p> <ul style="list-style-type: none"> 85% (29/34) of call outs were attended within 2 hours. The median attendance time was 45 minutes. 71% (24/34) of call outs were attended within 8 hours. The median resolution time was 2 hours 29 minutes.
	<p>2019/20: <input checked="" type="checkbox"/></p>	<p><i>Overall, we have not achieved this measure. A lack of supporting information in the first half of the year has meant the first six months of results are not based on reliable data.</i></p>
What we said we would do: a safe and reliable wastewater service.		
<p>Measure: The total number of complaints received by Council about any of the following:</p> <ul style="list-style-type: none"> wastewater odour; wastewater system faults; wastewater system blockages; and the Council's response to any of these issues, expressed per 1000 connections to Council's wastewater system.* <p>Target: ≤12 per 1000 connections</p>	<p>2021/22: <input checked="" type="checkbox"/></p>	<p>Achieved: The total number of complaints received was 7.3 per 1000 connections in 2021/22.</p>
	<p>2020/21: <input checked="" type="checkbox"/></p>	<p><i>Not achieved:</i> The total number of complaints received was 16.88 per 1000 connections in 2020/21. 55% of performance complaints received were related to faults in the network and we will use this information to inform where we need to focus our resources. Target; 2020/21: ≤10 per 1000 connections</p>
	<p>2019/20: <input checked="" type="checkbox"/></p>	<p><i>Overall, we have not achieved this measure. A lack of supporting information in the first half of the year has meant the first six months of results are not based on reliable data.</i></p>
<p>Measure: Percentage of users satisfied with the quality of the wastewater services provided, as measured by the annual customer satisfaction survey.</p> <p>Target: ≥85%</p>	<p>2021/22: <input checked="" type="checkbox"/></p>	<p>Achieved: The 2022 annual satisfaction survey showed 88% of customers were satisfied with quality of wastewater services.</p>
	<p>2020/21: <input checked="" type="checkbox"/></p>	<p><i>Not achieved: The 2021 satisfaction survey showed that 85% of residents were satisfied with the quality of</i></p>

How we measure our performance ▼

Result 2021/22 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
	wastewater services provided by the Council. Target 2020/21: 95%
2019/20: <input checked="" type="checkbox"/>	Not achieved: 2020 survey: 85% satisfied.
* Mandatory performance measure under section 261B of the Local Government Act 2002.	

What else happened in 2021/22?

Treatment plant upgrades

- We spent \$200,000 on the upgrade of the Paeroa wastewater treatment plant in 2021/22. This included the refurbishment of the inlet screens.
- We're also in the preliminary design phase for the upgrade of the Paeroa WWTP to cater for current and future demand.

DIA funded projects:

- Part of the DIA-funds were used to desludge the ponds at Waihi, Paeroa, Kerepēhi & Ngatea at a total cost of \$2,285-million
- Wastewater pump station electrical upgrades and SCADA connection: \$845,000 was spent in 2021/22.
- Waihi wastewater rising main plus pump station: \$1.1 million was spent in 2021/22. The project is due for completion in 22/23.

District wide sewer pump renewals

We spent \$260,000 in 2021/22 on the replacement of failed pumps in the network.

Resource consents

- We spent \$200,000 in 2021/22 on the process of renewing various resource consents (district wide). This is a prolonged process requiring various investigations and consultation processes and should be completed toward 22/23

Whiritoa irrigation block

We have spent \$165,000 in 2021/22 on the renewal of the Whiritoa wastewater treatment plant irrigation block.

Paeroa hydraulic pipe renewals

We spent \$75,000 on wastewater pipe renewals (hydraulic) – bulk mains assessment and replacement in Paeroa in 2021/22. The bulk of the works, estimated at \$1.6 M will be completed in 2022/23

Paeroa – realignment

We spent \$130,000 on the rerouting of the main wastewater line in Grey Street, Paeroa in 2021/22 to safeguard it from traffic

Waihi DAF sludge process

We completed the Waihi wastewater DAF sludge process in 2021/22; we spent \$43,000.

What didn't happen in 2021/22?

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 waste water system which puts the infrastructure at risk. This project is aimed at identifying and fixing the issues.

What it cost and how it was paid for

Operating statement for Wastewater

	Annual Plan	Actual	Actual
	2022	2022	2021
	\$000	\$000	\$000
Expenditure			
Treatment	569	1,158	592
Reticulation	144	319	233
Intakes and Headworks	0	0	0
Fixed costs	143	205	161
Overheads	687	687	819
Pumpstations	283	463	432
Major Maintenance	1,019	1,650	540
Other	472	151	125
Depreciation/Assets written off	1,325	1,505	1,271
Interest	191	262	159
Total expenditure	4,833	6,400	4,332
Revenue			
Fees, charges and other revenue	588	374	354
External subsidies	1,232	2,336	450
Targeted rates	3,584	3,851	3,828
General rates	0	0	0
Total revenue	5,404	6,561	4,632
Operating surplus / (deficit)	571	161	300

Hauraki District Council: Funding impact statement for the year ended 30 June 2022 for Wastewater

	Long-Term Plan 2021 \$000	Long-Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	3,758	3,584	3,851
Subsidies and grants for operating purposes	0	0	1,131
Fees and charges	306	148	175
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
Total operating funding (A)	4,064	3,732	5,157
Applications of operating funding			
Payments to staff and suppliers	1,585	2,601	3,925
Finance costs	417	191	262
Internal charges and overheads applied	625	716	707
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,627	3,508	4,894
Surplus / (deficit) of operating funding (A - B)	1,437	224	263
Sources of capital funding			
Subsidies and grants for capital expenditure	0	1,232	1,204
Development and financial contributions	0	328	52
Increase (decrease) in debt	98	2,768	1,867
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	98	4,327	3,124
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	56	1,535	2,594
- to replace existing assets	1,479	2,445	767
Increase (decrease) in reserves	0	571	26
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,535	4,551	3,387
Surplus / (deficit) of capital funding (C - D)	(1,437)	(224)	(263)
Funding balance ((A - B) + (C - D))	0	0	0



Stormwater | Wai āwhātanga

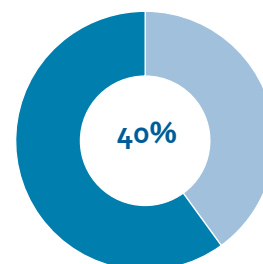
Our stormwater activity involves collecting and disposing of excess rainfall runoff from urban areas using various drainage systems. These services are provided in Paeroa, Waihi, Ngatea, Turua, Kerepēhi, Whiritoa, Mackaytown, Karangahake, Waikino and Kaiaua. Stormwater assets include open drains, piped 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 2021/22 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
What we said we would do: provide stormwater systems to protect houses from flooding in urban areas.	
<p>Measure: 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>Target: Number of habitable floors affected <2 per 1000 connections.</p>	<p>2021/22: <input checked="" type="checkbox"/> Achieved; There was one flooding event but zero habitable floors were affected in 2021/22.</p>
	<p>2020/21: <input checked="" type="checkbox"/> <i>Achieved: There were no flooding events in 2020/21, therefore the number of habitable floors affected by flooding was 0 per 1000 properties connected to the stormwater system.</i></p>
	<p>2019/20: <input checked="" type="checkbox"/> <i>Achieved: There were no flooding events in 2019/20, therefore the number of habitable floors affected by flooding was 0 per 1000 properties connected to the stormwater system.</i></p>
What we said we would do: provide a stormwater network that is reliable.	
<p>Measure: 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>Target: <8/1,000 connections.</p>	<p>2021/22: <input checked="" type="checkbox"/> 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 2021/21.</p>
	<p>2020/21: <input checked="" type="checkbox"/> <i>Not achieved: The number of complaints received about the performance of the stormwater system in 2020/21 was 23.71 per 1000 properties connected to the stormwater system. We aim to map the locations of complaints received. This will allow us to analyse the type of complaints and focus resources accordingly. 2020/21 target : <2/1000 connections</i></p>
	<p>2019/20: <input checked="" type="checkbox"/> <i>Not achieved: The number of complaints received about the performance of the stormwater system was 10.7 per 1000 properties connected to the stormwater system. The storm event in December is the main reason why this target was not achieved. The storm exceeded the design capacity of Councils infrastructure.</i></p>
<p>Measure: Customers are satisfied with the stormwater service provided.</p>	<p>2021/22: <input checked="" type="checkbox"/> Not achieved: The 2022 annual satisfaction survey showed 63% of</p>

How we measure our performance ▼

Result 2021/22 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
Target: ≥75%		customers were satisfied with quality of stormwater services.
	2020/21: <input checked="" type="checkbox"/>	Not achieved: The 2021 satisfaction survey showed that 64% of residents were satisfied with the Council's stormwater services. Target 2020/21: 85%
	2019/20: <input checked="" type="checkbox"/>	Not achieved: 2020 survey: 68% satisfied.
What we said we would do: provide the community and the environment with protection.		
Measure: Compliance with the Council's resource consents for discharge from its stormwater system. Measured by the number of: <ul style="list-style-type: none"> a) abatement notices b) infringement notices c) enforcement orders d) prosecutions received by Council in relation those resource consents.*	2021/22: <input checked="" type="checkbox"/>	Achieved: There were: 0 notices or orders received in relation to stormwater discharge resource consents
	2020/21: <input checked="" type="checkbox"/>	Achieved There were: 0 notices or orders received in relation to stormwater discharge resource consents in 2020/21.
	2019/20: <input checked="" type="checkbox"/>	Achieved: There were: 0 notices or orders received in relation to stormwater discharge resource consents in 2019/20.
Target: 0		
What we said we would do: customer service requests will be dealt with promptly and appropriately.		
Measure: 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.* Target: <2 hours.	2021/22: <input type="checkbox"/>	Not applicable: 0 recorded flooding events in 2021/22.
	2020/21: <input type="checkbox"/>	Not applicable: There were no flooding events in 2020/21.
	2019/20: <input type="checkbox"/>	Not applicable: There were no flooding events in 2019/20.
* Mandatory performance measure under section 261B of the Local Government Act 2002.		

What else happened in 2021/22?

Stormwater consents

We spent \$60,000 in 2021/22 renewing the comprehensive stormwater discharge consents (district wide). This is an ongoing project requiring consultations and investigations and should be completed in 23/24

Stormwater upgrades

We spent \$26,000 on upgrades in Barry Road, Waihi in 2021/22.

We spent \$12,000 in 2020/21 on upgrades to the stormwater pump station at the Criterion Bridge, Paeroa.

What didn't happen in 2021/22?

The following planned projects were not completed during the year:

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.

What it cost and how it was paid for

Operating statement for Stormwater

	Annual Plan	Actual	Actual
	2022	2022	2021
	\$000	\$000	\$000
Expenditure			
Vegetation control	23	7	5
Reticulation	52	59	58
Maintenance/fencing/culverts	9	0	10
Mechanical cleaning	21	18	9
Floodgates	1	1	3
Pumps	10	4	6
Overheads	245	245	273
Other	319	210	142
Depreciation/Assets written off	467	468	476
Interest	(51)	(58)	(51)
Total expenditure	1,096	954	931
Revenue			
Fees, charges and other revenue	157	150	164
External subsidies	0	0	0
Targeted rates	902	955	872
General rates	159	173	158
Total revenue	1,218	1,278	1,194
Operating surplus / (deficit)	122	324	263

Hauraki District Council: Funding impact statement for the year ended 30 June 2022 for Stormwater

	Long-Term Plan 2021 \$000	Long-Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	144	159	173
Targeted rates	818	902	955
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
Total operating funding (A)	962	1,062	1,128
Applications of operating funding			
Payments to staff and suppliers	271	436	300
Finance costs	0	(51)	(58)
Internal charges and overheads applied	171	245	245
Other operating funding applications	0	0	0
Total applications of operating funding (B)	442	629	487
Surplus / (deficit) of operating funding (A - B)	520	432	642
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	45	6
Increase (decrease) in debt	(398)	244	(500)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	(398)	289	(494)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	89	118	54
- to replace existing assets	33	481	93
Increase (decrease) in reserves	0	122	1
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	122	721	148
Surplus / (deficit) of capital funding (C - D)	(520)	(432)	(642)
Funding balance ((A - B) + (C - D))	0	0	0

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 –

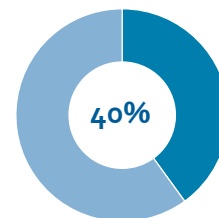
Western Plains, Eastern Plains, Paeroa Rural and Taramaire.

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 2021/22 ▼

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.

Measure: 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).*

Target: 100%.

2021/22:
☒

Achieved: 100% of floodgates and pump stations were maintained, repaired and/or renewed to their full service potential in 2021/22.

2020/21:
☒

Not achieved:

- 100% of floodgates (81/81) and pump stations (5/5) were maintained to their full service potential.
- 100% of floodgates (81/81) and pump stations (5/5) were repaired to their full service potential.

WPDD: 20% of the work required to raise the stop banks to their full level service potential has been completed. The contract has been advertised and awarded however works will start once weather permits.

2019/20:
☒

Achieved: 100% of floodgates and pump stations were maintained, repaired and/or renewed.

Measure: Number of rural properties still ponding after 3 days from a 10% AEP¹ event or less (impacting the pasture), measured by the Council's service request system and field staff reports.

Target: 0 rural properties ponding for more than three days following a 10% AEP event or less.

2021/22:
☐

Not applicable: There were no 10% AEP (1 in 10 year) events or less during the 2021/22 year.

2020/21:
☐

Not applicable: 0 properties where ponding occurred for more than 3 days after a 10% AEP (1 in 10 year) event in 2020/21. There was no significant rainfall to cause any ponding during the year.

2019/20:
☒

Achieved: There was no ponding for more than 3 days that resulted from a 10% AEP (1 in 10 year) event or less, during the year.

What we said we would do: reliable land drainage and flood protection networks.

Measure: Percentage of affected customers satisfied with the land drainage and flood protection services, measured by the customer satisfaction survey.

Target: ≥ 65% satisfied.

2021/22:
☒

Not achieved: The 2022 annual satisfaction survey showed 58% of customers were satisfied with land drainage and flood protection services.

2020/21:
☒

Not achieved: The 2021 satisfaction survey showed that 60% of affected customers were satisfied with the Council's land drainage services. 2020/21 target: 80%

2019/20:
☒

Not achieved: 2020 survey: 62% satisfied.

How we measure our performance ▼

Result 2021/22 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
Measure: 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. Target: 0 failures in a 2% AEP tidal surge event.	2021/22: <input type="checkbox"/>	Not applicable: There were no 2% AEP tidal surge events throughout the 2021/22 year.
	2020/21: 2019/20:	<i>New measure in 2021/22</i>
What we said we would do: efficient response to drainage problems and emergencies.		
Measure: 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: <ul style="list-style-type: none"> ▪ Urgent² service requests and ▪ Non-urgent³ service requests measured by the Council's service request system. Target: Median response times: <ul style="list-style-type: none"> ▪ Urgent: 1 hour ▪ Non-urgent: 2 working days 	2021/22: <input checked="" type="checkbox"/>	Achieved: There have been 0 urgent and 3 non-urgent requests in 2021/22. <ul style="list-style-type: none"> • Urgent: median response time = 0 minutes/hours for urgent requests. • Non-urgent: median response time = 1.97 working days for non-urgent requests.
	2020/21: <input checked="" type="checkbox"/>	Achieved: <ul style="list-style-type: none"> • Urgent: There have been no urgent requests during the reporting period. • Non-urgent: 100% (11/11) of non-urgent requests were responded to within 2 working days. Median response time was 3 hours 15 minutes.
	2019/20: <input checked="" type="checkbox"/>	Achieved: <ul style="list-style-type: none"> • Urgent: There have been no urgent requests during the reporting period. • Non-urgent: 100% (11/11) of non-urgent requests were responded to within 2 working days. Median response time was 2 hours 26 minutes.
* Mandatory performance measure under section 261B of the Local Government Act 2002. ¹ Annual Exceedance Probability – the probability of a storm exceeding a certain intensity in any one year. ² 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. ³ 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 2021/22?

Stopbank reconstruction

During 2021/22 we completed the first stage of reconstruction / raising of the Foreshore stopbank by excavating accumulated sediment from the silt trap along the seaward side of the stopbank and placing it along the stopbank batter for future use in raising the stopbank. We completed the reconstruction of the Karito Canal stopbanks and

commenced reconstruction of the Hot Springs Canal stopbanks. The Hot Springs Canal stopbanks will be completed in 2022/23. \$1.2 million was spent in 2021/22.

Mechanical cleaning

During the year, we mechanically cleaned 33.73km of drains throughout our land drainage areas. Mechanical cleaning ensures our drains can flow freely, and clear excess water from agricultural land in a timely manner. We spent \$102,000 in 2021/22.

Vegetation control

We sprayed 659km of drains to control vegetation in 2021/22; we spent \$121,000.

Western Plains Drainage District: Hopai West pump refurbishment

During the year we completed the refurbishment of the second pump and part of its discharge pipeline at the Hopai West pump station. We spent \$58,000 in 2021/22.

What didn't happen in 2021/22?

Western Plains Drainage District Pouarua Maukoro (Muggeridge) project

\$345,000 was allocated for internal drain structures to feed the new Muggeridge pump station once it's built. However issues have arisen with the cost calculations for the new pump station, so this is under review. As this project is being led by the Waikato Regional Council, Hauraki District Council's expenditure is dependent on the Waikato Regional Council's timing of their project.

Mangawhero Flume

The replacement of the Mangawhero Flume was scheduled for 2021/22, however this work has been carried over to 2022/23 due to the new National Policy Statement for Freshwater Management and the requirement to provide for fish passage.

SCADA installation

The installation of SCADA at the land drainage pump station sites has been reviewed and due to the infrequent operation of the pump stations, SCADA is no longer considered necessary. An upgrade in communications with the sites is now proposed that will alert staff of any operational issues that occur at the sites. The sites requiring the communication upgrade are:

- WPDD Central North pump station
- WPDD Hopai West pump station
- WPDD Martinovich pump station
- WPDD Miranda pump station
- WPDD Rowerawe pump station

What these activities cost and how they were paid for

Operating statement for Land Drainage

	Annual Plan	Actual	Actual
	2022	2022	2021
	\$000	\$000	\$000
Expenditure			
Vegetation control	175	128	151
Maintenance/fencing/culverts	17	5	5
Mechanical cleaning	263	131	119
Floodgates	33	44	53
Pumps	297	161	165
Overheads	247	247	258
Other	67	52	79
Depreciation/Assets written off	284	337	385
Interest	(57)	(114)	(95)
Total expenditure	1,326	991	1,120
Revenue			
Fees, charges and other revenue	0	0	0
External subsidies	0	0	0
Targeted rates	1,108	1,149	1,087
General rates	196	212	197
Total revenue	1,304	1,361	1,284
Operating surplus / (deficit)	(22)	370	164

Hauraki District Council: Funding impact statement for the year ended 30 June 2022 for Land Drainage

	Long-Term Plan 2021 \$000	Long-Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	168	196	212
Targeted rates	1,002	1,108	1,149
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
Total operating funding (A)	1,171	1,304	1,361
Applications of operating funding			
Payments to staff and suppliers	833	852	520
Finance costs	0	(57)	(114)
Internal charges and overheads applied	101	247	247
Other operating funding applications	0	0	0
Total applications of operating funding (B)	935	1,042	653
Surplus / (deficit) of operating funding (A - B)	236	262	708
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	71	646	554
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	71	646	554
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	3	0	1,198
- to replace existing assets	304	930	64
Increase (decrease) in reserves	0	(22)	0
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	307	908	1,262
Surplus / (deficit) of capital funding (C - D)	(236)	(262)	(708)
Funding balance ((A - B) + (C - D))	0	0	0

Waste Management | Whakahaere ururua

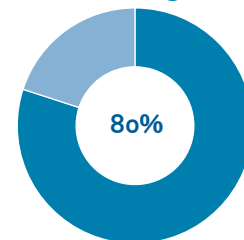
Our waste management activity includes kerbside collection, waste minimisation promotion and education, landfill aftercare, litter bin, loose litter and illegal dumping collection and the operation of refuse transfer stations at Paeroa and Waihi.

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 2021/22 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
What we said we would do: public education on waste minimisation and the adverse effects of waste on the environment be minimised.		
Measure: A waste minimisation education strategy is developed and implemented, measured by the waste minimisation working party action plan. Target: 4 <ul style="list-style-type: none"> Two campaigns focused on educating children in schools each year. Two campaigns focused on educating adults each year. 	2021/22: <input checked="" type="checkbox"/>	Achieved: Two campaigns targeted at children (Zero Waste and Enviroschools), and two campaigns targeted at adults (WMMP and soft plastics) in 2021/22.
	2020/21: <input checked="" type="checkbox"/>	<i>Achieved: Four education campaigns were undertaken in 2020/21. These were Enviroschools (15 schools), Zero Waste (25 schools); plus two public campaigns: kerbside recycling and waste minimisation. 2020/21 target: 3</i>
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: Three education campaigns were undertaken.</i>
Measure: Number of justified ² complaints that collection is not completed on the scheduled day, measured by the Council's service request system. Target: ≤3 justified complaints (that collection was not completed) per 1000 customers per annum.	2021/22: <input checked="" type="checkbox"/>	Achieved: There were 2.86 justified complaints that kerbside collection was not completed on the scheduled day in 2021/22 (per 1000 customers per annum).
	2020/21: <input checked="" type="checkbox"/>	<i>Achieved: There were 0.15 justified complaints per 1000 customers that kerbside collection was not completed on the scheduled day in 2020/21.</i>
	2019/20: <input type="checkbox"/>	<i>Not achieved: There were 76 justified complaints that kerbside collection was not completed on the scheduled day in 2019/20 (4.39 per 1000 customers per annum). To help address this, Council has recently taken over the management of the contract in house.</i>
Measure: The quantity of household waste collected from the kerbside per person is decreasing. Target: A 5% decrease in kerbside household waste to landfill from approx. 78 kg per person per annum to 74 kg per person by 2022.	2021/22: <input type="checkbox"/>	Not achieved: The amount of household waste collected from the kerbside and going to landfill was 82.96 kg per person/annum in 2021/22.
	2020/21: <input checked="" type="checkbox"/>	<i>Achieved: The amount of household waste collected from the kerbside and going to landfill was 76kg per person in 2020/21. This is an increase of 6.5kg from the previous year (10% increase) however it is 2.5% less than the target of 78kg per person per annum.</i>
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: The amount of household waste collected from the kerbside and</i>

² Where there is a reasonable case for the complaint.

How we measure our performance ▼

Result 2021/22 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
		<i>going to landfill was 60kg per person per annum. This is a reduction of 8.7kg from 2018/19.</i>
Measure: The total quantity of waste sent to landfill per person per annum is reducing, measured by all Council waste going to landfill. Target: A 13% reduction in the total quantity of waste sent to landfill from 363 kg per person per annum to 316 kg per person by 2022.	2021/22: <input checked="" type="checkbox"/>	Achieved: The total quantity of waste sent to landfill was 281.34 kgs per person per annum in 2021/22. This is an increase of 5.34 kgs from the previous year (1.9% increase), however is less than the target kgs per person by 2022.
	2020/21: <input checked="" type="checkbox"/>	Not achieved: The total quantity of waste sent to landfill was 341.7kg per person per annum in 2020/21. This is an increase of 65kg from the previous year (19% increase). It is 5.8% less than the target of 363kg per person per annum.
	2019/20: <input checked="" type="checkbox"/>	Achieved: The total quantity of waste sent to landfill was 276 kg per person per annum in 2019/20. This is a decrease of 25.35kg from 2018/19 (8.4% reduction) and a 24% reduction from the original 363 kg per person.
What we said we would do: provide reliable solid waste collection.		
Measure: Percentage of users satisfied with the kerbside collection service, as measured by the annual customer satisfaction survey. Target: ≥75% of users satisfied.	2021/22: <input checked="" type="checkbox"/>	Achieved: The 2022 annual satisfaction survey showed 80% of customers were satisfied with the kerbside collection service.
	2020/21: <input checked="" type="checkbox"/>	Achieved: The 2021 satisfaction survey showed that 88% of residents were satisfied with the kerbside collection service. 2020/21 target: ≥85%
	2019/20: <input checked="" type="checkbox"/>	Not achieved: 2020 survey: 68% satisfied.

What else happened in 2021/22?

Transfer Stations – Waihi and Paeroa

We spent \$17,000 on renewals and upgrades at the Waihi Transfer Station in 2021/22. Works included pothole repairs, replacement of steel steps and the planning phase for the installation of a new weighbridge. We also spent \$25,000 on rubbish pit and pothole repairs, and the replacement of steel steps at the Paeroa Transfer Station.

Paper for Trees programme

We have contributed funding to schools and preschools in the Paper4trees programme in the Hauraki District. This programme consists of swaps 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.

Hauraki Reuse and Repair Centre

In 2021/22 we contributed \$20,000 (excl. GST) to the operation of the Hauraki Reuse and Repair Centre to support the reuse and recovery of items that were headed for landfill.

Waste Management and Minimisation Plan (WMMP)

In 2021/22 we revised our Waste Management and Minimisation Plan – No Time to Waste. Our WMMP is our plan for reducing waste to landfill and minimising the harmful effects of waste in our district. The plan contains an overview of the waste issues we're facing in our district, with our goals, objectives, and action plan to achieve them. We adopted our WMMP in February 2022.

What didn't happen in 2021/22?

Paeroa Transfer Station – upgrade

Major upgrade works are planned for the Paeroa Transfer station facility, including new drainage to accommodate water that usually ponds in the inundation zone, installation of CCTV cameras, new safety railings, painting, repairs and maintenance, and development of a site for the Hauraki Reuse and Repair Centre. In 2021/22 we commenced the design and resource consent processes for the project. We obtained funding from MFE for this project and construction will commence in 2022/23.

What these activities cost and how they were paid for

Operating statement for Solid Waste

	Annual Plan 2022 \$000	Actual 2022 \$000	Actual 2021 \$000
Expenditure			
Refuse collection	1,160	1,439	1,084
Closed tip sites	80	85	31
Transfer stations	701	1,495	1,204
Other	166	169	123
Interest	17	11	0
Total expenditure	2,124	3,199	2,442
Revenue			
Fees, charges and other revenue	1,136	1,870	1,364
External subsidies	75	111	71
Targeted rates	270	292	222
General rates	733	796	526
Total revenue	2,214	3,069	2,183
Operating surplus / (deficit)	90	(130)	(259)

**Hauraki District Council: Funding impact statement for the year ended 30 June 2022 for
Waste Management**

	Long-Term Plan 2021 \$000	Long-Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	308	733	796
Targeted rates	207	270	292
Subsidies and grants for operating purposes	58	75	111
Fees and charges	29	1,134	1,636
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	233
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	602	2,211	3,067
Applications of operating funding			
Payments to staff and suppliers	377	1,879	2,835
Finance costs	0	17	11
Internal charges and overheads applied	163	172	172
Other operating funding applications	0	0	0
Total applications of operating funding (B)	540	2,068	3,017
Surplus / (deficit) of operating funding (A - B)	63	144	50
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	2	0
Increase (decrease) in debt	(3)	108	(141)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	(3)	110	(141)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	150	6
- to replace existing assets	0	15	36
Increase (decrease) in reserves	60	89	(132)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	60	254	(90)
Surplus / (deficit) of capital funding (C - D)	(63)	(144)	(50)
Funding balance ((A - B) + (C - D))	0	0	0



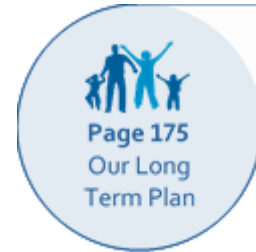
Community Services | Ratonga Hapori

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.

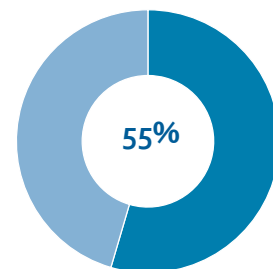
We provide a number of services intended to enhance our communities' needs for recreation and enjoyment. We do this to help make our communities a vibrant place to live and visit.

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
Tūhono

What these activities cost and how they were paid for

Operating statement for Community Services

	Annual Plan	Actual	Actual
	2022	2022	2021
	\$000	\$000	\$000
Expenditure			
Recreation			
Libraries	1,280	1,407	1,226
Sportsfields	846	863	694
Recreation reserves	1,775	2,125	1,801
Cycleway	670	1,285	0
Events centre	180	172	159
Swimming pools	894	869	793
Sports-coordinator	106	90	88
Facilities			
Cemeteries	407	419	376
Community halls	323	307	356
Pensioner housing	447	555	472
Public conveniences	633	588	581
Rural halls	37	16	0
Interest	272	290	246
Total expenditure	7,871	8,986	6,792
Revenue			
Fees, charges and other revenue	927	979	690
External subsidies	5	255	119
Targeted rates	3,119	3,262	2,931
General rates	3,936	4,174	3,291
Total revenue	7,987	8,670	7,031
Operating surplus / (deficit)	116	(316)	239

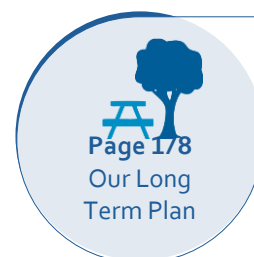
Hauraki District Council: Funding impact statement for the year ended 30 June 2022 for Community Services

	Long-Term Plan 2021 \$000	Long-Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	3,889	3,936	4,174
Targeted rates	2,219	3,119	3,262
Subsidies and grants for operating purposes	5	5	214
Fees and charges	730	809	934
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	7
Total operating funding (A)	6,843	7,870	8,591
Applications of operating funding			
Payments to staff and suppliers	3,819	4,506	5,195
Finance costs	393	272	290
Internal charges and overheads applied	1,451	1,571	1,571
Other operating funding applications	0	0	0
Total applications of operating funding (B)	5,663	6,348	7,056
Surplus / (deficit) of operating funding (A - B)	1,180	1,522	1,536
Sources of capital funding			
Subsidies and grants for capital expenditure	5	0	40
Development and financial contributions	0	118	38
Increase (decrease) in debt	(767)	707	615
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	(763)	825	693
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	21	1,706	942
- to replace existing assets	298	524	437
Increase (decrease) in reserves	98	117	850
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	417	2,347	2,229
Surplus / (deficit) of capital funding (C - D)	(1,180)	(1,522)	(1,536)
Funding balance ((A - B) + (C - D))	0	0	0

Community recreation | Ngā hapori rēhia

Our community recreation services include:

- Provision of public libraries in Ngatea, 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 Ngatea, Paeroa and Waihi.
- Provision of sports fields in Paeroa, Ngatea, 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 2021/22 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
Libraries		
What we said we would do: modern and relevant library spaces to support community needs.		
Measure: Percentage of library users satisfied with library services, as measured by the annual resident satisfaction survey. Target: ≥90% of customers satisfied.	2021/22: <input checked="" type="checkbox"/>	Not achieved: The 2022 customer satisfaction survey results showed that 83% of customers are satisfied with library services.
	2020/21: <input checked="" type="checkbox"/>	<i>Not achieved: The 2021 satisfaction survey showed that 94% of residents were satisfied with the Council's library services. 2020/21 target: ≥95% of customers satisfied.</i>
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: 2020 survey: 92% satisfied.</i>
Measure: The number of library members is increasing, as measured by the Library Management System. Target: ≥20% of District population are active members	2021/22: <input checked="" type="checkbox"/>	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.
	2020/21: <input checked="" type="checkbox"/>	<i>Achieved: 57% of the district population are members of district libraries. 2020/21 target: ≥50% of District population are members</i>
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 54% of the district population are members of district libraries.</i>
What we said we would do: provide opportunities to learn, meet and grow in a friendly library environment.		
	2021/22:	Achieved: 115 sessions were held across 19 library-led programmes

How we measure our performance ▼

Result 2021/22 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
Measure: The number of Library-led community based learning programmes and/or events available, as measured by monthly library report to Council. Target: 20 sessions across the district per quarter.	<input checked="" type="checkbox"/>	across our district libraries in 2021/22.
	2020/21: <input checked="" type="checkbox"/>	<i>Achieved: 186 sessions were held across 17 library-led community based learning programmes during the year. 2020/21 target: 15 programmes across the district per year.</i>
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 49 library-led community based learning programmes were available during the year.</i>

How we measure our performance ▼

Result 2021/22 ▼

Key: ☒ Achieved ☐ Not Achieved ☐ Not Applicable

Swimming pools

What we said we would do: Council operated swimming pool facilities to be safe for users and staff.

Measure: 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.

Target: 100% of safety and maintenance audits completed during swimming season with all safety and maintenance issues addressed, investigated and actioned within:

1. High risk – addressed within 24 hrs
2. Medium risk – addressed within one week
3. Low risk - addressed as soon as is practical.

2021/22:



Achieved: 100% (384/384) of safety and maintenance audits were completed during 2021/22.

- 0 high risk occurrences – addressed within 24 hours
- 4/4 medium risk occurrences – addressed within one week
- 17/17 low risk occurrences - addressed as soon as is practical.

2020/21:



Achieved: 100% (393/393) of safety and maintenance audits were completed during 2020/21.

1. 2 high risk occurrences all addressed within 24 hours.
2. 14 medium risk occurrences all addressed within one week.
3. 10 low risk occurrences all addressed as soon as was practical.

2019/20:



Achieved: 100% (441/441) of safety and maintenance audits were completed and actioned throughout the year.

*High risk: 4 occurrences all addressed within 24 hours.
Medium risk: 9 occurrences addressed within 7 days
Low risk: 10 occurrences addressed within 30 days*

Measure: Percentage of pool users satisfied with the operation of Council swimming pools, as measured by customer satisfaction survey.

Target: ≥85% of customers satisfied.

2021/22:



Not achieved: The 2022 annual satisfaction survey showed 75% of users were satisfied with operation of Council swimming pools.

2020/21:



Achieved 2021 satisfaction survey show that 91% of pool users were satisfied with the operation of Council swimming pools. 2020/21 target: ≥90% of customers satisfied.

2019/20:



Not achieved: 2020 survey: 84% satisfied.

Parks and reserves

What we said we would do: provide sports fields and recreational reserves that meet the requirements of users.

Measure: Percentage of users satisfied with services and facilities provided at the district's sports fields,

2021/22:



Not achieved: The 2022 annual satisfaction survey showed 83% of users were satisfied with the services

How we measure our performance ▼		Result 2021/22 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
parks and reserves, as measured by the resident satisfaction survey. Target: ≥90% of customers satisfied.		provided at district's sports fields, parks and reserves
	2020/21: <input checked="" type="checkbox"/>	<i>Not achieved: 2021 satisfaction survey showed that 85% of residents were satisfied with the services provided at the district's sports fields, parks and reserves.</i>
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: 2020 survey: 88% satisfied.</i>
What we said we would do: provide safe playground facilities.		
Measure: 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 & Maintenance (C&M) staff. Target: 100% of playground inspections are completed as per scheduled frequency and identified safety issues are addressed.	2021/22: <input checked="" type="checkbox"/>	Achieved: 100% (239/239) of playground inspections were completed in 2021/22.
	2020/21: <input checked="" type="checkbox"/>	<i>Achieved: 100% (244/244) of playground inspections were completed in 2020/21.</i>
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: 92% (230/250) of playground inspections were completed in 2019/20. Not all required inspections were carried out due to Covid-19 lockdown and staff undertaking essential work only.</i>

What else happened in 2021/22?

Libraries

We spent \$125,000 in 2021/22 on renewing our library book collections at our district libraries.
We spent \$14,000 completing the RFID installation project at our district libraries.

Swimming pools

During the 2021/22 year the Paeroa pool was repainted

Reserves Management Plan

During the 2021/22 year, we reviewed our Reserves Management Plan. Our Reserve Management Plan provides a guideline for what can happen on our district's parks and reserves into the future. Following consultation with the community, the Plan was adopted in June 2022.

Sports coordination

We continued to provide funding for a district wide sports coordinator in 2021/22.

Wharf Street / Mackay Street, Paeroa Streetscape

We spent \$190,000 on the intersection improvements at the corner of Mackay Street and Normanby Road.

Karangahake Reserve development

With the increased popularity of Karangahake Reserve, there is additional pressure placed on both the current parking. The development of additional car parking to service Karangahake Reserve is ongoing as we work with Iwi and the community to come to a decision regarding the location of extra parking.
We spent \$25,000 on foundations and plumbing for the installation of the new container toilet next to Karangahake Hall.

Car park renewals

\$128,000 was spent on carpark renewals in the Plains Ward, and \$60,000 was spent on renewing the Centennial Park carpark in Paeroa in 2021/22.

Hauraki Rail Trail

We spent \$33,000 on renewing parts of the Hauraki Rail Trail (HRT) where required in 2021/22, and \$30,000 on extending the cycleway at Hugh Hayward domain. \$350,000 was also spent to complete the Pukorokoro to Kaiaua section of the HRT. The extension of the HRT in Waihi was also progressed during the year; \$175,000 was spent.

Dog exercise areas

The 2021 review of the dog control policy and bylaw resulted in some new off leash dog exercise areas. We have provided appropriate fencing at these exercise areas at Leach Field, Paeroa, ex-depot site in Ngatea, and Kerepēhi domain. We have spent \$36,000 in total to fence those areas.

What didn't happen in 2021/22?

Paeroa domain entrance

The upgrade of the pedestrian entrance to Paeroa domain is on hold until 2021/22 to align with the rest of the Mackay Street / Wharf Street streetscape. The remaining unspent funding for this project will be carried over from 2020/21.

Swimming pools

The investigation into the condition and future of the community pool at Waihi College did not take place in 2020/21; A feasibility report was undertaken in May 2022 and due for completion September 2022.

Paeroa domain playing field improvements

All playing surface work is on hold pending a decision regarding the Paeroa Sports Hub and future development of the entire site.

Playgrounds

Kaiaua boat ramp playground was scheduled for 2020/21. This has been carried over to 2022/23 to allow for further consultation with the community.

Community facilities | Ngā wharehau 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, Ngatea 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, Netherton, 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 Ngatea.



Meeting our service targets

How we measure our performance		Result 2021/22 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
Halls		
What we said we would do: Council-managed halls to be clean and well maintained to meet the needs of the community.		
Measure: Number of justified complaints from hall users regarding the cleanliness and maintenance standard of the halls, as measured by the service request database. Target: ≤3 complaints per 100 bookings per year.	2021/22:	Achieved: There were 2.85 justified complaints per 100 bookings in 2021/22.
	2020/21:	<i>Achieved: There were 34 justified complaints received from hall users.</i>
	2019/20:	<i>Achieved: There were 28 justified complaints received from hall users.</i>
Elderly Persons Housing		
What we said we would do: pensioner units to be maintained to a comfortable and safe standard.		
Measure: Percentage of tenants satisfied with the comfort and safety of the unit, as measured by the annual tenant satisfaction survey. Target: ≥85% of tenants satisfied with the comfort and safety of the units.	2021/22:	Achieved: 94% of tenants satisfied with the comfort and safety of the units.
	2020/21:	<i>Achieved: 94% (37/40) of tenants surveyed were satisfied with the comfort and safety of the units.</i>
	2019/20:	<i>Achieved: 91% (40/44) of tenants surveyed were satisfied with the comfort and safety of the units.</i>
Public Conveniences		
What we said we would do: clean and maintained public conveniences which meet the needs of the public.		
Measure: Number of justified complaints regarding whether public conveniences are clean, maintained and sufficiently stocked with consumables, as measured by service request database.	2021/22:	Not achieved: 54 justified complaints received regarding public conveniences in 2021/22. There was increased usage during December, and despite increased

How we measure our performance

Result 2021/22 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
Target: ≤50 complaints per year.	cleaning, we did receive an increased number of service requests.
	2020/21: <input checked="" type="checkbox"/> Not achieved: 68 justified complaints were received in 2020/21. There was increase in the number of complaints regarding vandalism and cleanliness.
	2019/20: <input checked="" type="checkbox"/> Not achieved: 55 justified complaints were received in 2019/20. The majority of the complaints were regarding broken equipment, missing equipment, insufficient stock and cleanliness.
Cemeteries	
You can expect: efficiently serviced and well maintained cemeteries.	
Measure: Number of justified complaints regarding grounds maintenance at all Council cemeteries, as measured by the service request database.	2021/22: <input checked="" type="checkbox"/> Achieved: Two justified complaints received regarding cemeteries in 2021/22.
Target: A total of ≤10 complaints regarding grounds maintenance across all Council cemeteries per year.	2020/21: <input checked="" type="checkbox"/> Achieved: No justified complaints were received in 2020/21.
	2019/20: <input checked="" type="checkbox"/> Achieved: One justified complaint was received.

What else happened in 2021/22?

Cemeteries

\$24,000 was spent on the installation of berms at Waihi, Miranda and Pukerimu cemeteries in 2021/22. The last of the Pukerimu redevelopment was also finalised.

Elderly persons housing

We completed the following renewals to our elderly persons housing in 2021/22:

- Paeroa: we spent \$29,000 on renewals such as carpet and vinyl, stoves, tapware, new kitchen, shower upgrade and hot water cylinder replacements.
- Waihi: we spent \$25,000 on renewals such as security doors, joinery, back doors, fencing, and hot water cylinders.
- Plains: we spent \$18,000 on renewals such as replacing tapware, stoves, and an interior refurbishment.
- In 2021/22 \$34,000 was spent on heating, ventilation and kitchen extractors in the units across the district.

Halls

We spent \$26,000 on renewing the sound systems in our halls in Paeroa, Waihi and Ngatea.

Public toilets

- Following feedback from the community on where new public toilet and shower facilities should be located in Kaiaua, the new facilities to be installed near the pirate ship playground in October 2022

- We spent \$20,000 on new security gates at public toilets across the district.

What didn't happen in 2021/22?

- Patetonga toilet received funding from the Tourism infrastructure fund in order to improve the scope of the project. This will be completed by February 2023.
- We had allocated funding to purchase stage extensions for our halls in Waihi, Paeroa and Ngatea, however this did not occur and is due to be completed 2022/23.
- Cemetery carpark renewals at RSA and Pukerimu cemetery.



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.

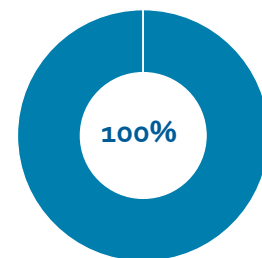
Since the last long term plan, we decided to join the previous Community Growth and Community Initiatives within the Community Development Group to form the new Manaaki Toiora activity.

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

How we measure our performance		Result 2021/22 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="radio"/> Not Applicable
What we said we would do: effective strategies, policies and initiatives that support community well-being.		
Measure: Annual review of the action plan to support the Manaaki Toiora activity. Target: 80% of actions for the year are completed and an annual review of action plan completed.	2021/22:	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.
	2020/21 2019/20	<i>New measure in 2021/22.</i>
What we said we would do: strong support of our business community.		
Measure: Support existing businesses through the growth of business promotional initiatives. Target: 8% increase in 'likes' on the LoveHauraki Facebook page to previous year	2021/22:	Achieved: 19% increase in LoveHauraki Facebook page likes in 2021/22 when compared with the baseline (30 June 2021).
	2020/21 2019/20	<i>New measure in 2021/22.</i>
What we said we would do: effective administration of the grants schemes for Council		
Measure: Provide funding for community-led projects and initiatives, as demonstrated through accountability reports to Council Target: 85% compliance of grant recipients meet grant obligations	2021/22:	Achieved: 100% of grant recipients met grant obligations in 2021/22.
	2020/21 2019/20	<i>New measure in 2021/22.</i>

What else happened in 2021/22?

OnYa Awards

Early in 2021/22 we re-banded our community awards (previously named Citizen and Young Achiever Awards) to OnYa Awards. We will continue to hold an awards evening annually, where members of the community are acknowledged and celebrated for the incredible achievements and positive difference they have made within their communities through their outstanding dedication and community spirit. In 2021 we awarded 16 OnYa awards.

Manaaki Toiora Strategy and action plan

In February 2022 we adopted our Manaaki Toiora Strategy. The Strategy sets out the work we'll continue to undertake alongside our communities and stakeholders to enhance the wellbeing of people and our communities. The Strategy identifies our five priority areas for the next ten years and the associated actions. The priority areas are; well-housed people, healthy people, vibrant creative spaces, business attraction and supporting local, and growing skill and the local workforce. The action plan was also has been developed and to be adopted.

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 (60 who fully met the criteria and 54 who didn't), with a number of these being into apprenticeships.

What didn't happen in 2021/22?

There were no planned projects that didn't happen in 2021/22.

What these activities cost and how they were paid for

Operating statement for Maanaki Toiora

	Annual Plan	Actual	Actual
	2022	2022	2021
	\$000	\$000	\$000
Expenditure			
Community growth	0	0	850
Community initiatives	0	0	1,507
Economic project assistance	490	457	0
Social initiative	226	448	0
Promotions	369	284	0
Grants and donations	308	338	0
Extended relationships Whakawhanaunga	66	22	0
Total expenditure	1,459	1,549	2,357
Revenue			
Fees, charges and other revenue	56	56	56
External subsidies	0	0	863
Targeted rates	156	165	637
General rates	1,257	1,354	1,763
Total revenue	1,469	1,575	3,319
Operating surplus / (deficit)	10	26	962

Hauraki District Council: Funding impact statement for the year ended 30 June 2022 for Maanaki Toiora

	Long-Term Plan 2021 \$000	Long-Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	1,794	1,257	1,354
Targeted rates	569	156	165
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	56
Interest and dividends from investments	0	56	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	2,362	1,469	1,575
Applications of operating funding			
Payments to staff and suppliers	1,214	907	989
Finance costs	0	0	0
Internal charges and overheads applied	645	552	560
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,859	1,459	1,549
Surplus / (deficit) of operating funding (A - B)	503	10	27
Sources of capital funding			
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
Total Sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure			
- 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	503	10	27
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	503	10	27
Surplus / (deficit) of capital funding (C - D)	(503)	(10)	(27)
Funding balance ((A - B) + (C - D))	0	0	0



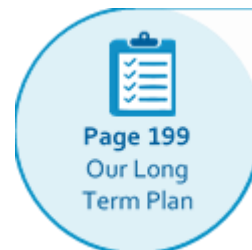
Regulatory Services | Ratonga whakahaere

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.

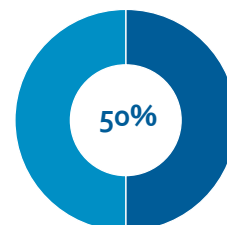
Effects on the community

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
	2022	2022	2021
	\$000	\$000	\$000
Expenditure			
RMA implementation	1,148	1,585	1,612
Building services	1,544	1,888	1,509
Emergency management	368	347	329
Health	384	409	371
Liquor licensing	110	110	120
CCTV and abandoned mines	37	34	27
Dog registration	308	290	293
Animal control	269	262	248
Total expenditure	4,169	4,925	4,509
Revenue			
Fees, charges and other revenue	1,757	2,455	2,114
External subsidies	0	0	0
Targeted rates	0	0	0
General rates	2,409	2,588	2,527
Total revenue	4,166	5,043	4,641
Operating surplus / (deficit)	(3)	118	132

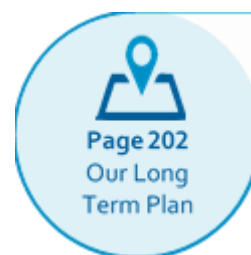
**Hauraki District Council: Funding impact statement for the year ended 30 June 2022 for
Regulatory Services**

	Long-Term Plan 2021 \$000	Long-Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	2,419	2,409	2,588
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,792	1,757	2,442
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	13
Total operating funding (A)	4,210	4,166	5,043
Applications of operating funding			
Payments to staff and suppliers	921	971	1,679
Finance costs	0	0	0
Internal charges and overheads applied	3,180	3,190	3,190
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,101	4,161	4,869
Surplus / (deficit) of operating funding (A - B)	109	5	173
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	(8)	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	0	(8)	0
Applications of capital funding			
Capital expenditure			
- 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	109	(3)	173
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	109	(3)	173
Surplus / (deficit) of capital funding (C - D)	(109)	(5)	(173)
Funding balance ((A - B) + (C - D))	0	0	0

Resource management implementation | Te whakatinanatanga 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 2021/22 ▼

Key: ☒ Achieved ☒ Not Achieved ☐ Not Applicable

What we said we would do: resource consents to be decided and issued within Resource Management Act 1991 timeframes.

Measure: Notified resource consent decisions issued within statutory timeframes, as measured by the resource consent database.

Target: 100% of decisions issued within statutory timeframes.

2021/22: ☒ **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.**

2020/21: ☒ **Achieved: 100% (1/1) of notified resource consent decisions were issued within statutory timeframes in 2020/21.**

2019/20: ☒ **Achieved: 100% (1/1) of notified resource consent decisions were issued within statutory timeframes.**

Measure: Non-notified resource consent decisions are issued within statutory timeframes, as measured by the resource consent database.

Target: 100% of decisions issued within statutory timeframes.

2021/22: ☒ **Not achieved: 91% (155/170) of non-notified resource consent decisions were issued within statutory timeframes.**

2020/21: ☒ **Not achieved: 92% (156/164) of non-notified resource consent decisions were issued within statutory timeframes in 2020/21. High consent numbers and resourcing constraints delayed processing times.**

2019/20: ☒ **Not achieved: 99% (112/113) of non-notified resource consent decisions were issued within statutory timeframes.**

Measure: Permitted boundary activity certificates are issued within statutory timeframes, as measured by the resource consent database.

Target: 100% of decisions issued within statutory timeframes.

2021/22: ☒ **Achieved: 100% (17/17) of permitted boundary activity certificates were issued within statutory timeframes.**

2020/21: ☒ **Achieved: 100% (33/33) of permitted boundary activity certificates were issued within statutory timeframes in 2020/21.**

2019/20: ☒ **Achieved: 100% (24/24) of permitted boundary activity certificates have been issued within statutory timeframes.**

What we said we would do: a monitoring service which ensures compliance with consent conditions.

How we measure our performance

Result 2021/22 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
Measure: Land use consents issued during the previous financial year are monitored within 12 months of being granted, as measured by the resource consent database. Target: 90% of consents granted in the previous financial year are monitored within the next 12 months.	2021/22:	Not achieved: 84% (67/80) of land use consents issued were monitored within 12 months of being granted. <input type="checkbox"/>
	2020/21:	<i>Not achieved: 78% (62/80) of land use consents issued during 2019/20 were monitored within 12 months of being granted in 2020/21.</i> <input type="checkbox"/>
	2019/20:	<i>Achieved: 90% (115/128) of land use consents issued during 2018/19 were monitored within 12 months of being granted.</i> <input checked="" type="checkbox"/>
What we said we would do: Land Information Memoranda (LIM) to be issued within agreed timeframes.		
Measure: Non-urgent LIMs issued within 10 working days (statutory), as measured by the applications database. Target: 100% issued on time.	2021/22:	Not achieved: 99% (295/297) of non-urgent LIMs were issued within 10 working days. <input type="checkbox"/>
	2020/21:	<i>Achieved: 100% (359/359) of non-urgent LIMs were issued within 10 working days in 2020/21.</i> <input checked="" type="checkbox"/>
	2019/20:	<i>Achieved: 100% of (257/257) non-urgent LIMs have been issued within 10 working days.</i> <input checked="" type="checkbox"/>
Measure: Urgent LIMs are issued within 3 working days, as measured by the applications database. Target: 100% issued on time.	2021/22:	Achieved: 100% (140/140) of urgent LIMs were issued within 3 working days. <input checked="" type="checkbox"/>
	2020/21:	<i>Not achieved: 99.5% (245/246) of urgent LIMs were issued within three working days in 2020/21.</i> <input type="checkbox"/>
	2019/20:	<i>Achieved: 100% (147/147) of urgent LIMs have been issued within 3 working days.</i> <input checked="" type="checkbox"/>
What we said we would do: public satisfaction with the Council's administering of the resource consent services.		
Measure: Percentage of customers satisfied with the service they receive during the resource consent process, as measured by the customer satisfaction survey. Target: ≥75% of customers satisfied.	2021/22:	Achieved: The 2022 satisfaction survey results showed that 85% of residents are satisfied with the Council's resource consent services. <input checked="" type="checkbox"/>
	2020/21:	<i>Achieved: 2021 survey: 79% satisfied.</i> <input checked="" type="checkbox"/>
	2019/20:	<i>Achieved: 2020 survey: 80% satisfied.</i> <input checked="" type="checkbox"/>

What else happened in 2021/22?

Major consents

The Tirohia Landfill Extension Phase C resource consent application was lodged by Waste Management NZ Ltd to Hauraki District Council and Waikato Regional Council for consent to establish, operate and maintain a landfill site

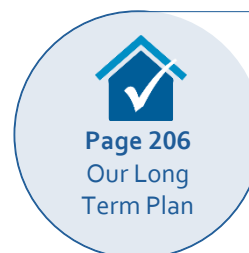
at Tirohia for the collection of waste over an area of 15ha, including extension and continued operation of a renewable energy plant utilising landfill gas. Hearings were held by Independent Hearing Commissioners in April and June 2021. The Hearing was adjourned to receive additional information, submissions and evidence in July 2021. The Commissioners declined the landuse application, and one appeal was lodged with the Environment Court in relation to this decision. This appeal is due to be heard in the Environment Court in February next year.

What didn't happen in 2021/22?

There were no planned projects that didn't happen in 2021/22.

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 2021/22 ▼

Key: ☒ Achieved ☒ Not Achieved ☐ Not Applicable

What we said we would do: building consent applications to be processed within the statutory timeframes of the Building Act 2004.

Measure: Building consent applications are processed within 20 working days, as measured by the Building Consent Tracking Database. Target: 100% are issued within 20 working days of receiving the application, providing the application is complete.	2021/22: <input checked="" type="checkbox"/>	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.
	2020/21: <input checked="" type="checkbox"/>	<i>Not achieved: 69% (248/358) of building consent applications were processed within 20 working days in 2020/21. High consent numbers and resourcing constraints delayed processing times.</i>
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: 94% (346/368) of building consent applications were processed within 20 working days. Site visits not being undertaken until level 3 contributed to this result.</i>

You can expect: that known privately owned swimming pools comply with the Building Act 2004¹.

Measure: Private swimming pools on Council's pools register will be inspected at least every three years as measured by the pools register. Target: 33% (134) of all pools to be inspected annually.	2021/22: <input checked="" type="checkbox"/>	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.
	2020/21: <input checked="" type="checkbox"/>	<i>Achieved: Council has 192 pools on its pool register. One third of these were required to be inspected in 2020/21 and 100% of the inspections required (64 of 64) were inspected in 2020/21. Note a change in regulations means spa pools no longer require monitoring so the</i>

¹ 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.

		<i>total number of pools inspected annually has reduced from the original target.</i>
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 100% (134/134) of pools were inspected in 2019/20.</i>
What we said we would do: satisfactory service to our building consent customers.		
Measure: Percentage of customers satisfied with the service they receive during the building consent process, as measured by the customer satisfaction survey. Target: ≥80% of customers satisfied.	2021/22: <input checked="" type="checkbox"/>	Not achieved The 2022 satisfaction survey results showed that 77% of residents are satisfied with the service they received during the building consent process.
	2020/21: <input checked="" type="checkbox"/>	<i>Achieved: 2021 survey: 86% satisfied.</i>
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: 2020 survey: 73% satisfied.</i>

What else happened in 2021/22?

The Waikato Building 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.

Building Consent Authority accreditation

We underwent an accreditation audit with IANZ in July 2021. We received number of general non-compliances. The remaining non-compliances have now been cleared and we have retained our Building Consent Authority Accreditation.

Earthquake prone buildings assessments

We identified all potentially earthquake prone buildings within the District. The notification letters were sent to building owners of potential earthquake-prone buildings prior to 1 July 2022.

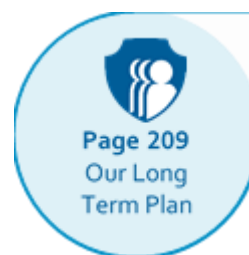
What didn't happen in 2021/22?

There were no planned projects that didn't happen in 2021/22.

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 2021/22 ▼
What we said we would do: that the Council will carry out its role in public food safety by enforcing the Food Act 2014.		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
Measure: All known food premises are monitored for compliance with relevant legislation as measured by the food premises database. Target: 100% of all food premises are assessed annually.	2021/22: <input checked="" type="checkbox"/>	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.
	2020/21: <input checked="" type="checkbox"/>	<i>Not achieved: 97% (97/100) of food premises required to be monitored in 2020/21, were monitored. Three food premises were unable to complete their verification within the specified month; these were completed early in 2021/22 instead.</i>
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: 71% (87/122) of food premises required to be monitored were monitored in 2019/20 due to Covid-19 delays. Priority was given to those who should have been verified during the Covid-19 period once lockdown restrictions eased.</i>
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.		
Measure: 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 Target: 100% are issued within three months.	2021/22: <input checked="" type="checkbox"/>	Achieved: 100% (27/27) of On/Off/Club liquor licences were issued within three months.
	2020/21: <input checked="" type="checkbox"/>	<i>Achieved: 100% (24/24) of On/Off/Club liquor licences were issued within three months.</i>
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 100% (14/14) of On/Off/Club liquor licences were issued within three months.</i>
What we said we would do: Excessive noise complaints will be responded to by the Council.		
Measure: All complaints regarding excessive noise are investigated within two hours of the complaint being	2021/22: <input checked="" type="checkbox"/>	Achieved: 100% (204/204) of complaints regarding excessive noise

How we measure our performance

Result 2021/22 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
received, as measured by contractor's monthly report (from service request database).	were investigated within two hours of the complaint being received.
Target: 100% investigated within two hours.	2020/21: <input checked="" type="checkbox"/> <i>Achieved: 100% (254/254) of complaints regarding excessive noise were investigated within two hours of the complaint being received.</i>
	2019/20: <input checked="" type="checkbox"/> <i>Achieved: 100% (172/172) of complaints regarding excessive noise were investigated within two hours of the complaint being received.</i>

What else happened in 2021/22?

Community Response Plans

Community Response Plans were either in the process of being developed or were maintained in 2021/22 for Kaiaua/ Whakatiwai/Waharau, Turua, Whiritoa, Waitakaruru/Miranda and Kerepēhi. Plans to be developed for Ngatea, Kaihere/Patetonga and Pipiroa/Kopuarahi, once suitable community advocates from these communities are identified. Civil Defence Centre's are also being updated as part of this process.

What didn't happen in 2021/22?

There were no planned projects that didn't happen in 2021/22.

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 2021/22 ▼

Key: ☒ Achieved ☐ Not Achieved ☐ Not Applicable

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.

Measure: Known dogs in the District are registered annually, as measured by registration records. Target: ≥97% of known dogs are registered.	2021/22:	Achieved: 100% (4434/4434) of known dogs in the district are registered <input checked="" type="checkbox"/>
	2020/21:	<i>Achieved: 100% (4441/4441) of known dogs in the district were registered.</i> <input checked="" type="checkbox"/>
	2019/20:	<i>Achieved: 99% (4477/4510) of known dogs in the district were registered.</i> <input checked="" type="checkbox"/>
Measure: Complaints about wandering stock on public roads are responded to within two hours, as measured by the contractor's monthly report. Target: 100% of complaints responded to within two hours.	2021/22:	Achieved: 100% (36/36) of complaints about wandering stock on public roads were responded to within two hours. <input checked="" type="checkbox"/>
	2020/21:	<i>Achieved: 100% (42/42) of complaints about wandering stock on public roads were responded to within two hours.</i> <input checked="" type="checkbox"/>
	2019/20:	<i>Achieved: 100% (43/43) of complaints about wandering stock on public roads were responded to within two hours.</i> <input checked="" type="checkbox"/>
Measure: Dog attack complaints are responded to within two hours, as measured by the contractor's monthly report. Target: 100% of complaints responded to within two hours.	2021/22:	Achieved: 100% (52/52) of dog attack complaints were responded to within two hours. <input checked="" type="checkbox"/>
	2020/21:	<i>Achieved: 100% (47/47) of dog attack complaints were responded to within two hours.</i> <input checked="" type="checkbox"/>
	2019/20:	<i>Achieved: 100% (48/48) of dog attack complaints were responded to within two hours.</i> <input checked="" type="checkbox"/>

What else happened in 2021/22?

Our animal control activity was business as usual in 2021/22.

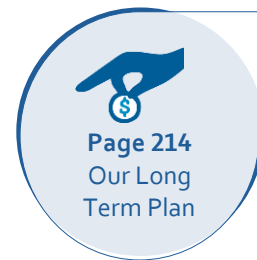
What didn't happen in 2021/22?

There were no planned projects that didn't happen in 2021/22.

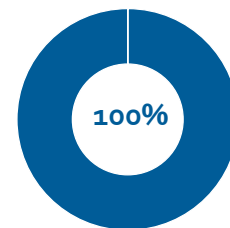
Support Services | Ngā ratonga tautoko

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 2021/22 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
What we said we would do: We will operate in a financially prudent manner		
Measure: 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. Target: Total net external debt will not exceed 175% of total revenue in any year.	2021/22: <input checked="" type="checkbox"/>	Achieved: At the end of the 2021/22 year, total net external debt was 75.8% of budgeted total revenue for the year.
	2020/21 2019/20	<i>New measure in 2021/22.</i>
Measure: Critical computers systems available for internal and external customers. Target: ≥99%	2021/22: <input checked="" type="checkbox"/>	Achieved: Critical computer systems were available for internal and external customers >99.9%% of the time in 2021/22.
	2020/21 2019/20	<i>New measure in 2021/22.</i>

What else happened in 2021/22?

\$244,000 was spent on design, planning and consents for stage four of the Ngatea North subdivision. A further \$1.28 million was spent on construction in 2021/22.

\$41,000 was spent on upgrade at the Ngatea service centre in 2021/22.

\$10,000 was spent to fence the dog exercise area at the Ngatea depot

The carpark for Hauraki House (Council offices, Paeroa) was resealed in 2021/22; \$136,000 was spent.

What didn't happen in 2021/22?

Ngatea library and service centre - \$1.3 million

Paeroa Depot upgrade and rationalisation - \$1 million was allocated for 2021/22, however only \$55,000 was spent. The remainder will be carried forward to 2022/23.

What these activities cost and how they were paid for

Operating statement for Support Services

	Annual Plan	Actual	Actual
	2022	2022	2021
	\$000	\$000	\$000
Expenditure			
Business Units	(26)	2,660	1,055
Overheads	14	831	448
Other P&L	(708)	(996)	62
Property	587	961	1,065
Plant	(78)	(77)	(107)
Forestry	185	75	41
Total expenditure	(26)	3,454	2,564
Revenue			
Fees, charges and other revenue	868	4,680	7,968
External subsidies	0	62	0
Targeted rates	(361)	(7,749)	(7,384)
General rates	(328)	7,013	6,764
Total revenue	179	4,006	7,348
Operating surplus / (deficit)	205	552	4,785

Hauraki District Council: Funding impact statement for the year ended 30 June 2022 for Support Services

	Long-Term Plan 2021 \$000	Long-Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	(315)	(328)	7,003
Targeted rates	(345)	(361)	(7,749)
Subsidies and grants for operating purposes	0	0	62
Fees and charges	0	281	1,070
Internal charges and overheads recovered	18,364	0	19,202
Interest and dividends from investments	0	(56)	72
Local Authorities fuel tax, fines, infringement fees, and other receipts	398	168	209
Total operating funding (A)	18,102	(296)	19,867
Applications of operating funding			
Payments to staff and suppliers	10,118	9,516	13,589
Finance costs	0	(85)	(279)
Internal charges and overheads applied	7,803	(10,927)	8,320
Other operating funding applications	0	0	0
Total applications of operating funding (B)	17,921	(1,496)	21,630
Surplus / (deficit) of operating funding (A - B)	181	1,200	(1,763)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	(2)
Increase (decrease) in debt	0	6,002	(4,446)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	0	6,002	(4,448)
Applications of capital funding			0
Capital expenditure			0
- to meet additional demand	0	0	0
- to improve the level of service	1,525	4,436	2,051
- to replace existing assets	759	2,560	143
Increase (decrease) in reserves	(2,102)	206	(8,404)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	181	7,202	(6,210)
Surplus / (deficit) of capital funding (C - D)	(181)	(1,200)	1,763
Funding balance ((A - B) + (C - D))	0	0	0

Financial statements



[Statement of Comprehensive Revenue and Expense for the year ended 30 June 2022](#)

[Statement of Financial Position as at 30 June 2022](#)

[Statement of Changes in Equity for the year ended 30 June 2022](#)

[Statement of Cashflows for the year ended 30 June 2022](#)

[Whole of Council Funding Impact Statement for the year ended 30 June 2022](#)

[Notes to the Financial Statements for the year ended 30 June 2022](#)

Hauraki District Council - Statement of comprehensive revenue and expense

For the year ended 30 June 2022

		2022 Budget \$000's	2022 Actual \$000's	2021 Actual \$000's
	Notes			
Revenue				
Rates revenue	3	33,319	35,526	33,439
Fees and charges	3	4,607	6,329	4,641
Development and financial contributions		1,027	611	167
Subsidies and grants	3	7,037	8,486	7,738
Interest revenue	3	0	302	135
Other revenue	3	505	4,104	7,873
Total revenue		46,495	55,358	53,992
Expenses				
Personnel costs	4	15,879	17,162	15,638
Depreciation and amortisation expense	15	10,477	11,032	11,000
Finance costs	5	1,475	1,496	1,492
Other expenses	6	17,608	25,456	20,038
Total expenses		45,438	55,147	48,168
Surplus/(deficit) before tax		1,056	212	5,825
Income tax expense		0	0	0
Surplus/(deficit) after tax		1,056	212	5,825
Other comprehensive revenue and expense				
<i>Items that will not be reclassified to surplus/(deficit)</i>				
Gain on property, plant and equipment revaluations	13	3,207	169,390	27,786
Gain/(loss) on financial assets revaluations	12	0	12	16
Total other comprehensive revenue and expense		3,207	169,402	27,802
Total comprehensive revenue and expense		4,263	169,614	33,627

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 2022

		2022 Budget \$000's	2022 Actual \$000's	2021 Actual \$000's
	Notes			
Current assets				
Cash and cash equivalents	7	1,721	7,096	12,844
Receivables	8	8,598	6,730	8,508
Assets held for sale	10	0	9	0
Derivative financial instruments	11	0	209	0
Other financial assets	12	87	132	141
Inventory	9	306	3,646	2,074
Total current assets		10,712	17,822	23,567
Non-current assets				
<i>Other financial assets:</i>				
Community loans	12	5	115	96
Borrower notes	12	628	684	621
Investments in other entities	12	101	63	61
Investments in CCOs and similar entities	12	17	137	126
Total other financial assets		751	999	904
Derivative financial instruments	11	0	683	0
Intangible assets	14	568	1,086	622
Forestry assets	16	1,311	1,427	1,373
Property, plant and equipment	13	634,533	800,890	630,461
Total non-current assets		637,163	805,085	633,359
Total assets		647,875	822,907	656,927
Current liabilities				
Payables and deferred revenue	17	4,402	9,024	9,526
Derivative financial instruments	11	759	96	846
Employee entitlements	19	2,382	2,234	1,914
Provisions	20	340	200	45
Borrowings	18	7,000	7,015	8,000
Total current liabilities		14,883	18,569	20,330
Non-current liabilities				
Derivative financial instruments	11	2,808	28	1,727
Employee entitlements	19	476	263	262
Provisions	20	202	708	941
Borrowings	18	48,000	36,060	36,000
Total non-current liabilities		51,486	37,058	38,930
Total liabilities		66,369	55,628	59,260
Net assets (assets minus liabilities)		581,506	767,279	597,666

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 2022

		2022 Budget \$000's	2022 Actual \$000's	2021 Actual \$000's
	Notes			
Equity				
Accumulated funds		410,152	417,914	417,075
Reserves	22	171,354	349,365	180,591
Total equity		581,506	767,279	597,666

Hauraki District Council - Statement of Changes in Equity

For the year ended 30 June 2022

		2022 Budget \$000's	2022 Actual \$000's	2021 Actual \$000's
	Notes			
Balance at 1 July		577,243	597,666	564,039
Total comprehensive revenue and expense for the year		4,263	169,614	33,627
Balance at 30 June	22	581,506	767,279	597,666
Total equity consists of:				
<i>Accumulated funds</i>				
As at 1 July		409,239	417,076	407,920
Transfers from asset revaluation reserves		0	568	3,377
Transfers from other reserves		0	(199)	(391)
Transfers to other reserves		(143)	258	344
Surplus/(deficit) for the year		1,056	212	5,825
As at 30 June		410,152	417,914	417,076
<i>Other Reserves</i>				
As at 1 July		2,882	2,785	2,739
Transfers to Accumulated Funds		(56)	(258)	(344)
Transfers from Accumulated Funds		199	199	391
As at 30 June	22	3,025	2,726	2,785
<i>Asset Revaluation Reserves</i>				
As at 1 July		165,122	177,782	153,372
Transfers to other reserves		0	(568)	(3,377)
Revaluation gains/(losses)		3,207	169,390	27,786
As at 30 June	22	168,329	346,603	177,782
<i>Fair value through other comprehensive income and expense reserve</i>				
As at 1 July		0	23	8
Net change in fair value	12	0	12	16
As at 30 June		0	36	23
Total equity as at 30 June		581,506	767,279	597,666

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 cashflows

For the year ended 30 June 2022

	2022 Budget \$000's	2022 Actual \$000's	2021 Actual \$000's
Cash flows from operating activities			
Receipts from rates revenue	33,289	37,387	33,815
Receipts from other revenue	12,582	14,881	14,744
Interest received	0	67	117
Dividends received	0	3	4
GST (net)	0	(7)	(309)
Payments to suppliers and employees	(34,895)	(40,921)	(35,256)
Interest paid	(1,475)	(1,437)	(1,514)
Net cash flow from operating activities	9,501	9,973	11,601
Cash flows from investing activities			
Advance payments received	0	16	17
Receipts from sale of property, plant and equipment	0	368	7,768
Advance payments made	0	(90)	(45)
Purchase of property, plant and equipment	(20,979)	(14,848)	(13,859)
Purchase of intangible assets	0	(242)	(271)
Net cash flow from investing activities	(20,979)	(14,796)	(6,390)
Cash flows from financing activities			
Receipts from finance leases	0	75	0
Proceeds from borrowings	12,500	7,000	5,000
Repayment of finance lease liabilities	0	0	0
Repayment of borrowings	(8,000)	(8,000)	(5,000)
Net cash flow from financing activities	4,500	(925)	0
Net increase/(decrease) in cash and cash equivalents	(6,978)	(5,748)	5,211
Cash and cash equivalents at the start of the year	8,699	12,844	7,633
Cash and cash equivalents at the end of the year	1,721	7,096	12,844

Hauraki District Council - Statement of cashflows

For the year ended 30 June 2022

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

	2022 Actual \$000's	2021 Actual \$000's
Surplus/(deficit) after tax	212	5,825
Add/(less) non-cash items		
Vested assets	(476)	(1,307)
Amortisation	130	263
Depreciation	10,903	10,737
(Gains)/losses in fair value of forestry assets	(54)	(298)
Net (gains)/losses on interest rate swaps	(3,341)	(1,985)
Net (gains)/losses on fair value of spare parts	(8)	(15)
Total non-cash items	7,154	7,395
Add/(less) movements in working capital items		
Increase/(decrease) in payables	(609)	147
Increase/(decrease) in provisions	(78)	(73)
Increase/(decrease) in employee entitlements	321	(19)
(Increase)/decrease in inventory	(318)	0
(Increase)/decrease in receivables	1,888	1,205
Net movement in working capital items	1,204	1,260
Add/(less) items classified as investing activities		
(Gains)/losses on sale of property, plant and equipment	1,404	(2,879)
(Gain)/loss due to change in accounting treatment of associate	0	0
Share of joint venture's (surplus)/deficit	0	0
Total items classified as investing activities	1,404	(2,879)
Net cash inflow/(outflow) from operating activities	9,973	11,601

Hauraki District Council - Funding Impact Statement

For the year ended 30 June 2022

	Annual Plan 2021 \$000	Actual 2021 \$000	Annual Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rate penalties	11,169	11,830	11,962	20,205
Targeted rates	20,619	21,610	21,357	15,322
Subsidies and grants for operating purposes	2,689	4,176	3,253	5,107
Fees and charges	2,985	4,642	4,188	6,330
Interest and dividends from investments	0	140	0	305
Local Authorities fuel tax, fines, infringement fees, and other receipts	399	219	168	230
Total operating funding (A)	37,861	42,617	40,928	47,499
Applications of operating funding				
Payments to staff and suppliers	27,801	34,435	33,012	41,224
Finance costs	1,613	1,493	1,475	1,496
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	29,414	35,928	34,487	42,720
Surplus / (deficit) of operating funding (A - B)	8,447	6,689	6,441	4,779
Sources of capital funding				
Subsidies and grants for capital expenditure	1,700	3,563	3,784	3,378
Development and financial contributions	0	167	1,027	610
Increase (decrease) in debt	7,500	0	12,779	(1,001)
Gross proceeds from sale of assets	0	4,059	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total Sources of capital funding (C)	9,200	7,789	17,590	2,987
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	1,744	0	0
- to improve the level of service	5,443	3,942	10,622	8,191
- to replace existing assets	10,805	8,441	12,350	7,152
Increase (decrease) in reserves	1,399	351	1,059	(7,577)
Increase (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	17,647	14,478	24,031	7,766
Surplus / (deficit) of capital funding (C - D)	(8,447)	(6,689)	(6,441)	(4,779)
Funding balance ((A - B) + (C - D))	0	0	0	0

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 2022

Note 1 – Statement of accounting policies

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 Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of the Council are for the year ended 30 June 2022 and were authorised for issue by Council on 21 December 2022.

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 of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014, which 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

Software as a service (SaaS)

Two IFRIC agenda decisions were released in 2019 and 2021. The 2019 agenda decision dealt with whether fees paid in exchange for access to the supplier's application software in a SaaS arrangement gives rise to an intangible asset or is a service contract.

The 2021 agenda decision dealt with the accounting treatment of the costs an entity incurs in customising or configuring the supplier's application software in a SaaS arrangement.

While the decisions of the committee do not directly impact PBE standards, which are mainly based on IPSASs1, given that NZ IAS 38 Intangible Assets and PBE IPSAS 31 are similar, IFRIC's conclusions are authoritative support and may be considered under GAAP. As a result, the agenda decisions will be applied in Council's accounting policy and will be effective for the reporting year ended 30 June 2022.

Although a number of intangible assets were impacted by this change in accounting policy, no comparative statements have been issued as the impact of the change in accounting policy was not considered material.

There has been no other change to accounting requirements in relation to software development other than those addressed in the 2019 and 2021 IFRIC agenda decisions in respect of SaaS.

Notes to the financial statements for the year ended 30 June 2022

Note 1 – Statement of accounting policies

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 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.

The new standard is effective for the year ending 30 June 2023. The Council has not yet assessed the effects of the new standard. It does not plan to adopt the standard early.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early application permitted. The Council has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan 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.

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 2021-31 Long Term 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

Notes to the financial statements for the year ended 30 June 2022

Note 1 – Statement of accounting policies

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 2022

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 2022 \$000	Actual 2022 \$000	Actual 2021 \$000
Revenue			
Leadership	3,600	3,954	3,674
Roading	10,658	11,339	10,889
Water	8,295	8,503	7,795
Wastewater	5,404	6,561	4,632
Stormwater	1,218	1,278	1,194
Land drainage	1,304	1,361	1,284
Waste management	2,214	3,069	2,183
Community services	7,987	8,670	7,031
Maanaki Toiora	1,469	1,575	3,319
Regulatory	4,166	5,043	4,641
Support services	180	4,005	7,348
Activity revenue	46,495	55,358	53,990
Total revenue	46,495	55,358	53,991
Expenditure			
Leadership	3,762	3,540	3,229
Roading	10,138	12,052	11,501
Water	8,688	9,098	8,393
Wastewater	4,833	6,400	4,332
Stormwater	1,096	954	931
Land drainage	1,326	991	1,120
Waste management	2,124	3,199	2,442
Community services	7,871	8,986	6,792
Community development	1,459	1,549	2,357
Regulatory	4,169	4,925	4,507
Support services	(28)	3,453	2,564
Activity expenditure	45,438	55,147	48,168
Total expenditure	45,438	55,147	48,168

Notes to the financial statements for the year ended 30 June 2022

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 2022

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 2022

Note 3 - Revenue

Breakdown of rates and further information

	2022 Actual \$000's	2021 Actual \$000's
General rates	6,829	6,512
Uniform annual general charge	5,786	5,326
Targeted rates attributable to activities:		
- Targeted rates for metered water supply	8,483	7,717
- Other targeted rates	14,966	14,205
Rates income	36,064	33,761
Rates penalties	562	306
Rates remissions	(1,101)	(628)
Total rates	35,526	33,439

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	11,578
Total capital values of rating units	7,556,324,250
Total land value of rating units	4,644,786,600

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 2022 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	2022 Actual \$000's	2021 Actual \$000's
Rates	36,064	33,761
Total gross annual rates income	36,064	33,761

Breakdown of subsidies and grants

	2022 Actual \$000's	2021 Actual \$000's
New Zealand Transport Agency roading subsidies	5,627	6,054
Three waters funding	2,398	633
Other grants and subsidies	461	1,051
Total subsidies and grants	8,486	7,738

Notes to the financial statements for the year ended 30 June 2022

Note 3 - Revenue

Breakdown of fees and charges

	2022 Actual \$000's	2021 Actual \$000's
Building and resource consent charges	1,913	1,504
Land information memoranda sales	101	145
Other fees and charges	4,316	2,992
Total fees and charges	6,329	4,641

Breakdown of interest revenue

	2022 Actual \$000's	2021 Actual \$000's
Interest revenue		
Term deposits	69	102
Borrower notes interest revenue	(2)	6
Discount unwind on provisions	233	27
Other	2	0
Total interest revenue	302	135

Breakdown of other revenue

	2022 Actual \$000's	2021 Actual \$000's
Petrol tax	195	210
Court fees and fines	21	6
Vested land and infrastructure from property development	476	1,307
Forestry asset revaluation gains	54	298
Gain on changes in fair value of derivative financial instruments	3,341	1,986
Property, plant and equipment gains on disposal	0	0
Dividend revenue	3	4
Gain on sale of land inventory	0	4,059
Other	14	3
Total other revenue	4,104	7,873

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 2022

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.

	2022 Actual \$000's	2021 Actual \$000's
Revenue from non-exchange transactions		
Rates	27,043	25,722
Total revenue from rates	27,043	25,722
Revenue from transfers:		
Subsidies and grants	8,486	7,738
Building and resource consent charges	1,913	1,504
Land information memoranda sales	101	145
Other fees and charges	2,875	2,177
Petrol tax	195	210
Vested assets	476	1,307
Financial contributions	611	167
Court fees and fines	21	6
Total revenue from transfers	14,678	13,255
Total revenue from non-exchange transactions	41,721	38,977
Revenue from exchange transactions:		
Water by meter (targeted rate)	8,483	7,717
Finance revenue	302	135
Dividends received	3	4
Other exchange revenue	1,454	818
Total revenue from exchange transactions	10,242	8,673
Total revenue (excluding other gains)	51,963	47,649
Gain on disposal of property, plant and equipment	0	0
Gain on disposal of land inventory	0	4,059
Gain on changes in fair value of derivative financial instruments	3,340	1,986
Gain on revaluation of forestry	55	298
Total revenue	55,358	53,992

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:

	2022 Actual \$000's	2021 Actual \$000's
Operating leases as lessor		
Not later than one year	200	222
Later than one year and not later than five years	473	498
Later than five years	1,132	1,248
Total non-cancellable operating leases	1,804	1,969

No contingent rents have been recognised during the year.

Notes to the financial statements for the year ended 30 June 2022

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

	2022 Actual \$000's	2021 Actual \$000's
Salaries and wages	16,426	15,278
Employer contributions to defined contribution plans	415	378
Increase/(decrease) in employee entitlements	321	(19)
Total personnel costs	17,162	15,638

At balance date, the Council employed 160 (2021: 153) full-time employees, with the balance of staff representing 29 (2021: 25) 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 \$315,600 (2021: \$303,199).

Severance payments

For the year ended 30 June 2022, one severance payment of \$7,500 was made to any employee (2021: nil)

Notes to the financial statements for the year ended 30 June 2022

Note 4 – Personnel costs

Council employee remuneration by band

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

	2022 Actual	2021 Actual
Total annual remuneration by band for employees		
< \$60,000	61	76
\$60,000-\$79,999	66	48
\$80,000-\$99,999	46	46
\$100,000-\$119,999	17	11
\$120,000-\$139,999	8	7
\$140,000-\$219,999	7	5
\$220,000-\$299,999	2	3
\$300,000-\$320,000	1	1
Total employees	208	197

Elected representatives' remuneration

Elected representatives received the following remuneration:

	2022 Actual \$000's	2021 Actual \$000's
Elected representatives received the following remuneration:		
Mr Toby Adams (Mayor)	122	115
Mrs Carole Daley	32	31
Mr Paul Milner (Deputy Mayor)	48	43
Mrs Jo Tilsley	28	27
Mr Rino Wilkinson	28	27
Mr Ray Broad	28	27
Mr Phillip Buckthorp	30	29
Mr Rodney Garrett	22	23
Mr Ross Harris	32	31
Mr Paul Anderson	24	23
Mr Brian Gentil	24	23
Mrs Sara Howell	24	23
Mr Duncan Smeaton	28	27
Mrs Anne Marie Spicer	34	31
Total elected representatives remuneration	504	480

The figures above include an annual, or part thereof, communication allowance of \$1750 paid to each Councillor (2021: \$990). The Mayor received a communication allowance of \$1049.88 (2021: nil).

Notes to the financial statements for the year ended 30 June 2022

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

	2022 Actual \$000's	2021 Actual \$000's
Interest expense		
Interest on borrowings	1,496	1,492
Discount unwind on provisions	0	0
Net finance costs	1,496	1,492

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.

Breakdown of other expenses and further information

	2022 Actual \$000's	2021 Actual \$000's
Fees to auditors:		
fees to Audit New Zealand for audit of financial statements	156	140
- fees to Audit New Zealand for other services	6	6
- fees to Audit New Zealand for Long Term Plan	0	80
General grants and donations	569	393
Operating lease expense	38	37

Notes to the financial statements for the year ended 30 June 2021

Note 6 – Other expenses

	2022 Actual \$000's	2021 Actual \$000's
Other operating expenses continued:		
Impairment of spare parts for obsolescence	3	4
Impairment of receivables	(8)	51
Loss on disposal of property, plant and equipment	1,404	1,180
Derivative financial instruments revaluation losses	0	0
Forestry asset revaluation losses	0	0
Other operating expenses	23,259	18,147
Total other expenses	25,426	20,038

The fees paid to Audit New Zealand for other services in the year ending 30 June 2022 were for the audit of Council's debenture trust deed. (2021: 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 (2021: \$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 (2021: nil).

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

	2021 Actual \$000's	2020 Actual \$000's
Not later than one year	114	104
Later than one year and not later than five years	176	213
Later than five years	126	160
Total non-cancellable operating leases	416	477

Notes to the financial statements for the year ended 30 June 2022

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

	2022 Actual \$000's	2021 Actual \$000's
Cash at bank and on hand	7,096	844
Short term deposits	0	12,000
Total cash and cash equivalents	7,096	12,844

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 cashflows.

Note 8 – Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less any provision for uncollectability.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Breakdown of receivables and further information

	2022 Actual \$000's	2021 Actual \$000's
Rates receivables	1,898	2,032
Water receivables	4,086	5,596
Other receivables:		
Sundry receivables	1,646	1,858
Receivables prior to impairment	7,630	9,486
Less provision for impairment	(900)	(978)
Total current receivables	6,730	8,508

Notes to the financial statements for the year ended 30 June 2022

Note 8 - Receivables

	2022 Actual \$000's	2021 Actual \$000's
Total receivables comprise:		
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	2,702	3,051
Receivables from exchange transactions - this includes outstanding amounts for fees and charges that have not been subsidised by rates	4,028	5,458

Fair value

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

Assessment for uncollectability

The ageing profile of receivables at year-end is detailed below:

	2022			2021		
	Gross \$000's	Impairment \$000's	Net \$000's	Gross \$000's	Impairment \$000's	Net \$000's
Not past due	5,536	(66)	5,352	6,901	(70)	6,831
Past due 1-30 days	52	0	52	25	0	25
Past due 31-60 days	8	0	8	22	0	22
Past due >61 days	2,034	(833)	1,201	2,538	(908)	1,630
Total current portion	7,630	(900)	6,730	9,486	(978)	8,508

All receivables more than 30 days in age are considered to be past due.

The provision for uncollectability has been calculated based on a review of specific overdue receivables and a collective assessment. The collective assessment is based on an analysis of past collection history and debt write-offs.

	2022 Actual \$000's	2021 Actual \$000's
Individual impairment	(900)	(978)
Total provision for impairment	(900)	(978)

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor.

An analysis of these individually impaired debtors is as follows:

	2022 Actual \$000's	2021 Actual \$000's
Past due >61 days	(833)	(908)
Total individual impairment	(833)	(908)

Notes to the financial statements for the year ended 30 June 2022

Note 8 - Receivables

Movements in the provision for uncollectability of receivables are as follows:

	2022 Actual \$000's	2021 Actual \$000's
At 1 July	(978)	(927)
Additional provisions made during the year	(50)	(80)
Provisions reversed during the year	129	29
At 30 June	(900)	(978)

The Council and group holds no other collateral as security or other credit enhancements over receivables that are either past due or uncollectable.

There has been no material impact on the collectability of receipts following the normalisation of credit terms and lower than expected impact of COVID-19.

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.

Notes to the financial statements for the year ended 30 June 2022

Note 9 - Inventory

Breakdown of inventory and further information

	2022 Actual \$000's	2021 Actual \$000's
Commercial inventory:		
Land being developed for sale	3,401	1,897
Non-commercial inventory:		
Quarry metal stockpile	42	45
Other	204	132
Total inventory	3,646	2,074

The write-down of inventory during the year was \$3,305 (2021: \$4,024). There have been no reversals of write-downs (2021: \$nil).

No inventory is pledged as security for liabilities (2021: \$nil).

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).

	2022 Actual \$000's	2021 Actual \$000's
Land	9	0
Total non-current assets held for sale	9	0

Could held \$8,964 of stopped roading land for sale as at 30 June 2022 (2021: nil). Council has approved the sale of the asset as it will provide no future use to Council.

Notes to the financial statements for the year ended 30 June 2022

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 2022 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.

Breakdown of derivative financial instruments and further information

	2022 Actual \$000's	2021 Actual \$000's
Assets		
Current asset portion		
Interest rate swaps	209	0
Total current asset portion	209	0
Non-current asset portion		
Interest rate swaps	683	0
Total current asset portion	683	0
Total derivative financial instrument assets	892	0

	2022 Actual \$000's	2021 Actual \$000's
Liabilities		
Current liability portion		
Interest rate swaps	96	846
Total current liability portion	96	846
Non-current liability portion		
Interest rate swaps	28	1,727
Total current liabilities portion	28	1,727
Total derivative financial instrument liabilities	124	2,572

Notes to the financial statements for the year ended 30 June 2022

Note 11 - Derivatives

Information about interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$41.0 million (2021: \$41.0 million). At 30 June 2022, the fixed interest rates of cash flow hedge interest rate swaps varied from 1.42% to 4.96% (2021: 1.42% to 4.96%).

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.

Note 12 – Financial assets

Accounting policy

Financial assets (other than shares in subsidiaries) 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.

Term deposits, loans to subsidiaries and associates, and community loans (loans and receivables)

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument.

For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

After initial recognition, term deposits, loans to subsidiaries and associates, and community loans are measured at amortised cost using the effective interest method. Where applicable, interest accrued is added to the investment balance.

At year-end, the assets are assessed for indicators of impairment. Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

If assets are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

Listed and unlisted shares, listed bonds (fair value through other comprehensive revenue and expense)

Shares (other than shares in subsidiaries) and listed bonds (other than those designated as held to maturity) are designated at fair value through other comprehensive revenue and expense.

After initial recognition, the shares and listed bonds are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment. For listed bonds, significant financial difficulties of the debtor,

Notes to the financial statements for the year ended 30 June 2022

Note 12 – Financial assets

probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments is considered to be objective evidence of impairment.

If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of listed bonds increases and the increase can be objectively related to an event after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Breakdown of other financial assets and further information

	2022 Actual \$000's	2021 Actual \$000's
Current portion		
Term deposits	0	0
Borrower notes	112	128
Investment in CCOs and similar entities:		
Local Government Funding Agency	0	0
Other investments		
Community loans	20	13
Total current portion	132	141
Non-current portion		
Borrower notes	684	621
Community loans	115	96
Investment in CCOs and similar entities:		
Local Government Funding Agency	100	100
Local Authority Shared Services Limited	37	26
Total investment in CCOs and similar entities:	137	126
Other investments		
Civic Financial Services Ltd	63	61
Total non-current portion	999	904
Total other financial assets	1,131	1,045

Fair value

Community loans

The face value of community loans is \$135,000 (2021: \$109,333).

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.

Notes to the financial statements for the year ended 30 June 2022

Note 12 – Financial assets

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.

Impairment

There were no impairment expenses or provisions for other financial assets.

None of the financial assets are either past due or impaired.

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.

Notes to the financial statements for the year ended 30 June 2022

Note 13 – Property, plant and equipment

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.

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%

Notes to the financial statements for the year ended 30 June 2022

Note 13 – Property, plant and equipment

	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	60-100 years	1%-1.7%
	Water treatment	30-100 years	1%-3.3%
	Wastewater reticulation	65-130 years	0.8%-1.5%
	Wastewater treatment	25-100 years	1%-4%
	Stormwater reticulation	25-130 years	0.8%-4%
	Drainage and flood protection	15-216 years	0.5%-6.7%
	Library Books	8 years	12.5%
	Vehicles	3-21 years	4.8%-33.3%
	Equipment	2-80 years	1.3%-50%
	Technology	2-10 years	10%-50%
	Furniture and fittings	7-10 years	10%-14.3%

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

Notes to the financial statements for the year ended 30 June 2022

Note 13 – Property, plant and equipment

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.

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.

Notes to the financial statements for the year ended 30 June 2022

Note 13 – Property, plant and equipment

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 2022.

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 every three years. The revaluation process involves assessing the current 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 2022

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
Operational assets													
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
Total operational assets	79,043	(12,165)	66,878	(1,374)	2,180	(1,016)	0	(2,546)	42	0	78,834	(14,671)	64,164
Infrastructural assets													
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
Total Infrastructural assets	544,266	(12,629)	531,637	(278)	13,140	(926)	0	(8,356)	165	169,390	704,869	(95)	704,775
Council restricted assets													
Land	31,946	0	31,946	0	5	0	0	0	0	0	31,951	0	31,951
Total restricted assets	31,946	0	31,946	0	5	0	0	0	0	0	31,951	0	31,951
Total PPE	655,255	(24,794)	630,461	(1,652)	15,325	(1,942)	0	(10,902)	207	169,390	815,654	(14,766)	800,890

Notes to the financial statements for the year ended 30 June 2022

Note 13 – Property, plant and equipment

2021	Cost / Revaluation 01-Jul-20 \$000	Acc. Depn. 01-Jul-20 \$000	Carrying Amount 01-Jul-20 \$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-21 \$000	Acc. Depn. 30-Jun-21 \$000	Carrying Amount 30-Jun-21 \$000
Operational assets													
Land	16,718	0	16,718	1,466	0	(189)	0	0	0	7,476	25,471	0	25,471
Buildings and structures	25,235	(2,950)	22,285	1,143	268	0	0	(1,129)	0	3,248	26,944	(1,129)	25,815
Library books	1,235	(791)	444	0	111	0	0	(146)	0	0	1,346	(937)	409
Vehicles	3,637	(1,920)	1,717	0	270	(101)	0	(218)	66	0	3,806	(2,072)	1,734
Equipment	16,043	(5,799)	10,244	541	968	(29)	0	(681)	29	0	17,523	(6,451)	11,072
Technology	1,413	(1,123)	290	0	116	(9)	0	(136)	9	0	1,520	(1,250)	270
Furniture and fittings	484	(309)	175	0	0	0	0	(17)	0	0	484	(326)	158
Technology - Finance leases	0	0	0	0	0	0	0	0	0	0	0	0	0
Work in progress	3,382	0	3,382	(2,400)	975	(8)	0	0	0	0	1,949	0	1,949
Total operational assets	68,147	(12,892)	55,255	750	2,708	(336)	0	(2,327)	104	10,724	79,043	(12,165)	66,878
Infrastructural assets													
Land	5,485	0	5,485	0	0	0	0	0	0	(372)	5,114	0	5,114
Wastewater system	41,333	(2,332)	39,001	2,019	892	(65)	0	(1,196)	0	8,917	50,796	(1,196)	49,600
Water system	71,383	(4,677)	66,706	4,845	3,106	(316)	0	(2,107)	0	1,300	75,670	(2,107)	73,563
Drainage network	43,436	(1,842)	41,594	1,326	319	0	0	(861)	0	3,042	46,284	(861)	45,423
Road network	265,704	(4,327)	261,377	4,001	5,476	(404)	0	(4,247)	109	0	274,777	(8,465)	266,312
Land under roads	89,037	0	89,037	266	110	0	0	0	0	0	89,413	0	89,413
Work in progress	12,159	0	12,159	(11,737)	1,915	(125)	0	0	0	0	2,212	0	2,212
Total Infrastructural assets	528,537	(13,178)	515,359	720	11,818	(910)	0	(8,411)	109	12,887	544,266	(12,629)	531,637
Council restricted assets													
Land	27,265	0	27,265	(135)	640	0	0	0	0	4,176	31,946	0	31,946
Total restricted assets	27,265	0	27,265	(135)	640	0	0	0	0	4,176	31,946	0	31,946
Total PPE	623,949	(26,070)	597,879	1,335	15,166	(1,246)	0	(10,738)	213	27,787	655,255	(24,794)	630,461

Notes to the financial statements for the year ended 30 June 2022

Note 13 – Property, plant and equipment

Significant acquisitions

Significant projects (>\$1m) undertaken during the year include Ngatea North Subdivision Stage 4 (\$1.3M) and the Hot Springs Canal Left & Right Stop Bank (\$1.1M) both of which are still in progress at the report date. Reseals were completed around the district with a cost of \$1.8M and the Waste Water Waihi Rising Mains were also completed with a cost of \$1.2M. 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
2022				
Wastewater - Treatment	14,610	14,557	2,682	0
Wastewater - Other	92,121	92,117	473	146
Water - Treatment	25,010	24,996	844	0
Water - Other	90,192	90,176	1,711	136
Drainage and flood protection	13,583	13,576	1,192	0
Stormwater	62,897	62,896	24	144
Roading Network	308,234	308,234	3,632	0
2021				
Wastewater - Treatment	11,547	10,926	635	0
Wastewater - Other	39,251	38,676	2,243	147
Water - Treatment	27,144	26,116	2,980	0
Water - Other	48,526	47,447	5,079	30
Drainage and flood protection	12,100	11,714	53	0
Stormwater	34,184	33,709	1,524	79
Roading Network	357,056	266,312	9,476	0

Insurance

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

	2022 Actual \$000's	2021 Actual \$000's
The total value of all Council assets covered by Insurance contracts	355,758	228,407
The maximum amount to which insured assets are insured	408,794	360,821
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 2022

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 2022 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 \$1.74 million (2021: \$1.18 million).

There were no significant disposals during the year.

Impairment

There were no impairment losses during the year (2021: \$nil).

Work in progress

The total amount of property, plant and equipment in the course of construction was \$4,616,241 (2021: \$4,161,224)

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

	2022 Actual \$000's	2021 Actual \$000's
Land	1,253	128
Buildings	194	261
Equipment	762	1,689
Roading	1,128	559
Water	586	483
Wastewater	373	907
Stormwater	116	0
Drainage	204	135
Total work in progress	4,616	4,161

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).

Security

No assets have been pledged as security for any liability.

Notes to the financial statements for the year ended 30 June 2022

Note 13 – Property, plant and equipment

Capital commitments

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

	2022 Actual \$000's	2021 Actual \$000's
Roading	231	1,563
Wastewater	533	471
Water	0	0
Drainage Network	295	0
Buildings	84	0
Community Services	0	107
Total contingent liabilities	1,143	2,141

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.

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.

Notes to the financial statements for the year ended 30 June 2022

Note 14 – Intangible assets

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 2022

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 \$000	Resource Consents	Software \$000	Total \$000
2022				
Cost	49	967	30	1,046
Accumulated amortisation and impairment	0	(123)	(3)	(126)
Closing carrying amount	49	844	27	920
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)
Closing carrying amount	49	1,010	27	1,086
2021				
Cost	49	502	2,635	3,186
Accumulated amortisation and impairment	0	(88)	(2,477)	(2,565)
Closing carrying amount	49	414	158	621
Opening Balance	49	0	365	414
Additions	0	239	32	271
Transfers	0	200	0	200
Work in Progress	0	0	0	0
Amortisation charge	0	(24)	(239)	(263)
Disposals	0	0	0	0
Closing carrying amount	49	415	158	622

Notes to the financial statements for the year ended 30 June 2022

Note 15 – Depreciation and amortisation

Directly attributable depreciation and amortisation by group of activity:

	2022 Actual \$000's	2021 Actual \$000's
Roading	4,278	4,247
Water	2,064	2,123
Wastewater	1,256	1,206
Land drainage and flooding	336	385
Stormwater	469	476
Solid waste	62	57
Community services	1,204	1,074
Community development	347	302
Regulatory	0	0
Total directly attributable depreciation and amortisation by group of activity	10,016	9,870
Depreciation and amortisation not directly related to a group of activities	1,016	1,129
Total depreciation and amortisation expense	11,032	10,998

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

	2022 Actual \$000's	2021 Actual \$000's
Balance at 1 July	1,373	1,074
Increases due to purchases	0	0
Gains / (losses) arising from changes attributable to physical changes	19	118
Gains / (losses) arising from changes attributable to price changes	36	180
Decreases due to harvest	0	0
Balance at 30 June	1,427	1,373

Council owns 93.3 ha of Radiata forest (2021: 97.4 ha), which are at varying stages of maturity ranging from 7 to 22 years. 16.1 ha of forest was harvested during the year (2021: nil). A further 12.93 ha of forest was excluded from the 30 June 2022 valuation as it is either land-locked with no harvesting access rights across

Notes to the financial statements for the year ended 30 June 2022

Note 16 – Forestry assets

neighbouring properties or is land banked and awaiting to be replanted. The tree crops at Waikino Sandpit, 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 2022 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 6.0% (2021: 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 (2021: nil). There are no commitments for development or acquisition of forestry assets (2021: 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

	2022 Actual \$000's	2021 Actual \$000's
Payables and deferred revenue under exchange transactions		
Trade payables and accrued expenses	5,505	5,409
Revenue in advance	2,323	2,364
Amounts due to associates and joint venture	0	0
Total payables and deferred revenue under exchange transactions	7,828	7,772
Payables and deferred revenue under non-exchange transactions		
Revenue in advance	921	1,693
Income tax payable	0	0
Other tax payable (e.g. GST and FBT)	275	61
Grants payable	0	0
Other grants and bequests received subject to substantive conditions not yet met	0	0
Total payables and deferred revenue under non-exchange transactions	1,196	1,754
Total payables and deferred revenue	9,024	9,526

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 2022

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

	2022 Actual \$000's	2021 Actual \$000's
Current portion		
Finance leases	15	0
Secured loans	7,000	8,000
Total current portion	7,015	8,000
Non-current portion		
Finance leases	60	0
Secured loans	36,000	36,000
Total non-current portion	36,060	36,000
Total borrowings and other financial liabilities	43,075	44,000

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 \$3.0 million. There are no restrictions on the use of these facilities. There were no borrowings as at 30 June 2022 against this facility (2021: \$7.0 million).

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 2022

Note 18 - Borrowings

The fair value of finance leases is \$75,268 (2021: \$nil).

Fair value has been determined using contractual cash flows discounted using a rate based on market borrowing rates at balance date of 3.48% (2021: nil).

	2022 Actual \$000's	2021 Actual \$000's
Analysis of finance leases		
Total minimum lease payments payable		
Not later than one year	17	0
Later than one year and not later than five years	64	0
Later than five years	0	0
Total minimum lease payments	81	0
Future finance charges	(6)	0
Present value of minimum lease payments	75	0
Present value of minimum lease payments payable		
Not later than one year	15	0
Later than one year and not later than five years	60	0
Later than five years	0	0
Total present value of minimum lease payments	75	0

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 \$75,268 (2021: nil).

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
2022					
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
Total	45,015	4,338	892	48,461	1,775

Notes to the financial statements for the year ended 30 June 2022

Note 18 - Borrowings

	Opening balance	Drawdowns	Repayments	Closing balance	Internal interest Expense/(Revenue)
	\$000	\$000	\$000	\$000	\$000
2021					
Roading	16,281	0	4,487	11,794	391
Water	16,867	7,753	0	24,620	726
Wastewater	7,091	0	199	6,892	159
Land Drainage & Flooding	(3,827)	0	243	(4,070)	(95)
Stormwater	(2,748)	605	0	(2,143)	(51)
Solid Waste	884	0	601	283	19
Leadership	0	0	0	0	0
Community Services	4,417	3,223	0	7,640	246
Community Development	5,564	0	5,564	0	0
Regulatory	0	0	0	0	0
Total	44,529	11,581	11,095	45,015	1,395

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 2022

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% (2021: 3.23%) and an inflation factor of 3.01% (2021: 3.08%) were used.

Breakdown of employee entitlements and further information

	2022 Actual \$000's	2021 Actual \$000's
Current portion		
Accrued pay	336	337
Annual leave	1,786	1,477
Retirement and long service leave	49	40
Sick leave	63	60
Total current portion	2,234	1,914
Non-current portion		
Retirement and long service leave	263	262
Total non-current portion	263	262
Total employee entitlements	2,497	2,176

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 2022

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 \$1,439,468 (2021: \$1,439,468). The following significant assumptions have been made in estimating the provision:

- A discount rate of 2.88% (2021: 2.88%) has been used to discount the estimated future cash outflows.
- An annual inflation factor of 1.76%-3.87% has been applied in estimating the future cash outflows
- Landfill rehabilitation/aftercare costs have been assumed to range from 20 to 30 years (2021: 20-30 years)

The management of the landfill will influence the timing of recognition of some liabilities.

Breakdown of provisions and further information

	2022 Actual \$000's	2021 Actual \$000's
Current portion		
Other	156	0
Landfill aftercare	45	45
Total current provision	200	45
Non-current portion		
Landfill aftercare	708	941
Total non-current portion	708	941
Total provision	908	986

The movement in the provision is as follows:

	2022 Actual \$000's	2021 Actual \$000's
Opening balance as at 1 July	986	1,059
Additional provisions	156	0
Amounts used	(55)	(77)
Restatement of future liability	55	30
Discount unwind	(233)	(27)
Closing balance as at 30 June	908	986

Notes to the financial statements for the year ended 30 June 2022

Note 21 – Contingent liabilities

Contingent liabilities

	2022 Actual \$000's	2021 Actual \$000's
Weather tight home claims	0	0
Building foundation issues	0	10
Land acquisition compensation claim	27	27
Total contingent liabilities	27	37

Weathertight home claims

There was one known claim against Council as at 30 June 2022 (2021: one). As this property did not have a code compliance certificate issued, Council believes it has no liability.

Building Foundation issue

There are no known claims against Council as at 30 June 2022 (2021: one).

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.

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 2022.

Notes to the financial statements for the year ended 30 June 2022

Note 21 – Contingent liabilities

As at 30 June 2022, Council is one of 30 local authority shareholders and 68 local authority guarantors of the LGFA. The New Zealand Government also has a 20% shareholding in the LGFA. It has uncalled capital of \$1.0million. When aggregated with the uncalled capital of other shareholders, \$20m 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.

At 30 June 2022, LGFA had borrowings totalling \$15,789 billion (2021: \$13,610b).

The LGFA's borrowing of \$15,789 billion is made up of the following (\$000's):

- \$15,105,000 face value of bonds on issue
- \$87,681 accrued interest on bonds on issue
- \$565,000 bills on issue
- \$31,671 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

RiskPool, until June 2017, provided public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for that Fund year.

The Council received a notice during 2020 for a call for an additional contribution of \$45,448 in respect of the 2003 and 2004 Fund years as those funds were exhibiting deficits due to the "leaky building" issue. A call on Riskpool's members before 30 June 2023 is not expected.

It is expected that Riskpool will remain in run off for another 3 to 10 years. Council will recognise a liability for the future call when there is more certainty over the amount required.

Other claims

Other outstanding legal claims as at 30 June 2022 cannot yet be quantified (2021: nil)

Contingent assets

There are no contingent assets as at 30 June 2022.

Notes to the financial statements for the year ended 30 June 2022

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
2022				
Financial contributions				
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
Council created reserves				
District community projects assistance	673	199	(83)	790
Economic development projects	77	0	0	77
Quarry renewal	1,000	0	0	1,000
Total other reserves	2,785	199	(258)	2,726

Notes to the financial statements for the year ended 30 June 2022

Note 22– Equity

Other reserves consists of:	Opening \$000's	Transfers in \$000's	Transfers out \$000's	Closing \$000's
2021				
Financial contributions				
District community recreation	24	0	0	24
Plains community recreation	140	0	0	140
Paeroa community recreation	236	0	(96)	139
Waihi community recreation	540	192	0	732
Council created reserves				
District community projects assistance	722	199	(248)	673
Economic development projects	77	0	0	77
Quarry renewal	1,000	0	0	1,000
Total other reserves	2,739	391	(344)	2,785

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.

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 Corporate Services.

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 2022

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
2021				
Operational Assets				
Land	51,239	0	(358)	50,881
Buildings	18,186	0	(71)	18,116
Infrastructural Assets				
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
Total asset revaluation reserves	177,781	169,390	(568)	346,603
2021				
Operational Assets				
Land	43,195	11,280	(3,236)	51,239
Buildings	14,938	3,248	0	18,186
Infrastructural Assets				
Wastewater	9,519	8,917	(25)	18,410
Water	6,599	1,300	(34)	7,864
Land drainage	5,141	3,042	0	8,184
Roading	73,979	0	(81)	73,897
Total asset revaluation reserves	153,371	27,786	(3,377)	177,781

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 2022

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

	2022 Actual \$000's	2021 Actual \$000's
Key management personnel compensation		
Councillors		
Remuneration	507	480
Full-time equivalent members	14	14
Senior Management Team, including the Chief Executive		
Remuneration	985	969
Fulltime equivalent members	4	4
Total key management personnel remuneration	1,493	1,449
Total full-time equivalent personnel	18	18

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 (2021: \$990). The Mayor receive a communication allowance of \$1,050 (2021: nil)

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 2022

Note 24 – Events after balance date

Three waters

In October 2021, the Government confirmed that it will introduce legislation to create four publicly owned water entities, and that the group's participation in the proposed reform will be mandatory.

These entities will own and operate drinking water, wastewater and stormwater (three waters) services across New Zealand. The Department of Internal Affairs is tasked with the successful implementation of these reforms, and will work with the local government sector, iwi, water industry and other stakeholders to ensure a smooth transition to the new arrangements.

Subsequently, on 2 June 2022, the government introduced the Water Services Entities Bill in the House of Representatives. After the first reading on 9 June 2022 the Bill was referred to the Finance and Expenditure Committee which is to report back to the House of Representatives by 11 November 2022.

The Water Services Entities Bill proposes to create four publicly owned water services entities that would take on responsibility for delivering water services to a specific geographical area, from 1 July 2024.

Further clarification of the transition to the new water services entities is expected to be released in legislation later in 2022 and 2023.

As further details are established this may require adjustments to Council's three water assets either in respect of disclosure and measurement.

COVID-19 "Delta" Variant

Council continues to be impacted to varying degrees both financially and non-financially due to on-going supply chain constraints, increased costs and labour shortages.

Notes to the financial statements for the year ended 30 June 2022

Note 25 – Financial instruments

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

Financial assets

	2022 Actual \$000's	2021 Actual \$000's
Financial assets		
Fair value through surplus or deficit - held for trading		
Derivative financial instrument liabilities	892	0
Total fair value through surplus or deficit	892	0
Loans and receivables		
Cash and cash equivalents	7,096	12,844
Receivables	6,410	8,205
<i>Other financial assets</i>		
Community loans	135	109
Borrower notes from Local Government Funding Agency	796	749
Total loans and receivables	14,437	21,907
Fair value through other comprehensive revenue and expense		
<i>Other financial assets</i>		
Unlisted shares	200	188
Total fair value through other comprehensive revenue and expense	200	188

Financial liabilities

	2022 Actual \$000's	2021 Actual \$000's
Financial liabilities		
Fair value through surplus or deficit - held for trading		
Derivative financial instrument liabilities	124	2,572
Total fair value through surplus or deficit - held for trading	124	2,572
Financial liabilities at amortised cost		
Payables	5,505	5,409
<i>Borrowings</i>		
Finance lease liabilities	75	0
Secured loans	43,000	44,000
Total financial liabilities at amortised cost	48,580	49,409

Notes to the financial statements for the year ended 30 June 2022

Note 25 – Financial instruments

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	Valuation technique		
		Quoted market price	Observable inputs	Non-observable inputs
	\$000's	\$000's	\$000's	\$000's
2022				
Financial assets				
Shares	200	0	0	200
Derivatives	892	0	892	0
2021				
Financial assets				
Shares	188	0	0	188
Financial liabilities				
Derivatives	2,572	0	2,572	0

There were no transfers between the different levels of the fair value hierarchy.

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:

	2022 Actual \$000's	2021 Actual \$000's
Balance at 1 July	188	172
Gains and losses recognised in other comprehensive revenue and expense	12	16
Transfers into level 3	0	0
Transfers out of level 3	0	0
Balance at 30 June	200	188

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

Notes to the financial statements for the year ended 30 June 2022

Note 25 – Financial instruments

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

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

Equity securities price risk arises on listed share investments, which are classified as financial assets held at fair value through other comprehensive revenue and expense. This price risk arises due to market movements in listed shares. Equity securities price risk is not managed as Council does not have any listed shares.

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. Council is not exposed to currency risk, as it does not enter into foreign currency transactions.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the Council to fair value interest rate risk. The Council's liability management policy outlines the level of borrowing that is considered acceptable using fixed rate instruments. Fixed-to-floating interest rate swaps can be entered into to hedge the fair value interest rate risk arising where Council has borrowed at fixed rates. In addition, investments at fixed interest rates expose the Council to fair value interest rate risk.

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.

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 and listed bonds, which gives rise to credit risk. The Council also provides 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.

Notes to the financial statements for the year ended 30 June 2022

Note 25 – Financial instruments

Maximum exposure to credit risk

The Council's maximum credit risk exposure for each class of financial instrument is as follows:

	2022 Actual \$000's	2021 Actual \$000's
Cash at bank and term deposits	7,096	12,844
Receivables	6,410	8,205
Total maximum exposure to credit risk	13,389	21,048

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.

	2022 Actual \$000's	2021 Actual \$000's
Cash at bank and term deposits		
AA-	7,096	12,844
Total cash at bank and term deposits	7,096	12,844

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 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 \$3.0 million (2021: \$7.0 million). There are no restrictions on the use of this facility.

Notes to the financial statements for the year ended 30 June 2022

Note 25 – Financial instruments

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
2022					
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
Total financial liabilities	48,580	50,059	12,790	25,901	11,368
2021					
Payables	5,409	5,409	5,409	0	0
Secured loans	44,000	45,494	8,268	29,987	7,238
Finance leases	0	0	0	0	0
Total financial liabilities	49,409	50,902	13,677	29,987	7,238

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 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
2022					
Nett settled derivative liabilities	124	124	22	99	3
Total derivatives	0	0	0	0	0
2021					
Nett settled derivative liabilities	2,572	2,572	0	1,752	820
Total derivatives	2,572	2,572	0	1,752	820

Notes to the financial statements for the year ended 30 June 2022

Note 25 – Financial instruments

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
2022					
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
Total financial assets	14,437	14,437	13,638	627	172
2021					
Cash and cash equivalents	12,844	12,844	12,844	0	0
Receivables	8,205	8,205	8,205	0	0
<i>Other financial assets</i>					
Community loans	123	123	13	73	36
Borrower notes	749	749	128	509	112
Total financial assets	21,920	21,920	21,190	582	148

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 \$000's	Contractual cashflows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
2022					
Nett settled derivative assets	892	892	41	725	126
Total derivatives	892	892	19	625	124
2021					
Nett settled derivative assets	0	0	0	0	0
Total derivatives	0	0	0	0	0

Notes to the financial statements for the year ended 30 June 2022

Note 25 – Financial instruments

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
	\$000's	\$000's	\$000's	\$000's
Interest rate risk				
2022				
Financial assets				
Cash and cash equivalents	(19)	0	52	0
Derivatives	(407)	0	390	0
Financial liabilities				
Derivatives	(46)	0	44	0
Total sensitivity	(472)	0	486	0
2021				
Financial assets				
Cash and cash equivalents	(32)	0	97	0
Financial liabilities				
Derivatives	(671)	0	649	0
Total sensitivity	(703)	0	746	0

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 (2021: -50bps/+50bps).

Note 26 – Major variances

Explanations for major variations from the Council's budget figures in its 2021/22 Annual Plan are as follows:

Statement of comprehensive revenue and expense

Rates revenue

Rate revenue is higher than that budgeted by \$2.2m. 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. In the past with low growth, this method has not significantly impacted the rates set. However, in 2021/22 the actual growth was just over 3% which did have a significant effect on the amount of rates revenue assessed.

Water rate revenue is also higher than budget by \$0.9m. This can be attributed to higher demand for water throughout the financial year.

Notes to the financial statements for the year ended 30 June 2022

Note 26 – Major variances

Other fees and charges

Other fees and charges are higher than that budgeted by \$1.7m.

Building and resource consent charges are higher than that budgeted by \$0.8m. Demand for these services as increased exponentially across New Zealand and the upwards trend that we have seen is not unique to just HDC. It is also in line with the increase that has been seen in land (and capital values) across the district. It is difficult to budget for this movement - but Council continues to see growth in this area.

Refuse collection/transfer income was up \$0.5m on budget. The favourable variance in solid waste revenue is due to the new pricing which came into effect in September along with higher volumes through the refuse transfer stations. Council also had unbudgeted income of \$0.2m for maintenance work undertaken by Council on behalf of the Hauraki Rail Trail which was then on-invoiced to an external party.

Subsidies and grants

Revenue is higher than that budgeted by \$1.4m. Council received \$0.8 m of unbudgeted capital grants from the Ministry of Business, Innovation and Employment for the Three Waters Stimulus Programme. Subsidy income from NZTA was also higher than anticipated by \$0.2m due to higher subsidy rates being applied to some of the land transport work programme than that budgeted and additional work being funded that wasn't anticipated being funded from NZTA when preparing the annual plan. Other miscellaneous unbudgeted grants of \$0.4m were also received.

Other revenue

Other revenue is higher than that budgeted by \$3.6m. The majority of this movement can be attributed to an unbudgeted \$3.3m gain on the change in fair value of Council's derivative financial instruments.

Personnel costs

Personnel costs are higher than anticipated by (\$1.3m) due to additional staff needing to be employed because of increased workloads, particularly because of the large capital works programme being undertaken. Some of the additional staff were hired to fill new roles that were funded by central government subsidies.

Other expenses

Other expenses are higher than that budgeted by (\$7.8m). This is due to the following reasons:

- Unbudgeted losses on disposals of (\$1.4m) Council property, plant and equipment.
- Drought damage on the plains (from the 2021FY that have been carried on into the 2022FY) has resulted in emergency works of approximately (\$1.2m). Council receives a NZTA subsidy on this expenditure.
- Waste Management costs are higher than that budgeted for by (\$1.0m). Costs to landfill are significantly higher than budget, both in terms of price and volume. In addition to this, an increase in the levy charges and the Emissions Trading Scheme costs were not fully offset by the fees and charges increases in September 2021. Consumer price index inflation adjustments to the contracts in place are also higher than forecast, this can be attributed to inflationary pressures felt around both fuel and wage increases.
- Reactive repairs and chemical costs within the water network reticulation system have resulted in unbudgeted expenditure of (\$0.7m) and (\$0.4m), respectively. Costs are higher due to inflationary and supply chain issues.
- Desludging of wastewater treatment plants was originally budgeted as capital expenditure but has since been reclassified as operational expenditure. This has resulted in unbudgeted expenditure of (\$0.7m). This expenditure has been funded by the Government as part of Three Waters Stimulus package.
- Regulatory costs are higher than that budgeted by (\$0.7m) due an increase in the complexity of consents requiring technical services, planning and other professional consultants in order to be processed. These costs are passed on to the applicant.
- The design, projects and works teams have collective unbudgeted loss of (\$1.4m). This is due to under recoveries on work completed up to 30 June 2022.

Notes to the financial statements for the year ended 30 June 2022

Note 26 – Major variances

Gain on property, plant and equipment revaluations

A gain on revaluation was budgeted but the actual asset revaluation movement were higher than budgeted by \$166.2m. This is mainly attributable to the two out-of-cycle revaluations that took place for Council land transport, three waters and land drainage assets. Council decided to undertake these revaluations after our internal fair value assessment showed evidence of a significant movement upward since its previous revaluation in July 2019 (Land Transport) and July 2020 (Three waters and Land Drainage).

Shipping delays, interruptions to supply chains and increase in petroleum-based products, diesel and labour costs have all significantly influenced the movement upward in the fair value of these assets.

Statement of financial position

Cash and cash equivalents

Cash and cash equivalents are higher than that budgeted by \$5.4m. 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 supply disruptions, continued lockdowns, and staff and/or lack of available external labour, Council was unable to complete this work. Higher than anticipated rate revenue also contributed to a higher than anticipated cash balance at year end.

Receivables

Receivables are lower than that originally budgeted by \$1.9m. This is made up of the following:

- Rates debtors are lower than anticipated by \$3.9m. We have seen a higher uptake in ratepayers electing to pay their rates by DD, therefore more land rates are being paid on time.
- Water rates are higher than budgeted by (\$2.4m). Ratepayers are (for the most part) billed biannually - meaning a significant amount of water rates will be owing as at 30 June.
- Sundry debtors are slightly lower than that budgeted, by \$0.5m. This team have been actively reviewing and following up debtor accounts throughout the year.

Inventory

Council had originally budgeted for the value of the 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 \$3.3m.

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 \$4.2m over that stated in the annual plan.

Property, plant and equipment

Property, plant and equipment is \$166.4 million 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. The revaluation gain attributable to this asset class was \$166.2m. Council decided to undertake these revaluations after an internal fair value assessment showed 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 (\$4.6m) higher than budgeted. This is mainly attributable to revenue received in advance being (\$3.2m) higher than that budgeted. A large rent prepayment has been made and amounts to (\$1.7m) 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

Notes to the financial statements for the year ended 30 June 2022

Note 26 – Major variances

revenue in advance balance as at 30 June (\$1.5m). In addition to this overall operational expenditure was higher than that budgeted and this will correlate with a higher payables balance at year-end.

Borrowings

Borrowings are lower than that budgeted by \$11.9 million. This can mainly attributed to Council not completing its capital works programme in the 2021/22 financial year. In addition to this, Council's opening cash position was also \$4.1m higher than that originally budgeted.

Our service providers

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 2019/20 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 (WLASS) 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 <https://www.hauraki-dc.govt.nz/our-council/policies/>

Co-Lab (previously Waikato LASS)

Note: The audit of Co-Lab 2021/22 annual report is delayed and therefore the content below is approved by the WLASS Board, but unaudited by Audit NZ.

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:

- 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;
- Achieve effectiveness and efficiency gains;
- Help Councils achieve an appropriate balance in risk & return
- Reduce duplication of effort and eliminate waste through repetition;
- Make it easier for communities' to engage with councils in the Waikato region on a consistent basis;
- Promote and contribute to the development of best practice; and
- Promote business transformation to improve communities' experiences.

Board and employees

The company has an Executive Assistant, a full-time Chief Executive and Business Analyst.

The WLASS Board includes the following members:

- An independent Chair; and
- Shareholding Council representation, comprising:
 - one appointed by Waikato Regional Council;
 - one appointed by Hamilton City Council;
 - one appointed by the Waikato and Waipa District Councils;
 - one appointed by the Thames-Coromandel, Hauraki and Matamata-Piako District Councils; and
 - one appointed by the Otorohanga, Waitomo, South Waikato, Taupo and Rotorua District Councils.

Nature and scope of activities

The major initiatives operating under the Co-Lab umbrella are:




- Shared Valuation Data Service
- Road Asset Technical Accord
- Waikato Regional Transportation Model
- Waikato Building Consent Group
- Future Proof
- Regional Infrastructure Technical Specifications
- Energy management
- Joint procurement initiatives
- Historic aerial photos
- Waikato Regional Aerial Photography Service
- Aligned resource consent planning
- Contractor health & safety pre-qualification





Performance of Co-Lab in 2021/22

The performance targets as outlined in the 2021 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+.	No business cases were presented to the Board during the last financial year but there were various Discovery reports for initiatives and expansive resourcing required to develop Co-Lab Learning. By their nature, some of these opportunities do not lend to readily quantifiable benefits. An example of this is the	●

Priority	Performance measure	Target	Outcome (progress toward target)	
of our objectives Linked impact(s) Linked impact(s): 			Community Needs Analysis: a project supporting eight of the councils by providing learnings grounded in stories of past successes and failures that can be used by councils in their discussion with stakeholders relating to the Future for Local Government review.	
	Opportunity assessments are supported by councils (evidenced by Board minutes)	75% of councils	9 councils (out of 12 shareholding councils) have agreed to participate in Co-Lab Learning following proposals in May 2022. 8 councils chose to participate (and invest in) the Community Needs Analysis (CNA) project.	●
Develop opportunities and deliver projects within agreed budgets and timelines Linked impact(s): 	Opportunities / projects are developed / delivered within agreed timelines	80%	43%: Five of the eight projects under development that had a major milestone during the year, had some delays in their progress. The most significant of these was the completion of the development of Co-Lab Learning. Although Covid pressures in late 2021 contributed to the delays, the main cause was the length of time taken to reach agreement with key council stakeholders. It is easy to underestimate how long this will take. Completed on time were the Community Needs Analysis project, the Building consent Cadetship discovery project and the project to establish the Co-Lab Geospatial Services unit.	●
	Opportunities / projects are developed / delivered, within approved budget	90%	71%: Five of seven projects were completed within budget. The main exception was the Learning & Development Shared Service project where the cost of the project team went slightly over budget. This was a result of the delays, and therefore extension of effort that is explained above	●
Ensure projects realise their expected benefits Linked impact(s): 	Measurable benefits are actively monitored and reported against	Six-monthly	During the last financial year, we presented the following to the Audit & Risk Committee <ul style="list-style-type: none"> • Waikato Data Portal • PSP • Waters Collaboration • Insurance 	●
	Audit & Risk Committee undertake an assessment of projects following implementation (which	For \$200k+ Projects (based on cost of opportunity development		●

Priority	Performance measure	Target	Outcome (progress toward target)	
	will include an assessment of whether projected benefits have been realised).	and ongoing investment) Within 15 months 90% of projected quantifiable benefits are realised		
Ensure existing services are meeting the needs of councils Linked impact(s): 	The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey): <ul style="list-style-type: none">▪ RATA – roading & waters▪ Waikato Building Cluster▪ Regional Infrastructure Technical Specifications▪ Energy & Carbon Management▪ Professional Services Panel▪ Health & Safety pre-qualification	80% of councils	A stakeholder survey was undertaken in May 2022 as noted above. 80% of respondents said that the services they received either met or exceeded their expectations.	
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice Linked impact(s): 	Across these groups, ideas for future consideration and/or initiatives are identified each year	Four per annum	Ideas for future consideration and/or initiatives identified include: <ul style="list-style-type: none">• Redesign of the WBCG Quality Manual – In progress• Cadet Project – In progress• New Build Waikato website delivered – Completed• Water Data Quality dashboard• Fortnightly P&C response group for Covid-19• The Insurance Advisory Group engaged Aon to undertake an assessment of potential losses to Waikato councils' three-waters reticulation networks and flood	

Priority	Performance measure	Target	Outcome (progress toward target)	
			<p>protection assets due to earthquake damage.</p> <ul style="list-style-type: none"> Procurement Managers have been involved in a few joint procurements. 	

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:

- Providing savings in annual interest costs
- Offering short and long-term borrowings with flexible lending terms
- Enhancing the certainty of debt markets
- Being the funder of choice for New Zealand local government.

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 2020/21 Statement of Intent (SOI). This information is as reported in the LGFA 2021/22 Annual Report. For detailed information on the LGFA performance results, see its Annual Report, published on the LGFA website: www.lgfa.co.nz

Objective:	Result:
LGFA will optimise the debt funding terms and conditions for Participating	GFA lending base margin was 15 bps for all borrowing terms for the 2021-22 year, which covers our operating costs and also provides for capital to grow in line with increases in our balance sheet. There is an

Objective:	Result:
<p>Borrowers. Among other things, this includes:</p> <ul style="list-style-type: none"> ■ <i>Providing interest cost savings relative to alternative sources of financing;</i> 	<p>additional credit margin added to the base margin depending upon whether a council has a credit rating or is a guarantor or non-guarantor of LGFA. LGFA continues to borrow at very competitive spreads compared to the AAA rated Sovereign, Supranational and Agencies (SSA) issuers who borrow in the New Zealand debt capital markets, the domestic banks and Kainga Ora, our closest peer issuer.</p> <p>We survey our members each year on their satisfaction with LGFA and our August 2021 stakeholder survey returned a 99% positive response to the question "How would you rate LGFA in adding value to your borrowing requirements?". We also received a 98% positive response to the question "How satisfied are you with the pricing that LGFA has provided to your Council?"</p>
<ul style="list-style-type: none"> ■ <i>Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;</i> 	<p>Both short and long-term borrowing has been well supported by our members:</p> <ul style="list-style-type: none"> • At June 2022, \$478 million short-term loans were outstanding to 31 councils and CCOs, with loan terms ranging between one month and 12 months. • Over the year, 66 members borrowed \$3,228 million in 292 new long-term loans, across 77 maturity dates ranging between 2021 and 2037. • Our Green Social and Sustainability (GSS) loan product was formally launched in late 2021 with Wellington City Council and Greater Wellington Regional Council our inaugural borrowers under the GSS programme. • Our first CCO member, Invercargill City Holdings, undertook borrowing in July 2021. Standby facilities provided to councils increased by \$147 million over the year to total \$662 million across 12 councils
<ul style="list-style-type: none"> ■ <i>Delivering operational best practice and efficiency for its lending services;</i> 	<p>Over the year, the LGFA operations team successfully settled 1,783 new trades and 11,474 cash flows in excess of \$36 billion. In the August 2021 stakeholder survey, respondents recorded a 96% positive response to the question "How satisfied are you with the LGFA settlement process?"</p>
<ul style="list-style-type: none"> ■ <i>Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.</i> 	<p>For LGFA to provide certainty of access to markets for our council borrowers we need to have a vibrant primary and secondary market in LGFA bonds. The primary market is the new issuance market, and we measure strength with participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges. The secondary market is the trading of LGFA bonds following issuance and a healthy market implies high turnover.</p> <p>LGFA issued a record \$3,900 million in bonds over the year through nine tenders and two syndications. There were 12 bill tenders over the year with \$565 million of bills on issue at June 2022. Proceeds from bill and bond issuances fund our lending to members, with the balance invested in our liquid asset portfolio.</p> <p>In October 2021, LGFA issued two new bonds, a May 2028 and May 2035, providing members with the opportunity to extend their long-term borrowing. The weighted average borrowing term by members over the year was 6.2 years (excluding short-dated borrowing).</p>

Objective:	Result:
	LGFA maintains an Australian Medium-Term Notes Programme which, to date, has not been used but which provides additional flexibility if required under future market conditions.
<p>LGFA will ensure its asset book remains at a high standard by ensuring it understands each Participating Borrower's financial position, as well as general issues confronting the Local Government sector. Amongst other things, LGFA will:</p> <ul style="list-style-type: none"> ■ <i>Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies;</i> 	<p>LGFA reviews all borrowers financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils and CCOs on the LGFA borrower watch-list. Borrowers are required to complete annual compliance certificates by 30 November each year. We have received compliance certificates from all borrowers, and all remained compliant as at 30 June 2021.</p>
<ul style="list-style-type: none"> ■ <i>Analyse finances at the Council group level where appropriate and report to shareholders;</i> 	<p>All LGFA members are measured on a parent level basis.</p>
<ul style="list-style-type: none"> ■ <i>Endeavour to visit each Participating Borrower annually, including meeting with elected officials as required, or if requested; and</i> 	<p>LGFA met with all council and CCO members over the course of year. Where practical, we met in person with members and held meetings virtually if required.</p>
<ul style="list-style-type: none"> ■ <i>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.</i> 	<p>Over the year, LGFA management met with representatives from Reserve Bank of New Zealand, Department of Internal Affairs, Office of the Auditor General, Taituara, the New Zealand Debt Management section of the Treasury (NZDM). LGFA continue to assist the sector and advisers in finding ways for LGFA to play a supporting role in providing solutions to off balance sheet financing for councils and are currently providing technical input into the Cameron Partners proposed Ratepayer Financing Scheme</p>

Performance targets

2021/22 performance targets	Result for 12-month period to 30 June 2022	Outcome
LGFA total operating income for the period to June 2022 will be greater than \$19.1 million	\$18.6 million	<input checked="" type="checkbox"/>
Annual issuance and operating expenses (excluding AIL) will be less than \$7.2 million	\$7.2 million	<input checked="" type="checkbox"/>
Total nominal lending (short and long term) to participating councils to be at least \$13.294 billion	\$14.019 billion	<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 2021 survey outcome of 99.2 %	<input checked="" type="checkbox"/>
Meet all lending requests from PLAs	100%	<input checked="" type="checkbox"/>
Achieve 80% market share of all council borrowing in New Zealand	80%	<input checked="" type="checkbox"/>
Review each PLA financial position, its headroom under LGFA policies and arrange to meet each PLA at least annually	All councils visited	<input checked="" type="checkbox"/>
No breaches of Treasury Policy, any regulatory or legislative requirements including H&S	No breaches	<input checked="" type="checkbox"/>
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due	100%	<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"/>

Exempt Council Controlled Organisations (CCO)

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, three years since the last exemption was granted.

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, three years since the last exemption was granted

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 2020, three years since the last exemption was granted.

Related Documents

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

There have been no significant variations or material departures from the Council's Investment Policy or Liability Management Policy in sufficient degree to give the Council reasonable certainty that obligations under contracts will be performed.

Appendix 1: Council Committees

Committees as at June 2022:

Paeroa Ward Committee

- Carole Daley (Chair)
- Paul Milner
- Jo Tilsley
- Rino Wilkinson

Plains Ward Committee

- Ross Harris (Chair)
- Phillip Buckthought
- Ray Broad

Waihi Ward Committee

- Anne Marie Spicer (Chair)
- Duncan Smeaton
- Paul Anderson
- Sara-Ann Howell
- Brian Gentil

Audit and Risk Committee

- Conall Buchanan (Chair, Independent Member)
- Mayor Toby Adams
- Deputy Mayor Paul Milner (Deputy Chair)
- Cr Ross Harris
- Cr Carole Daley
- Cr Duncan Smeaton
- Cr Paul Milner

Manaaki Toiora Committee

- Cr A Spicer (Chair)
- Cr R Harris (Deputy Chair)
- Cr P G Anderson
- Cr J R Tilsley
- Cr R L Wilkinson

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 (Alternate – Cr Ross Harris)

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 (Alternate – Cr Ross Harris)

Paeroa Rural Drainage District Committee

- Mike Peters (Chair)
- Peter Casey (Deputy Chair)
- Terry Hamilton
- Craig Zydenbos
- Cr Phillip Buckthought (Alternate – Cr Ross Harris)

Taramaire Drainage District

- Stephen Crooymans (Chairperson)
- Dennis Thompson (Deputy Chairperson)
- Cr Phillip Buckthought (Alternate – Cr Ross Harris)

Consultative Committee on Water and Waste (to be formed if required)

- Cr Ross Harris (Chair)
- Cr Phillip Buckthought (Deputy Chair)
- Cr Duncan Smeaton

Councillor Conduct Review Committee

- Mayor Toby Adams (Chair)
- Deputy Mayor Paul Milner (Deputy Chair)
- Cr Ross Harris
- Cr Anne Marie Spicer

District Licensing Committee

- Cr Paul Milner (Chair)
- Cr Carole Daley (Deputy Chair)
- Committee List Members:
 - Mary Carmine
 - Denis Taylor
 - John Goodman
 - Brent Holmes
 - Ross Murphy

District Plan Committee

- Mayor Toby Adams (Chair)
- Deputy Mayor Paul Milner (Deputy Chair)
- Cr Ray Broad
- Austin Rattray (Commissioner)

Emergency Management Committee

- Cr Phillip Buckthought (Chair)
- Mayor Toby Adams (Deputy Chair)
- Cr Paul Milner
- Cr Duncan Smeaton

Hearings and Judicial Committee

- Cr Paul Milner (Chair)
- Cr Anne Marie Spicer (Deputy Chair)
- Mayor Toby Adams
- Cr Phillip Buckthought
- Appointed Commissioners:
 - Mary Carmine
 - Gill Leonard
 - Austin Rattray

Co-Governance Committees

Ngati Koi Domain Co-Governance Committee

- Duncan Smeaton - Council representative
- John Tregidga - Council appointee

Tauwhare Koiora Reserve Co-Governance Committee

- Phillip Buckthought – Council representative
- John Tregidga – Council appointee

Forums

Te Mana Whenua Forum (membership to be decided at the time of formation)

- Mayor Toby Adams (Chair)
- Cr Anne Marie Spicer (Deputy Chair)

Working Parties

CEO Performance Assessment Working Party

- Mayor Toby Adams (Chair)
- Deputy Mayor Paul Milner (Deputy Chair)
- Carole Daley
- Ross Harris
- Anne Marie Spicer

Community Housing Working Party

- Carole Daley (Chair)
- Anne Marie Spicer (Deputy Chair)
- Paul Milner
- Ray Broad

Councillor Remuneration Working Party

- Mayor Toby Adams (Chair)
- Deputy Mayor Paul Milner (Deputy Chair)
- Carole Daley
- Ross Harris
- Anne Marie Spicer

Councils Organisations Appointment Working Party

- Mayor Toby Adams (Chair)
- Deputy Mayor Paul Milner (Deputy Chair)
- Carole Daley
- Ross Harris
- Anne Marie Spicer

Property Sale and Purchase Working Party

- Mayor Toby Adams (Chair)
- Paul Milner (Deputy Chair)
- Ray Broad
- Ross Harris
- Carole Daley

Waste Minimisation Working Party

- Duncan Smeaton (Chair)
- Anne Marie Spicer
- Paul Milner
- Mayor Toby Adams

Wharekawa Coast 2120 Joint Working Party

- Mayor Toby Adams (Chair)
- Ross Harris
- Phillip Buckthought
- 3 Waikato Regional Council Councillors
- 4 Iwi Representatives

Council Portfolios

Policy and Communications	Mayor Toby Adams (Deputy Mayor Paul Milner)
RMA and Regulatory Policy	Cr Paul Milner (Mayor Toby Adams)
Finance and ITC	Cr Carole Daley (Mayor Toby Adams)
Property	Cr Ray Broad (Cr Carole Daley)
Water and Wastewater	Cr Ross Harris (Cr Duncan Smeaton)
Water Management (Stormwater, Land Drainage and Flood Protection)	Cr Phillip Buckthought Ross Harris
Transportation	Mayor Toby Adams (Cr Phillip Buckthought)
Community Services – Facilities	Cr Paul Milner (Cr Jo Tilsley)
Community Services – Recreation and Sport	Cr Rino Wilkinson (Cr Paul Milner)
Community Services – Libraries	Cr Jo Tilsley (Cr Paul Milner)
Iwi	Mayor Toby Adams (Cr Anne Marie Spicer)
Waste Management and Minimisation	Cr Duncan Smeaton
Manaaki Toiora – economic	Cr Ross Harris (Cr Anne Marie Spicer)
Manaaki Toiora – social	Cr Anne Marie Spicer (Cr Ross Harris)
Climate Change	Cr Duncan Smeaton (Cr Brian Gentil)
Emergency Management	Cr Phillip Buckthought (Mayor Toby Adams)

Appendix 2: Report of the Audit Office

Independent Auditor's Report

To the readers of Hauraki District Council's annual report for the year ended 30 June 2022

The Auditor-General is the auditor of Hauraki District Council (the District Council). The Auditor-General has appointed me, David Walker, 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 21 December 2022. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 110 to 171:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2022; 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;
- the funding impact statement on page 115, 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;

- the statement of service provision on pages 25 to 108:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2022, 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;
- the statement about capital expenditure for each group of activities on pages 31 to 108, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 31 to 108, 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 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 - the Government's three waters reform programme

Without modifying our opinion, we draw attention to note 24 on page 161, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

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, 109 and 172 to 185 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* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we will perform a limited assurance engagement related to the District Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the District Council.

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



For more information:

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