



2018/19 Annual Report



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A message from the Mayor and Chief Executive

As we reflect on the 2018/19 year, it is encouraging to see we've had another busy but successful year with many significant projects being progressed. This annual report looks back at the first year of our recently adopted 2018-28 long term plan. This report also marks the last full financial year for some of our elected members; councillors James Thorp, Gill Leonard, Don Swales, Max McLean and Austin Rattray we thank you for your hard work and service to your community. Congratulations to our new elected members, Rino Wilkinson, Jo Tilsley, Ray Broad, Rodney Garrett, Paul Anderson, Brian Gentil and Sara Howell for being successful for the first time in the 2019 elections and to Carole Daley, Paul Milner, Phillip Buckthought, Ross Harris, Duncan Smeaton and Anne-Marie Spicer for their re-election as Councillors and to Toby Adams for his election as Mayor. The role of the elected member is often underestimated and we thank and appreciate the time and energy put in by these individuals for the good of our district.

During 2018/19 we conducted a review of the district's representation with the resulting decision of the Local Government Commission being that the Waihi ward would have five councillors instead of four in the upcoming 2019 triennial elections. The Paeroa and Plains wards will continue to elect four councillors each.

As part of the long term plan engagement process we asked the community for its views on a new Ngatea library and service centre, or whether an upgrade to the current facilities would be a better option. This proved to be a hot topic for the community and we've worked through this further during 2018/19, with more engagement taking place. We asked what people wanted in an upgraded community space, how it would look and feel, and what services it needs to provide. The Council decided that the Ngatea Library and Service Centre will stay in the existing council building which may include building additions and alterations at the current site.

One of our biggest projects during the year was the commencement of works to upgrade the Kaimanawa drinking water supply. The \$4.4million project will supply quality treated drinking water from the Paeroa water treatment plant to properties in the Kaimanawa and Maratoto areas (near Hikutaia), whom are currently connected to the rural supply. Residents have been on a permanent 'boil water notice' for some time now, and the completion of this project will be very welcomed by those in the area. It is expected that work will be completed by the end of 2019.

We have also completed another big ticket project within the year – the two new 4000m³ treated drinking water reservoirs at the Kerepehi water treatment plant. The \$3.2million project will enable the Council to store enough clean drinking water for about 24 hours of supply in the event of a temporary plant shutdown.

We reviewed those parts of the Hauraki District Council Consolidated Bylaw which required a review or they would have lapsed. This review included the rules on cemeteries, drainage, food grading, nuisance in public and on private property, solid waste, water supply, and wharves and boat ramps. Half of the bylaws that were reviewed came into effect on 1 July 2019, while the others came into effect on 1 September 2019. We also developed a growth strategy in 2018/19 which addresses the opportunities and challenges of managing growth in a sustainable way. The strategy was adopted by Council in July 2019. Our tourism strategy, Destination Hauraki 2030, was also developed during the year and was adopted in August 2019. Its key focus areas are: destination management, product development and destination marketing.

The Local Government (community wellbeing) Amendment Bill was enacted in May 2019, which has reintroduced provisions within the Act that had been repealed by the previous government. The Amendment returns some of the 'wellbeing' aspects of the Act; and in short it means the purpose of local government has returned to one of

'promoting the social, economic, environmental, and cultural wellbeing of communities in the present and the future'. So while we are of course familiar with this and this never stopped being one of our main focuses, we will continue to ensure this is at the forefront of what we do on a daily basis.

Financially we've ended the year on a good note. In the long term plan we forecast that a deficit of \$1.5million (4%). We ended the year with a deficit of \$0.6million (1.5%). So we did a little better than expected.

At the same time our net debt at the end of June 2019 was \$32.5 million which is \$13.5 million less than our forecast. It is important to note that this saving was due in part to some of our planned projects being deferred. We expect these projects will be carried forward into future budgets. While we haven't delivered on everything we said we would, we're working to improve this performance in future years.

We are disappointed that through the annual auditing process, it was identified we had some underlying data issues with respect to the performance measures being reported on from our customer service request database. This has resulted in a modified audit opinion being issued to Council. We are aware that this is not acceptable and we need to improve on this and we will ensure it is a priority that the processes and systems supporting these measures are rectified.

Finally, this annual report marks the end of an era as Mayor John Tregidga finishes his final term as Mayor. After 36 years in local government, it's time for someone new to wear the mayoral chains. The councillors and staff of Hauraki District Council would like to thank John for all his time, energy and dedication to our community, and wish him well in his retirement.

Hauraki District Council Statement of compliance and responsibility as at 30 June 2019

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 2019 fairly reflects the financial position and operations of Hauraki District Council.

Toby Adams
Mayor

Langley Cavers
Chief Executive

Introduction and overview

Your Elected Members 2018/19

The Hauraki District Council elected members include the Mayor and 12 Councillors - four elected from the Paeroa Ward, four from the Plains Ward and four from the Waihi Ward. As of the October 2019 election, this has changed with an additional representative from the Waihi Ward.

Mayor



District Mayor

Mr John P Tregidga, MNZM, JP

021 248 0227

mayor@hauraki-dc.govt.nz

Portfolio: Policy and Iwi

Waihi Ward



Councillor & Chairperson of Waihi Ward

Mr Max P McLean
(07) 863 5151

max.mclean@hauraki-dc.govt.nz

Portfolio: Community Recreation (Sport)

Plains Ward



Councillor & Chairperson of Plains Ward

Mrs Gill Leonard, J.P.
027 565 7869

gill.leonard@hauraki-dc.govt.nz

Portfolio: Community Facilities

Paeroa Ward



Councillor and Deputy Mayor

Mr Toby Adams
027 808 4217

toby.adams@hauraki-dc.govt.nz

Portfolios: Land Transport and Finance



Councillor

Mr Duncan Smeaton
027 477 8627

duncan.smeaton@hauraki-dc.govt.nz

Portfolio: Solid Waste



Councillor

Mr Phillip Buckthought
027 459 9143

phillip.buckthought@hauraki-dc.govt.nz

Portfolio: Land Drainage



Councillor and Chairperson of Paeroa Ward

Mr Paul A Milner
021 0515 799

paul.milner@hauraki-dc.govt.nz

Portfolios: Policy, RMA and Regulatory



Councillor

Mrs Anne Marie Spicer
021 025 36559

annemarie.spicer@hauraki-dc.govt.nz

Portfolio: Community Initiatives



Councillor

Mr Ross Harris
027 291 6469

ross.harris@hauraki-dc.govt.nz

Portfolio: Water/Wastewater/Stormwater and Community Growth



Councillor

Mr James Thorp
021 180 8673

james.thorp@hauraki-dc.govt.nz



Councillor

Mr Austin Rattray
021 060 1742

austin.rattray@hauraki-dc.govt.nz



Councillor

Mr Donald H Swales, J.P.
027 667 7021

don.swales@hauraki-dc.govt.nz



Councillor

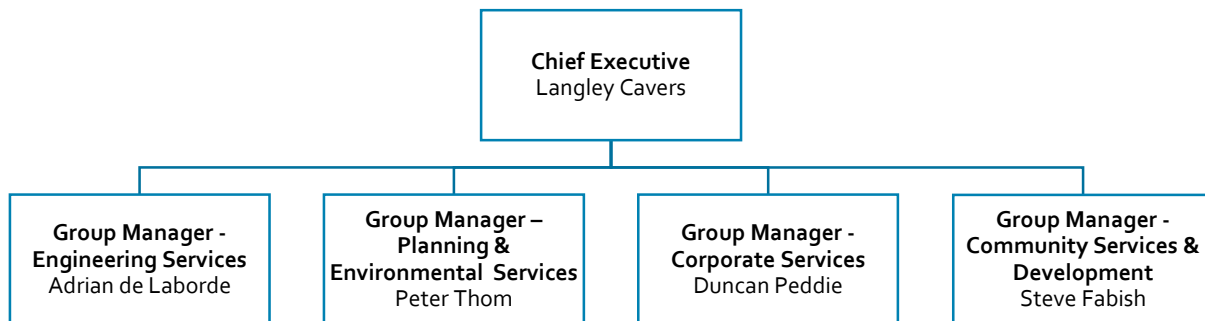
Mrs Carole Daley
021 383 158

carole.daley@hauraki-dc.govt.nz

Portfolio: Property

Note: For a full list of all Council committees, chairpersons and members visit the Council's website www.hauraki-dc.govt.nz

Hauraki District Council's Executive Leadership Team



Mission Statement

It is the Council's mission to:

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

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

Customer Charter

Your rights as a customer are:

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

Our commitment to you:

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

Customer feedback:

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

Community Outcomes

Community Outcomes are our expression of our goals and aspirations for now, and the future. We aim to achieve these goals in all aspects of our leadership, policy development and service delivery.



Prepared Hauraki

We provide a range of services and facilities to meet our district's needs and expectations for a safe environment.

- We provide ongoing safe, well-managed and maintained core infrastructure.
- Our waste is collected, reduced, reused and recycled responsibly.
- We are organised and prepared to deal with natural hazards



Interactive Hauraki

We are a proactive council that provides leadership and communicates effectively with all sectors of our district.

- We advocate for the benefit of our district.
- We keep our district well-informed and ensure information is available.
- We consider our district's views when making decisions.



Kotahitanga Hauraki

We take a collaborative approach with both Mana Whenua and Tangata Whenua in our district.

- We advocate for forums which ensure involvement and consultation in decision-making processes.
- We ensure appropriate regard is made to taonga and culturally significant matters.
- We encourage the development of partnerships for the delivery of services and programmes.



Progress Hauraki

We have a positive climate that encourages balanced and sustained economic growth throughout our district

- Our infrastructural services and facilities are planned and developed to meet future demand.
- We actively encourage new economic development opportunities while continuing to support existing ventures and service providers.
- We encourage further development of tourism opportunities and facilities focusing on our heritage and eco-tourism.



Lifestyle Hauraki

We provide an environment that encourages vibrant communities and an enhanced quality of life.

- Our unique communities are protected while balancing the needs of alternative lifestyles.
- We are advocates for the provision of quality social, educational, health and training services.
- We encourage partnerships within the district for the delivery of services.



Sustainable Hauraki

We plan for the wise use and management of all land and resources for the continued benefit of our district.

- Our natural and physical environments are sustainably managed.
- We have a shared respect for both economic growth and environmental protection.
- We support the protection of the district's significant natural habitats and ecosystems.

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 2018-28 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 many 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 2018/19 year (1 July 2018 to 30 June 2019).

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 2018/19 elected members, our community outcomes and more.
- An overview of the achievements of our Council Controlled Organisations (CCOs) in the 2018/19 year.
- 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 2018/19 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 2018/19
 - The projects that we planned to complete in 2018/19 but didn't
- Our financial statements for the 2018/19 year
- A report from Audit New Zealand regarding this annual report
- A list of all Council Committees and their members.

Easy reference stamp

A lot more information can be found in our 2018-28 Long Term Plan (LTP).

This handy stamp placed throughout this annual report will let you know where you can find out more in our LTP.

Our LTP is available at each service centre, or you can download an electronic copy from our website.



Page #
2018-28
Long Term Plan

Progress against our Financial Strategy

In our 2018-2028 LTP we signalled that we wanted to ensure that our communities can afford to pay to use our services and their rates bill, but we also need to be in a good financial position to cope with the likely changes ahead. The amount that we spend and borrow in the short to medium term will shape how much flexibility we have to respond to these new challenges ahead

As such our financial strategy set out some self-imposed quantified limits on rates, rates increases and external debt levels. These are reflected in Councils financial prudence benchmarks below.

Debt Cap

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 2019 total debt was \$2,873 per property.

In addition, the 2018/19 Annual Plan the debt forecast was \$46.6 million, with the debt cap being \$49 million, meaning that the Council's Annual Plan sat comfortably within its debt cap. Council's debt at the end of June 2019 was \$38 million, which was \$8 million lower than forecast because of some delays in the capital work programme in both 2017/18 and 2018/19.

Rates Cap

Due to the extensive water activity, the Council considered it appropriate to have a separate set of rates caps specifically for the water activity as such we have caps for

1. Water rates; and
2. Rates excluding water rates

Rates Cap 1

We have revised our rates caps to allow some flexibility to increase the rates we collect for unexpected events or new requirements. This has resulted in a second rates cap of approximately 2% on top of the actual forecast rate increase needed to fund our forecast spend. We don't anticipate that rates will need to be increased to the level of the rates cap but the flexibility is there if it becomes absolutely necessary.

In 2018/19 this cap was not used for either water rates or non-water rates.

Rates Cap 1

The Council uses the forecast Local Government Cost Index (LGCI) as a factor in its rates caps. The LGCI is a cost index specifically for local government regarding the costs of its goods and services.

The Council's rates cap for all rates excluding water is the LGCI plus 5.5%. In 2018/19 this cap equated to 7.5%. Council's 2018/19 actual rates increased by 8.4%, which was 0.9% higher than the cap. Council signalled that there would be at least a 6.49% increase on the 2017/18 budgeted rates. However, in measuring this prudence measure we also take into account rates remissions in each year. In 2017/18 this remission was approximately \$777,000. This abnormally high amount reflected work undertaken to clean up historical rates that needed to be remitted. In 2018/19 remission declined back to more common levels \$479,000. If remission were excluded from the calculation the actual rates increase would be 6.7% which is inside the band.

The Council's rates cap for its water activity is the LGCI plus 6%. In 2018/19 this cap equated to 8%. Council's actual water rates increased by -4% for 2018/19 predominantly due to lower than expected water consumption.

Annual report disclosure statement for year ending 30 June 2019

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:

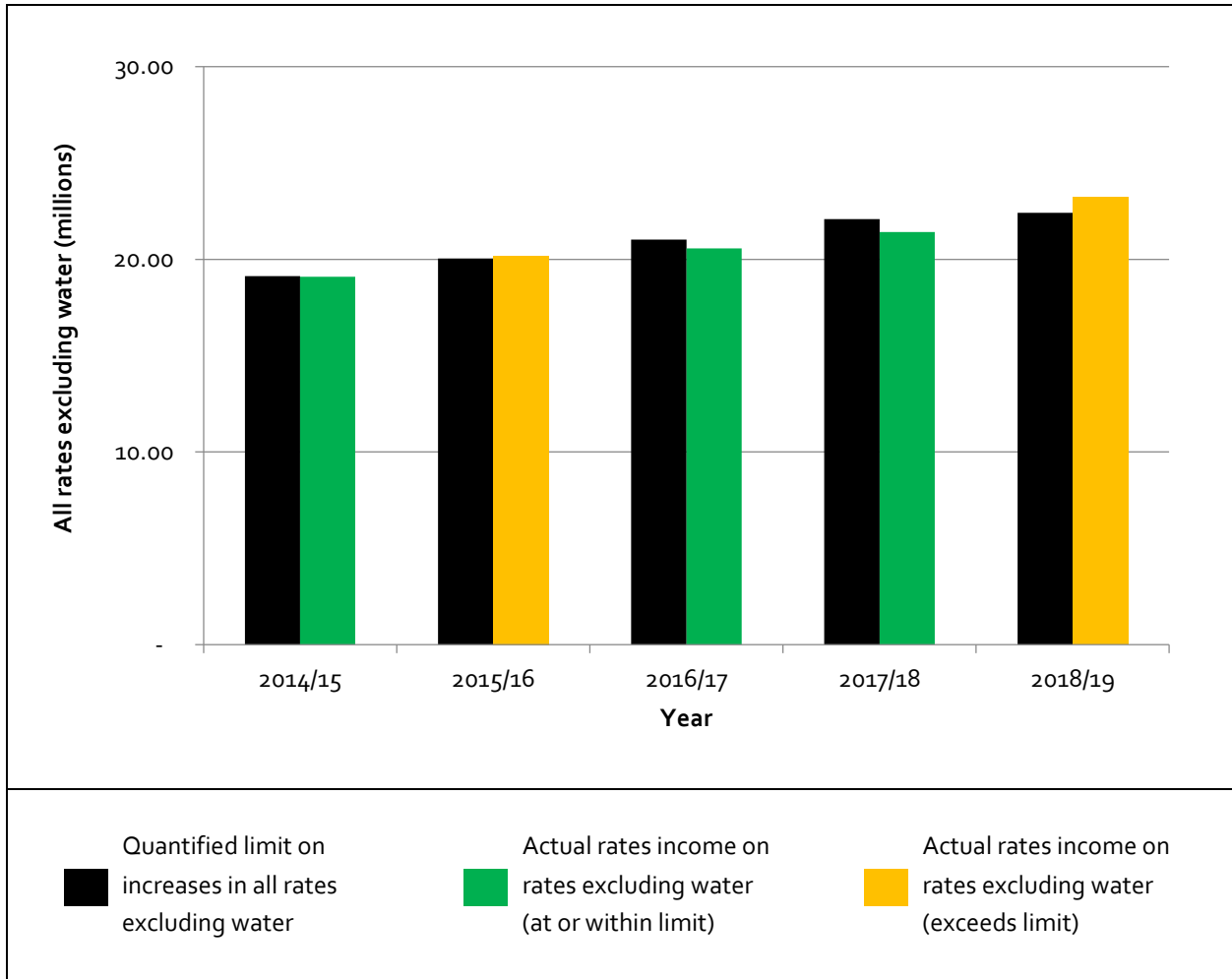
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

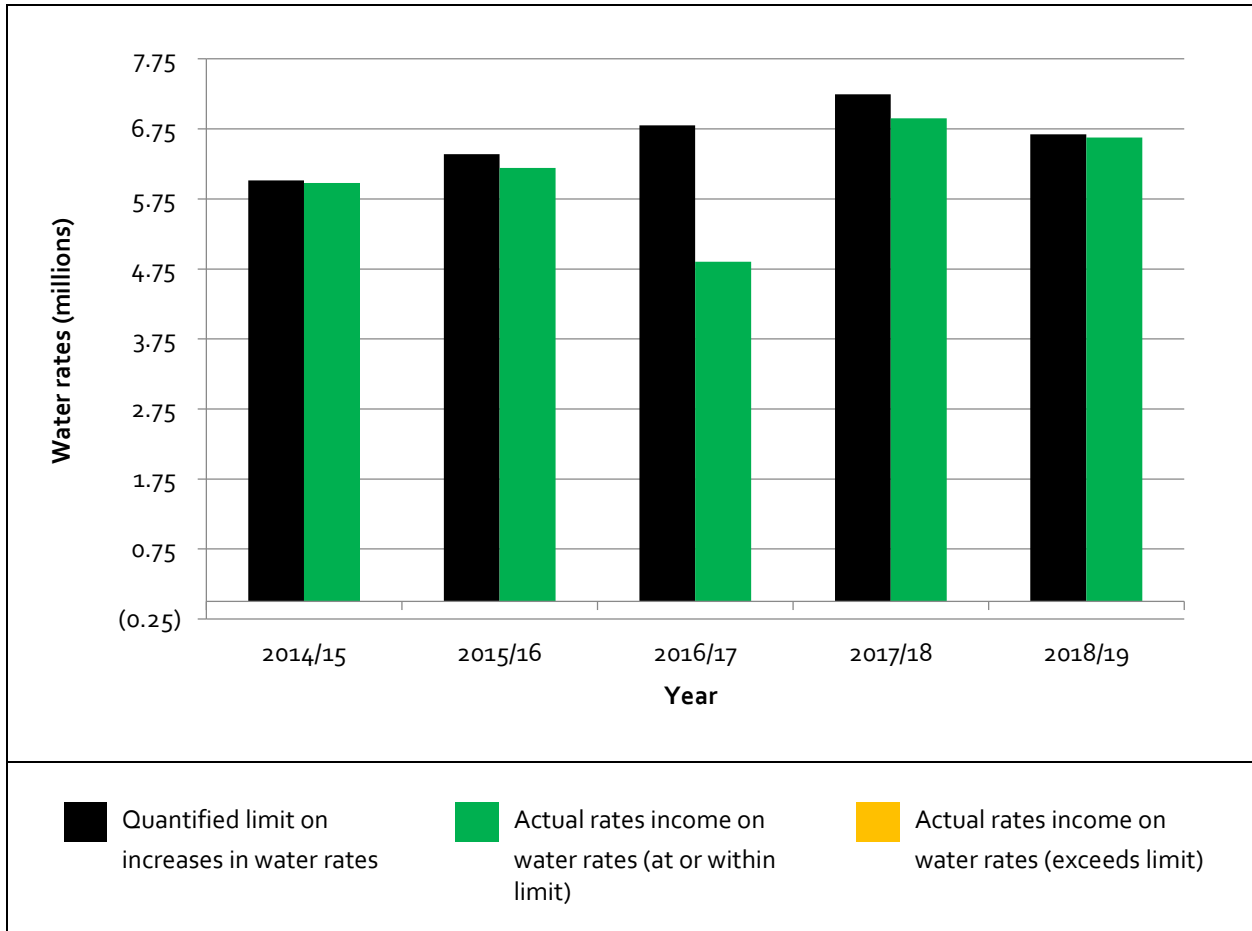
HDC's has two quantified limits on rates income as stated in the financial strategy included in the Council's long term plan:

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

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 financial strategy and in the Council's long term plan. The quantified limit for 2019 was the rates income (excluding water rates) set out in the 2017/18 Annual Plan plus 7.5%. (2018: The quantified limit was the rates income cap (excluding water rates) set out in the 2016/17 Annual Plan plus 5%).



The following graph compares the Council's actual water rates income with a quantified limit on rates income included in financial strategy and in the council's long term plan. The quantified limit for 2019 was the water rates income set out in the 2017/18 Annual Plan plus 8% (2018: The quantified limit was the rates income cap (excluding water rates) set out in the 2016/17 Annual Plan plus 6.5%)

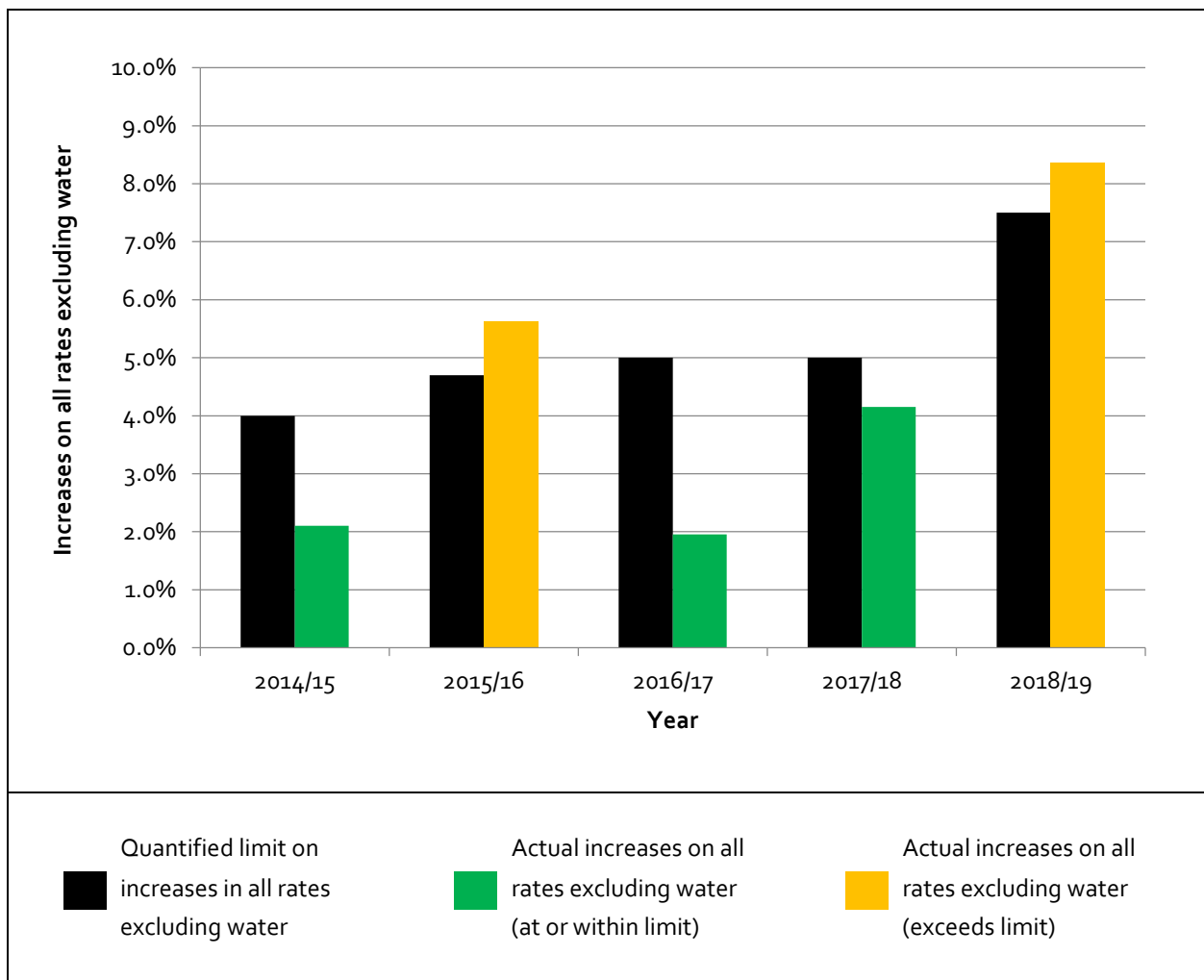


Rates (increases) affordability

HDC 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 5.5%
- the second quantified limit is for water rates, and is expressed as the LGCI plus 6%

The following graph compares the Council's actual rates increases (excluding water rates) with a quantified limit on rates increases (excluding water rates) included in financial strategy included in the council's long term plan. The quantified limit is that the percentage increase in rates (excluding water rates) will be no more than the LGCI plus 5.5%, for the first four years, and the LGCI plus 3.5% for the remaining years.



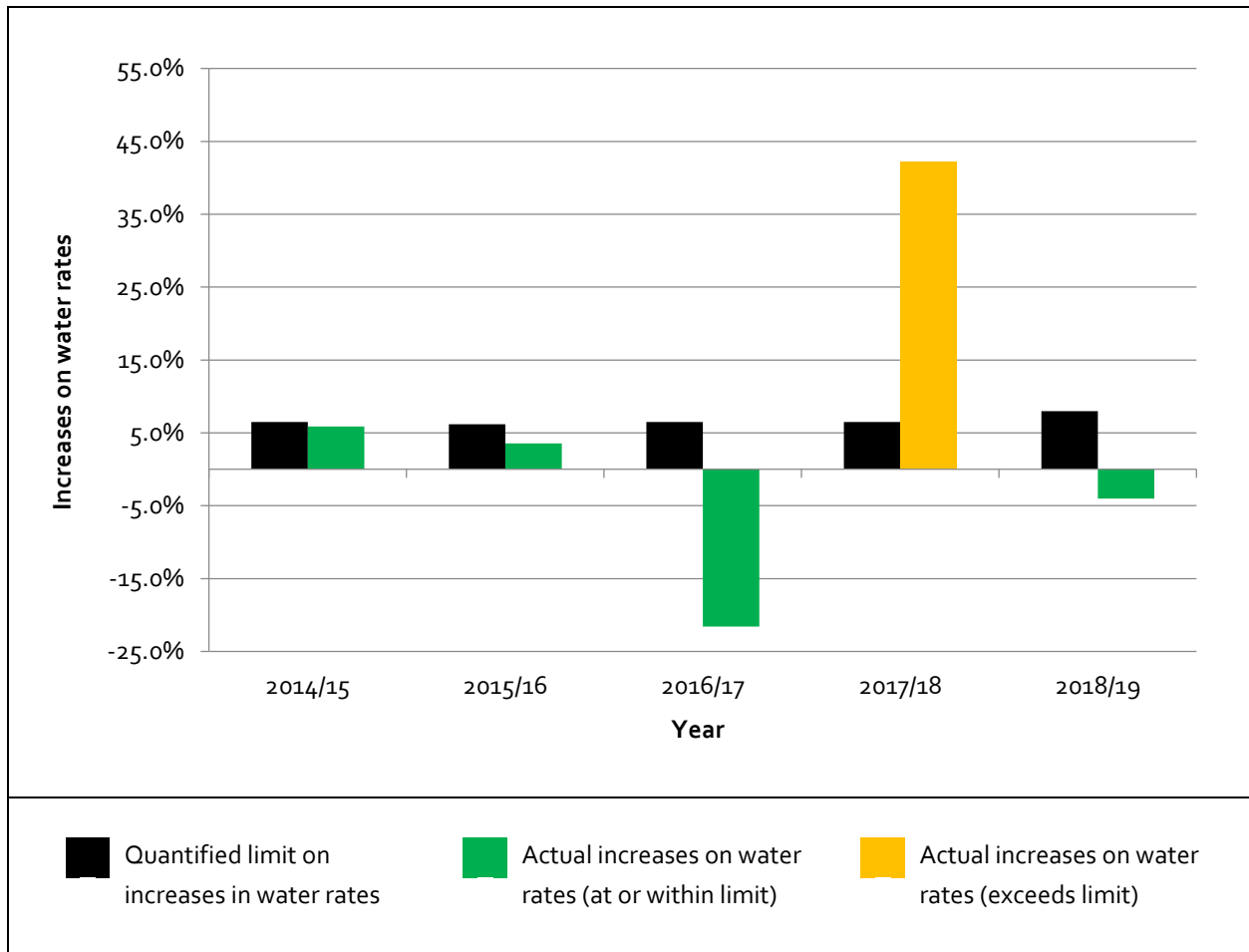
Prior to 2015/16 the Rates Cap was LGCI plus 1.5%. The limit bars for each year reflect the cap that was in place during that year.

The 2015/16 percentage rates increase exceeded the rates cap. The 2014/15 rates were lower than forecast due to remissions, meaning the percentage increase from the 2014/15 to the 2015/16 rates was higher than the cap.

In measuring this prudence measure we also take into account rates remissions in each year. In 2017/18 this remission was approximately \$777,000. This abnormally high level reflected work undertaken to clean up historical rates that needed to be remitted. In 2018/19 the remission declined back to more common levels \$479,000. If remission were excluded from the calculation the actual rates increase would be 6.7%, which is inside the band.

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 6%, for the first three years of the long term plan, and less than or equal to the forecast LGCI plus 1.5% in the remaining years of the long term plan.



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.

Water consumption in 2017/18 was significantly higher than in 2016/17. Where as in 2018/19 water consumption was slightly under budget.

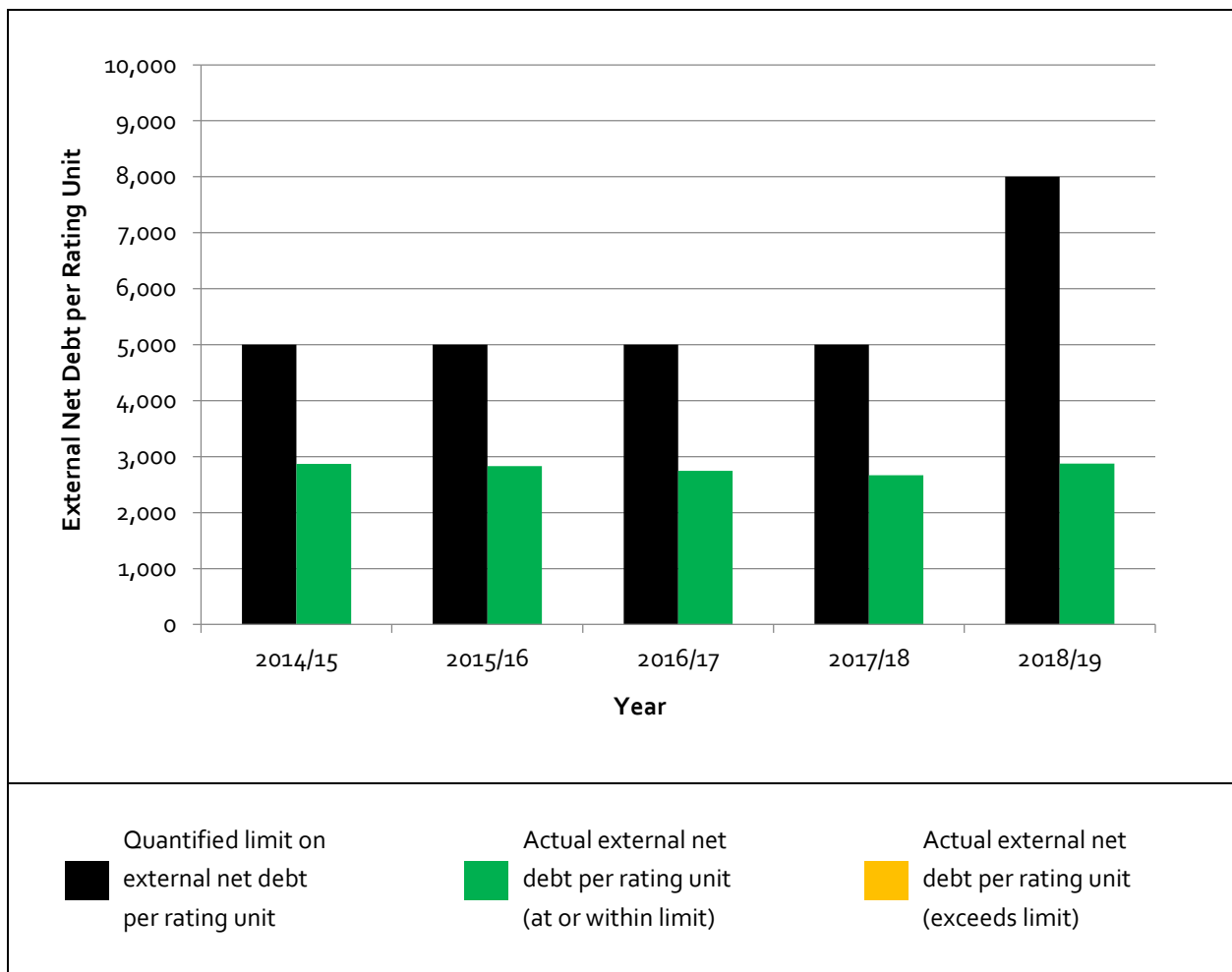
Debt affordability benchmark

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

Debt (external net debt per rating unit) affordability

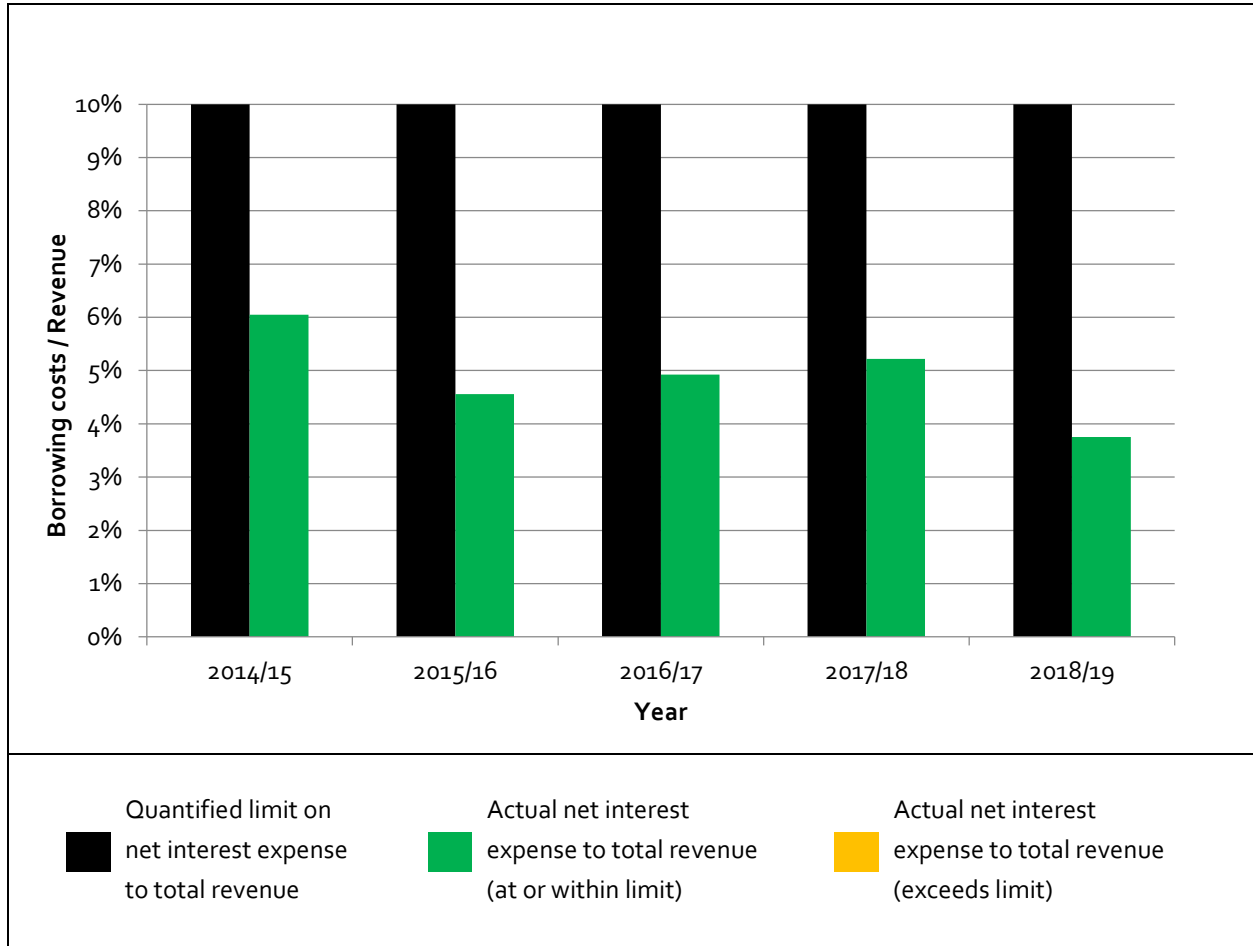
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limit is that external net debt per rating unit is equal to or less than \$8,000.



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

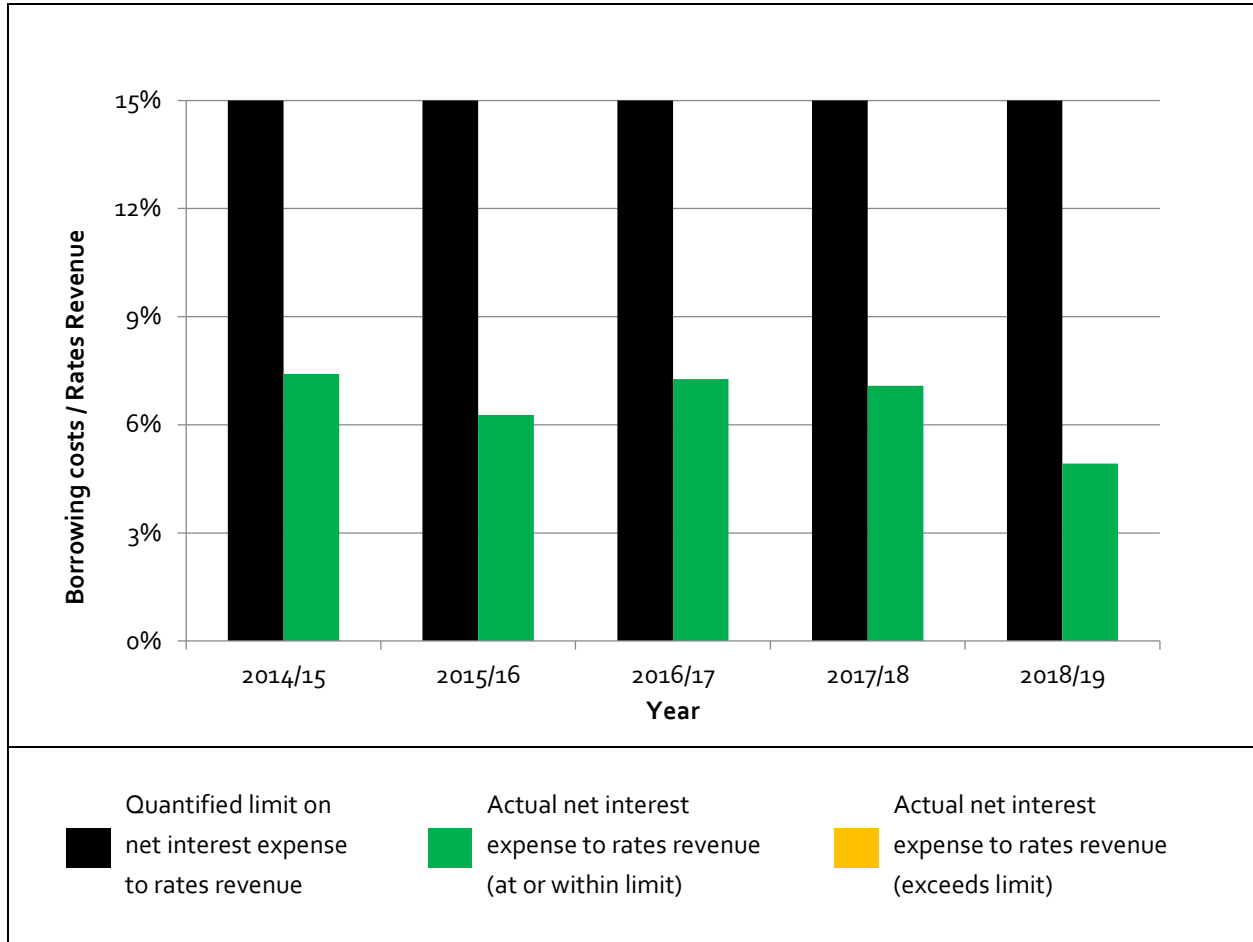
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long term plan. The quantified limit is that net interest expense is equal to or less than 10% of total revenue.



The Council is comfortably within this limit.

Debt (net interest expense to rates revenue) affordability

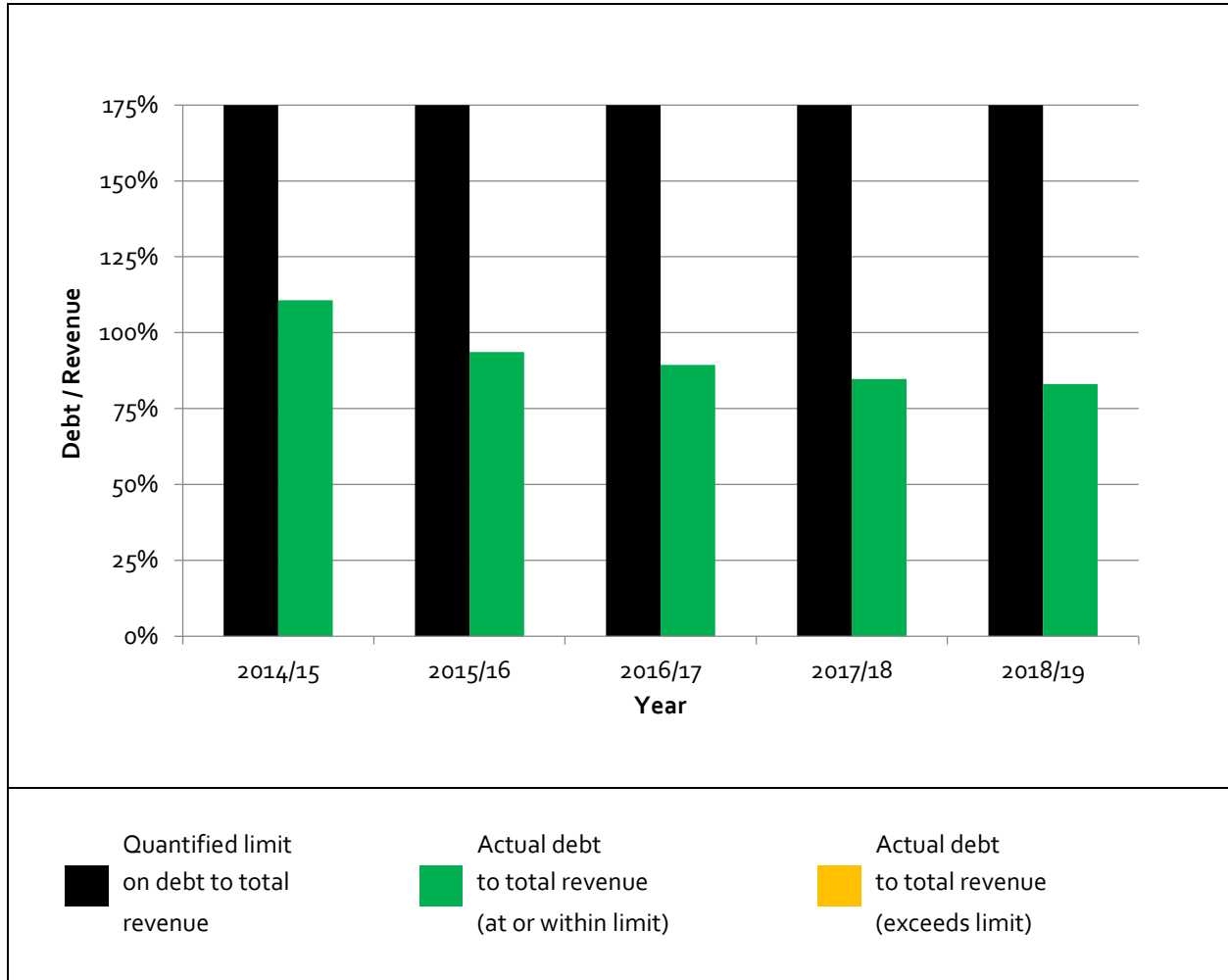
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limit is that net interest expense is equal to or less than 15% of rates revenue.



The 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.



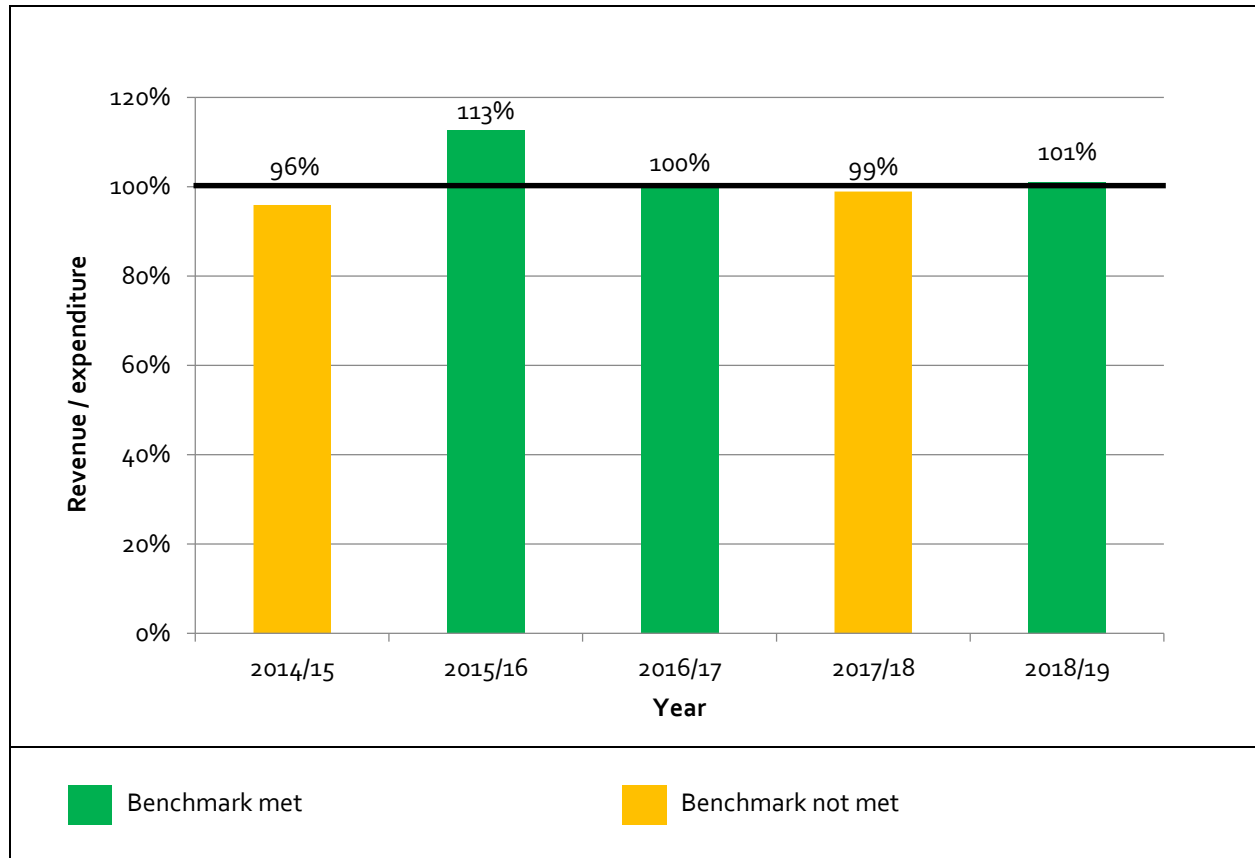
In the 2015-25 Long Term Plan this measure changed from Total External Debt to Net External Debt (Total External Debt less Cash). The 2015/16 values reflect the Net External Debt values. Prior year's show the Total External Debt values.

The Council is comfortably within this limit.

Balanced budget benchmark

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

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



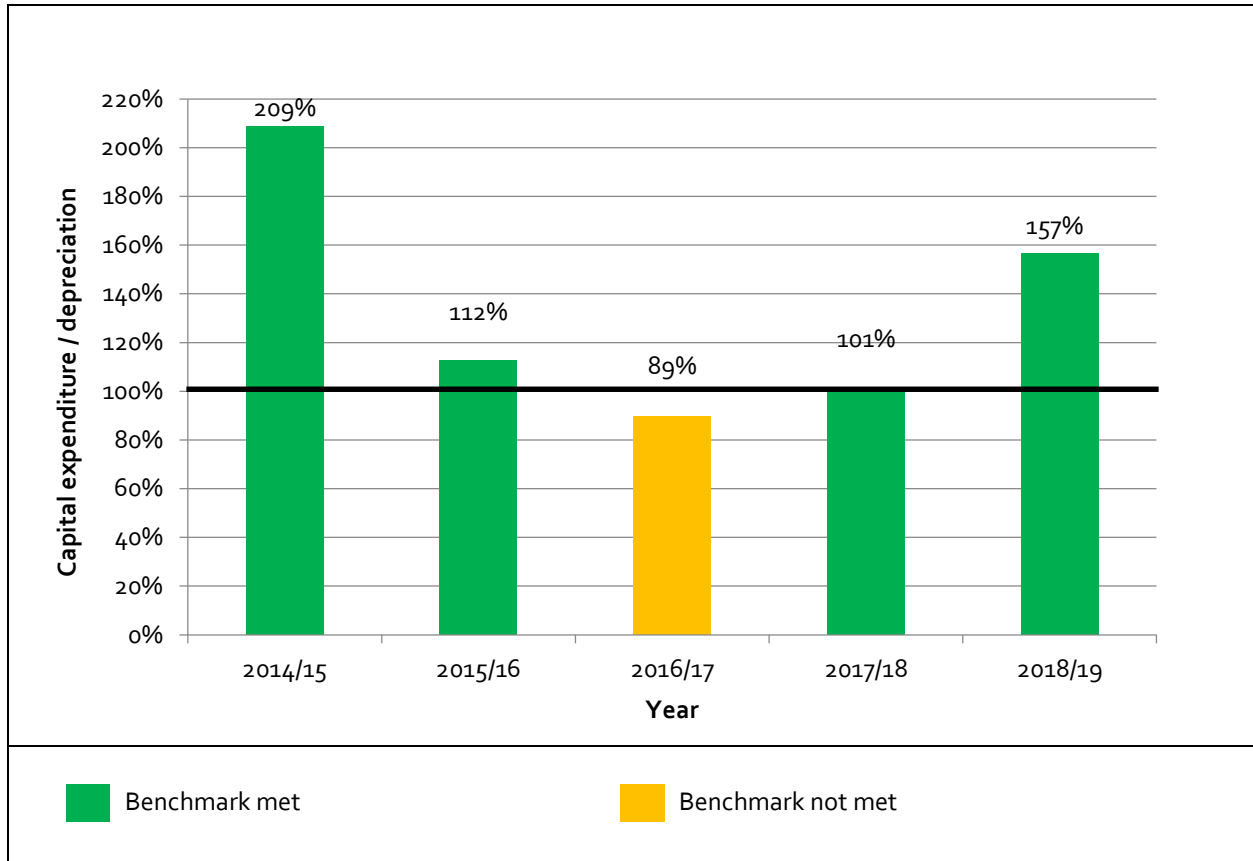
The Council aims to maximise the services it provides to the District, while minimising rates revenue increases. This is reflected in the 103% average proportion of revenue to operating expenditure over the five-year period from 2014/15 to 2018/19.

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.

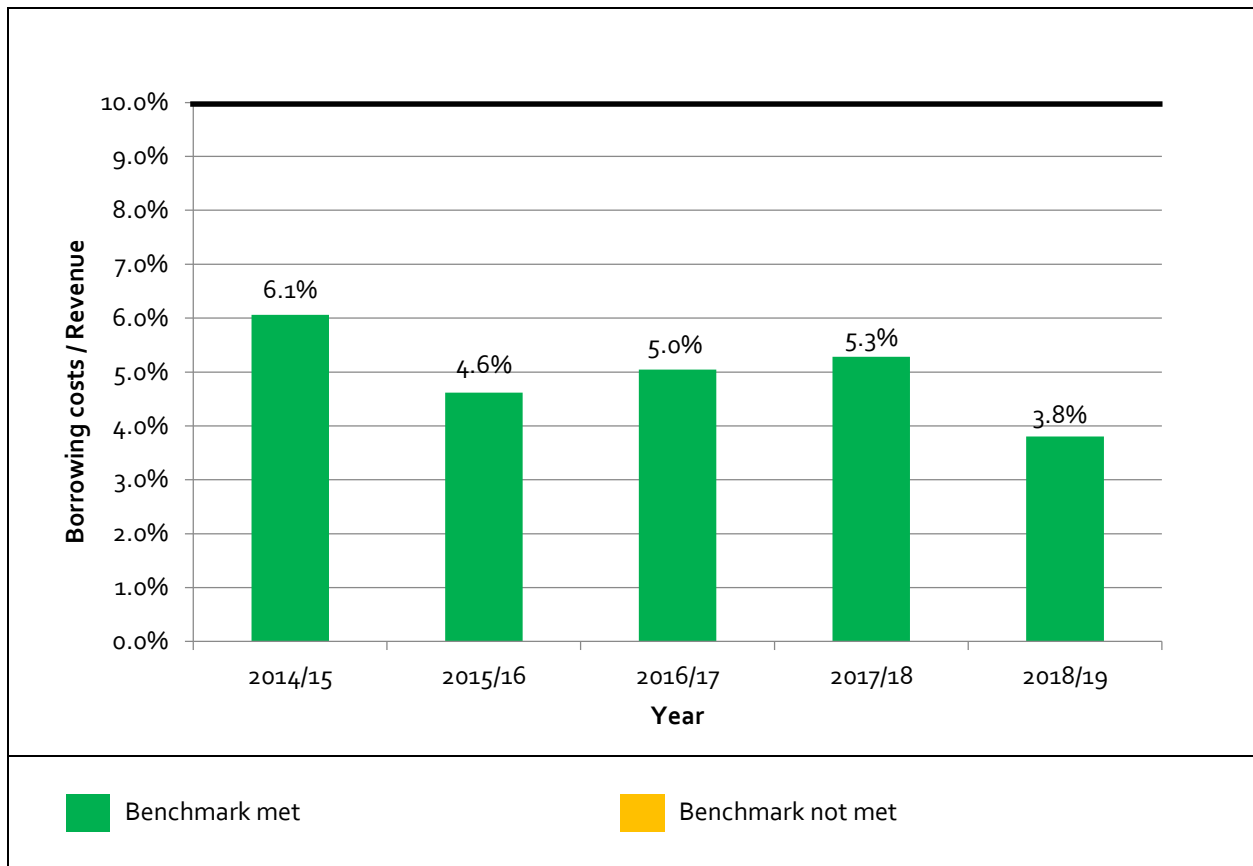


The Council's capital expenditure on network services is consistent with depreciation on network services. The average proportion of capital expenditure to depreciation expense is 133% over the five-year period from 2014/15 to 2018/19. Capital expenditure in 2014/15 was exceptional, due mainly to \$5.5M spent in 2014/15 on the Paeroa and Waihi water treatment plants, and the Waihi alternate water source. Capital expenditure was less than depreciation in 2016/17 as a number of capital projects were deferred.

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.

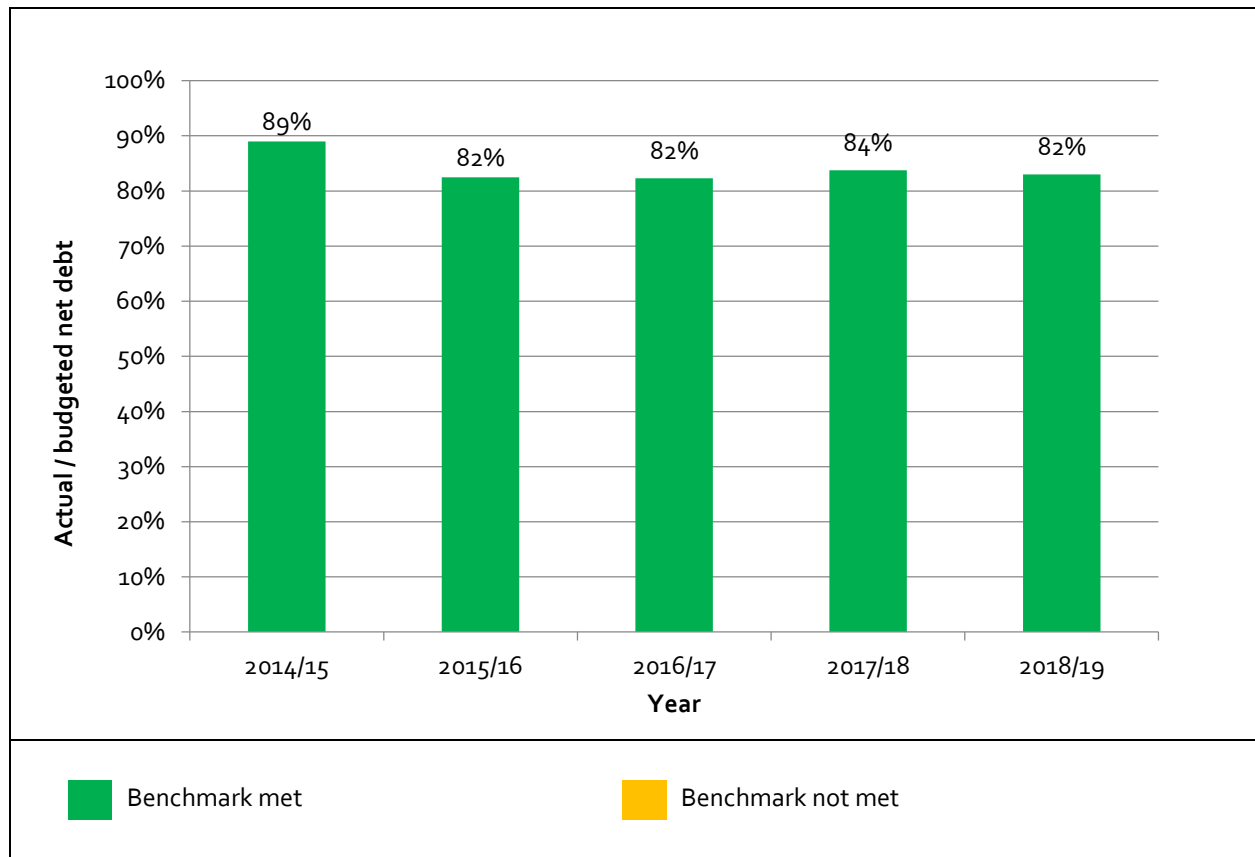


The Council maintains a significantly lower borrowing cost to revenue ratio than that required to meet the benchmark. The average proportion of borrowing costs to revenue over the five-year period from 2014/15 to 2018/19 was 5%.

Debt control benchmark

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

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

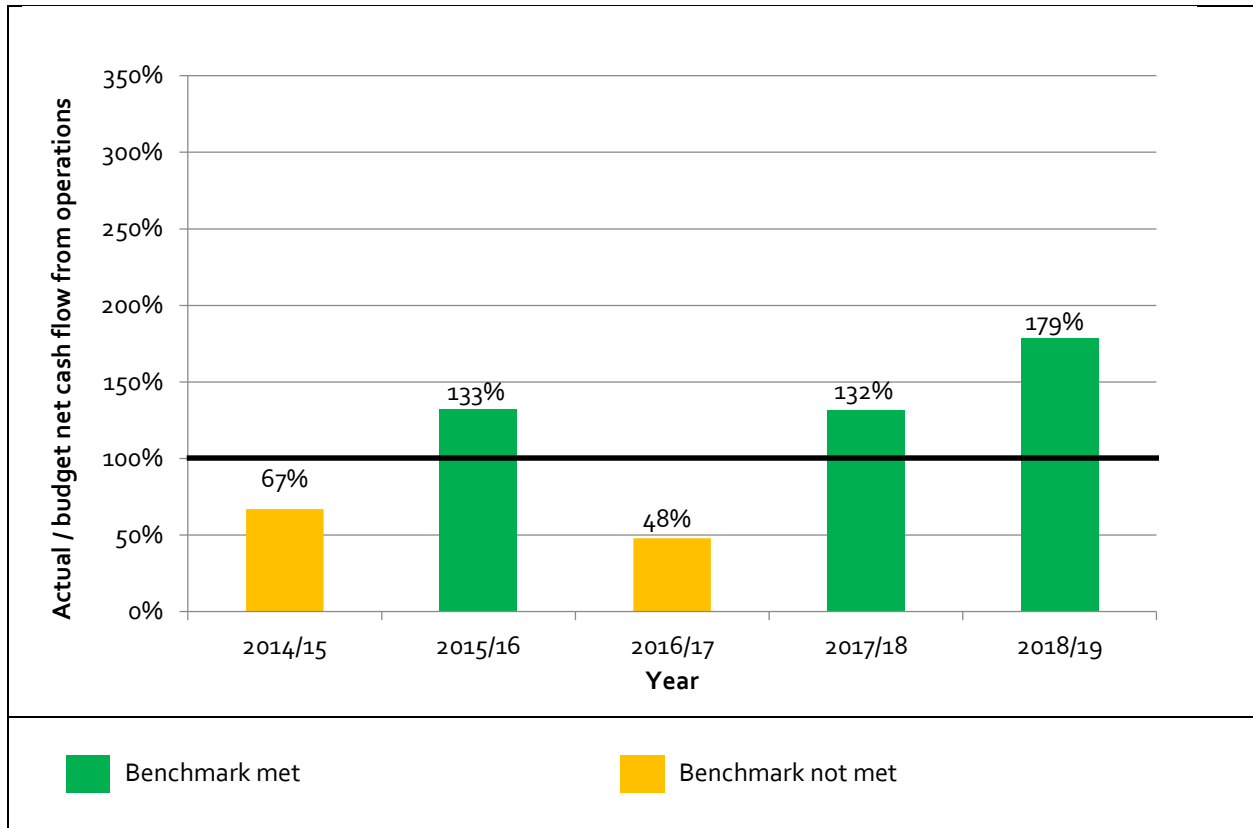


The Council has consistently maintained lower actual than planned net debt. The average proportion of actual to planned net debt was 85% over the five-year period from 2014/15 to 2018/19.

Operations control benchmark

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

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



The average proportion of actual to planned net cash flow from operations was 105% over the five-year period from 2014/15 to 2018/19.

Variances from year to year are mainly driven by events largely beyond the Council's control relating to project timing. For instance, in 2014/15 the Council budgeted to receive significant subsidies for water projects, that it did not receive until 2015/16.

The 2016/17 year shows a decrease. Key movements relate to rates revenue and other revenue both \$0.5m down on budget, and payments to suppliers and employees \$3.7m higher than budgeted. The situation was reversed in 2017/18 and 2018/19, where other revenue was higher than budget.

Our services

What do we do?

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

<p>Governance and Leadership</p>	<p>Democracy</p>	<p>Policy development</p>	<p>Iwi Liaison</p>		<p>Land Transport</p>
<p>Community services</p>	<p>Community recreation</p>	<p>Community facilities</p>			<p>Water supply</p>
<p>Community development</p>	<p>Community growth</p>	<p>Community initiatives</p>			<p>Wastewater</p>
<p>Regulatory</p>	<p>Resource management implementation</p>	<p>Building control</p>	<p>Community protection</p>	<p>Animal control</p>	<p>Stormwater</p>
					<p>Land Drainage</p>
					<p>Solid waste</p>

For more detail on each activity that we provide, please refer to the 2018-28 Long Term Plan document.

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.
- A doughnut chart showing the percentage of performance targets that were achieved overall for that group of activities.
- An overview of what the group of activities cost and how it was paid for.
- The community outcomes that the group primarily contributes to.

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 2018-28 Long Term Plan for the 2018/19 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' progress indicator will also be 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 on an annual satisfaction survey. This was undertaken in July/August 2019, to record customers' satisfaction with our services and facilities in the 2018/19 year.

What else happened in 2018/19?

This section details the projects that were completed in the 2018/19 year; this includes projects scheduled for 2018/19 in the Long Term Plan, or other projects that had been rescheduled to occur in 2018/19 from other years.

What didn't happen and why

This section details the projects that were scheduled for 2018/19 that didn't occur, and the reasons why.

What these activities cost and how they were paid for

This section shows the operating statement which shows how much it costs 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.

Governance and leadership



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.

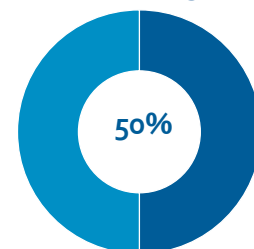
Effects on the community

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 primarily contributes to the following community outcomes:



Interactive Hauraki



Kotahitanga Hauraki



Sustainable Hauraki

What it cost and how it was paid for

Cost of operating governance and leadership

	Actual 2019 \$000	Annual Plan 2019 \$000	Actual 2018 \$000
Expenditure			
Democracy			
Democracy	2,062	2,068	1,946
Interest	0	117	0
Iwi Liaison	70	149	54
Policy development			
Strategic planning	532	548	496
RMA Policy	341	361	227
	3,005	3,243	2,723
Revenue			
Fees, charges and other revenue	2	0	3
External subsidies	0	0	0
Targeted rates	0	0	0
General rates	2,692	2,417	2,822
	2,694	2,417	2,825
Operating Surplus / (Deficit)	(311)	(826)	102

Hauraki District Council: Funding impact statement for the year ended 30 June 2019 for governance and leadership

	Long-Term Plan 2018 \$000	Long-Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	2,904	2,417	2,692
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	2
Internal charges and overheads recovered	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	2,904	2,417	2,694
Applications of operating funding			
Payments to staff and suppliers	1,205	1,133	996
Finance costs	62	12	0
Internal charges and overheads applied	1,825	2,095	2,010
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,092	3,240	3,005
Surplus / (deficit) of operating funding (A - B)	(188)	(823)	(311)
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	1,638	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	1,638	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	(188)	815	(311)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	(188)	815	(311)
Surplus / (deficit) of capital funding (C - D)	188	823	311
Funding balance ((A - B) + (C - D))	0	0	0

Democracy

Local government in New Zealand receives its mandate from the government through legislation. Local democratic representation is currently considered to be the most appropriate way for our local communities' voices to be heard. The majority of our democracy services are set in law; the Local Government Act 2002 and the Local Electoral Act 2001 determine the processes that ensure each community is fairly represented.



Meeting our service targets

How we measure our performance		Result 2018/19 ▼
		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 will conduct all its business in an open and transparent manner.		
<p>Measure: Agendas for meetings (other than extraordinary meetings) of 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.</p> <p>Target 2018-28: 100% of agendas are available on the internet and in the Council offices and libraries two clear working days before each meeting.</p>	<p>2018/19:</p> <p style="text-align: center;"><input checked="" type="checkbox"/></p>	<p>Achieved: 100% (61/61) of agendas were available two clear working days before each meeting throughout the year.</p>
	<p>2017/18:</p> <p style="text-align: center;"><input checked="" type="checkbox"/></p>	<p><i>100% target met.</i></p>
	<p>2016/17:</p> <p style="text-align: center;"><input checked="" type="checkbox"/></p>	<p><i>100% target met</i></p>

What else happened in 2018/19?

CouncilMARK™

In 2018/19 Council signed up to CouncilMARK™. The CouncilMARK™ programme is designed to improve the public's knowledge of the work councils are doing in communities and to support councils to further improve the service and value they provide. The programme incorporates an independent assessment system that assesses how councils are performing. In February 2019, Council received its assessment from CouncilMARK™ and was awarded an A rating, citing a stand out performance in governance, strategy and engagement with the community.

Representation review

The Council review of how our district is represented began in 2017/18. The Council held several workshops to identify communities of interest, ensure fair and effective representation and review community boards. The review as decided by the Local Government Commission resulted in a change to the structure of the representation held in recent years. For the 2019-22 and 2022-25 terms, four ward members will continue to represent the Paeroa and the Plains Wards and five members will represent the Waihi Ward. The next review will take place prior to the 2025 election.

Elected Member Remuneration

Changes to the way elected members are remunerated has been reviewed nationally and resulted in a minimum salary paid to councillors and the introduction of a governance pool, to recognise additional responsibilities, being allocated to each council. The changes have been made to recognise the amount of work carried out by elected members. The governance pool will provide a total amount that can be paid in remuneration to each council and it is up to each council to determine how to allocate its pool.

Pre-election communications

The campaigns that took place in 2018/19 focused on a new approach to encourage voting in local government elections with a focus on preparing for the 2019 triennial election. The driver behind this initiative was to be more proactive in encouraging people to stand for elections and to encourage people to vote.

Communications

Following a review of the Council's communication and engagement processes, increased focus has been placed on improving the level and style of communication to and with the community. The change of direction in communication style is to focus more on social media; more directive to targeted audiences and away from relying on print media. The results of this has been recognised as Hauraki District Council was awarded 'Highly Commended' via the Society of Local Government Managers, as for the 2018-28 Long Term Plan community engagement process.

Community well being

The purpose of Local Government Act 2002, was amended in May 2019, with the reintroduction of local authorities being required to play a broad role in promoting the social, cultural, economic and environmental well-being of the community and taking a sustainable approach. For Hauraki District, a focus on community well-being has been embedded in our actions for a number of years so to date has not been a significant change.

2019 Triennial Satisfaction Survey

In July 2019, we conducted our annual survey to find out users' satisfaction with Council's services and facilities. 2019 is the fourth year that we have used a mixed method approach to surveying, conducting the survey both online and by phone. The satisfaction survey results are included in this annual report as the survey is focused on the communities' interaction with Council over the past 12 months. The responses relevant to Council activities can be found within the 'Meeting our service targets' tables (where applicable).

What didn't happen in 2018/19?

There were no projects planned that didn't happen in 2018/19.

Iwi liaison

Our iwi liaison function is provided to facilitate input from Māori and iwi into democratic and community decision making processes. We recognise Māori and iwi as an important group within the community and we also have some responsibilities clarified in law regarding our relationships with Māori and iwi. This includes providing opportunities for Māori to be involved in decision making processes. We acknowledge the cultural and spiritual relationships that Māori and iwi have with ancestral lands and taonga.



Meeting our service targets

How we measure our performance		Result 2018/19 ▼
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 will establish formal relationships with Iwi holding mana whenua status in the district following the signing of Treaty Settlements		
<p>Measure: We will work with each Iwi with mana whenua status in the district to establish Memoranda of Partnerships as individual Iwi Treaty Settlements are signed.</p> <p>Target: Memoranda of Partnerships agreed and documented within 15 months of each signed Settlement</p>	<p>2018/19: <input type="checkbox"/></p> <p>2017/18 2016/17</p>	<p>Not applicable: The Council must wait for the outcome of urgent hearings and each individual Iwi to sign Treaty Settlements. The results from urgent hearings are expected late 2019.</p> <p><i>Negotiations suspended while Hauraki Treaty claims were being negotiated.</i></p>
<p>Measure: We will work with the Hauraki Collective post-Settlement governance entity to establish a Forum following the signing the Hauraki Collective Treaty Settlement.</p> <p>Target: Forum established within 18 months of the Collective Treaty Settlement being signed.</p>	<p>2018/19: <input type="checkbox"/></p> <p>2017/18 2016/17</p>	<p>Not applicable: The Collective Treaty Settlement is reliant on all Iwi signing their individual Deeds and the Collective Deed; most Iwi have now signed. Awaiting the outcome of urgent hearings before Treaty Claims can proceed.</p> <p><i>New measure in 2018/19</i></p>

Opportunities for Maori to contribute to decision making processes

Hauraki District Council recognises the special position of Tangata Whenua in our district and the important role Maori play in Council's decision making processes.

Our current Significance and Engagement Policy sets out what Maori and the community can expect from Council in terms of the likely impact on present and future interests of the community, recognising Maori culture values and their relationship with land and water.

As Treaty claims near completion and Iwi look to enter into a post Treaty environment, our engagement with Mana Whenua will significantly increase. Council commissioned a report on its readiness for the post Treaty environment which included an independent benchmark survey to assess organisational readiness and looked at areas of improvement to assist Council with ensuring effective relationships are developed, with the view to broadening the role of Iwi as partners in future policy development and decision making.

Council has also employed an Iwi Liaison Officer and is preparing (with Iwi) for co-governance arrangements in relation to the Waihou/Piako river catchments.

What else happened in 2018/19?

Resourcing

Council increased its resourcing in the iwi liaison arena in preparation for the Te Tiriti o Waitangi (the Treaty of Waitangi) settlements to ensure we are in a position to monitor and implement individual settlements and co-governance arrangements.

Cultural Awareness Survey

The Council undertook a Cultural Awareness Survey of elected members and senior staff to identify the organisation's readiness for the post Treaty Settlement environment. The survey was undertaken in March 2018 and the report was considered in September 2019. As a result of the survey a number of initiatives were progressed including implementing training to focus on cultural responsiveness, understanding of Iwi and the history of Hauraki. These tools are hoped to give staff the tools to work better with Maori.

What didn't happen in 2018/19?

Mana Whenua Forum

By agreement between the Council and Iwi members of the Forum no meetings of the Mana Whenua Forum were held in 2017/18 and 2018/19 as a result of the priority Iwi had on progressing their Treaty settlement negotiations.

Memoranda of understanding

No new memoranda of understanding were developed during 2018/19 with the Iwi focus being on the Treaty negotiations.

Policy development

Our policy development function involves establishing our strategic direction via policy, strategy, bylaw and planning. Whilst many of our policies are developed to address local issues or to achieve desired outcomes, we also have a legal responsibility to develop and review some policies, strategies and plans (and to report on these) under legislation.



Meeting our service targets

How we measure our performance ▼		Result 2018/19 ▼
		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, plans and strategies are adopted within statutory timeframes, as recorded by the resolution database. Target: 100% of all legislatively required documents are adopted within statutory timeframes	2018/19 <input checked="" type="checkbox"/>	Achieved: 100% of legislatively required documents were adopted within statutory timeframes and included the 2019/20 Annual Plan and the 2017/18 Annual Report.
	2017/18: <input checked="" type="checkbox"/>	<i>All documents were adopted within statutory timeframes.</i>
	2016/17: <input checked="" type="checkbox"/>	<i>All documents were adopted within legislative timeframes.</i>
What we said we would do: the Council to make decisions a transparent and democratically accountable way		
Measure: Percentage of customers satisfied with the consultation and engagement of Council's major policies and strategies, as measured by customer satisfaction survey. Target: ≥75% of customers satisfied	2018/19: <input checked="" type="checkbox"/>	Not achieved: The 2019 satisfaction survey showed that 57%** of residents were satisfied with the Council's consultation and engagement.
	2017/18: <input checked="" type="checkbox"/>	<i>2018 survey: 73%* satisfied.</i>
	2016/17: <input checked="" type="checkbox"/>	<i>2017 survey: 66%* satisfied.</i>
What we said we would do: the Council would 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.	2018/19: <input checked="" type="checkbox"/>	Achieved: There has been no changes or variations to the District Plan implemented.
	2017/18: <input checked="" type="checkbox"/>	<i>No appeals or judicial reviews as a result of administrative or process matters.</i>
	2016/17: <input checked="" type="checkbox"/>	<i>No appeals or judicial reviews as a result of administrative or process matters.</i>
** The 2019 customer satisfaction survey results have been adjusted to exclude 'don't know' responses. This was also undertaken for the previous 2017/18 Annual Report satisfaction measures.		

What else happened in 2018/19?

Bylaw review

We reviewed several Parts of the Hauraki District Council Consolidated Bylaw 2007 which required a review or they would have lapsed. This included the rules on cemeteries, drainage, food grading, nuisance in public and on private property, solid waste, water supply, and wharves and boat ramps. Half of the bylaws that were reviewed came into effect on 1 July 2019, while the others came into effect on 1 September 2019. As part of the review process we separated the Consolidated Bylaw into standalone bylaws and added plain English commentary where we thought it was need to make them more user friendly.

Kaiaua Community Planning – Kaiaua Coast 2120

Council initiated a conversation with the community, in particular the Kaiaua community on a range of issues to plan appropriately for the future of Kaiaua. This process is about the Kaiaua community coming together to define their path for the future, rather than leaving it to chance, and includes addressing issues relating to the effects of climate change and natural hazards, future development land use, economic opportunities and community infrastructure. This process will continue into 2019, 2020 and 2021.

Growth strategy

The Growth Strategy was adopted in July after consultation with key stakeholders. It addresses the opportunities and challenges of managing growth in a sustainable way that provides a level of certainty to the community and the market. It delivers a framework for guiding future growth decisions by identifying future areas for development within the district and ensuring the provision of sufficient infrastructure to meet the needs of our growing communities.

Pre-election report for the 2019 elections

As required prior to every election, Council must prepare a pre-election report to help encourage community discussion and help to focus on key spending issues in recent years and what is expected in the coming few years. Councils pre-election report was published in July alongside a wider communication programme targeted at raising the profile of both potentially becoming an elected member and to raise the profile of voting.

Smokefree and vapefree policy

The Smokefree and Vapefree Policy 2019 was developed and adopted at the July Council meeting. This policy aligns with the Government's goal of becoming a smokefree nation by 2025 by encouraging people to refrain from smoking and vaping in public outdoor areas and at public events. Signage displayed in smokefree and vapefree public outdoor areas and at public events will educate and empower non-smokers to assert that they don't want to be exposed to second hand smoke or vaping behaviour. The policy is therefore promoted by the public.

Tourism strategy

Destination Hauraki 2030 was prepared during 2018/19 and adopted by the Council in August 2019. Destination Hauraki 2030 is about working together to make the Hauraki District an even better visitor destination, now and into the future. The three key focus areas in the new Tourism Strategy are; destination management; product development and destination marketing.

What didn't happen in 2018/19?

Our Dangerous, Earthquake-Prone and Insanitary Buildings Policy is due for review. We will undertake this work in 2020 when we start to implement the earthquake-prone building regime outlined in the Building Act 2004 and associated central government Regulations.

Land transport



Our land transport activity is one of our biggest spend areas. Our local transport network connects to the national state highways network. We maintain a range of assets including 633 kilometres of roads (518 kilometres sealed and 115 kilometres unsealed), 112 kilometres of footpaths, 160 bridges, street lights and signs and stock underpasses. The New Zealand Transport Agency provides subsidies for a lot of our road works.

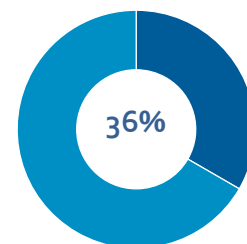
We promote road safety and having an increasing focus on improving how our residents with more limited transport options can get around, including children, the elderly and the mobility impaired. We have a small role in supporting public transport.

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



Land transport primarily contributes to the following community outcome:



Prepared Hauraki



Lifestyle Hauraki

Meeting our service targets

How we measure our performance ▼

		Result 2018/19 ▼
Key: <input checked="" type="checkbox"/> Achieved <input checked="" 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: Reduce fatalities and serious injury crashes to 0.</p>	2018/19: <input checked="" type="checkbox"/>	Not achieved: 2018/19: 3 fatal/2 serious 2017/18: 0 fatal/3 serious 2016/17: 1 fatal/5 serious Three-year average: 1.33 fatal/3.33 serious
	2017/18: <input checked="" type="checkbox"/>	<i>2017/18: 0 fatal/3 serious</i> <i>Three-year average 2015/16 to 2017/18: 0.3 fatal/4.7 serious</i>
	2016/17: <input checked="" type="checkbox"/>	<i>2016/17: 1 fatal/5 serious</i> <i>Three-year average: 2014/15 to 2016/17: 1.7 fatal/5.3 serious</i>
What we said we would do: provide 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: ≥ 75%</p>	2018/19: <input checked="" type="checkbox"/>	Not achieved: The 2019 satisfaction survey showed that 58%** of residents were satisfied with the quality of footpaths.
	2017/18 2016/17	<i>New measure in 2018/19</i>
<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 program or long term plan).*</p> <p>Target: 95% footpaths with defect rating >5 are isolated for safety and remedied within 7 days.</p>	2018/19: <input checked="" type="checkbox"/>	Not achieved: 86% (49/57) of reported footpaths with a defect rating of greater than 5 were isolated for safety and remedied within 7 days. There was 100% achievement from July to December 2018. Changes in staff in early 2019 and the introduction of a new customer service request meant there were unexpected delays in early 2019.
	2017/18: <input checked="" type="checkbox"/>	<i>Achieved: 75 metres of footpaths were rated with a defect rating greater than 5 in the year. All defects were identified and marked out, and sites made safe within the required timeframes in the year to date.</i>
	2016/17: <input type="checkbox"/>	<i>Unable to measure: A result for this measure was unavailable. The footpath survey is undertaken on a three yearly basis.</i>
What we said we would do: provide a roading network that addresses safety and amenity issues		
<p>Measure: Damaged, missing or leaning signs are remedied on District roads within specified timeframes.</p> <p>Target: 100%</p> <ul style="list-style-type: none"> ■ regulatory/ permanent/ warning signs within 7 days ■ safety connected signs within 2 days. 	2018/19: <input checked="" type="checkbox"/>	Not achieved: <ul style="list-style-type: none"> ■ 100% (49/49) of regulatory/permanent/warning signs were remedied within 7 days. ■ 89% (8/9) of safety connected signs were remedied within 2 days (<i>one sign was replaced in three days</i>).

How we measure our performance ▼

		Result 2018/19 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
All other signs within 6 weeks		<ul style="list-style-type: none"> ■ 98% (90/92) of all other signs were remedied within 6 weeks. <i>(one sign needed to be specially ordered, which takes longer than six weeks and one sign required wording clarification)</i>
	2017/18: <input type="checkbox"/>	<p><i>Not achieved:</i></p> <ul style="list-style-type: none"> ■ 94% (44/47) of regulatory/permanent/warning signs were remedied within 7 days. ■ 93% (13/14) of safety connected signs were remedied within 2 days. ■ 100% (91/91) of all other signs were remedied within 6 weeks. <p>On sign was not installed in time because it was not in stock and needed to be made which took longer than the target. In the other instances the contractor did not replace the signs within the timeframes. This is outside of the contract response times for sign maintenance.</p>
	2016/17: <input type="checkbox"/>	<p><i>Information was unavailable from 1 July to 30 September. From 1 October to 30 June a total of 103 sign issues were reported. 95% were remedied within target timeframes.</i></p>
<p>Measure: All reported potholes on District roads are repaired within specified timeframes.</p> <p>Target: 85% within 5 days for >100 vehicle per day (vpd) roads and within 14 days for <100 vpd roads.</p>	<p>2018/19: <input checked="" type="checkbox"/></p> <p>Achieved: 88% (53/60) potholes on >100 vpd roads have been repaired within five days. 96% (53/55) potholes on <100 vpd roads have been repaired within 14 days</p>	
	2017/18: <input checked="" type="checkbox"/>	<p><i>Achieved: 97% (34/35) potholes on >100 vpd roads have been repaired within five days and 95% (37/39) potholes on <100 vpd roads have been repaired within 14 days in the year to date.</i></p>
	2016/17: <input type="checkbox"/>	<p><i>Information was unavailable from 1 July to 30 September. From 1 October to 30 June:</i></p> <ul style="list-style-type: none"> ■ 94% (32/34) potholes on >100 vpd roads were repaired within five days. ■ 92% (35/38) potholes on <100 vpd roads were repaired within 14 days.
What we said we would do: preserve the pavement life of sealed roads.		
<p>Measure: The average quality of ride on a sealed local road network, measured by smooth travel exposure.*</p> <p>Target: Smooth Travel Exposure is 96 or higher%</p>	<p>2018/19: <input checked="" type="checkbox"/></p> <p>Achieved: The smooth travel exposure for the year was 96%. <i>The three-year average 96.3%</i></p>	
	2017/18: <input checked="" type="checkbox"/>	<p><i>Achieved: The annual smooth travel exposure is 96%.</i></p>
	2016/17: <input checked="" type="checkbox"/>	<p><i>Achieved: The annual smooth travel exposure is 97%.</i></p>
<p>Measure: The percentage of the sealed local road network that is resurfaced.*</p>	<p>2018/19: <input checked="" type="checkbox"/></p> <p>Achieved: A programmed total of 40.128 km (8%) was resurfaced in 2018/19.</p>	

How we measure our performance ▼

		Result 2018/19 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
<p>Target: 8% of the local road network resealed per year</p>	2017/18:	<input checked="" type="checkbox"/> A programmed total of 34kms (6.6%) was resurfaced in 2017/18.
	2016/17:	<input checked="" type="checkbox"/> A programmed total of 36kms (7%) was resurfaced in 2016/17.
	<p>Measure: Percentage of customers satisfied with the quality of roads in the District (excluding state highways).</p> <p>Target: ≥ 70% of customers satisfied</p>	
		<p>2018/19: <input type="checkbox"/> Not achieved: The 2019 satisfaction survey showed that 49%** of residents were satisfied with the quality of roads (excluding state highways).</p>
		<p>2017/18: <input type="checkbox"/> Not achieved: 2018 survey: 46%* of residents were satisfied with the quality of the roads (excluding state highways).</p>
		<p>2016/17: <input type="checkbox"/> Not achieved: 2017 survey: 64%* satisfied.</p>
<p>What we said we would do: customer service request will be dealt with promptly and appropriately.</p>		
<p>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.*</p> <p>Target: 100% of requests are responded to within 10 working days</p>	2018/19:	<input type="checkbox"/> Not achieved: 95% (1333/1399) of the customer service requests were responded to within 10 working days.
	2017/18:	<input type="checkbox"/> Not achieved: 99% of service requests were responded to within 10 working days.
	2016/17:	<input type="checkbox"/> Not achieved: 98% of service requests were responded to within 10 working days.
<p>Measure: Issues reported to the Council regarding state highways are forwarded to the New Zealand Transport Agency.*</p> <p>Target: >95% of all reported issues are forwarded within one working day.</p>	2018/19:	<input type="checkbox"/> Not achieved: 94% (103/109) of all reported issues regarding state highways were forwarded to the NZ Transport Agency within one working day.
	2017/18:	<input type="checkbox"/> Not achieved: 94% of state highway issues in the year were forwarded within one working day.
	2016/17:	<input type="checkbox"/> Not achieved: 85% of state highway issues were forwarded to NZTA within one working day.
<p>What we said we would do: access would be provided to the network of local roads .</p>		
<p>Measure: Time for road access to be restored to communities following a 1 in 10 year climatic event.</p> <p>Target: 100% of Arterial and Collector roads open within 24 hours, all other roads within 72 hours.</p>	2018/19:	<input checked="" type="checkbox"/> Achieved: There were no unplanned road closures during the year, therefore 100% of arterial and collector roads were open.
	2017/18:	<input checked="" type="checkbox"/> Achieved: 100% of arterial and collector roads providing access to communities were open within 24 hours following 1 in 10 year climatic events.
	2016/17:	<input type="checkbox"/> Not achieved: All arterial and collector roads were open within the target timeframes; however, two other roads were closed beyond target timeframes.

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

** The 2019 customer satisfaction survey results have been adjusted to exclude 'don't know' responses. This was also undertaken for the previous 2017/18 Annual Report satisfaction measures.

What else happened in 2018/19?

Sealed road resurfacing

40 kilometres of road have been resurfaced throughout the district at a total cost of \$1.3million.

We completed some pre-seal repairs in 2018/19 that were originally scheduled for 2019/20 to allow the seal to settle and to provide time to determine any potential issues in the seal. We completed this work early to ensure the reseal programme can be carried out in the summer months when the weather is drier.

Planning for effects of climate change

The Kaiuaa Coast 2120 project has been set up through a joint working party (Council, Regional Council and Iwi) to holistically plan for the future of the communities of this coastline. The natural hazard assessments have substantially been completed. The next step is to undertake a risk assessment process.

In 2018/19 we began our analysis work to understand pavement performance on different soil types, against associated maintenance costs and traffic demand data. The results from this initiative will inform our long term plan.

Unsealed roads

14 km of unsealed roads were resurfaced throughout the district in 2018/19 at a total cost of \$157,000.

RATA satisfaction survey

As part of the services that RATA (Waikato Road Asset Technical Accord) provides the Council, a biennial satisfaction survey is conducted to determine the level of customer satisfaction with the current road network. The most recent survey was conducted in April and May 2019. Comments related to the assessment of trends are the following:

- Changes in overall satisfaction levels seems to be trending negatively for Waikato Region, whilst it seems to trend slightly more positively for the Hauraki district in comparison to the rest of the region for the 2017-2019 period.
- Exceptions to the above are satisfaction with roadside verges and road condition where Hauraki District Council is significantly lower in terms of comparison with Waikato, as well as in comparison with the previous surveys in 2015 and 2017.
- Another notable exception is the fall in customer satisfaction on repair quality relative to the Waikato Region.

While we acknowledge that often the public's perception on roading condition is heavily influenced by the condition of the State Highways within the District, we will continue to consider these results in our forward planning.

Pavement rehabilitation (rebuilding the road)

We completed designs for Kaihere Road and Central Road South in Ngatea, and Old Tauranga Road in Waihi in 2018/19. Construction on this rehabilitation will begin in 2019/20.

Minor improvements

Improvements in 2018/19 included footpath improvements and safety signage improvements, as well as some remedial work on slips. In particular, the following projects were carried out in 2018/19:

- Finishing the Wood Street, Paeroa, Kindy drop-off zone.
- Finishing the Miller Avenue, Paeroa, school drop-off zone improvements.
- Completion of contingency plans and preventative maintenance for the Rahu Road, Paeroa, underslip.
- Remedying of a major slip on Ohinewai Road, Kaihere.
- Implementing traffic calming measures on Gilmour street in Waihi.
- Station Road intersection with State Highway 25 in Paeroa pedestrian crossing design completed.
- Widening of Kensington and Toomey Street footpaths in Waihi.
- Network wide crash analysis – top 11 roads identified and scope of safety projects is being progressed.
- Footpath design at Paeroa College began in 2018/19 with further discussions with NZTA continuing in 2019/20.
- Design was completed for Waitete Road footpath between Kimberley and Rata Streets in Waihi.
- The only traffic lights in our district were repaired at the Piako River bridge.
- Additional edge lines in the Plains were initiated in 2018/19 and will be rolled out to the rest of the district in 2019/20.

Bridge work

Construction related to the Hopai West Bridge in Waitakaruru was completed in 2018/19. All of the district's bridges have now been surveyed to assess their condition and this will assist with forward planning.

Kerb and channel

\$57,000 was spent on new kerb and channel in Ainslie Road, Marshall Street and Opitito Road in Paeroa. Kerb and channel in Waihi has been placed on hold due to stormwater discharge issues.

LED streetlight replacements

Procurement of LED lamps to replace streetlights was completed in 2017/18 and the remaining budget was carried forward to 2018/19 to finalise the installation. In 2018/19 we replaced eight streetlight poles in Kaiawa.

Drainage renewals

We spent \$44,000 on 97 metres of culvert replacements in 2018/19.

Public transport

Our figures show that usage of the public transport service from Paeroa to Hamilton has increased 12.7% to 1,241 users from 2017/18 to 2018/19. We provided funding for this service at a cost of \$21,000 in 2018/19.

Heavy vehicles and bridges

In March 2019 we implemented heavy vehicle restrictions on Gilmour, Mueller and Hazzard Streets in Waihi between the hours of 10pm and 6am as a result of public concerns regarding traffic noise. We also introduced weight and speed restrictions on a number of our bridges in October 2018 to protect the integrity of our bridges.

What didn't happen in 2018/19?

Footpaths

We progressed design work for footpaths in the district. These works will be carried out in 2019/20 and include Whiritoa and Waihi footpath renewals, Queen Street in Paeroa and Kerepehi Town Road in Kerepehi.

What it cost and how it was paid for

Operating statement for land transport

	Actual 2019 \$000	Annual Plan 2019 \$000	Actual 2018 \$000
Expenditure			
Pavement maintenance	1,262	1,248	1,740
Amenity maintenance	470	450	514
Professional services	774	670	812
Other subsidised	1,413	1,498	1,923
Administration	469	470	459
Non-subsidised works	331	384	434
Public Transport	21	20	34
Depreciation/assets written off	3,106	3,033	3,215
Interest	493	590	553
	8,339	8,363	9,684
Revenue			
Fees, charges and other revenue	63	0	152
External subsidies	4,047	3,919	4,830
Targeted rates	4,781	4,593	4,463
General rates	0	0	0
	8,891	8,512	9,445
Operating Surplus / (Deficit)	552	149	(239)

Hauraki District Council: Funding impact statement for the year ended 30 June 2019 for Land Transport

	Long-Term Plan 2018 \$000	Long-Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	4,306	4,593	4,781
Subsidies and grants for operating purposes	2,115	2,320	2,336
Fees and charges	0	0	27
Internal charges and overheads recovered	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	6,421	6,913	7,144
Applications of operating funding			
Payments to staff and suppliers	4,043	4,209	3,518
Finance costs	612	473	0
Internal charges and overheads applied	524	648	1,715
Other operating funding applications	0	0	0
Total applications of operating funding (B)	5,179	5,330	5,233
Surplus / (deficit) of operating funding (A - B)	1,242	1,583	1,911
Sources of capital funding			
Subsidies and grants for capital expenditure	1,396	1,599	1,711
Development and financial contributions	0	0	36
Increase (decrease) in debt	0	838	629
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)	1,396	2,437	2,376
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	150	5
- to improve the level of service	943	727	457
- to replace existing assets	1,763	2,829	2,124
Increase (decrease) in reserves	(68)	314	1,701
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	2,638	4,020	4,287
Surplus / (deficit) of capital funding (C - D)	(1,242)	(1,583)	(1,911)
Funding balance ((A - B) + (C - D))	0	0	0

Water supply



The water supply activity involves collecting, treating, storing and distributing water to our communities and rural areas. We treat water before its used to ensure its safe to drink and we also store bulk raw water and treated water so we are able to provide a continuous service. Nearly 80% of our water is used for agriculture (but not irrigation).

Investment in the improvement of drinking water quality and increased water storage has been a major focus for us. We have already completed a number of infrastructure upgrades and are due to finish the remaining upgrades by the end of 2019.

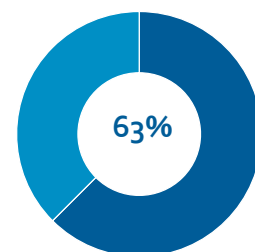
Effects on the community

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.

The Council's three main water treatment plants of Waihi, Paeroa and Kerepehi had full compliance with the drinking water standards.



Achieving our service targets



The water supply group primarily contributes to the following community outcomes:



Lifestyle Hauraki



Prepared Hauraki



Sustainable Hauraki

Meeting our service targets

How we measure our performance ▼

Result 2018/19 ▼

Key: Achieved Not Achieved Not Applicable

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

Measure: The extent to which Council's drinking water supply complies with:

- a) part 4: bacteria compliance criteria, and
- b) part 5: protozoal compliance criteria*.

Target: 100% compliance for:

- a) Bacteria
 - b) Protozoa
- at all water plants

2018/19:	Not achieved:	Bacteria:	Protozoa:
<input checked="" type="checkbox"/>	Supply:		
	Kerepehi	<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"/>	Not Applicable
	Mackaytown	Not in use	
	Karangahake	Not in use	
	Waikino	Not in use	
	Ohinemuri	Not in use	
	Huirau	Not in use	

Although the drinking water assessor has indicated that the Kaimanawa water treatment plant is non-compliant for protozoa Council has disclosed 'not applicable' as currently and in to the future this is a rural supply that will have a permanent water boil notice. The Waitakaruru treatment plant has undergone a significant upgrade of which was completed in September 2018 and is expected to be compliant in the future.

2017/18:	Not achieved overall:	Bacteria:	Protozoa:
<input checked="" type="checkbox"/>	Supply:		
	Kerepehi	<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"/>
	Mackaytown	Not in use	
	Karangahake	Not in use	
	Waikino	Not in use	
	Ohinemuri	Not in use	
	Huirau	Not in use	

2016/17:	Not achieved overall:	Bacteria:	Protozoa:
<input checked="" type="checkbox"/>	Supply:		
	Kerepehi	<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"/>
	Mackaytown	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Karangahake	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Waikino	Not in use*	
	Ohinemuri	Not in use*	
	Huirau	Not in use*	

How we measure our performance ▼

Result 2018/19 ▼

Key: Achieved Not Achieved Not Applicable

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 system*

Target: 32%.

2018/19: **Not achieved: The percentage of real water loss from the Council's networked reticulation system was 34% for the year.**
The Council meter fleet is due for replacement. We have an extensive programme over the next 10 years to replace water meters to help rectify this matter. A water pipe programme is also in place over the next 15 years to replace old water pipe infrastructure.

2017/18: *The District wide percentage of real water lost was 31%.*

2016/17: *The District wide percentage of real water lost was 33%.*

What we said we would do: provide a reliable water supply

Measure: The number of unplanned interruptions to the water supply system per 1000 properties per year.

Target: <10

2018/19: **Achieved: There have been 9.11 unplanned interruptions to the water supply system per 1000 properties in the year to date.**

2017/18
2016/17 *New measure in 2018/19.*

Measure: The average consumption of drinking water per day per resident within the Hauraki District.*

Target: <250 litres per resident per day (measured annually).

2018/19: **Achieved: The average consumption of drinking water per day per resident was 142 litres per person per day**

2017/18: *Urban: 208 L/person/day
Rural: 896 L/Ha/day*

2016/17: *Urban: 184 L/person/day
Rural: 191 L/Ha/day*

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 networked reticulation system, the following median response times are measured:</p> <p>Urgent Call-outs target:</p> <ul style="list-style-type: none"> ■ Attendance – percentage attendance less than 2 hours – 95% ■ Resolution – Percentage resolution less than 8 hrs¹ – 95% <p>Non-Urgent Call-outs target:</p> <ul style="list-style-type: none"> ■ Percentage attendance less than 4 hours – 95% ■ Percentage resolution less than 3 days² – 95% 	<p>2018/19: ☒</p> <p>Not achieved: Urgent call outs: Median attendance time: 29 minutes. 88% of faults were attended in 2 hours. Median resolution time: 1 hour, 50 minutes. 75% of faults were resolved in 8 hours.</p> <p>Non-urgent call outs: Median attendance time: 39 minutes. 82% of faults were attended in 4 hours. Median resolution time: 3hours, 30 minutes. 83% of faults were resolved in 3 days.</p>
	<p>2017/18</p> <p><i>Urgent call outs:</i> <i>Median attendance time: 0 hours, 27.5 minutes</i> <i>Median resolution time: 2 hours, 05 minutes. 82% of faults were resolved in 8 hours.</i></p> <p><i>Non-urgent call outs:</i> <i>Median attendance time: 1 hour, 05 minutes</i> <i>Median resolution time: 5 hours, 42 minutes. 53% of faults were resolved in 8 hours.</i></p>
	<p>2016/17</p> <p><i>Urgent call outs:</i> <i>Median attendance time: 23 minutes</i> <i>Median resolution time: 3 hours, 48 minutes. 62% of faults were resolved in 8 hours.</i></p> <p><i>Non-urgent call outs:</i> <i>Median attendance time: 1 hour, 03 minutes</i> <i>Median resolution time: 4hours, 21 minutes. 59% of faults were resolved in 8 hours.</i></p>

Through the auditing process, Council became aware that there were significant issues with the capture of data that underpinned the reporting processes that related to this measure. This predominantly revolved around incorrect classification of service request data, incomplete service request data, incomplete finalising and closure of service requests and a lack of verification of service request reporting during the 2018/19 year.

Council was already aware of a need to make improvements to the customer service request system and had developed and launched a new customer service request system on 30 April 2019. While this did address some of the issues, the annual audit process identified that some shortcomings remained in the new system.

¹ Excluding billing enquiries and new connections.

² Excluding billing enquiries and new connections.

As of October 2019, Council has commissioned an independent review of the service request process which provides the underlying data for this performance measure. The outcome of this review is that the processes and systems supporting the identification of the performance measure data will be amended to more accurately align with the requirements of the Department of Internal Affairs mandatory performance measures to ensure the data is robust and that it accurately reflects the Council's response to service requests. The recommendations will be implemented with urgency.

What we said we would do: potable water will be supplied to consumers

<p>Measure: 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; <p>continuity of supply; and the Council's response to any of these issues, expressed per 1000 connections to the Council's networked reticulation system.*</p> <p>Target: Water quality: ≤ 12/1000 complaints Service quality: ≤ 8/1000 complaints Water pressure / flow issues: ≤ 1/1000 complaints</p>	<p>2018/19: <input checked="" type="checkbox"/></p>	<p>Not achieved:</p> <ul style="list-style-type: none"> ■ Water quality: 0.95 per 1000 connections ■ Service quality: 10.268 per 1000 connections ■ Water pressure/flow issues: 1.55 per 1000 connections. <p>Total for the year 12.77 complaints per 1000.</p>
	<p>2017/18: <input checked="" type="checkbox"/></p>	<p><i>Achieved:</i></p> <ul style="list-style-type: none"> ■ <i>Water and service quality issues: 6.15 per 1000 connections</i> ■ <i>Water pressure/flow issues: 0.14 complaints per 1000</i> <p><i>Total for the year 4.3 complaints per 1000.</i></p>
	<p>2016/17: <input checked="" type="checkbox"/></p>	<p><i>Not achieved:</i></p> <ul style="list-style-type: none"> ■ <i>Water quality issues: 11 per 1000 connections</i> ■ <i>Service quality issues: 0.6 complaints per 1000 connections</i> ■ <i>Water pressure/flow issues: 6.6 complaints per 1000</i> <p><i>Total for the year 18.2 complaints per 1000.</i></p>

What we said we would do: the Council will provide its water supply services at agreed levels of service

<p>Measure: Customers are satisfied with the water quality supplied by the Council.</p> <p>Target: ≥80%</p>	<p>2018/19: <input checked="" type="checkbox"/></p>	<p>Not achieved: The 2019 satisfaction survey showed that 73%** of residents were satisfied with the quality of water supply. **</p>
	<p>2017/18: <input checked="" type="checkbox"/></p>	<p><i>Not achieved: 2018 survey 75%</i></p>
	<p>2016/17: <input checked="" type="checkbox"/></p>	<p><i>Not achieved: 2017 survey 74%</i></p>

What we said we would do: water supplies to be operated in compliance with regulatory requirements

<p>Measure: Achieve a high level of compliance at all water treatment plants, as measured by the number of:</p>	<p>2018/19: <input checked="" type="checkbox"/></p>	<p>Achieved: There have been no notices or orders received in relation to water treatment plant consents.</p>
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<ul style="list-style-type: none"> ■ abatement notices; and ■ infringement notices; and ■ enforcement orders; and prosecutions received by Council in relation those resource consents. 	2017/18: <input checked="" type="checkbox"/>	<i>Achieved: No abatement or enforcement notices received.</i>
	2016/17: <input checked="" type="checkbox"/>	<i>Achieved: No abatement or enforcement notices received.</i>
Target: 0		
* Mandatory performance measure under section 261B of the Local Government Act 2002.		
** The 2019 customer satisfaction survey results have been adjusted to exclude 'don't know' responses. This was also undertaken for the previous 2017/18 Annual Report satisfaction measures.		

What else happened in 2018/19?

Fencing of water treatment plants

The tender for the fencing of the Paeroa, Waihi and Waitakaruru water treatment plants was awarded in 2018/19, with the work being completed in August 2019.

Waitakaruru treatment plant upgrade to New Zealand Drinking Water Standards

The majority of this project was completed in 2018/19, with some health and safety upgrades to be completed in 2019/20.

Plains reticulation (Waitakaruru and Kerepehi) treated water storage project

This project was largely completed in 2018/19 with two reservoirs installed and operational. The existing reservoir needs maintenance and this is expected to occur in 2019/20.

Connect Kaimanawa water supply with Plains or Paeroa

Although the water is safe to drink, Kaimanawa treatment plant does not meet current drinking water standards so this project will connect the supply to a compliant source. In 2018/19 the rural section of the connection was installed, with the urban section and reservoir expected to be progressed in 2019/20.

Waitakaruru riparian planting

This project was carried over from 2017/18 and was completed in 2018/19 at a cost of \$25,000.

District wide pipe renewals

Various renewals were completed in 2018/19 replacing pipes (mains renewals) that had reached the end of their useful lives and on district wide water treatment asset renewals: Raroa Road, Ainslie Road, Claremont Avenue, Morseby Street (Karangahake), Awaiti Canal, Opatito Road, Substation Lane, Albert Street

Pipe replacement designs were completed for:

- Russell Street, Paeroa
- Thorp Road, Paeroa
- Junction Road, Paeroa
- Opatito Road, Paeroa
- Raroa Road, Paeroa
- Matai Street, Kerepehi

Waitakaruru resource consents renewal

Consent was granted to discharge the backwash from the treatment plant to the drain.

Water Safety Plans

We have developed water safety plans to assist Council in managing the risk of water treatment and also guide staff in the event of failures and natural disasters. These documents have a five year lifespan and are reviewed by the District Health Board (DHB) for compliance. Water safety plans for Paeroa and Waihi were submitted in 2018/19, and Waikatakaruru was updated. A review of the Kerepehi water safety plan was started in 2018/19.

Paeroa Resource Consent Renewal

The resource consent for Paeroa's water supply take was progressed during 2018/19 and granted in June 2019.

What didn't happen in 2018/19?

A number of projects were not completed due to resources being allocated to other projects:

- A working platform for Kerepehi water treatment plant has been deferred to 2019/20 (\$12,600).
- Waihou pump 1 VSD (\$16,100)
- District wide bulk water take points (\$160,000)
- Replacement of the Waihi water treatment plant roof (\$20,000)
- Plains reticulation booster and transfer pumps
- District water demand management scoping study (\$50,000)

Plains reticulation zone metering project

The project was deferred due to resources being allocated to other projects. This project involves metering smaller zones of the Plains water networks to allow us to monitor for excessive consumption or water loss. \$80,000 has been carried over to 2019/20.

District wide meter renewals

A technical report on the meter replacement programme was presented to the Council in 2018/19 and a strategy was developed for the replacement of water meters in the district. The Council agreed to focus the replacement of water meters on high water users and non-performing meters. This project has been deferred to 2019/20 to align with the release of 5G technology which provides the best option for smart meter reading.

District wide pipe renewal

Pipe renewals, including cast iron pipe replacements, have been assessed as part of a ten year programme and structured over the next ten years.

What it cost and how it was paid for

Operating statement for water supply

	Actual 2019 \$000	Annual Plan 2019 \$000	Actual 2018 \$000
Expenditure			
Treatment	1,384	1,643	1,636
Reticulation	1,066	617	786
Intakes and headworks	371	480	380
Fixed costs	202	200	203
Overheads	886	886	941
Pumpstations	30	31	26
Major maintenance	27	149	19
Other	242	407	133
Depreciation/Assets written off	1,674	1,710	1,746
Interest	550	852	699
	6,432	6,975	6,569
Revenue			
Fees, charges and other revenue	127	54	6
External subsidies	0	0	0
Targeted rates	6,515	6,537	6,903
General rates	0	0	0
	6,642	6,591	6,909
Operating Surplus / (Deficit)	210	(384)	340

Hauraki District Council: Funding impact statement for the year ended 30 June 2019 for water supply

	Long-Term Plan 2018 \$000	Long-Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	6,255	6,537	6,515
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	9
Internal charges and overheads recovered	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	6,255	6,537	6,524
Applications of operating funding			
Payments to staff and suppliers	3,012	3,528	2,460
Finance costs	642	852	0
Internal charges and overheads applied	941	886	2,297
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,595	5,266	4,757
Surplus / (deficit) of operating funding (A - B)	1,660	1,271	1,767
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	12
Increase (decrease) in debt	4,500	926	526
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)	4,500	926	538
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	3,082	1,188	5,295
- to replace existing assets	2,178	1,009	543
Increase (decrease) in reserves	900	0	(3,533)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	6,160	2,197	2,305
Surplus / (deficit) of capital funding (C - D)	(1,660)	(1,271)	(1,767)
Funding balance ((A - B) + (C - D))	0	0	0

Wastewater



We collect the wastewater from homes and businesses and transport it via pipes and pumps to treatment plants. At our treatment plants the wastewater is treated before it is released – mostly to waterways. We also make sure that trade wastes are appropriately disposed of.

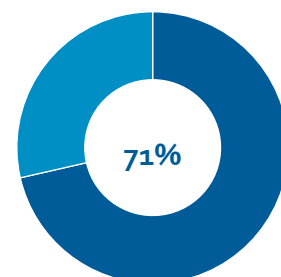
About 5,500 properties are connected to our wastewater systems.

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 primarily contributes to the following community outcomes:



Sustainable Hauraki



Prepared Hauraki

Meeting our service targets

How we measure our performance ▼		Result 2018/19 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
What we said we would do: provide wastewater services that meet regulatory requirements		
<p>Measure: The number of dry weather wastewater overflows from the Council's wastewater system, expressed per 1000 wastewater connections to that wastewater system.</p> <p>Target: <3 per 1000 connections.</p>	2018/19: <input checked="" type="checkbox"/>	Achieved: There have been 11 complaints equalling 1.82 dry weather overflows per 1000 wastewater connections.
	2017/18: <input checked="" type="checkbox"/>	<i>Achieved: 23 complaints equalling 4.2 per 1000 connections.</i>
	2016/17: <input checked="" type="checkbox"/>	<i>Achieved: 10 complaints equalling 1.7 per 1000 connections.</i>
What we said we would do: the risk of environmental and public health impacts to be mitigated.		
<p>Measure: The frequency of dry weather overflows from pump stations will be minimized.</p> <p>Target: <1 pump-station overflow per 20 pump stations per year.</p>	2018/19: <input type="checkbox"/>	Not achieved: There have been 2.55 pumpstation overflows per 20 pump stations for the year. There is a programme in place over the next 10 years to replace pumpstations to address these overflows.
	2017/18: <input checked="" type="checkbox"/>	<i>Achieved: 0.04 pump station overflows per 20 pump stations per year.</i>
	2016/17: <input checked="" type="checkbox"/>	<i>Achieved: 0.85 pump station overflows per 20 pump stations per year.</i>
<p>Measure: The frequency of dry weather overflows from the wastewater network will be minimized.</p> <p>Target: <15 per 100 km of wastewater pipe length per year.</p>	2018/19: <input checked="" type="checkbox"/>	Achieved: There have been 6.956 dry weather overflows per 100km of wastewater pipe.
	2017/18: <input checked="" type="checkbox"/>	<i>Achieved: 1.27 overflows from the pipe network per 100km of wastewater pipe.</i>
	2016/17: <input checked="" type="checkbox"/>	<i>Achieved: 3.79 pipe network overflows.</i>
What we said we would do: the community and the environment to be provided with protection.		
<p>Measure: Compliance with the territorial authority's resource consents for discharge from its wastewater system, as measured by the number of:</p> <ul style="list-style-type: none"> ■ abatement notices; and ■ infringement notices; and ■ enforcement orders; and ■ prosecutions received by Council in relation to those resource consents.* <p>Target:</p> <ul style="list-style-type: none"> ■ 0 abatement notices ■ 0 infringement notices ■ 0 enforcement orders, and ■ 0 prosecutions. 	2018/19: <input checked="" type="checkbox"/>	Achieved: There have been no notices or orders received in relation to wastewater discharge resource consents.
	2017/18: <input checked="" type="checkbox"/>	<i>Achieved: No abatement, infringement, enforcement notices or convictions were received in the year.</i>
	2016/17: <input checked="" type="checkbox"/>	<i>Achieved: No abatement, infringement or enforcement notices received or are expected.</i>

How we measure our performance ▼

Result 2018/19 ▼

Key: Achieved Not Achieved Not Applicable

What we said we would do: customer service requests to be dealt with promptly and appropriately.		
<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 Resolution* <p>Target:</p> <ul style="list-style-type: none"> Attendance – 95% within 2 hours Resolution – 95% within 8 hours 	<p>2018/19: <input checked="" type="checkbox"/></p>	<p>Not achieved:</p> <ul style="list-style-type: none"> 90% (28 of 31) of call outs were attended within two hours. Median attendance time: 30 minutes 45% (14 of 31) of call outs were resolved within 8 hours. Median completion time: 1171 minutes
	<p>2017/18: <input checked="" type="checkbox"/></p>	<p><i>Not achieved:</i></p> <ul style="list-style-type: none"> Median attendance time: 28 minutes Median completion time: 0 days 8 hours, 21 minutes.
	<p>2016/17: <input checked="" type="checkbox"/></p>	<p><i>Achieved:</i></p> <ul style="list-style-type: none"> Median attendance time: 42 minutes Median completion time: 3 hours and 29 minutes
<p>Through the auditing process, Council became aware that there were significant issues with the capture of data that underpinned the reporting processes that related to this measure. This predominantly revolved around incorrect classification of service request data, incomplete service request data, incomplete finalising and closure of service requests and a lack of verification of service request reporting during the 2018/19 year.</p> <p>Council was already aware of a need to make improvements to the customer service request system and had developed and launched a new customer service request system on 30 April 2019. While this did address some of the issues, the annual audit process identified that some short comings remained in the new system.</p> <p>As of October 2019, Council has commissioned an independent review of the service request process which provides the underlying data for this performance measure. The outcome of this review is that the processes and systems supporting the identification of the performance measure data will be amended to more accurately align with the requirements of the Department of Internal Affairs mandatory performance measures to ensure the data is robust and that it accurately reflects the Councils response to service requests. The recommendations will be implemented with urgency.</p>		
What we said we would do: provide 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: 2018/19: ≤12 per 1000 connections</p>	<p>2018/19: <input checked="" type="checkbox"/></p>	<p>Achieved:</p> <p>The total number of complaints received about :</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, was 11.45 per 1000 connections. <p>Improvements to the recording of service request information is being made with the introduction of a new system. This new system was launched in April 2019.</p>
	<p>2017/18: <input checked="" type="checkbox"/></p>	<p><i>Achieved:</i></p>

How we measure our performance ▼

Result 2018/19 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
	<ul style="list-style-type: none"> ■ <i>Odour complaints: 0.7 per 1000 connections</i> ■ <i>Fault complaints: 1.24 per 1000 connections</i> ■ <i>Blockage complaints: 4.96 per 1000 connections</i> ■ <i>Complaints about response: 0.37 per 1000 connections</i> ■ <i>Total of 7.3 complaints per 100 connections in the year.</i>
2016/17:	<p><input checked="" type="checkbox"/> Achieved:</p> <ul style="list-style-type: none"> ■ <i>Odour complaints: 0.66 per 1000 connections</i> ■ <i>Fault complaints: 1.66 per 1000 connections</i> ■ <i>Blockage complaints: 7.13 per 1000 connections</i> <p><i>Complaints about response: 0.0 per 1000 connections</i></p> <p><i>Total 9.45 complaints per 1000 connections.</i></p>
<p>Measure: Percentage of users satisfied with the quality of the wastewater services provided.</p> <p>Target: ≥95%</p>	<p>2018/19:</p> <p><input checked="" type="checkbox"/> Achieved: The 2019 satisfaction survey showed that 96%** of residents were satisfied with the quality of wastewater services provided by the Council.</p>
	<p>2017/18:</p> <p><input checked="" type="checkbox"/> <i>Not achieved: 2018 survey: 91% satisfied.</i></p>
	<p>2016/17:</p> <p><input checked="" type="checkbox"/> <i>Achieved: 2017 survey: 97% satisfied.</i></p>
* Mandatory performance measure under section 261B of the Local Government Act 2002.	
** The 2019 customer satisfaction survey results have been adjusted to exclude 'don't know' responses. This was also undertaken for the previous 2017/18 Annual Report satisfaction measures.	

What else happened in 2018/19?

Groundwater and stormwater infiltration

We identified in our plans for 2018-28 that we would replace leaky and broken pipes causing groundwater and stormwater to enter our wastewater system. In 2018/19 field work was completed for Waihi East and identified leaky wastewater manholes. Physical works to address the defects have been scoped into a two year programme. Our focus will be on historical known hotspots District-wide including Taylor Avenue in Paeroa.

Karangahake toilets

A bulk sewer pipe was installed in 2018/19 between Karangahake Gorge and Mackaytown communities to service a public toilet to meet tourist demand. This is largely complete and will be available to service the wastewater

from these communities when completed. These communities are currently serviced by public water supply but not wastewater.

Whiritoa wastewater treatment plant consent

An application was prepared in 2018/19 for the re-consenting of the Whiritoa wastewater treatment plant; discussions were held with the Waikato Regional Council during the year and the process will continue into 2019/20.

What didn't happen in 2018/19?

The prioritisation of other projects meant that there were not enough resources available to progress some projects in 2018/19, and others were not needed and carried over to 2019/20:

- Waihi dissolved air flow sludge process
- Paeroa chemical phosphorus removal drum filter
- Paeroa waveband renewals
- The balance of pipe renewals in Waihi and Paeroa
- District wide pond desludging
- District wide replacement pumpstation cabinets
- Paeroa and Kerepehi resource consents

What it cost and how it was paid for

Operating statement for wastewater

	Actual 2019 \$000	Annual Plan 2019 \$000	Actual 2018 \$000
Expenditure			
Treatment	583	679	669
Reticulation	158	119	113
Fixed costs	136	176	135
Overheads	692	602	421
Pumpstations	233	251	230
Major maintenance	15	94	44
Other	145	214	144
Depreciation/Assets written off	793	735	779
Interest	227	389	347
	2,982	3,259	2,882
Revenue			
Fees, charges and other revenue	359	397	371
External subsidies	0	0	0
Targeted rates	3,613	3,408	3,416
General rates	0	0	0
	3,972	3,805	3,787
Operating Surplus / (Deficit)	990	546	905

Hauraki District Council: Funding impact statement for the year ended 30 June 2019 for wastewater

	Long-Term Plan 2018 \$000	Long-Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	3,245	3,408	3,613
Subsidies and grants for operating purposes	0	0	0
Fees and charges	291	291	64
Internal charges and overheads recovered	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	3,536	3,699	3,677
Applications of operating funding			
Payments to staff and suppliers	1,557	1,533	880
Finance costs	363	389	0
Internal charges and overheads applied	0	0	1,308
Other operating funding applications	421	602	0
Total applications of operating funding (B)	2,341	2,524	2,188
Surplus / (deficit) of operating funding (A - B)	1,195	1,175	1,489
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	20
Increase (decrease) in debt	0	402	472
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	402	492
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	464	140	621
- to replace existing assets	2,100	1,437	93
Increase (decrease) in reserves	(1,369)	0	1,267
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,195	1,577	1,981
Surplus / (deficit) of capital funding (C - D)	(1,195)	(1,175)	(1,489)
Funding balance ((A - B) + (C - D))	0	0	0

Stormwater



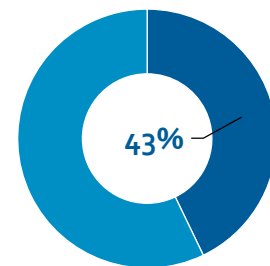
Stormwater is rainwater runoff that usually results from heavy or prolonged periods of rain. Runoff flows from surfaces on urban properties, footpaths and roads. We use a series of drainage systems to remove rainwater runoff from urban areas in Waihi, Waikino, Karangahake, Mackaytown, Paeroa, Ngatea, Kerepehi, Turua, Kaiaua and Whiritoa. Redirecting stormwater so it doesn't pool and flood is important in protecting our residents' properties.

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 primarily contributes to the following community outcomes:



Sustainable Hauraki



Prepared Hauraki

Meeting our service targets

How we measure our performance ▼

		Result 2018/19 ▼
		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.		
Measure: <ul style="list-style-type: none"> 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 territorial authority's stormwater system.)* Target: 2018/19: <2 per 1000	2018/19:	Achieved: The number of habitable floors affected by flooding events that occurred in the year was 0 per 1000 properties connected to the stormwater system.
	2017/18:	<i>Achieved: No flooding events and no habitable floors affected.</i>
	2016/17:	<i>Achieved: No flooding events and no habitable floors affected.</i>
What we said we would do: provide a stormwater network that is reliable.		
Measure: The number of complaints received by Council about the performance of the stormwater system. Expressed per 1000 properties connected Council's stormwater system.* Target: <5/1000 connections.	2018/19:	Not achieved: The number of complaints received about the performance of the stormwater system was 9.95 per 1000 properties connected to the stormwater system. This was due to multiple rainfall events this year, higher than the network capacity could manage.
	2017/18:	<i>Not achieved: 5.6 complaints per 1000 customers relating to blockages and faults were received.</i>
	2016/17:	<i>Achieved: 3.8 service requests per 1000 properties relating to blockages were received.</i>
Measure: Number of reported stormwater blockages per 100km of pipeline per year. Target: <20	2018/19:	Not achieved: There were 22.62 reported stormwater blockages per 100 km of pipeline. Council is in the process of expanding its Construction and Maintenance team to be able to more proactively focus on maintenance, which is expected to help address this matter.
	2017/18 2016/17	<i>New measure.</i>
Measure: Percentage of stormwater above ground assets in satisfactory condition (condition grades 1,2 or 3). * Target: NA	2018/19:	Not applicable: No target specified for 2018/19. Council identified this in 2018 as part of the Long Term Plan process, however chose to implement in a staged manner beginning in 202/21 as it was expected to take a number of years to prepare for.
	2017/18 2016/17	<i>New measure in 2018/19.</i>

How we measure our performance ▼		Result 2018/19 ▼	
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
Measure: Customers are satisfied with the stormwater service provided. Target: >80%	2018/19: <input checked="" type="checkbox"/>	Not achieved: The 2019 satisfaction survey showed that 68%** of residents were satisfied with the Council's stormwater services.	
	2017/18: <input checked="" type="checkbox"/>	<i>Achieved: 2018 survey: 57% satisfied.</i>	
	2016/17: <input checked="" type="checkbox"/>	<i>Achieved: 2017 survey: 80% satisfied.</i>	
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: 1. abatement notices; and 2. infringement notices; and 3. enforcement orders; and prosecutions received by Council in relation those resource consents.* Target: 0	2018/19: <input checked="" type="checkbox"/>	Achieved: There have been no notices or orders received in relation to stormwater discharge resource consents.	
	2017/18: <input checked="" type="checkbox"/>	<i>Achieved: No abatement, infringement, enforcement notices or convictions were received.</i>	
	2016/17: <input checked="" type="checkbox"/>	<i>Achieved: No abatement, infringement, enforcement notices or convictions were received.</i>	
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.	2018/19: <input checked="" type="checkbox"/>	Not applicable: No flooding events occurred as a result of an overflow from the Council's stormwater system.	
	2017/18: <input type="checkbox"/>	<i>Not applicable: No flooding events occurred as a result of an overflow from the Council's stormwater system.</i>	
	2016/17: <input type="checkbox"/>	<i>Not Applicable: No flooding events occurred as a result of an overflow from the Council's stormwater system.</i>	
* Mandatory performance measure under section 261B of the Local Government Act 2002.			
** The 2019 customer satisfaction survey results have been adjusted to exclude 'don't know' responses. This was also undertaken for the previous 2017/18 Annual Report satisfaction measures.			

What else happened in 2018/19?

Condition assessments of our network

Condition surveys have been undertaken in 2018/19 in a reactive manner. We intend to move to a programme of planned condition surveys to help us better understand the state of our stormwater assets.

Renewals

Localised asset condition work has led to renewals to stormwater infrastructure in Willoughby Street in Paeroa and Christensen Street in Waihi. Minor renewals were completed in Kaiuaa, Ngatea, Waihi and Turua in 2018/19.

What didn't happen in 2018/19?

As noted, we have been undertaking renewals to our stormwater assets as problems arise, and therefore our renewals budget was not fully spent.

What it cost and how it was paid for

Operating statement for stormwater

	Actual 2019 \$000	Annual Plan 2019 \$000	Actual 2018 \$000
Expenditure			
Vegetation control	14	21	13
Reticulation	46	34	73
Maintenance/fencing/culverts	2	9	7
Mechanical cleaning	37	20	20
Floodgates	0	5	0
Pumps	6	10	16
Overheads	263	263	184
Other	149	157	192
Depreciation/assets written off	386	369	371
Interest	(37)	(67)	(37)
	866	821	839
Revenue			
Fees, charges and other revenue	185	107	0
External subsidies	0	0	0
Targeted rates	811	752	702
General rates	133	133	129
	1,129	992	831
Operating Surplus / (Deficit)	263	171	(8)

Hauraki District Council: Funding impact statement for the year ended 30 June 2019 for stormwater

	Long-Term Plan 2018 \$000	Long-Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	129	133	133
Targeted rates	732	752	811
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	861	885	944
Applications of operating funding			
Payments to staff and suppliers	252	256	146
Finance costs	(65)	0	0
Internal charges and overheads applied	184	196	334
Other operating funding applications	0	0	0
Total applications of operating funding (B)	371	452	480
Surplus / (deficit) of operating funding (A - B)	490	433	464
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	(308)	(313)
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	(308)	(313)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	111	76	22
- to replace existing assets	21	49	192
Increase (decrease) in reserves	358	0	(63)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	490	125	151
Surplus / (deficit) of capital funding (C - D)	(490)	(433)	(464)
Funding balance ((A - B) + (C - D))	0	0	0

Land drainage



Our land drainage activity involves:

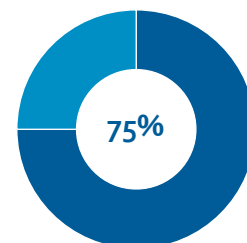
- draining excess surface water and managing ground water levels in five drainage districts,
- direct protection from river and tidal flooding in the area of Waitakaruru to Pūkorokoro / Miranda.

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 primarily
contributes to the following
community outcome:**



Prepared Hauraki

Meeting our service targets

How we measure our performance ▼

		Result 2018/19 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
What we said we would do: pasture protection to be provided.		
<p>Measure: The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the local authority's relevant planning documents (such as this plan, annual works programme or long term plan).*</p> <p>Target: 100%</p>	2018/19:	<p><input checked="" type="checkbox"/> Achieved:</p> <p>Maintained: Floodgates and pumpstations maintained to their service potential during the reporting period.</p> <p>Repaired: No damage during the reporting period.</p> <p>Renewed: Progress on renewals programme. These are multi-year programmes:</p> <ul style="list-style-type: none"> ▪ Western Plains Drainage District (F1) ~ 35% ▪ Eastern Plains Drainage District ~ 20%
	2017/18:	<p><input type="checkbox"/> Not achieved: 98% of the stop banks are at design level. The works to bring the stop banks to design level has been programmed for 2018/19.</p>
	2016/17:	<p><input type="checkbox"/> Not achieved: 93% of stopbank length exceeds the design flood level.</p>
<p>Measure: Number of properties still ponding after 3 days from a 1 in 10-year event or less (impacting the pasture)</p> <p>Target: 0</p>	2018/19:	<p><input checked="" type="checkbox"/> Achieved: There was no ponding for more than 3 days and no 10% AEP (1 in 10 year) events.</p>
	2017/18 2016/17	<p><i>New measure in 2018/19.</i></p>
What we said we would do: provide reliable land drainage networks.		
<p>Measure: Percentage of affected customers satisfied with the land drainage and flood protection services.</p> <p>Target: 72%</p>	2018/19:	<p><input type="checkbox"/> Not achieved: The 2019 satisfaction survey showed that 51%** of affected customers were satisfied with the Council's land drainage services.</p>
	2017/18:	<p><input type="checkbox"/> Not achieved: 2018 survey: 45% satisfied.</p>
	2016/17:	<p><input type="checkbox"/> Not achieved: 2017 survey: 61% satisfied.</p>
What we said we would do: provide a timely response to customer requests.		
<p>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:</p> <ul style="list-style-type: none"> ▪ Urgent service requests and ▪ Non-urgent service requests 	2018/19:	<p><input checked="" type="checkbox"/> Achieved:</p> <ul style="list-style-type: none"> ▪ Urgent: There have been no urgent requests during the reporting period. ▪ Non-urgent: There have been no non-urgent requests during the reporting period.

How we measure our performance ▼

Result 2018/19 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
Target: <ul style="list-style-type: none">Urgent: 1 hourNon-urgent: 2 working days	2017/18: <i>New measure in 2018/19</i> <input checked="" type="checkbox"/> 2016/17: <input checked="" type="checkbox"/>
* Mandatory performance measure under section 261B of the Local Government Act 2002.	
** The 2019 customer satisfaction survey results have been adjusted to exclude 'don't know' responses. This was also undertaken for the previous 2017/18 Annual Report satisfaction measures.	

What else happened in 2018/19?

There were a number of land drainage projects that had been deferred from 2017/18 to 2018/19, however focus has been on ensuring the asset knowledge is greater before these projects are progressed. As such, a significant focus for the 2018/19 year has been on improving asset knowledge, condition and performance to determine an effective asset replacement programme in the future.

Raising stopbanks investigation

In 2018/19 we have completed modelling of the stopbank settling and impacts of sea level rise. Our next step is to refine our cost information for modelling purposes. Our modelling outputs will be used to inform our next infrastructure strategy.

Taramaire District

Members of the Taramaire Drainage District requested the formalisation of the drainage district in 2018/19. As a result of this, a Taramaire Drainage District Committee was established in May 2019 comprising of two representatives, one alternative representative and one elected member. A floodgate in the Taramaire District was also installed at a cost of \$12,000.

Mangawhero flume replacement

\$35,000 from this project was brought forward from 2021/22 as it was required earlier than planned.

What didn't happen in 2018/19?

Western Plains Drainage District Pouarua Maukoro (Muggeridge) project

\$204,000 was budgeted in 2018/19 for internal drain structures to feed the new Muggeridge pumpstation once it's built. This budget for 2018/19 has been delayed and has been combined with the budget set for 2019/20, making the total project cost \$345,000. 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. It is expected the project will be completed by the end of 2019.

Stopbank work

A number of stopbank works had been deferred from previous years and were not completed in 2018/19 as we increase our asset knowledge and determine stopbank levels. These projects will be delayed until our investigations are completed and will be reprioritised through our 2020/21 annual plan and 2021-31 long term plan process.

- Hot Springs Canal stopbank (\$83,000)
- Waitakaruru right bank stopbank (\$65,000)

- Foreshore stopbank (\$53,000)
- Miranda stopbank (\$53,000)
- Maukoro Canal left bank stopbank (\$12,000)
- Karito Canal stopbank (\$47,000)
- Miranda North stopbank (\$36,000)

Pumps

Various pump projects that have been deferred from previous years were not completed in 2018/19 and will be carried over to 2019/20. These include:

- Hopai West Pump (\$16,000)
- Central North Pump (\$16,000)
- Miranda Pump (\$36,000)

What these activities cost and how they were paid for

Operating statement for land drainage

	Actual 2019 \$000	Annual Plan 2019 \$000	Actual 2018 \$000
Expenditure			
Vegetation control	178	183	146
Maintenance/fencing/culverts	11	13	13
Mechanical cleaning	215	231	218
Floodgates	21	29	20
Pumps	373	265	409
Overheads	249	249	222
Other	57	59	101
Depreciation/Assets written off	263	168	262
Interest	(95)	(157)	(120)
	1,272	1,040	1,271
Revenue			
Fees, charges and other revenue	0	0	0
External subsidies	0	0	0
Targeted rates	979	965	975
General rates	162	162	167
	1,141	1,127	1,142
Operating Surplus / (Deficit)	(131)	87	(129)

Hauraki District Council: Funding impact statement for the year ended 30 June 2019 for land drainage

	Long-Term Plan 2018 \$000	Long-Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	167	162	162
Targeted rates	946	965	979
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	1,113	1,127	1,141
Applications of operating funding			
Payments to staff and suppliers	722	779	297
Finance costs	(150)	0	0
Internal charges and overheads applied	222	92	712
Other operating funding applications	0	0	0
Total applications of operating funding (B)	794	871	1,009
Surplus / (deficit) of operating funding (A - B)	319	256	132
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	201	(383)
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	201	(383)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	207	12
- to replace existing assets	260	250	88
Increase (decrease) in reserves	59	0	(351)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	319	457	(251)
Surplus / (deficit) of capital funding (C - D)	(319)	(256)	(132)
Funding balance ((A - B) + (C - D))	0	0	0

Solid waste



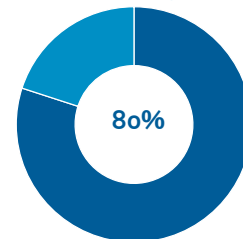
The solid waste activity consists of the minimisation, collection and disposal of solid waste. These services involve kerbside collection of refuse and recyclables and the management of two refuse transfer stations located in Paeroa and Waihi.

Effects on the community

The aim of the solid waste 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 solid waste 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 solid waste group primarily contributes to the following community outcomes:



Sustainable Hauraki



Prepared Hauraki

Meeting our service targets

How we measure our performance ▼		Result 2018/19 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable			
What we said we would do: increased 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.	2018/19: <input checked="" type="checkbox"/>	Achieved: Three education campaigns were undertaken.	
Target: Two education campaigns are undertaken each year.	2017/18 2016/17	<i>New measure in 2018/19</i>	
Measure: Number of justified complaints that collection is not completed on the scheduled day, as per the service request database.	2018/19: <input checked="" type="checkbox"/>	Not achieved: There have been 3.08 justified complaints that kerbside collection was not completed on the scheduled day (per 1000 customers per annum).	
Target: ≤3 complaints (that collection was not completed) per 1000 customers per annum.	2017/18 2016/17	<i>New measure in 2018/19</i>	
Measure: The quantity of household waste collected from the kerbside per person is decreasing.	2018/19: <input checked="" type="checkbox"/>	Achieved: The amount of household waste collected from the kerbside and going to landfill is 68.7 kg per person per annum. This is a reduction of 10.08kgs from the previous year of (78kg).	
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.	2017/18: 2016/17	<i>New measure in 2018/19</i>	
Measure: The total quantity of waste sent to landfill per person per annum is reducing.	2018/19: <input checked="" type="checkbox"/>	Achieved: The total quantity of waste sent to landfill was 301.35kgs per person per annum. This is an increase of 64.2kgs from the previous year (237.6kg), however is less than the target originally set of 316.	
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.	2017/18 2016/17	<i>New measure in 2018/19</i>	
What we said we would do: provide reliable solid waste collection.			
Measure: Percentage of users satisfied with the kerbside collection service in our annual customer satisfaction survey.	2018/19: <input checked="" type="checkbox"/>	Achieved: The 2019 satisfaction survey showed that 89%** of residents were satisfied with the kerbside collection service.	
Target: ≥85% of users satisfied.	2017/18: <input checked="" type="checkbox"/>	<i>Not achieved: 2018 survey: 80% satisfied.</i>	
	2016/17: <input checked="" type="checkbox"/>	<i>Achieved: 2017 survey: 91% satisfied.</i>	

** The 2019 customer satisfaction survey results have been adjusted to exclude 'don't know' responses. This was also undertaken for the previous 2017/18 Annual Report satisfaction measures.

What else happened in 2018/19?

Waste minimisation initiatives

The Council has formed a working party to explore options for waste minimisation initiatives in 2018/19. As part of this, all schools in Waihi were offered state-of-the-art worm farms, paid for by the Mayoral Fund. The intention of supplying these worm farms is to teach children about recycling waste and reducing the amount of rubbish being sent to landfills.

We looked into the use and supply of biodegradable rubbish bags in 2018/19. The Government does not support using biodegradable bags as the science has been not proven to date, therefore we have not considered this further.

We continue to support the Agrecovery collection site in Paeroa, the volunteer product stewardship programme for the agricultural sector.

Reuse centre

We progressed investigations into the feasibility of and support for a community recycling and resource recovery facility in 2018/19. A reuse centre is expected to open in Paeroa at the Paeroa Refuse Transfer Station in 2019/20.

Landfill aftercare

We continued to monitor our closed refuse tips to ensure they meet requirements and are clean with no visible rubbish. We are continuing to gather more information on the Kaihere closed landfill to inform our forward planning.

Paper for Trees programme

In 2018/19 we contributed funding to 29 schools and preschools in the Paper4trees programme in the Hauraki district. By recycling 59 tonnes of paper and cardboard, the schools and preschools in the District earned a total of 229 native trees to plant at school or in the community. This has saved 473 cubic metres of landfill space and prevented 319 tonnes of 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

In 2018/19 we provided 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. Their lessons cover different topics as they progress through the next classes which give the children the whole curriculum before they leave primary school to college. In 2018/19 we increased funding to allow for three additional schools to join Enviroschools, bringing the total number of schools in the district to 14 participants. Zero waste has 11 schools participating.

What didn't happen in 2018/19?

We didn't progress the planning for a recycling station in Ngatea due to internal resourcing constraints. This will be investigated as part of our planning for 2021-31.

What these activities cost and how they were paid for

Operating statement for solid waste

	Actual 2019 \$000	Annual Plan 2019 \$000	Actual 2018 \$000
Expenditure			
Refuse collection	180	208	199
Closed tip sites	68	125	(426)
Transfer stations	485	248	276
Overheads	119	85	80
	852	666	129
Revenue			
Fees, charges and other revenue	5	27	3
External subsidies	77	56	73
Targeted rates	206	199	197
General rates	356	356	235
	644	638	508
Operating Surplus / (Deficit)	(208)	(28)	379

Hauraki District Council: Funding impact statement for the year ended 30 June 2019 for solid waste

	Long-Term Plan 2018 \$000	Long-Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	235	356	356
Targeted rates	178	199	206
Subsidies and grants for operating purposes	56	56	77
Fees and charges	27	27	5
Internal charges and overheads recovered	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	496	638	644
Applications of operating funding			
Payments to staff and suppliers	335	459	617
Finance costs	2	0	0
Internal charges and overheads applied	160	157	188
Other operating funding applications	0	0	0
Total applications of operating funding (B)	497	616	805
Surplus / (deficit) of operating funding (A - B)	(1)	22	(161)
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	1
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	1
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)	30	(161)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	(1)	30	(161)
Surplus / (deficit) of capital funding (C - D)	1	(22)	161
Funding balance ((A - B) + (C - D))	0	0	0

Community services



Our community services group involves the provision of recreation services such as libraries, parks, reserves, and facilities like public toilets, cemeteries, pensioner housing and the Waihi event centre.

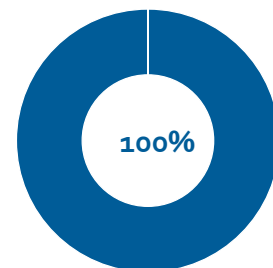
We provide a number of services intended to enhance our communities' needs for recreation and enjoyment. We provide these services to meet our district's recreational, sporting and educational expectations. In addition to this we provide facilities for public use, such as public toilets, halls, cemeteries and pensioner housing. 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 primarily contributes to the following community outcomes:



Lifestyle Hauraki



Prepared Hauraki

What these activities cost and how they were paid for

Operating statement for community services

	Actual 2019 \$000	Annual Plan 2019 \$000	Actual 2018 \$000
Expenditure			
Community recreation			
Libraries	1,184	1,192	1,137
Sports fields	630	622	602
Recreation reserves	1,703	1,624	1,815
Events centre	148	144	143
Swimming pools	721	799	703
Sports co-ordinator	104	107	102
Community Facilities			
Cemeteries	397	367	419
Community halls	296	274	276
Pensioner housing	411	395	432
Public toilets	577	524	556
Interest	274	330	313
	6,445	6,378	6,498
Revenue			
Fees, charges and other revenue	634	656	643
External subsidies	10	10	26
Targeted rates	2,059	2,032	1,873
General rates	3,516	3,516	3,091
	6,219	6,214	5,633
Operating Surplus / (Deficit)	(226)	(164)	(865)

Hauraki District Council: Funding impact statement for the year ended 30 June 2019 for community services

	Long-Term Plan 2018 \$000	Long-Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	2,982	3,516	3,516
Targeted rates	1,843	2,032	2,059
Subsidies and grants for operating purposes	5	5	10
Fees and charges	588	656	619
Internal charges and overheads recovered	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	9
Total operating funding (A)	5,418	6,209	6,213
Applications of operating funding			
Payments to staff and suppliers	3,580	3,701	1,773
Finance costs	270	330	0
Internal charges and overheads applied	1,302	1,416	3,568
Other operating funding applications	0	0	0
Total applications of operating funding (B)	5,152	5,447	5,341
Surplus / (deficit) of operating funding (A - B)	266	762	872
Sources of capital funding			
Subsidies and grants for capital expenditure	5	5	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	1,777	(1,385)
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)	5	1,782	(1,385)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	1,161	759	367
- to replace existing assets	141	1,991	421
Increase (decrease) in reserves	(1,031)	(206)	(1,301)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	271	2,544	(513)
Surplus / (deficit) of capital funding (C - D)	(266)	(762)	(872)
Funding balance ((A - B) + (C - D))	0	0	0

Community recreation

The community recreation activity helps to meet our district’s recreational, sporting and educational expectations. It includes providing:

- libraries
- swimming pools
- the Waihi events centre
- sports fields and recreational reserves
- a district sports coordinator.



Meeting our service targets

How we measure our performance ▼	Result 2018/19 ▼	
	Key: <input checked="" type="checkbox"/> Achieved <input 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 customer satisfaction survey. Target: ≥95% of customers satisfied.	2018/19: <input checked="" type="checkbox"/>	Achieved: The 2019 satisfaction survey showed that 97%** of residents were satisfied with the Council’s library services.
	2017/18: <input type="checkbox"/>	<i>Not achieved: 2018 survey: 90% satisfied.</i>
	2016/17: <input type="checkbox"/>	<i>Not achieved: 2017 survey: 95% satisfied.</i>
Measure: The number of library members is increasing, as measured by the Library Management System. Target: ≥50% of District population are members	2018/19: <input checked="" type="checkbox"/>	Achieved: 53% of the district population are members of district libraries.
	2017/18: <input checked="" type="checkbox"/>	<i>Achieved: 56% of District population.</i>
	2016/17: <input checked="" type="checkbox"/>	<i>Achieved: 55% of District population.</i>
What we said we would do: provide opportunities to learn, meet and grow in a friendly library environment.		
Measure: The number of Library-led community based learning programmes available, as measured by monthly library report to Council. Target: 15 programmes across the district per year.	2018/19: <input checked="" type="checkbox"/>	Achieved: 15 library-led community based learning programmes were available during the year.
	2017/18 2016/17	<i>New measure in 2018/19.</i>
** The 2019 customer satisfaction survey results have been adjusted to exclude 'don't know' responses. This was also undertaken for the previous 2017/18 Annual Report satisfaction measures.		

How we measure our performance ▼

Result 2018/19 ▼

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 Pool Supervisor.

2018/19:

Achieved: 100% (64/64) of safety and maintenance audits have been completed and actioned throughout the year.

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

2017/18
2016/17

New measure in 2018/19.

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

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

2018/19:

Achieved: The 2019 satisfaction survey showed that 93% of residents were satisfied with the Council's swimming pools in the district.**

Target: >90% of customers satisfied.

2017/18:

Not achieved: 2018 survey: 80% satisfied.

2016/17:

Not achieved: 2017 survey: 90% 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, parks and reserves, as measured by customer satisfaction survey.

2018/19:

Achieved: The 2019 satisfaction survey showed that 90% of residents were satisfied with the services provided at the district's sports fields, parks and reserves.**

Target: ≥90% of customers satisfied.

2017/18:

Not achieved: 2018 survey: 76% satisfied.

2016/17:

Achieved: 2017 survey: 92% satisfied.

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.

2018/19:

Achieved: 100% (255/255) compulsory playground inspections were completed throughout the year. An additional 39 inspections were completed during high use periods to ensure the playgrounds were safe. All issues were identified and rectified.

Target: 100% of playground inspections are completed as per scheduled frequency and identified safety issues are addressed.

2017/18:

Achieved: 100% (249/249) of playground inspections were completed.

How we measure our performance ▼

Result 2018/19 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
2016/17: <input checked="" type="checkbox"/>	<i>Not achieved: 86% of inspections and audits were completed.</i>

What else happened in 2018/19?

Libraries

\$120,000 was spent on new books (print and electronic), and DVDs during 2018/19. Total lending stock (including electronic books) available was 36,300 as at 30 June 2019.

In the lead up to the 2018 long term plan, options for improving library and service centre services in Ngatea were proposed. Following this in January 2019, the Council chose to put on hold any further decision making until further community engagement had taken place and as a result the decision has been made for the library and service centre to remain at its current location. Detailed plans will be considered and progressed in the 2019/20 year.

Swimming pools

Various pool improvements were made during 2018/19, including moving the dive blocks and installing new thermal pool covers and an under bench storage system at the Ngatea Pool, and upgrading the changing rooms at the Waihi pool.

Berm mowing, Waihi

In 2018/19, berm mowing in Waihi was reduced to align with the rest of the district. The reduction in mowing resulted in a \$50,000 saving in 2018/19.

Dudding reserve development, Ngatea

In conjunction with community groups, Dudding Reserve in Ngatea has had a refresh. A new shelter structure has been installed and park furniture has been replaced. Further improvements are expected to be completed late 2019.

Hugh Hayward domain trail, Ngatea

The all-weather walking and cycling confidence course around the Hugh Hayward Domain has been completed as programmed in 2018/19 at a cost of \$20,000.

Marshall Street Motorhome carpark extension, Paeroa

The extension to the overnight campervan carpark in Marshall Street, Paeroa has been completed to help provide more capacity to cater for its increased use.

Parks and reserves

- \$25,000 was spent on the reseal of Railway Reserve carpark.
- Olga Street walkway to Primrose Hill (Paeroa) improvements to address overgrown vegetation and levelling issues were largely completed in 2018/19. Planting will be finished by the end of 2019.

Sports coordination

We continued to provide funding for a district wide sports coordinator in 2018/19.

During 2018/19 we developed our Sport and Active Recreation Plan which provides priorities and focus areas for future Sport and Recreation in Hauraki District.

Karangahake Reserve

With the increased popularity of Karangahake Reserve, there is additional pressure placed on both the current parking and the public toilets. Scope for additional public toilets near the Karangahake Hall has been planned for in 2018/19 and it is expected the installation of these will be completed by the end of 2019.

What didn't happen in 2018/19?

Streetscapes

Wharf Street, Paeroa

This project has been delayed until 2019/20. Wharf Street is part of stage one of a two-stage project driven by the Paeroa Historical Maritime Park. Stage one will include an upgrade of Wharf Street in Paeroa, which will link to a purpose-built community jetty on the Ohinemuri River. There will also be pontoons, a boardwalk and riparian planting with native plants at the Historical Maritime Park on the outskirts of the town, and a new riverboat to ferry people and bikes between the park and Wharf Street. The Maritime Park has received a Provincial Growth Fund grant of \$730,000 in 2018/19 towards the development and the Council has contributed a total of \$400,000 for the first stage of the project.

Ngatea main street

While the concept design was completed in 2018/19 for the Ngatea main street streetscape project, the project is ongoing; consultation with the Ngatea community is expected to occur towards the end of 2019. We are working with NZTA and their maintenance contractor to align NZTA's road rehabilitation project with Council's project. All going well, and pending the outcome of future consultation, the projects will both proceed to construction in early 2020.

Playground upgrades

The improvements scheduled for Paeroa Domain, Victoria Park, Pioneer Park and Gilmour Lake playgrounds were not completed in 2018/19 due to competing priorities. These projects will be carried over to 2019/20.

Swimming pools

The investigation into the condition and future of the community pool at Waihi College did not take place in 2018/19 and is planned for 2019/20.

We deferred the purchase of new pool toys from 2018/19 to 2019/20 as the replacement was not yet required.

Turua Walkway project

Due to competing priorities, this project was not completed in 2018/19. Planning has commenced, and community discussions on the location of the walkway are continuing. It is expected to be completed in 2019/20.

Additional carparking at Karangahake

Additional carparking off Crown Hill Road has been programmed, however this hasn't been progressed as some of the land is the subject of Treaty settlements. This project is expected to be continued in 2019/20 in consultation with Iwi, following the settlement.

Community facilities

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).

4i-10
2018-28 Long
Term Plan

Meeting our service targets

How we measure our performance ▼	Result 2018/19 ▼	
	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: 2018/19: ≤36 complaints per year	2018/19: <input checked="" type="checkbox"/>	Achieved: There have been 18 justified complaints received from hall users throughout the year.
	2017/18: <input type="checkbox"/>	<i>Not achieved: 37 complaints received.</i>
	2016/17: <input type="checkbox"/>	<i>Not achieved: 37 complaints received.</i>
Pensioner 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.	2018/19: <input checked="" type="checkbox"/>	Achieved: 97% (38/39) of tenants were satisfied with the comfort and safety of the units when surveyed in December 2018. 47 surveys were provided to tenants and 39 responses were received.
	2017/18: <input checked="" type="checkbox"/>	<i>Achieved: 100% satisfied.</i>
	2016/17: <input checked="" type="checkbox"/>	<i>Achieved: 94% satisfied.</i>
Public toilets		
What we said we would do: clean and maintained public toilets which meet the needs of the public.		
Measure: Number of justified complaints regarding whether public toilets are clean, maintained and sufficiently stocked with consumables, as measured by service request database. Target: ≤50 complaints per year.	2018/19: <input checked="" type="checkbox"/>	Achieved: 40 justified complaints were received.
	2017/18: <input type="checkbox"/>	<i>Not achieved: 82 justified complaints regarding public toilets were received.</i>
	2016/17: <input type="checkbox"/>	<i>Not achieved: 70 justified complaints regarding public toilets were received.</i>
Cemeteries		
What we said we would do: provide 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.	2018/19: <input checked="" type="checkbox"/>	Achieved: Two justified complaints regarding grounds maintenance at Council cemeteries were received.

How we measure our performance ▼

		Result 2018/19 ▼	
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
Target: A total of ≤10 complaints regarding grounds maintenance across all Council cemeteries per year.	2017/18:	<input checked="" type="checkbox"/>	<i>Achieved: Five requests for maintenance received.</i>
	2016/17:	<input checked="" type="checkbox"/>	<i>Achieved: Five requests for maintenance received.</i>

What else happened in 2018/19?

Halls

We replaced or repaired heaters in the Paeroa War Memorial Hall at a cost of \$4,500. The sanding and recoating of the Ngatea War Memorial Hall was also completed in 2018/19. Hire fees were increased as planned for our memorial halls.

Cemeteries

We installed an additional ashes garden at Waihi Cemetery at a cost of \$15,000. Some planting is still to be completed in spring, therefore the project will be continued in 2019/20.

Public toilets

Safety lighting was installed in our public toilets at Orchard Road in Ngatea, Hazard Street in Waihi and Waitakaruru at a total cost of \$17,000.

Pensioner housing

Renewals to our pensioner housing were carried out in 2018/19 as planned. We are continuing to assess our direction for pensioner (elderly) housing and this will feed into our 2021-31 long term plan.

Property renewals

- The reroofing of the Paeroa Skate and Leisure Centre was completed in 2018/19 at a cost of \$30,000.
- Various improvements were made to council-owned property including a bathroom refurbishment at Abattoir House and an air conditioning replacement at the Paeroa Council office (\$18,000 total).

What didn't happen in 2018/19?

Property

Property maintenance renewals at the Paeroa Croquet Club were not completed and have been carried over to 2019/20.

Pukerimu cemetery development

The design for the Pukerimu cemetery, Paeroa, extension and ashes wall development took place in 2018/19. The construction is expected to be completed in 2019/20.

Community development



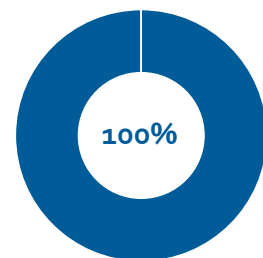
We work with communities and agencies to promote a better quality of life. We have a strong focus on 'helping our communities to help themselves' and an emphasis on community initiatives and community growth through economic development programmes. The community development group includes the community growth and community initiatives activities. We aim to achieve balanced and sustained growth in our district.

Effects on the community

The community 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 community development group primarily contributes to the following community outcomes:



Lifestyle Hauraki



Progress Hauraki

What these activities cost and how they were paid for

Operating statement for community development

	Actual 2019 \$000	Annual Plan 2019 \$000	Actual 2018 \$000
Expenditure			
Community Growth			
Economic development	376	353	346
District promotions	49	52	25
Information centres	216	209	188
Positive Paeroa	97	97	123
Positively promoting the plains	20	18	17
Go Waihi	88	88	112
Destination Coromandel	141	143	130
Community initiatives			
Social initiatives	100	113	105
Discretionary social fund	40	65	37
Grants and donations	340	745	690
Rail trail	710	479	658
Conservation initiatives	0	37	20
Whiritoa beachcare	3	7	4
Whiritoa lifesaving grant	0	0	0
Other	161	157	114
	2,341	2,563	2,569
Revenue			
Fees, charges and other revenue	4	0	89
External subsidies	0	0	0
Targeted rates	530	530	493
General rates	1,823	1,824	1,451
	2,357	2,354	2,033
Operating Surplus / (Deficit)	16	(209)	(536)

Hauraki District Council: Funding impact statement for the year ended 30 June 2019 for community development

	Long-Term Plan 2018 \$000	Long-Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	1,360	1,823	1,823
Targeted rates	493	530	530
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	4
Internal charges and overheads recovered	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	1,853	2,353	2,357
Applications of operating funding			
Payments to staff and suppliers	1,427	1,654	1,565
Finance costs	0	0	0
Internal charges and overheads applied	391	625	469
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,818	2,279	2,034
Surplus / (deficit) of operating funding (A - B)	35	74	323
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	453
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	453
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	35	74	776
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	35	74	776
Surplus / (deficit) of capital funding (C - D)	(35)	(74)	(323)
Funding balance ((A - B) + (C - D))	0	0	0

Community growth

The community growth activity involves:

- progressing economic development strategically across the District including strategic initiatives, plans or actions
- maximising opportunities for new industry, commercial development and existing businesses
- supporting visitor information services and tourism promotion
- supporting township promotion.



Meeting our service targets

How we measure our performance ▼	Result 2018/19 ▼	
	Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
What we said we would do: the community will be aware of economic development initiatives.		
<p>Measure: Percentage of customers satisfied with the Council's approach to Economic Development, as measured by our customer satisfaction survey.</p> <p>Target: ≥70% of customers satisfied with approach.</p>	<p>2018/19: <input checked="" type="checkbox"/></p>	<p>Achieved: The 2019 satisfaction survey showed that 70%** of residents were satisfied with the Council's approach to economic development.</p>
	<p>2017/18: <input type="checkbox"/></p>	<p><i>Not achieved: 2018 survey: 70% satisfied.</i></p>
	<p>2016/17: <input checked="" type="checkbox"/></p>	<p><i>Achieved: 2017 survey: 74% satisfied.</i></p>
<p>Measure: Number of regular economic development updates provided to the public, across various communications platforms, as measured by communication officer's records.</p> <p>Target: Eight updates regarding economic development per year.</p>	<p>2018/19: <input checked="" type="checkbox"/></p>	<p>Achieved: 24 updates regarding economic development were provided.</p>
	<p>2017/18: <input checked="" type="checkbox"/></p>	<p><i>Achieved: An economic development related article has been published in each quarter of the year.</i></p>
	<p>2016/17: <input checked="" type="checkbox"/></p>	<p><i>Achieved: Four articles published in the HDC news page, two articles in the Waihi Leader, one article in the Hauraki Herald, one article in Sunlive, and one in the Waikato Times.</i></p>
What we said we would do: we will deliver information, advice and initiatives to attract and develop tourism, investment, businesses and a skilled workforce to the Hauraki District.		
<p>Measure: The total tourism expenditure in the Hauraki District is being maintained or increasing, as measured by total tourism expenditure.</p>	<p>2018/19: <input checked="" type="checkbox"/></p>	<p>Achieved: Tourism expenditure was \$91m as at March 2019 and has increased by \$7.4 million since March 2018.</p>
<p>Target: Tourism expenditure is maintained or increasing on previous calendar years' result.</p>	<p>2017/18 2016/17</p>	<p><i>New measure.</i></p>
<p>** The 2019 customer satisfaction survey results have been adjusted to exclude 'don't know' responses. This was also undertaken for the previous 2017/18 Annual Report satisfaction measures.</p>		

What else happened in 2018/19?

Town Promotion Groups

In 2018/19 the Council reduced the funding provided to Positively Promoting the Plains, Positive Paeroa and Go Waihi by 25% in for a six-month contract term. After the six months, a review of the town promotion organisations was completed and it was decided that new agreements would be formed for a further 18 months (until June 2020). We will assess each organisation according to their progress against the review principles and their business plan in 2019/20; it will then be decided if another independent review is required.

Destination Coromandel

We continued our contribution of \$130,000 to Destination Coromandel who provide marketing coverage of the Hauraki District as the gateway to the Coromandel. Destination Coromandel is funded by Thames-Coromandel District Council, Hauraki District Council and businesses in the visitor industry. Its aim is to stimulate domestic and international tourism by showcasing the highlights of our District.

Welcome to the district signage

\$20,000 was allocated to replace the out of date 'welcome to the district' signage at the entrances to the district to reflect our new Council branding and colours. The project was completed in early 2018/19.

Facilitating growth

We have worked alongside others to recognise and develop opportunities for growth within the local business communities. We have done this in 2018/19 by:

- attending Business After 5 meetings and providing updates on economic development projects.
- providing support through the consenting process for a 35-unit retirement village, with a 35 room aged care centre and a day care centre in Ngatea. This project is expected to start construction in 2020.
- providing support through the consenting process for a 250-unit lifestyle village in Paeroa. Construction began with a blessing in May 2019. When finished, the proposed Longridge Country Estate, which takes its name from the ranges it overlooks, will have 250 units as well as a 60-bed aged care facility with rest home, hospital and dementia care. Resource consent has been granted for the first 68 units and further resource consents will be applied for as the development progresses. Overall, it's expected to take about five years before the key is turned on the front door of the very last unit.
- facilitating residential subdivision processes, including a 27 section subdivision in Waihi (which is now for sale), and a 46 section subdivision in Paeroa, and another 18 section subdivision.

Ngatea Northern Estate subdivision

We continued to develop our residential subdivision at Ngatea Northern Estate in 2018/19, with stage two and three progressing in 2018/19. Stage two of the subdivision is expected to be completed with titles issued towards the end of 2019 and will provide 15 residential sections for purchase on the Hauraki Plains. Stage three works are ongoing.

Regional Economic Development Agency

We provided \$20,000 funding in 2018/19 to Te Waka, the Waikato Region's economic development agency. Te Waka has been operating since 1 July 2018 and in that time has appointed a chief executive, and the positions of communications and marketing manager and strategic partnerships and projects manager have been resourced. The establishment of Te Waka will allow for the Waikato region to be represented as a group and is anticipated to increase the ability for projects within the Waikato region to receive funding from Central Government. In 2018/19 Te Waka business advisors have been available at no cost to:

- take a bird's eye view of business operations and suggest improvements
- help businesses access funding and grants
- provide access to business mentoring and support.

Evolve Hauraki

Evolve Hauraki is a collaboration between Te Waka, Hauraki District Council, Positive Paeroa, Positively Promoting the Plains and Go Waihi. It was established in 2018/19 to support and encourage Hauraki businesses to recognise and realise their potential. A series of 'Business Bites' meetings were held in 2018/19 providing a series of short business talks from experienced guest speakers over breakfast. It provided opportunities for Hauraki business owners to find out more about business support, grants, and mentoring provided by Te Waka.

Hauraki Park industrial subdivision

There are four sections remaining in the Council industrial subdivision in Kerepehi, with offers currently being reviewed for all four sections.

Digital enablement

We brought forward \$30,000 of the funds earmarked for our Digital Enablement Plan from 2021/22 to fund the Community Wireless Trust to provide wireless hotspots in our main streets and deliver wireless broadband to some areas of the District with limited internet connectivity. The funding will be used by the Trust to implement projects in our Digital Enablement Plan, including the installation of wireless hotspots to provide free WiFi in the town centres of Waihi, Paeroa and Ngatea. It will also be used to pay for repeater units to speed the delivery of wireless broadband to areas of the District with limited internet connectivity. An agreement has been formed with Waihi College to use the school's fibre connection to provide high speed wireless internet in Waihi. The Trust is also working with the Maratoto Valley community to set up a similar connection via Hikutaia School and hopes to expand into Paeroa and Ngatea in the near future.

The installation of fibre in Waihi was completed in 2018/19 by Chorus. Fibre is scheduled to be rolled out in Ngatea before the end of 2019 and in Paeroa, and Turua in April 2020.

Hauraki Coromandel Business Awards

The Hauraki Coromandel business awards were held in September 2018. Hauraki District Council was one of the sponsors and was also involved in the organisation of this successful event. A number of businesses from within the Hauraki District won their categories. The award ceremony is held every two years; the next is planned for late 2020.

Information centres and i-Site

We provided \$188,000 to our information centre in Paeroa and our i-Site in Waihi in 2018/19.

What didn't happen in 2018/19?

There were no projects planned that didn't happen in 2018/19.

Community initiatives

Through this activity we undertake a number of projects to help ensure that we have a positive climate that encourages social and cultural wellbeing throughout the District. We support a number of agencies with grants and funding. We also help to coordinate events such as the ANZAC parades and citizen awards.



Meeting our service targets

How we measure our performance ▼

		Result 2018/19 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
What we said we would do: that the Council will work towards achieving improved social outcomes for its community through the implementation of its Social Strategy.		
Measure: Each year a councillor working party will prioritise and update the actions contained within its Social Strategy action plan.	2018/19: <input checked="" type="checkbox"/>	Achieved: 100% of the actions identified in the Social Strategy have been progressed or completed.
Target: 90% of the actions identified within the Social Strategy for the given year have been progressed or completed.	2017/18 2016/17	<i>New measure in 2018/19.</i>

What else happened in 2018/19?

Grants

We provided a grant to the Historic Maritime Park of \$400,000 for future park development including wharf construction and the construction of a new community jetty at the end of Wharf Street in Paeroa. This is further explained under the community recreation activity.

We provided \$30,000 to the Treasury in Thames for services to our Hauraki communities through archiving and holding historical information relating to our district. The Treasury reports to the Council on a six monthly basis.

We provided a grant of \$15,000 in 2018/19 to Life Education Trust, a health based charity that educates and empowers children to make choices that enable them to live full and healthy lives.

Social strategy initiatives

The Social Strategy working party prioritised various Social Strategy Towards 2028 actions such as Promotion of EECA Healthy Homes, Violence and Abuse Free Healthy, and progress in Youth Engagement via Instagram and a web based portal. In 2018/19 social strategy initiative grants were provided to: Age Concern Thames (\$5,000), Hauraki Citizens Advice Bureau (\$10,000), and Creative Waikato Arts Navigator (\$2,000).

Sister cities – Jiading

The sister cities exchange sent 18 students and three teachers to Jiading, China in September 2018.

Hauraki Rail Trail

We provided \$159,420 funding for the maintenance and servicing of the Hauraki Rail Trail in 2018/19. A major maintenance focus for the Hauraki Rail Trail Charitable Trust (HRTCT) in 2018/19 has been the replacement of cattle stops.

HRTCT maintenance and operation was also funded by Matamata-Piako District Council and Thames-Coromandel District Council, as well as government grants of \$192,768. The Trust secured a further \$3.4 million for extensions from Te Aroha to Matamata (38 km), and Kaiawa to Miranda (10 km).

Award ceremonies

Award ceremonies were held for the citizens and young achievers of our community in October 2018 at the Paeroa War Memorial Hall. The citizens and young achiever awards recognise those who contribute a considerable amount of time and effort towards improving the wellbeing of our community. We presented one award for outstanding community service, eight community service awards and 15 young achiever awards.

Creative NZ Creative Community Scheme

We continued to administer the Creative Community Scheme on behalf of Creative New Zealand in two rounds – in September 2018 and in March 2019 and provided \$16,500 in funding to various organisations.

What didn't happen in 2018/19?

The provision of water tanks to Whiritoa for the access of a water supply for firefighting purposes was not completed in 2018/19 and has been carried over to 2019/20.

We didn't spend any of our conservation initiatives budget (\$37,000).

Regulatory services



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

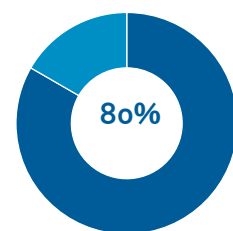
- appropriate land use management
- safe building development (including building consents)
- community health and safety (including food and alcohol safety, civil defence, animal control) and
- animal welfare.

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.



Achieving our service targets



The regulatory services group primarily contributes to the following community outcomes:



Interactive Hauraki



Sustainable Hauraki



Prepared Hauraki



Lifestyle Hauraki

What these activities cost and how they were paid for

Operating statement for regulatory services

	Actual 2019 \$000	Annual Plan 2019 \$000	Actual 2018 \$000
Expenditure			
Regulatory			
RMA Implementation	1,327	1,096	1,095
Building control			
Building services	1,413	1,423	1,371
Community protection			
Rural fires	14	5	62
Emergency management	257	321	453
Health	332	329	310
Abandoned mine workings monitoring	18	61	13
Liquor licensing	116	136	66
Ground settlement	0	0	67
Animal control			
Dog registration	325	328	287
Animal control	269	268	224
	4,071	3,967	3,948
Revenue			
Fees, charges and other revenue	2,029	1,719	1,611
External subsidies	0	0	0
Targeted rates	0	0	0
General rates	2,158	2,159	1,953
	4,187	3,878	3,564
Operating Surplus / (Deficit)	116	(89)	(384)

Hauraki District Council: Funding impact statement for the year ended 30 June 2019 for regulatory services

	Long-Term Plan 2018 \$000	Long-Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	1,860	2,158	2158
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,543	1,719	1997
Internal charges and overheads recovered	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	33
Total operating funding (A)	3,403	3,877	4,187
Applications of operating funding			
Payments to staff and suppliers	880	887	885
Finance costs	0	0	0
Internal charges and overheads applied	2,781	3,071	3,183
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,661	3,958	4,068
Surplus / (deficit) of operating funding (A - B)	(258)	(81)	119
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	(258)	(81)	119
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	(258)	(81)	119
Surplus / (deficit) of capital funding (C - D)	258	81	(119)
Funding balance ((A - B) + (C - D))	0	0	0

Resource management implementation

The resource management implementation service includes processing applications that are subject to District Plan or other regulatory legislative requirements. That includes applications for subdivision consent, land use consent, certificates of compliance, outline plans, notices of requirement, and other planning approvals or information. We also monitor that customers are adhering to consent conditions, as well as provides technical advice on mining matters.



Meeting our service targets

How we measure our performance ▼	Result 2018/19 ▼	
	Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
What we said we would do: resource consents to be decided and issued within Resource Management Act 1991 timeframes.		
<p>Measure: Notified resource consent decisions issued within statutory timeframes, as measured by the resource consent database.</p> <p>Target: 100% of decisions issued within statutory timeframes.</p>	<p>2018/19: <input checked="" type="checkbox"/></p> <p>2017/18: <input checked="" type="checkbox"/></p> <p>2016/17: <input checked="" type="checkbox"/></p>	<p>Achieved: 100% (1/1) notified resource consents have reached decision stage.</p> <p><i>Achieved: 100% processed within timeframes.</i></p> <p><i>Achieved: 100% processed within timeframes.</i></p>
<p>Measure: Non-notified resource consent decisions are issued within statutory timeframes, as measured by the resource consent database.</p> <p>Target: 100% of decisions issued within statutory timeframes.</p>	<p>2018/19: <input checked="" type="checkbox"/></p> <p>2017/18: <input checked="" type="checkbox"/></p> <p>2016/17: <input checked="" type="checkbox"/></p>	<p>Achieved: 100% (142/142) of non-notified resource consent decisions have been issued within statutory timeframes.</p> <p><i>Not achieved: 98% processed within timeframes. One subdivision consent was not issued within statutory timeframes in the third quarter and one non-notified landuse consent went over the timeframes as it was a complex mine application waiting for an Independent Commissioner to sign off on it. The other consent was processed by a consultant and due to an administrative error we did not receive the affected parties consent for the application in time.</i></p> <p><i>Not achieved: 95% of non-notified subdivision, 99% of non-notified landuse applications and 100% of combined subdivision and landuse consents were issued within timeframes.</i></p>
<p>Measure: Permitted boundary activity certificates are issued within statutory timeframes, as measured by the resource consent database.</p>	<p>2018/19: <input checked="" type="checkbox"/></p>	<p>Achieved: 100% (31/31) of permitted boundary activity certificates have been issued within statutory timeframes.</p>

How we measure our performance ▼

		Result 2018/19 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
Target: 100% of decisions issued within statutory timeframes.	2017/18 2016/17	<i>New measure in 2018/19.</i>
What we said we would do: a monitoring service which ensures compliance with consent conditions.		
Measure: All land use consents issued during the previous financial year are monitored within 12 months of being granted, as measured by the resource consent database.	2018/19: <input checked="" type="checkbox"/>	Achieved: 88% (99/113) of land use consents issued during 2017/18 have been monitored within 12 months of being granted.
Target: 80% of consents granted in the previous financial year are monitored within the next 12 months.	2017/18: <input type="checkbox"/>	<i>Not achieved: 82% of applicable resource consents were monitored in the year.</i>
	2016/17: <input type="checkbox"/>	<i>Not achieved: 78% of new land use consents were monitored within 12 months of being granted.</i>
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.	2018/19: <input checked="" type="checkbox"/>	Achieved: 100% (305/305) of non-urgent LIMs have been issued within 10 working days.
Target: 100% issued on time.	2017/18: <input type="checkbox"/>	<i>Not achieved: 98% (232/236) of non-urgent LIMs were issued within 10 days.</i>
	2016/17: <input checked="" type="checkbox"/>	<i>Achieved: 100% (333/333) of non-urgent LIMs were issued within 10 days.</i>
Measure: Urgent LIMs are issued within 3 working days, as measured by the applications database. <i>Note only urgent LIMs with an electronic address will be issued within 3 days.</i>	2018/19: <input checked="" type="checkbox"/>	Achieved: 100% (146/146) of urgent LIMs have been issued within 3 working days.
Target: 100% issued on time	2017/18: <input checked="" type="checkbox"/>	<i>Achieved: 100% (150/150) of urgent LIMs were issued within 3 days.</i>
	2016/17: <input type="checkbox"/>	<i>Not achieved: 99% (169/170) of urgent LIMs were issued within 3 days</i>
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.	2018/19: <input checked="" type="checkbox"/>	Achieved: The 2019 satisfaction survey showed that 85%** of residents were satisfied with the service they received during the resource consent process.
Target: ≥75% of customers satisfied.	2017/18: <input type="checkbox"/>	<i>Not achieved: 2018 survey: 78% satisfied. Nb the target in 2018 was 80%</i>
	2016/17: <input type="checkbox"/>	<i>Not achieved: 2017 survey: 74% satisfied. Nb the target in 2017 was 80%</i>
** The 2019 customer satisfaction survey results have been adjusted to exclude 'don't know' responses. This was also undertaken for the previous 2017/18 Annual Report satisfaction measures.		

What else happened in 2018/19?

Major consents

Council has been involved in progressing a number of major consents including the application for a Kaimai wind farm. The application which is being jointly processed by Waikato Regional Council and Hauraki District Council covers the proposed construction of 24 large scale wind turbines over 1304 hectares near Rotokohu Road, Paeroa.

Plan Change 1

Plan change 1 was progressed for most of 2018/19. The purpose of the plan change was to remove impediments to affordable residential development and to provide for affordable housing options in a sustainable manner. Council approved changes to the District Plan in August 2019 and these are now operative.

Mining in Waihi

Mining continued as consented in the Correnso and Slevin (SUPA) underground mines located in the east of Waihi. Work also continued on the Martha Drill Drives Project – two exploration tunnels under the South wall of Martha Pit with the 920 drill drive 'breakthrough' into the Pit being achieved in February 2019. Martha Pit remained closed during the year.

In May 2018 Oceana Gold applied for resource consents from the Hauraki District Council and Waikato Regional Council for 'Project Martha' – to undertake a cutback of the north wall of Martha Pit (to remediate the north wall and re-instate the pit haul road) and to continue underground mining activity in a new location (primarily under the Martha Pit and also within the Rex vein between Mueller and Gilmour streets). The resource consent applications were publicly notified (at the applicant's request) and a hearing by three independent commissioners was held in mid-November 2018. The Hearings Panel decision, granting the consents with an extensive set of conditions, was released on 13 December 2018 and by the close of the Environment Court appeal period (in February 2019) no appeals had been received.

Over the months from March to June 2019 a number of management plans (e.g. noise, vibration, landscape, underground void, pit slope management, dewatering and settlement, etc.) were prepared for the review and certification of the respective councils and by the end of June 2019 mining activities within Project Martha were close to commencing.

What didn't happen in 2018/19?

We investigated an E Plan and started working with a supplier. But our testing indicated that the product wouldn't provide the search capability we were looking for. This will be further progressed in 2019/20.

Building control

We implement building regulations to ensure our buildings are healthy and safe. This includes assessing building consent applications and monitoring compliance.



Meeting our service targets

How we measure our performance ▼	Result 2018/19 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
What we said we would do: building consent applications to be processed within the statutory timeframes of the Building Act 2004.		
<p>Measure: Building consent applications are processed within 20 working days, as measured by the Building Consent Tracking Database.</p> <p>Target: 100% are issued within 20 working days of receiving the application, providing the application is complete.</p>	<p>2018/19:</p> <input checked="" type="checkbox"/>	<p>Not achieved: 97% (380/393) of building consent applications have been processed within 20 working days.</p>
	<p>2017/18:</p> <input checked="" type="checkbox"/>	<p><i>Not achieved: 99% processed within 20 working days.</i></p>
	<p>2016/17:</p> <input checked="" type="checkbox"/>	<p><i>Not achieved: 99% processed within 20 working days.</i></p>
What we said we would do: ensure that known privately owned swimming pools comply with the Building Act, 2004.		
<p>Measure: All private swimming pools on Council's pools register will be inspected at least every three years.</p> <p>Target: 33% (134) of all pools to be inspected annually.</p>	<p>2018/19:</p> <input checked="" type="checkbox"/>	<p>Not achieved: 96% (130/134) of pools were inspected. The four other pools/premises were unable to be visited due to being locked up and unable to contact the owners.</p>
	<p>2017/18:</p> <input type="checkbox"/>	<p>Information to specifically address is not available</p>
	<p>2016/17:</p> <input type="checkbox"/>	<p>Information not available.</p>
What we said we would do: provide a satisfactory service to our building consent customers.		
<p>Measure: Percentage of customers satisfied with the service they receive during the building consent process, as measured by the customer satisfaction survey.</p> <p>Target: >75% of customers satisfied.</p>	<p>2018/19:</p> <input checked="" type="checkbox"/>	<p>Not achieved: The 2019 satisfaction survey showed that 67%** of residents were satisfied with the service they received during the building consent process.</p>
	<p>2017/18:</p> <input checked="" type="checkbox"/>	<p><i>Not achieved: 2018 survey: 66% satisfied.</i></p>
	<p>2016/17:</p> <input checked="" type="checkbox"/>	<p><i>Not achieved: 2017 survey: 68% satisfied.</i></p>
<p>** The 2019 customer satisfaction survey results have been adjusted to exclude 'don't know' responses. This was also undertaken for the previous 2017/18 Annual Report satisfaction measures.</p>		

What else happened in 2018/19?

Building consent process online

Significant focus has been placed on making the building consent process available online in 2018/19. As of September 2019, tenders were being sought and it is expected implementation to make building consent processes available online will begin within 2019/20.

Building Control Authority

Preparations took place in 2018/19 for the two yearly Building Control Authority audit which took place in July 2019. Council has been determined as a low risk Council and the next audit will take place in 2021.

Earthquake prone buildings legislation

The earthquake prone buildings legislation commenced 1 July 2017. We have begun the process of identifying both private and non-private potentially earthquake prone buildings within the District. Part of this identification process involves identifying priority transport routes for civil defence emergencies. This work is expected to be undertaken within 2019/20.

The Waikato Building Group

We continue to work collaboratively as part of the Waikato Building Group to provide consistency across Waikato councils for the processing of building consent applications and moving towards online consenting in the future.

What didn't happen in 2018/19?

There were no planned projects that didn't happen in 2018/19.

Community protection

We provide services to protect our communities from health and safety issues including preparing for and responding to civil defence emergencies. Additionally, we ensure adequate liquor licensing controls are in place, control the density of gambling venues and legal high retailers, and ensure the safety of public places (including eating areas and pools). We support this role with our monitoring and enforcement functions in a number of areas.



Meeting our service targets

How we measure our performance ▼		Result 2018/19 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
What we said we would do: Council and the community will be ready for a Civil Defence emergency		
Measure: Community response and recovery plans are developed and maintained as measured by reports to the Council.	2018/19: <input checked="" type="checkbox"/>	Achieved: Five community response plans have been developed or maintained.
Target: Four community response plans are developed and maintained each year.	2017/18 2016/17	<i>New measure in 2018/19.</i>
Measure: We will have a sufficient number of key management civil defence emergency positions filled by trained staff, as measured by staff training records.	2018/19: <input checked="" type="checkbox"/>	Achieved: 100% (9/9) of key management civil defence emergency positions filled by trained staff.
Target: 90% positions filled by trained staff.	2017/18 2016/17	<i>New measure in 2018/19.</i>
What we said we would do: carry out our role in public food safety by enforcing the Food Act 2014		
Measure: All known food premises are monitored for compliance with relevant legislation as measured by the food premises database.	2018/19: <input checked="" type="checkbox"/>	Achieved: 100% (112/112) of food premises required to be monitored were monitored.
Target: 100% of all food premises are assessed annually.	2017/18: <input checked="" type="checkbox"/>	<i>Achieved: 100% of food premises were monitored.</i>
	2016/17: <input checked="" type="checkbox"/>	<i>Achieved: 100% of food premises were monitored.</i>
What we said we would do: carry out our 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.	2018/19: <input checked="" type="checkbox"/>	Achieved: 100% (30/30) of On/Off/Club liquor licences have been issued within three months.
Target: 100% are issued within three months	2017/18: <input checked="" type="checkbox"/>	<i>Achieved: 100% issued within timeframe.</i>
	2016/17: <input checked="" type="checkbox"/>	<i>Achieved: 100% issued within timeframe.</i>
What we said we would do: respond to excessive noise complaints		
Measure: All complaints regarding excessive noise are investigated within two hours of the complaint being received, as measured by contractor's monthly report (from service request database).	2018/19: <input checked="" type="checkbox"/>	Achieved: 100% (200/200) of complaints regarding excessive noise have been investigated within two hours.

How we measure our performance ▼

Target: 100% investigated within two hours.

Result 2018/19 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
2017/18: <input checked="" type="checkbox"/>	<i>Achieved: 100% of complaints investigated within timeframe.</i>
2016/17: <input checked="" type="checkbox"/>	<i>Achieved: 100% of complaints investigated within timeframe.</i>

What else happened in 2018/19?

Emergency management

In July 2018 we reviewed our approach to civil defence emergencies. This has resulted in an improvement programme being implemented for emergency management across all civil defence areas of reduction, readiness, response and recovery.

Five community response plans have been developed and maintained for the towns of Kaiawa, Whiritoa, Turua, Waitakaruru, and Kerepehi in 2018/19. Champions have been identified for four of these communities.

Food safety

The Food Grading Bylaw 2019 was reviewed during the year. It is expected that in the next few years a national food grading system will be introduced, however until then we have made changes to our food grades. We removed parts of the bylaw that were no longer required as they are covered by the Food Act 2014, and refined our grading system. The new grading system includes new look certificates and the introduction of an A+ to showcase outstanding food hygiene.

Our Environmental Health Officers have worked with the food businesses to ensure they had transitioned to the new Food Act 2014 licensing requirements by the required date of February 2019.

Hazard monitoring

We continued to monitor hazard zones in Waihi associated with old underground mines and stopes in 2018/19.

Nuisance Bylaw review

The bylaw relating to nuisance on private property and in public places, and keeping of animals (excluding dogs) and bees (known as the Nuisance Bylaw) was reviewed in 2018/19. The review included new provisions for gaining permission to keep bees, pigs and poultry in certain areas, and some new fees for applications have been implemented.

Alcohol licensing

Licensing staff have been collaborating with the NZ Police in 2018/19 to discuss issues relating to liquor licensing and improve communication and consistency in operation of licensing monitoring.

What didn't happen in 2018/19?

Due to competing priorities we were unable to progress some items, and these will be carried over to 2019/20:

- our emergency management strategic recovery plans.
- providing generator points at both the Whiritoa Emergency Centre and Whiritoa Life Saving Club.

Animal control

We play a role in protecting public safety from nuisance animal behaviours as well as promoting animal control. We register dogs, provide education about safety around dogs and control dangerous, nuisance and wandering dogs and stock.



Meeting our service targets

How we measure our performance ▼	Result 2018/19 ▼	
	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 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	2018/19: <input checked="" type="checkbox"/>	Achieved: 100% of known dogs in the district are registered.
	2017/18: <input checked="" type="checkbox"/>	<i>Achieved: 100% registered</i>
	2016/17: <input checked="" type="checkbox"/>	<i>Achieved: 100% registered</i>
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.	2018/19: <input checked="" type="checkbox"/>	Achieved: 100% (43/43) of complaints about wandering stock on public roads have been responded to within two hours.
	2017/18: <input checked="" type="checkbox"/>	<i>Achieved: 100% of complaints were responded to within timeframe.</i>
	2016/17: <input checked="" type="checkbox"/>	<i>Achieved: 100% of complaints were responded to within timeframe.</i>
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	2018/19: <input checked="" type="checkbox"/>	Achieved: 100% (37/37) of dog attack complaints have been responded to within two hours.
	2017/18: <input checked="" type="checkbox"/>	<i>100% responded to within two hours.</i>
	2016/17: <input checked="" type="checkbox"/>	<i>100% responded to within two hours.</i>

What else happened in 2018/19?

We made improvements to our dog control communications in 2018/19, including updating our brochures and implementing a text message reminder for dog registrations. Other than that, our animal control activity was business as usual.

What didn't happen in 2018/19?

There was nothing programmed for 2018/19 that didn't happen.

Financial statements



[Statement of Comprehensive Revenue and Expense for the year ended 30 June 2019](#)

[Statement of Financial Position as at 30 June 2019](#)

[Statement of Changes in Equity for the year ended 30 June 2019](#)

[Statement of Cashflows for the year ended 30 June 2019](#)

[Whole of Council Funding Impact Statement for the year ended 30 June 2019](#)

[Notes to the Financial Statements for the year ended 30 June 2019](#)

Hauraki District Council - Statement of comprehensive revenue and expense

For the year ended 30 June 2019

		2019 Budget	2019 Actual	2018 Actual
	Notes	\$000's	\$000's	\$000's
Revenue				
Rates revenue	3	28,960	29,775	27,909
Fees and charges	3	2,844	3,015	2,799
Development and financial contributions		0	9	244
Subsidies and grants	3	3,985	4,134	4,929
Interest revenue	3	0	311	39
Other revenue	3	513	1,920	2,505
Total revenue		36,301	39,164	38,426
Expenses				
Personnel costs	4	12,131	13,194	12,651
Depreciation and amortisation expense	17	8,173	8,534	8,514
Finance costs	5	2,057	1,508	2,083
Other expenses	6	15,418	16,471	15,340
Total expenses		37,779	39,708	38,588
Share of associates surplus/(deficit)	13	0	0	27
Share of joint venture surplus/(deficit)	14	0	(69)	(14)
Surplus/(deficit) before tax		(1,478)	(612)	(149)
Income tax expense		0	0	0
Surplus/(deficit) after tax		(1,478)	(612)	(149)
Other comprehensive revenue and expense				
Gain on property, plant and equipment revaluations	15	1,779	20,104	8,284
Gain/(loss) on financial assets revaluations	12	0	54	0
Total other comprehensive revenue and expense		1,779	20,158	8,284
Total comprehensive revenue and expense		301	19,546	8,135

The notes to the financial statements form part of these financial statements. Explanations of major variances against budget are provided in Note 29.

Hauraki District Council - Statement of financial position

As at 30 June 2019

	Notes	2019 Budget \$000's	2019 Actual \$000's	2018 Actual \$000's
Current assets				
Cash and cash equivalents	7	582	5,475	5,422
Receivables	8	8,646	8,568	7,996
Assets held for sale	10	0	1,332	0
Other financial assets	12	127	87	484
Inventory	9	192	306	344
Total current assets		9,547	15,768	14,247
Non-current assets				
Investments in joint ventures	14	83	0	68
Investments in associates	13	11	0	38
<i>Other financial assets:</i>				
Prepayments	12	0	0	24
Community loans	12	0	5	22
Investments in other entities	12	792	101	58
Investments in CCOs and similar entities	12	164	645	539
Total other financial assets		956	752	642
Intangible assets	16	839	568	699
Forestry assets	18	1,558	1,311	1,775
Property, plant and equipment	15	555,864	577,039	554,660
Total non-current assets		559,311	579,669	557,883
Total assets		568,858	595,437	572,129
Current liabilities				
Payables and deferred revenue	19	5,263	9,194	6,841
Derivative financial instruments	11	0	759	8
Employee entitlements	21	1,853	1,962	2,028
Provisions	22	0	340	93
Borrowings	20	0	5,000	11,000
Total current liabilities		7,116	17,255	19,970
Non-current liabilities				
Derivative financial instruments	12	0	2,808	2,031
Employee entitlements	21	376	286	364
Provisions	22	185	202	425
Borrowings	20	46,625	33,000	27,000
Total non-current liabilities		47,186	36,296	29,819
Total liabilities		54,302	53,551	49,789
Net assets (assets minus liabilities)		514,556	541,886	522,340

The notes to the financial statements form part of these financial statements. Explanations of major variances against budget are provided in Note 29.

Hauraki District Council - Statement of financial position

As at 30 June 2019

		2019 Budget	2019 Actual	2018 Actual
	Notes	\$000's	\$000's	\$000's
Equity				
Accumulated funds		410,079	411,099	411,605
Reserves	25	104,477	130,787	110,735
Total equity		514,556	541,886	522,340

Hauraki District Council - Statement of Changes in Equity

For the year ended 30 June 2019

		2019 Budget	2019 Actual	2018 Actual
	Notes	\$000's	\$000's	\$000's
Balance at 1 July		514,256	522,340	514,205
Total comprehensive revenue and expense for the year		301	19,546	8,135
Balance at 30 June	25	514,556	541,886	522,340
Total equity consists of:				
Accumulated funds				
As at 1 July		411,700	411,605	411,625
Transfers from other reserves		(0)	(262)	328
Transfers to other reserves		(143)	368	(199)
Surplus/(deficit) for the year		(1,478)	(612)	(149)
As at 30 June		410,079	411,099	411,605
Other Reserves				
As at 1 July		2,897	2,765	2,894
Transfers to Accumulated Funds		(56)	262	(328)
Transfers from Accumulated Funds		199	(368)	199
As at 30 June	25	3,040	2,658	2,765
Asset Revaluation Reserves				
As at 1 July		99,658	107,970	99,686
Revaluation gains/(losses)		1,779	20,104	8,284
As at 30 June	25	101,437	128,074	107,970
Fair value through other comprehensive income and expense reserve				
As at 1 July		0	0	0
Net change in fair value	12	0	54	0
As at 30 June		0	54	0
Total equity as at 30 June		514,556	541,886	522,340

The notes to the financial statements form part of these financial statements. Explanations of major variances against budget are provided in Note 29

Hauraki District Council - Statement of cashflows

For the year ended 30 June 2019

	2019 Budget \$000's	2019 Actual \$000's	2018 Actual \$000's
Cash flows from operating activities			
Receipts from rates revenue	28,787	29,118	28,878
Receipts from other revenue	7,341	10,726	9,726
Interest received	0	259	39
Dividends received	0	5	6
GST (net)	0	445	325
Payments to suppliers and employees	(27,670)	(27,704)	(26,521)
Interest paid	(2,057)	(1,419)	(1,992)
Net cash flow from operating activities	6,401	11,430	10,461
Cash flows from investing activities			
Advance payments received	0	50	308
Receipts from sale of property, plant and equipment	0	563	414
Advance payments made	0	0	(57)
Purchase of property, plant and equipment	(11,662)	(11,910)	(10,088)
Purchase of intangible assets	(100)	(80)	(76)
Net cash flow from investing activities	(11,762)	(11,377)	(9,499)
Cash flows from financing activities			
Proceeds from borrowings	5,483	0	0
Repayment of finance lease liabilities	0	0	(3)
Repayment of borrowings	0	0	(3,000)
Net cash flow from financing activities	5,483	0	(3,003)
Net increase/(decrease) in cash and cash equivalents	122	53	(2,041)
Cash and cash equivalents at the start of the year	460	5,422	7,463
Cash and cash equivalents at the end of the year	582	5,475	5,422

Hauraki District Council - Statement of cashflows

For the year ended 30 June 2019

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

	2019	2018
	Actual	Actual
	\$000's	\$000's
Surplus/(deficit) after tax	(612)	(149)
Add/(less) non-cash items		
Vested assets	(565)	(225)
Amortisation	211	216
Depreciation	8,323	8,298
(Gains)/losses in fair value of forestry assets	464	(378)
Net (gains)/losses on interest rate swaps	1,529	205
Net (gains)/losses on fair value of spare parts	38	296
Total non-cash items	10,000	8,412
Add/(less) movements in working capital items		
Increase/(decrease) in payables	2,352	1,646
Increase/(decrease) in provisions	107	(421)
Increase/(decrease) in employee entitlements	(144)	199
(Increase)/decrease in receivables	(363)	224
Net movement in working capital items	1,952	1,648
Add/(less) items classified as investing activities		
(Gains)/losses on sale of property, plant and equipment	(17)	562
(Gain)/loss due to change in accounting treatment of associate	38	0
Share of joint venture's (surplus)/deficit	69	(12)
Total items classified as investing activities	90	550
Net cash inflow/(outflow) from operating activities	11,430	10,461

Hauraki District Council - Funding Impact Statement

For the year ended 30 June 2019 (whole of council)

	Annual Plan 2018 \$000	Actual 2018 \$000	Annual Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding				
General rates, uniform annual general charges, rate penalties	9,349	9,640	10,268	10,535
Targeted rates	17,681	18,675	18,692	19,239
Subsidies and grants for operating purposes	2,176	2,948	2,381	2,423
Fees and charges	2,449	2,549	2,693	3,015
Interest and dividends from investments	0	44	0	369
Local Authorities fuel tax, fines, infringement fees, and other receipts	448	1,588	382	1,079
Total operating funding (A)	32,103	35,444	34,415	36,660
Applications of operating funding				
Payments to staff and suppliers	24,645	27,241	27,554	27,469
Finance costs	1,736	2,005	2,057	1,508
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	26,381	29,246	29,611	28,976
Surplus / (deficit) of operating funding (A - B)	5,722	6,198	4,804	7,684
Sources of capital funding				
Subsidies and grants for capital expenditure	1,401	2,073	1,604	1,711
Development and financial contributions	0	244	0	9
Increase (decrease) in debt	4,500	(3,000)	5,483	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total Sources of capital funding (C)	5,901	(683)	7,087	1,720
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	1,773	150	1,039
- to improve the level of service	6,728	3,129	3,304	6,902
- to replace existing assets	7,127	5,470	8,308	3,704
Increase (decrease) in reserves	(2,232)	(4,857)	128	(2,241)
Increase (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	11,624	5,515	11,890	9,404
Surplus / (deficit) of capital funding (C - D)	(5,722)	(6,198)	(4,804)	(7,684)
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 29.

Notes to the financial statements for the year ended 30 June 2019

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 2019 and were authorised for issue by Council on 30 October 2019.

Basis of preparation

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

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

There have been no other changes in accounting policies.

Standards issued and 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:

Interests in other entities

In January 2017, the External Reporting Board (XRB) issued new standards for interests in other entities (PBE IPSAS 34-38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6-8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council has not yet assessed the effects of these new standards.

Employee benefits

In May 2017, the XRB issued PBE IPSAS 39, Employee Benefits. PBE IPSAS 39, replaces PBE IPSAS 25 Employee Benefits. PBE IPSAS 39 is effective for annual periods beginning on or after 1 January 2019, with early application permitted.

Notes to the financial statements for the year ended 30 June 2019

Note 1 – Statement of accounting policies

The Council plans to apply the new standard in preparing the 30 June 2020 financial statements. The Council has not yet assessed the effects of this new standard.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9, Financial Instruments. PBE IFRS 9, replaces PBE IPSAS 29, Financial Instruments: Recognition and Measurement. PBE IPSAS 9, is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9, 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 losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council has not yet assessed the effects of the new standard.

Service performance reporting

In November 2017, the XRB issued PBE FRS 48, Service Performance Reporting. PBE FRS 48 is effective for annual periods beginning on or after 1 January 2021, with early application permitted.

The Council plans to apply the new standard in preparing the 30 June 2022 financial statements. The Council has not yet assessed the effects of this new standard.

2018 Omnibus Amendments

In November 2018, the External Reporting Board (XRB) issued the 2018 Omnibus Amendments to PBE Standards, which incorporates a range of amendments to the PBE Standards. This standard was issued to amend relevant Tier 1 and Tier 2 PBE Standards as a result of amendments arising from Improvements to IPSAS, 2018, amendments arising from IASB and other New Zealand amendments and editorial corrections.

Most amendments are effective for annual financial statements covering periods beginning on or after 1 January 2019, with early adoption permitted. There are exceptions:

- The amendments to PBE IPSAS 2, Cash Flow Statements, are effective for annual financial statements covering periods beginning on or after 1 January 2021, with early adoption permitted.
- Some of the amendments are to be applied retrospectively, while others are to be applied prospectively.

The Council plans to apply these amendments to the various standards in preparing its 30 June 2020 financial statements, with the exception to PBE IPSAS 2, Cash Flow Statements, which it will apply when preparing its 30 June 2022 financial statements. The Council has not yet assessed the effects of the new standard.

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.

Notes to the financial statements for the year ended 30 June 2019

Note 1 – Statement of accounting policies

Budget figures

The budget figures are those approved by the Council in its 2018-28 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 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 15.
- Estimating the retirement and long service leave obligations – see Note 21.
- Estimating the landfill aftercare provision – see Note 22.

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 15.

Notes to the financial statements for the year ended 30 June 2019

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 above.

	2019 Actual \$000's	2019 Budget \$000's	2018 Actual \$000's
Revenue			
Leadership	2,694	2,417	2,824
Roading	8,891	8,512	9,445
Water	6,642	6,591	6,908
Wastewater	3,972	3,805	3,787
Stormwater	1,129	992	831
Land drainage	1,141	1,127	1,142
Solidwaste	644	638	508
Community services	6,219	6,214	5,633
Community development	2,357	2,354	2,033
Regulatory	4,187	3,878	3,565
Activity revenue	37,876	36,528	36,676
Revenue not directly attributable to an activity			
Gain on revaluation of forestry	0	0	333
Gain on disposal of assets	218	0	0
Other revenue	1,622	394	1,973
<i>Less internal rates revenue</i>	<i>(552)</i>	<i>(621)</i>	<i>(556)</i>
Total revenue	39,164	36,301	38,426

Notes to the financial statements for the year ended 30 June 2019

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

	2019 Actual \$000's	2019 Budget \$000s	2018 Actual \$000's
Expenditure			
Leadership	3,005	3,243	2,723
Roading	8,339	8,363	9,684
Water	6,432	6,975	6,570
Wastewater	2,982	3,259	2,882
Stormwater	866	821	839
Land drainage	1,272	1,040	1,271
Solidwaste	852	666	128
Community services	6,445	6,378	6,498
Community development	2,341	2,563	2,569
Regulatory	4,071	3,967	3,948
Activity expenditure	36,605	37,275	37,112
Expenditure not directly attributable to an activity			
Loss on revaluation of forestry	464	0	0
Loss on revaluation of interest rate swaps	1,529	0	205
Impairment of inventory	24	0	23
Loss on disposal of assets	200	0	517
Other expenditure	1,438	1,125	1,288
<i>Less internal rates expenditure</i>	<i>(552)</i>	<i>(621)</i>	<i>(557)</i>
Total expenditure	39,708	37,779	38,588

Notes to the financial statements for the year ended 30 June 2019

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 such time as 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 2019

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 2019

Note 3 - Revenue

Breakdown of rates and further information

	2019	2018
	Actual	Actual
	\$000's	\$000's
General rates	5,209	4,637
Uniform annual general charge	5,187	5,002
Targeted rates attributable to activities:		
- Targeted rates for metered water supply	6,626	6,903
- Other targeted rates	12,809	11,773
Rates income	29,831	28,315
Rates penalties	423	371
Rates remissions	(479)	(777)
Total rates	29,775	27,909

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

As at 30 June	2018
Number of rating units	11,322
Total capital values of rating units	6,091,249,900
Total land value of rating units	3,988,727,800

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 2019 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	2019	2018
	Actual	Actual
	\$000's	\$000's
Rates	29,831	28,315
Total gross annual rates income	29,831	28,315

Breakdown of subsidies and grants

	2019	2018
	Actual	Actual
	\$000's	\$000's
New Zealand Transport Agency roading subsidies	4,047	4,830
Other grants	87	99
Total subsidies and grants	4,134	4,929

Notes to the financial statements for the year ended 30 June 2019

Note 3 - Revenue

Breakdown of fees and charges

	2019 Actual \$000's	2018 Actual \$000's
Building and resource consent charges	1,448	1,050
Land information memoranda sales	101	99
Other fees and charges	1,466	1,651
Total fees and charges	3,015	2,799

Breakdown of interest revenue

	2019 Actual \$000's	2018 Actual \$000's
Interest revenue		
Term deposits	259	0
Borrower notes interest revenue	52	39
Discount unwind on provisions	0	0
Total interest revenue	311	39

Breakdown of other revenue

	2019 Actual \$000's	2018 Actual \$000's
Petrol tax	201	193
Court fees and fines	42	0
Vested land and infrastructure from property development	565	225
Forestry asset revaluation gains	0	378
Property, plant and equipment gains on disposal	218	16
Dividend revenue	58	6
Other	836	1,688
Total other revenue	1,920	2,505

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. 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.

Notes to the financial statements for the year ended 30 June 2019

Note 3 - Revenue

	2019 Actual \$000's	2018 Actual \$000's
Revenue from non-exchange transactions		
Rates	23,149	21,007
Total revenue from rates	23,149	21,007
Revenue from transfers:		
Subsidies and grants	4,134	4,929
Building and resource consent charges	1,448	1,050
Land information memoranda sales	101	99
Other fees and charges	747	960
Petrol tax	201	193
Vested assets	565	225
Financial contributions	9	244
Court fees and fines	42	0
Total revenue from transfers	7,247	7,700
Total revenue from non-exchange transactions	30,395	28,706
Revenue from exchange transactions:		
Water by meter (targeted rate)	6,626	6,903
Finance revenue	311	39
Dividends received	58	6
Other exchange revenue	1,555	2,379
Total revenue from exchange transactions	8,551	9,326
Total revenue (excluding other gains)	38,946	38,032
Gain on disposal of PPE	218	16
Gain on revaluation of forestry	0	378
Total revenue	39,164	38,426

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:

	2019 Actual \$000's	2018 Actual \$000's
Operating leases as lessor		
Not later than one year	187	173
Later than one year and not later than five years	574	114
Later than five years	1,472	71
Total non-cancellable operating leases	2,233	357

No contingent rents have been recognised during the year.

Notes to the financial statements for the year ended 30 June 2019

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 26.

Breakdown of personnel costs and further information

	2019 Actual \$000's	2018 Actual \$000's
Salaries and wages	12,999	12,149
Employer contributions to defined contribution plans	340	303
Increase/(decrease) in employee entitlements	(145)	199
Total personnel costs	13,194	12,651

Chief Executive remuneration

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$303,199 (2018: \$299,000).

Elected representatives' remuneration

Elected representatives received the following remuneration:

	2019 Actual \$000's	2018 Actual \$000's
Elected representatives received the following remuneration:		
Mr Toby Adams	41	39
Mrs Gill Leonard	30	29
Mr Max McLean	31	29
Mr Paul Milner	31	29
Mr Don Swales	22	21
Mr James Thorp	22	21
Mr John Tregidga (Mayor)	98	91

Notes to the financial statements for the year ended 30 June 2019

Note 4 – Personnel costs

	2019 Actual \$000's	2018 Actual \$000's
Mr Phillip Buckthorp	22	21
Mrs Carole Daley	22	21
Mr Ross Harris	22	21
Mr Austin Rattray	22	21
Mr Duncan Smeaton	22	21
Mrs Anne Marie Spicer	23	21
Total elected representatives remuneration	410	386

Council employee remuneration by band

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

	2019 Actual	2018 Actual
Total annual remuneration by band for employees		
< \$60,000	84	68
\$60,000-\$79,999	44	41
\$80,000-\$99,999	26	27
\$100,000-\$119,999	11	10
\$120,000-\$139,999	9	9
\$140,000-\$304,999	8	7
Total employees	182	162

At balance date, the Council employed 129 (2018: 119) full-time employees, with the balance of staff representing 27 (2018: 20) full-time equivalent employees.

A full-time employee is determined on the basis of a 37.5-hour working week.

Severance payments

For the year ended 30 June 2019, the Council made one (2018: 0) severance payment to an employee totalling \$10,000 (2018: \$0).

Notes to the financial statements for the year ended 30 June 2019

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

	2019 Actual \$000's	2018 Actual \$000's
Interest expense		
Interest on borrowings	1,469	2,005
Discount unwind on provisions	40	78
Net finance costs	1,508	2,083

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

	2019 Actual \$000's	2018 Actual \$000's
Fees to auditors:		
fees to Audit New Zealand for audit of financial statements	132	122
- fees to Audit New Zealand for other services	6	4
- fees to Audit New Zealand for Long Term Plan	0	74
General grants and donations	577	947
Operating lease expense	210	219

Notes to the financial statements for the year ended 30 June 2019

Note 6 – Other expenses

	2019 Actual \$000's	2018 Actual \$000's
Other expenses continued		
Impairment of spare parts for obsolescence	24	24
Impairment of receivables	84	(207)
Loss on disposal of property, plant and equipment	201	517
Derivative financial instruments revaluation losses	1,529	205
Forestry asset revaluation losses	464	0
Other operating expenses	13,243	13,436
Total other expenses	16,471	15,340

The fees paid to Audit New Zealand for other services in the year ending 30 June 2019 were for the audit of Council's debenture trust deed (2018: audit of Council's debenture trust deed).

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 (2018: \$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 (2018: nil).

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

	2019 Actual \$000's	2018 Actual \$000's
Not later than one year	191	185
Later than one year and not later than five years	186	331
Later than five years	739	766
Total non-cancellable operating leases	1,116	1,282

Notes to the financial statements for the year ended 30 June 2019

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 highly 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

	2019 Actual \$000's	2018 Actual \$000's
Cash at bank and on hand	2,175	2,622
Short term deposits	3,300	2,800
Total cash and cash equivalents	5,475	5,422

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

	2019 Actual \$000's	2018 Actual \$000's
Rates receivables	2,068	1,890
Water receivables	4,148	3,589
Other receivables:		
Sundry receivables	3,208	3,290
Receivables prior to impairment	9,424	8,769
Less provision for impairment	(856)	(773)
Total current receivables	8,568	7,996

Notes to the financial statements for the year ended 30 June 2019

Note 8 – Receivables

	2019 Actual \$000's	2018 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	3,256	3,112
Receivables from exchange transactions - this includes outstanding amounts for fees and charges that have not been subsidised by rates	5,312	4,884

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:

	2019			2018		
	Gross \$000's	Impairment \$000's	Net \$000's	Gross \$000's	Impairment \$000's	Net \$000's
Not past due	5,484	(70)	5,415	5,418	(28)	5,390
Past due 1-30 days	1,754	0	1,754	114	0	114
Past due 31-60 days	29	0	29	15	0	15
Past due >61 days	2,157	(786)	1,371	3,221	(745)	2,476
Total current portion	9,424	(856)	8,569	8,769	(773)	7,996

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.

	2019 Actual \$000's	2018 Actual \$000's
Individual impairment	(856)	(773)
Total provision for impairment	(856)	(773)

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:

	2019 Actual \$000's	2018 Actual \$000's
Past due >61 days	(786)	(745)
Total individual impairment	(786)	(745)

Notes to the financial statements for the year ended 30 June 2019

Note 8 – Receivables

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

	2019 Actual \$000's	2018 Actual \$000's
At 1 July	773	980
Additional provisions made during the year	114	0
Provisions reversed during the year	(31)	(207)
At 30 June	856	773

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

Notes to the financial statements for the year ended 30 June 2019

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.

Breakdown of inventory and further information

	2019 Actual \$000's	2018 Actual \$000's
Commercial inventory:		
Land being developed for sale	151	192
Non-commercial inventory:		
Quarry metal stockpile	57	68
Other	98	84
Total inventory	306	344

The write-down of inventory during the year was \$24,170 (2018: \$23,535). There have been no reversals of write-downs (2018: \$nil).

No inventory is pledged as security for liabilities (2018: \$nil).

Notes to the financial statements for the year ended 30 June 2019

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).

Breakdown on non-current assets held for sale and further information

	2019 Actual \$000's	2018 Actual \$000's
Land	1,332	0
Total non-current assets held for sale	1,332	0

The Council-owned properties on Moore Road and Kaihere Road have been presented as being held for sale following the approval by the Council on 12 September 2018 and 30 January 2019, respectively, to sell the premises. The Council has approved the sale of the premises, as it will provide no future use to the Council. The completion date of the sale for both properties is expected to be by September 2019.

Note 11 – Derivative financial instruments

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 2019 by Council staff using software provided by Hedgebook Ltd.

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

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

Notes to the financial statements for the year ended 30 June 2019

Note 11 – Derivate financial instruments

Breakdown of derivative financial instruments and further information

	2019 Actual \$000's	2018 Actual \$000's
Liabilities		
Current liability portion		
Interest rate swaps	759	8
Total current liability portion	759	8
Non-current liability portion		
Interest rate swaps	2,808	2,031
Total current liabilities portion	2,808	2,031
Total derivative financial instrument liabilities	3,568	2,038

Information about interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$55.0 million (2018: \$51.0 million). At 30 June 2019, the fixed interest rates of cash flow hedge interest rate swaps varied from 1.82% to 4.96% (2018: 2.47% 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.

Notes to the financial statements for the year ended 30 June 2019

Note 12 – Other 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, 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.

Notes to the financial statements for the year ended 30 June 2019

Note 12 – Other financial assets

Breakdown of other financial assets and further information

	2019 Actual \$000's	2018 Actual \$000's
Current portion		
Prepayments	0	268
Investment in CCOs and similar entities:		
Local Government Funding Agency	80	176
Other investments		
Community loans	7	40
Total current portion	87	484
Non-current portion		
Prepayments	0	24
Community loans	5	22
Investment in CCOs and similar entities:		
Local Government Funding Agency	628	532
Local Authority Shared Services Limited	17	6
Total investment in CCOs and similar entities:	645	538
Other investments		
Civic Financial Services Ltd	101	58
Total non-current portion	751	641
Total other financial assets	838	1,126

Fair value

Community loans

The face value of community loans is \$11,833 (2018: \$61,833).

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

Only organisations with the ability to repay are granted loans.

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

Unlisted shares

Unlisted shares are recognised at fair value.

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

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

Impairment

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

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

Notes to the financial statements for the year ended 30 June 2019

Note 13 – Investment in associates

Accounting policy

An associate is an entity, over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are recognised under the equity method of accounting as prescribed in PBE IPSAS 7 Investments in Associates whereby the investment in the associate is recognised at cost with the carrying amount adjusted to reflect the ownership interest in the associate.

Council has elected to recognise its interests in both the Hauraki Rail Charitable Trust and Destination Coromandel Trust as associates of Council. However, given that Council does not have an ownership interest in either trust and that no share of the profit or loss is made to Council, it is impractical for Council to recognise its relationship with both trusts through this method of accounting.

Nevertheless, the relationship is recognised as a related party with the appropriate disclosures made in accordance with PBE IPSAS 20 Related Party Disclosures

	2019 Actual \$000's	2018 Actual \$000's
Hauraki Rail Charitable Trust	0	38
Total other financial assets	0	38

Note 14 – Investment in joint venture

Accounting policy

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity.

For jointly controlled operations, the Council and group recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of revenue that it earns from the joint venture.

Breakdown of investment in joint venture and further information

Council has a 26% interest in the Thames Valley Emergency Operating Area Committee.

The Council's interests in the jointly controlled operation are as follows:

	2019 Actual \$000's	2018 Actual \$000's
Current assets	0	40
Non-current assets	0	38
Current liabilities	0	(10)
Non-current liabilities	0	68
Net assets	0	136
Revenue	71	205
Expenses	69	196
Share of surplus/(deficit)	3	9

Notes to the financial statements for the year ended 30 June 2019

Note 14 – Investment in joint venture

As at 30 June 2019, TVEOA was disestablished. In February 2019, Council resolved to instead support the employment of specialised Civil Defence Emergency Management (CDEM) staff within each Council to provide a focussed CDEM function applicable to each Council. Note 15 – Property, plant and equipment.

Note 15 – Property, plant and equipment

Accounting policy

Property, plant, and equipment consist of:

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

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

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

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

Revaluation

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

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

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

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

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

Additions

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

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

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

Notes to the financial statements for the year ended 30 June 2019

Note 15 – Property, plant and equipment

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	Seal	6-60 years	1.7%-16.7%
	Base course	20-130 years	0.8%-5%
	Surface water channels	10-75 years	1.3%-10%
	Culverts	75 years	1.3%
	Footpaths	15-75 years	1.3%-6.7%
	Bridges	30-100 years	1%-3.3%
	Marking	3-8.5 years	11.8%-33.3%
	Street lighting	25 years	4%
	Retaining walls	85 years	1.2%
	Railings	20-50 years	2%-5%
	Signs	12.5-20 years	5%-8%
Buildings	Structure	80 years	1.3%
	Roof cladding	30 years	3.3%
	Electrical/Mechanical	25 years	4%
	Plumbing	30 years	3.3%
	Internal wall linings	25 years	4%
	Lifts	25 years	4%
	Air conditioners	15 years	6.7%
	Site improvements	25 years	4%
All other assets	Water reticulation	70-120 years	0.8%-1.4%
	Water treatment	10-100 years	1%-10%
	Wastewater reticulation	65-130 years	0.8%-1.5%
	Wastewater treatment	10-80 years	1.3%-10%
	Stormwater reticulation	50-130 years	0.8%-2%
	Drainage and flood protection	20-200 years	0.5%-5%

Notes to the financial statements for the year ended 30 June 2019

Note 15 – Property, plant and equipment

	Library Books	8 years	12.5%
	Vehicles	3-21 years	4.8%-33.3%
	Equipment	2-94 years	1.1%-50%
	Technology	2-10 years	10%-50%
	Furniture and fittings	7-10 years	10%-14.3%

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

Impairment of property, plant, and equipment

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

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

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

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

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

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

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

Notes to the financial statements for the year ended 30 June 2019

Note 15 – Property, plant and equipment

Critical accounting estimates and assumptions

Estimating the fair value of land, buildings, and infrastructure

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.

The valuation is effective as at 30 June 2019.

Land (operational, restricted, and infrastructural)

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 2017 plus additions/development at cost, less disposals. Building valuations were completed by independent valuers, and confirmed as being suitable for financial reporting.

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

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

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

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

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

Infrastructural assets

Roading assets were valued by an independent valuer, Beca Limited as at 30 June 2017.

Water, Wastewater, Stormwater and Drainage Assets were valued by Council staff and peer reviewed by an independent valuer, Waugh Valuers Ltd as at 1 July 2017.

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

Notes to the financial statements for the year ended 30 June 2019

Note 15 – Property, plant and equipment

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

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

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

Critical judgements in applying accounting policies

Classification of property

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

Notes to the financial statements for the year ended 30 June 2019

Note 15 – Property, plant and equipment

2019	Cost / Revaluation 01-Jul-18 \$000	Acc. Depn. 01-Jul-18 \$000	Carrying Amount 01-Jul-18 \$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-19 \$000	Acc. Depn. 30-Jun-19 \$000	Carrying Amount 30-Jun-19 \$000
Operational assets													
Land	14,442	0	14,442	(275)	0	1,505	0	0	0	10,328	22,990	0	22,990
Buildings and structures	25,512	1,014	24,498	7	253	86	0	1,020	6	0	25,686	2,028	23,658
Library books	1,001	441	560	0	139	0	0	199	0	0	1,140	640	500
Vehicles	3,262	1,692	1,570	0	177	84	0	189	69	0	3,355	1,812	1,543
Equipment	16,573	4,944	11,629	41	298	43	0	715	26	0	16,869	5,633	11,236
Technology	1,325	951	374	0	108	143	0	155	128	0	1,290	978	312
Furniture and fittings	431	276	155	0	6	0	0	18	0	0	437	294	143
Technology - Finance leases	0	0	0	0	0	0	0	0	0	0	0	0	0
Work in progress	1,222	0	1,222	(48)	312	0	0	0	0	0	1,486	0	1,486
Total operational assets	63,768	9,318	54,450	(275)	1,293	1,861	0	2,296	229	10,328	73,253	11,385	61,868
Infrastructural assets													
Land	3,845	0	3,845	133	0	0	0	0	0	1,507	5,485	0	5,485
Wastewater system	40,507	778	39,729	0	394	8	0	785	0	0	40,893	1,563	39,330
Water system	65,026	1,505	63,521	814	4,087	68	0	1,605	4	0	69,859	3,106	66,753
Drainage network	42,601	634	41,967	16	431	12	0	637	0	0	43,036	1,271	41,765
Roading network	242,358	3,126	239,232	768	2,332	136	0	3,001	31	0	245,322	6,096	239,226
Land under roads	88,792	0	88,792	0	102	0	0	0	0	0	88,894	0	88,894
Work in progress	4,214	0	4,214	(1,597)	3,836	0	0	0	0	0	6,453	0	6,453
Total Infrastructural assets	487,343	6,043	481,300	134	11,182	224	0	6,028	35	1,507	499,942	12,036	487,906
Council restricted assets													
Land	18,910	0	18,910	142	0	57	0	0	0	8,270	27,265	0	27,265
Total restricted assets	18,910	0	18,910	142	0	57	0	0	0	8,270	27,265	0	27,265
Total PPE	570,021	15,361	554,660	1	12,475	2,142	0	8,324	264	20,105	600,460	23,421	577,039

Notes to the financial statements for the year ended 30 June 2019

Note 15 – Property, plant and equipment

2018	Cost / Revaluation 01-Jul-17 \$000	Acc. Depn. 01-Jul-17 \$000	Carrying Amount 01-Jul-17 \$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-18 \$000	Acc. Depn. 30-Jun-18 \$000	Carrying Amount 30-Jun-18 \$000
Operational assets													
Land	13,888	0	13,888	0	554	0	0	0	0	0	14,442	0	14,442
Buildings & Structures	22,747	2,257	20,490	0	772	206	0	1,014	36	4,420	25,512	1,014	24,498
Library Books	878	247	631	0	123	0	0	194	0	0	1,001	441	560
Vehicles	3,789	2,261	1,528	0	417	944	0	185	754	0	3,262	1,692	1,570
Equipment	14,848	4,460	10,388	1,868	249	392	0	676	192	0	16,573	4,944	11,629
Technology	2,250	1,874	376	0	167	1,092	0	167	1,090	0	1,325	951	374
Furniture & Fittings	431	257	174	0	0	0	0	19	0	0	431	276	155
Technology - Finance Leases	3	0	3	0	0	3	0	0	0	0	0	0	0
Work in Progress	2,007	0	2,007	(1,868)	1,083	0	0	0	0	0	1,222	0	1,222
Total operational Assets	60,841	11,356	49,485	0	3,365	2,637	0	2,255	2,072	4,420	65,989	11,539	54,450
Infrastructural assets													
Land	3,703	0	3,703	0	0	0	(142)	0	0	0	3,845	0	3,845
Wastewater System	40,650	2,124	38,526	96	363	1	0	778	0	1,523	40,507	778	39,729
Water System	66,879	4,429	62,450	2,561	589	232	0	1,505	0	(342)	65,026	1,505	63,521
Drainage Network	41,312	1,507	39,805	23	91	0	0	634	0	2,682	42,601	634	41,967
Roading Network	239,306	0	239,306	213	2,923	84	0	3,126	0	0	242,358	3,126	239,232
Land under Roads	88,792	0	88,792	0	0	0	0	0	0	0	88,792	0	88,792
Work in Progress	4,174	0	4,174	(2,893)	2,981	48	0	0	0	0	4,214	0	4,214
Total Infrastructural Assets	484,816	8,060	476,756	0	6,947	365	(142)	6,043	0	3,863	495,403	14,103	481,300
Council restricted assets													
Land	18,910	0	18,910	0	0	0	0	0	0	0	18,910	0	18,910
Total Restricted Assets	18,910	0	18,910	0	0	0	0	0	0	0	18,910	0	18,910
Total PPE	564,567	19,416	545,152	0	10,312	3,002	(142)	8,298	2,072	8,283	580,302	25,642	554,660

Notes to the financial statements for the year ended 30 June 2019

Note 15 – Property, plant and equipment

Significant acquisitions

Significant projects (>\$1m) undertaken during the year include the completion of the Plains Storage Project: Kerepehi Treated Water Reservoirs (\$2.7m) and the Kaimanawa Water Connection to Paeroa (\$1.6m) which was still in progress at the report date. Reseals were also completed around the district cost \$1.2m to complete. 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
2019				
Wastewater - Treatment	15,316	9,093	116	0
Wastewater - Other	47,572	30,239	4	275
Water - Treatment	31,650	30,147	4,446	0
Water - Other	80,282	36,607	349	105
Drainage and flood protection	24,777	14,230	42	0
Stormwater	39,737	27,536	220	185
Roading Network	313,275	239,226	3,100	0
2018				
Wastewater - Treatment	15,209	9,270	226	0
Wastewater - Other	47,293	30,460	81	153
Water - Treatment	27,204	26,324	633	0
Water - Other	79,892	37,197	2,478	39
Drainage and flood protection	24,734	14,450	9	0
Stormwater	39,344	27,517	73	33
Roading Network	310,280	239,231	3,136	0

Insurance

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

	2019	2018
	\$000's	\$000's
The total value of all Council assets covered by Insurance contracts	192,680	188,879
The maximum amount to which insured assets are insured	303,611	291,594
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 2019

Note 15 – 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 2019 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.

Significant projects (>\$1m) undertaken during the year include the completion of the Plains Storage Project:

Disposals

The carrying book value of the amount disposed was \$1.89 million.

There were no significant disposals during the year.

Impairment

There were no impairment losses during the year (2018: \$nil).

Work in progress

The total amount of property, plant and equipment in the course of construction was \$7,939,142 (2018: \$5,436,100)

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

	2019	2018
	Actual	Actual
	\$000's	\$000's
Land	3,006	1,942
Buildings	843	769
Equipment	644	454
Roading	248	762
Water	2,262	1,220
Wastewater	869	274
Stormwater	4	9
Drainage	64	6
Total work in progress	7,939	5,436

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 2019

Note 15 – Property, plant and equipment

Capital commitments

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

	2019 Actual \$000's	2018 Actual \$000's
Roading	583	637
Wastewater	243	149
Water	64	2,036
Buildings	0	50
Community services	58	0
Total commitments as at 30 June 2019	948	2,872

Notes to the financial statements for the year ended 30 June 2019

Note 16 – 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.

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.

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%
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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 15. 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.

Notes to the financial statements for the year ended 30 June 2019

Note 16 – Intangible assets

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.

Breakdown of intangible assets and further information

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

	Carbon Credits \$000's	Software \$000's	Total \$000's
2019			
Cost	49	2,531	2,581
Accumulated amortisation and impairment	0	(2,013)	(2,013)
Closing carrying amount	49	519	568
Opening Balance	49	650	699
Additions	0	79	79
Transfers	0	5	5
Work in Progress	0	(5)	(5)
Amortisation charge	0	(211)	(211)
Closing carrying amount	49	519	568
2018			
Cost	49	2,452	2,501
Accumulated amortisation and impairment	0	(1,802)	(1,802)
Closing carrying amount	49	650	699
Opening Balance	49	790	839
Additions	0	71	71
Work in Progress	0	5	5
Amortisation charge	0	(216)	(216)
Closing carrying amount	49	650	699

Notes to the financial statements for the year ended 30 June 2019

Note 17 – Depreciation and amortisation

Directly attributable depreciation and amortisation by group of activity:

	2019	2018
	Actual	Actual
	\$000's	\$000's
Roading	3,001	3,131
Water	1,610	1,515
Wastewater	785	778
Land drainage and flooding	263	262
Stormwater	374	371
Solid waste	47	46
Community services	1,098	1,098
Community development	307	295
Regulatory	4	4
Total directly attributable depreciation and amortisation by group of activity	7,489	7,500
Depreciation and amortisation not directly related to a group of activities	1,046	1,015
Total depreciation and amortisation expense	8,535	8,514

Note 18 – 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

	2019	2018
	Actual	Actual
	\$000's	\$000's
Balance at 1 July	1,775	1,558
Increases due to purchases	0	0
Gains / (losses) arising from changes attributable to physical changes	218	150
Gains / (losses) arising from changes attributable to price changes	61	285
Decreases due to harvest	(743)	(218)
Balance at 30 June	1,311	1,775

HDC owns 97.4 ha of Radiata forest (2018: 109.0 ha), which are at varying stages of maturity ranging from 4 to 27 years. During the year 11.6 ha of forest was harvested (2018: 3.5 ha). A further 2.7 ha of forest was excluded from the 30 June 2019 valuation as it is land-locked with no harvesting access rights across neighbouring

Notes to the financial statements for the year ended 30 June 2019

Note 18 – Forestry assets

properties. The tree crops at Waikino Sandpit, Hendersons Reserve and North Road are also excluded from the valuation as these are considered to have no commercial value.

HDC had its forestry asset professionally valued as at 30 June 2019 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% (2018: 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 (2018: nil). There are no commitments for development or acquisition of forestry assets (2018: nil).

Notional land rental costs have been included for freehold land. The forest has been valued on a going concern basis and only included the value of the existing crops on a single rotation basis. Inflation has been assumed at 2% per annum. Costs are current average costs. No allowance has been made for cost improvements in future operations and log prices are based on a mixture of 1 and 3-year historical rolling averages.

HDC is exposed to financial risks arising from changes in timber prices. HDC 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. HDC reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Note 19 – Payables and deferred revenue

Accounting policy

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

Breakdown of payables and other information

	2019 Actual \$000's	2018 Actual \$000's
Payables and deferred revenue under exchange transactions		
Trade payables and accrued expenses	5,224	5,559
Amounts due to associates and joint venture	0	0
Total payables and deferred revenue under exchange transactions	5,224	5,559
Payables and deferred revenue under non-exchange transactions		
Revenue in advance	3,243	1,152
Income tax payable	0	0
Other tax payable (e.g. GST and FBT)	726	130
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	3,970	1,282
Total payables and deferred revenue	9,194	6,841

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 2019

Note 20 – Borrowings and other financial liabilities

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

	2019 Actual \$000's	2018 Actual \$000's
Current portion		
Secured loans	5,000	11,000
Total current portion	5,000	11,000
Non-current portion		
Secured loans	33,000	27,000
Total non-current portion	33,000	27,000
Total borrowings and other financial liabilities	38,000	38,000

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 \$7.0 million. There are no restrictions on the use of these facilities. There were no borrowings as at 30 June 2019 against this facility (2018: \$nil).

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

Fair values

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

Notes to the financial statements for the year ended 30 June 2019

Note 20 – Borrowings and other financial liabilities

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
2019					
Roading	16,708	629	0	17,337	493
Water	14,566	526	0	15,092	550
Wastewater	5,540	472	0	6,012	227
Land Drainage & Flooding	(3,094)	0	383	(3,477)	(95)
Stormwater	(1,402)	0	313	(1,715)	(37)
Solid Waste	379	1	0	380	2
Leadership	0	0	0	0	0
Community Services	5,737	0	1,385	4,352	274
Community Development	5,111	453	0	5,564	0
Regulatory	0	0	0	0	0
Total	43,545	2,081	2,081	43,545	1,414
2018					
Roading	15,718	990	0	16,708	553
Water	14,948	0	382	14,566	699
Wastewater	6,880	0	1,340	5,540	347
Land Drainage & Flooding	(2,970)	0	124	(3,094)	(120)
Stormwater	(1,106)	0	296	(1,402)	(37)
Solid Waste	818	0	439	379	2
Leadership	0	0	0	0	0
Community Services	5,534	203	0	5,737	313
Community Development	6,723	0	1,612	5,111	0
Regulatory	0	0	0	0	0
Total	46,545	1,193	4,193	43,545	1,757

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

Notes to the financial statements for the year ended 30 June 2019

Note 21 – 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.

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 5.0% (2018: 7.0%) and an inflation factor of 2.92% (2018: 2.5%) were used.

Notes to the financial statements for the year ended 30 June 2019

Note 21 – Employee entitlements

Breakdown of employee entitlements and further information

	2019 Actual \$000's	2018 Actual \$000's
Current portion		
Accrued pay	621	559
Annual leave	1,240	1,361
Retirement and long service leave	46	58
Sick leave	55	50
Total current portion	1,962	2,028
Non-current portion		
Retirement and long service leave	286	364
Total non-current portion	286	364
Total employee entitlements	2,248	2,392

Note 22 - 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).

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 \$988,770 (2018: \$1,200,675).

The following significant assumptions have been made in estimating the provision:

- A discount rate of 5% (2018: 6.5%) has been used to discount the estimated future cash outflows.
- An annual inflation factor of 2.2%-2.6% has been applied in estimating the future cash outflows

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

Notes to the financial statements for the year ended 30 June 2019

Note 22 – Provisions

Breakdown of provisions and further information

	2019 Actual \$000's	2018 Actual \$000's
Current portion		
Landfill aftercare	340	83
Total current provision	340	83
Non-current portion		
Landfill aftercare	202	426
Total non-current portion	202	426
Total provision	542	508

The movement in the provision is as follows:

	2019 Actual \$000's	2018 Actual \$000's
Opening balance as at 1 July	518	785
Amounts used	0	12
Transferred to land impairment	0	142
Restatement of future liability	(16)	(499)
Discount unwind	40	78
Closing balance as at 30 June	542	518

Note 23 – Construction contracts

Accounting policy

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract, and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the surplus or deficit.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred. When it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised surpluses less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus surpluses less losses, the net amounts are presented as a liability.

Notes to the financial statements for the year ended 30 June 2019

Note 24 – Contingencies

Contingent liabilities

	2019	2018
	Actual	Actual
	\$000's	\$000's
Weathertight home claims	10	10
Building foundation issues	20	20
Land acquisition compensation claim	27	27
Guarantees	0	50
Total contingent liabilities	57	107

Weathertight home claims

There was one known claim against Council as at 30 June 2019 (2018: one). As this property did not have a code compliance certificate issued, Council believes it has no liability.

Building foundation issues

There have been several properties in the district affected by foundation subsidence. The maximum liability Council is exposed to is the excess not covered by Riskpool.

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.

Weathertightness

Ministry of Education (MOE) and Carter Holt Harvey (CHH)

In 2013, MOE initiated High Court proceedings against CHH and others alleging inherent defects in the shadow clad plywood cladding sheets manufactured and distributed by CHH. The MOE's claim against CHH is for 833 school buildings, 15 of which are located within the Hauraki region. In 2016, CHH commenced proceedings against 48 councils, including Hauraki District Council, alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates.

28 school buildings (all outside the Hauraki region) built outside the 10 year long stop contained within the Building Act 2004 have since been struck out by the High Court.

The court has directed that the trial be staged. The first stage will be a six month hearing commencing in April 2020, to determine whether shadow clad is inherently defective.

At present, there is still insufficient information to conclude on potential liability and claim quantum, if any.

Homeowners and CHH

During the year, a group of homeowners initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadow clad plywood cladding sheets manufactured and distributed by CHH. CHH has joined 19 Councils as co-defendants in this claim.

At present, there is still insufficient information to conclude on potential liability and claim quantum, if any.

Notes to the financial statements for the year ended 30 June 2019

Note 24 – Contingencies

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.

Local Authority Protection Programme (LAPP)

Council is party to an agreement of the Local Authority Protection Programme Disaster Fund. This fund is being built up by local authorities to provide mutual self-assurance, and has limits on additional contributions required. There will be no additional contributions required from Council in 2019 (2019: \$0) as there are sufficient funds to cover future events.

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. It has a current credit rating from Standard and Poor's of AA+ and a foreign currency rating of AA.

Council is one of thirty local authority shareholders and twenty-two local government guarantors of NZLGFA, and has uncalled capital of \$100,000. When aggregated with the uncalled capital of other shareholders, \$20 million 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 NZLGFA's borrowings. At 30 June 2019, NZLGFA had borrowings totalling \$9.53 billion (2018: \$8.27 billion).

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.

Notes to the financial statements for the year ended 30 June 2019

Note 24 – Contingencies

Risk Pool

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 2012 for a call for additional contributions in respect of the 2003 and 2004 Fund years as those funds were exhibiting deficits due to the “leaky building” issue. This notice also highlighted that it is possible that further calls could be made in the future. A liability will be recognised for the future calls when there is more certainty over the amount of the calls.

The Supreme Court decision in October 2012 on a Council’s liability for non-residential buildings may affect the liability of the Council for Weathertightness claims for non-residential buildings. The impact of the decision is yet to be quantified by the Council. The Council is yet to receive any claims as a result of this ruling.

The Council is not aware of any calls that could be made at future dates as at 30 June 2019.

Other claims

Other outstanding legal claims as at 30 June 2019 are not yet able to be quantified (2018: nil)

Contingent assets

Thames Valley Emergency Operating Area

As at 30 June 2019, TVEOA was disestablished. In February 2019, Council resolved to instead support the employment of specialised Civil Defence Emergency Management (CDEM) staff within each Council to provide a focussed CDEM function applicable to each Council.

Council is expecting to receive a payment from Thames-Coromandel District Council, once all debts are discharged. This amount is yet to be confirmed at balance date.

Notes to the financial statements for the year ended 30 June 2019

Note 25 – 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.

Notes to the financial statements for the year ended 30 June 2019

Note 25 – Equity

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
2019				
Financial contributions				
District community recreation	12	0	(24)	(12)
Plains community recreation	231	0	(31)	200
Paeroa community recreation	379	0	(22)	357
Waihi community recreation	825	0	(291)	534
Council created reserves				
District community projects assistance	318	263	0	580
Quarry renewal	1,000	0	0	1,000
Total other reserves	2,765	263	(368)	2,659
2018				
Financial contributions				
District community recreation	12	0	0	12
Plains community recreation	231	0	0	231
Paeroa community recreation	379	0	0	379
Waihi community recreation	825	0	0	825
Council created reserves				
District community projects assistance	446	199	(328)	318
Quarry renewal	1,000	0	0	1,000
Total other reserves	2,894	199	(328)	2,765

Other reserves

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.

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.

Notes to the financial statements for the year ended 30 June 2019

Note 25 – Equity

Asset revaluation reserves

Further information about asset revaluation reserve funds are provided below:

	Opening	Transfers in	Transfers out	Closing
Asset revaluation reserves consist of:	\$000's	\$000's	\$000's	\$000's
2019				
Operational Assets				
Land	23,410	20,104	0	43,515
Buildings	15,573	0	0	15,573
Infrastructural Assets				
Wastewater System	9,519	0	0	9,519
Water System	6,599	0	0	6,599
Drainage Network	5,141	0	0	5,141
Roading Network	47,728	0	0	47,728
Total asset revaluation reserves	107,970	20,104	0	128,074
2018				
Operational Assets				
Land	23,410	0	0	23,410
Buildings	11,152	4,420	0	15,573
Infrastructural Assets				
Wastewater System	7,996	1,523	0	9,519
Water System	6,940	0	(342)	6,599
Drainage Network	2,459	2,682	0	5,141
Roading Network	47,728	0	0	47,728
Total asset revaluation reserves	99,685	8,626	(342)	107,970

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

Notes to the financial statements for the year ended 30 June 2019

Note 25 – Equity

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.

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 26 – Related party transactions

Key management personnel compensation

	2019	2018
	Actual	Actual
	\$000's	\$000's
Key management personnel compensation		
Councillors		
Remuneration	410	386
Full-time equivalent members	13	13
Senior Management Team, including the Chief Executive		
Remuneration	1,095	1,090
Full-time equivalent members	5	5
Total key management personnel remuneration	1,505	1,476
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.

Notes to the financial statements for the year ended 30 June 2019

Note 26 – Related party transactions

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. However, the Council has elected to recognise its relationship with both the Hauraki Rail Trail Charitable Trust and Destination Coromandel as related parties.

	2019 Actual \$000's	2018 Actual \$000's
Payments to associates		
Destination Coromandel:		
Contribution for services provided by Destination Coromandel	148	145
Hauraki Rail Trail Charitable Trust:		
Contribution for services provided by Hauraki Rail Trail Charitable Trust	390	174
Total payments made to associates	538	319

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship 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.

Note 27 – Events after balance date

In August 2019 the Reserve Bank of NZ lowered the Official Cash Rate (OCR) to 1%. This will have a significant downward impact on interest rates in the foreseeable future. This will result in lower interest costs on floating rate debt and higher payments on interest rate swaps (2018: nil).

Notes to the financial statements for the year ended 30 June 2019

Note 28 – Financial instruments

Financial instrument categories

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

	2019 Actual \$000's	2018 Actual \$000's
Financial assets		
Loans and receivables		
Cash and cash equivalents	5,475	5,422
Receivables	8,340	7,739
<i>Other financial assets</i>		
Community loans	12	62
Borrower notes from Local Government Funding Agency	608	608
Total loans and receivables	14,434	13,831
Fair value through other comprehensive revenue and expense		
<i>Other financial assets</i>		
Unlisted shares	218	164
Total fair value through other comprehensive revenue and expense	218	164

	2019 Actual \$000's	2018 Actual \$000's
Financial liabilities		
Fair value through surplus or deficit - held for trading		
Derivative financial instrument liabilities	3,568	2,038
Total fair value through surplus or deficit - held for trading	3,568	2,038
Financial liabilities at amortised cost		
Payables	5,224	5,559
<i>Borrowings</i>		
Secured loans	38,000	38,000
Total financial liabilities at amortised cost	43,224	43,559

Notes to the financial statements for the year ended 30 June 2019

Note 28 – 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
2019				
Financial assets				
Shares	218	0	0	218
Financial liabilities				
Derivatives	3,568	0	3,568	0
2018				
Financial assets				
Shares	164	0	0	164
Financial liabilities				
Derivatives	2,038	0	2,038	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:

	2019	2018
	Actual	Actual
	\$'000's	\$'000's
Balance at 1 July	164	164
Gains and losses recognised in other comprehensive revenue and expense	54	0
Transfers into level 3	0	0
Transfers out of level 3	0	0
Balance at 30 June	218	164

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 2019

Note 28 – 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

Notes to the financial statements for the year ended 30 June 2019

Note 28 – Financial instruments

investments. The Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Maximum exposure to credit risk

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

	2019 Actual \$000's	2018 Actual \$000's
Cash at bank and term deposits	5,475	5,422
Receivables	8,340	7,739
Total maximum exposure to credit risk	13,815	13,161

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 24 - 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.

	2019 Actual \$000's	2018 Actual \$000's
Cash at bank and term deposits		
AA-	5,475	5,422
Total cash at bank and term deposits	5,475	5,422

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 \$7.0 million (2018: \$7.0 million). There are no restrictions on the use of this facility.

Notes to the financial statements for the year ended 30 June 2019

Note 28 – 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
2019					
Payables	5,224	5,224	5,224	0	0
Secured loans	38,000	39,411	5,189	22,815	11,408
Financial guarantees	0	0	0	0	0
Total financial liabilities	43,224	44,635	10,413	22,815	11,408
2018					
Payables	5,559	5,559	5,559	0	0
Secured loans	38,000	39,337	11,272	20,789	7,276
Financial guarantees	50	50	50	0	0
Total financial liabilities	43,609	44,946	16,881	20,789	7,276

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 24 - 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	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
2019						
Nett settled derivative liabilities	3,568	0	3,568	51	1,718	1,799
Total derivatives	3,568	0	3,568	51	1,718	1,799
2018						
Nett settled derivative liabilities	2,038	0	2,038	8	1,239	792
Total derivatives	2,038	0	2,038	8	1,239	792

Notes to the financial statements for the year ended 30 June 2019

Note 28 – 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
2019					
Cash and cash equivalents	5,475	5,475	5,475	0	0
Receivables	8,340	8,340	8,340	0	0
<i>Other financial assets</i>					
Community loans	12	12	7	5	0
Borrower notes	608	608	80	352	176
Total financial assets	14,434	14,434	13,901	357	176
2018					
Cash and cash equivalents	5,422	5,422	5,422	0	0
Receivables	7,739	7,739	7,739	0	0
<i>Other financial assets</i>					
Community loans	62	62	40	22	0
Borrower notes	608	608	176	320	112
Total financial assets	13,831	13,831	13,377	342	112

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 \$000's	Other equity \$000's	Surplus \$000's	Other equity \$000's
Interest rate risk				
2019				
Financial assets				
Cash and cash equivalents	(27)	0	27	0
Financial liabilities				
Derivatives	(832)	0	804	0
Total sensitivity	(859)	0	832	0
2018				
Financial assets				
Cash and cash equivalents	(0)	0	0	0
Financial liabilities				
Derivatives	(816)	0	783	0
Total sensitivity	(816)	0	783	0

Notes to the financial statements for the year ended 30 June 2019

Note 28 – Financial instruments

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/+100bps (2018: -50bps/+50bps).

Note 29 – Major variance explanations

Explanations for major variations from the Council's budget figures in its 2018/19 LTP are as follows:

Statement of comprehensive revenue and expense

Other revenue

Other revenue is \$1.4 million greater than that originally budgeted due to Council receiving unbudgeted forestry harvest income of \$0.4 million and land inventory sale income of \$0.4 million. In addition to this Council received an additional \$0.2 million from unbudgeted operating lease income which was in relation to the lease of Council property, plant and equipment to a local business. Vested assets were also double of that originally budgeted, which we resulted in a further \$0.3 million worth of revenue. Vested assets were higher than that budgeted due to more development occurring in the district than that originally forecasted.

Personnel costs

Personnel costs are higher than anticipated by (\$1.1 million) due to more staff members being employed by Council than that originally budgeted. To enable Council to achieve its capital works programme in a timelier manner it was decided to implement a project management office within Council. This, along with additional staff in our technology, construction and maintenance business units enabled Council to improve delivery on its capital works programme as well as lessening Council's reliance on external providers in this area.

Finance costs

Finance costs are less than anticipated by \$0.5 million as the increase in debt forecasted by Council did not eventuate due to Council not completing the capital works programme in the 2017/18 financial year.

Other expenses

Other expenses are higher than that budgeted by (\$1.1 million). This is due to an unbudgeted loss on Council derivatives of (\$1.5 million) and an unbudgeted loss on the fair value of our forestry assets of (\$0.46 million). These two losses have been offset by operational costs savings of \$0.86 million.

Gain on property, plant and equipment revaluations

A gain on revaluation was budgeted but the actual asset revaluation movements were higher than budgeted by \$18.3 million. This is mainly attributable to the increase in the land value across the district.

Statement of financial position

Cash and cash equivalents

Cash and cash equivalents are higher than that budgeted by \$4.9 million due to Council not completing the capital works programme in the 2017/18 financial year. If this work was completed as previously anticipated the opening cash book position should have been \$5.1 million lower than what it actually was (i.e. \$0.1 million). Cash could then not be used to pay down borrowings as the debt had been fixed (based on the capital works programme forecast assumptions). The first tranche of borrowings is expected to mature in April 2019.

Notes to the financial statements for the year ended 30 June 2019

Note 29 – Major variance explanations

Assets held for sale

Council did not budget for any properties to be held for sale as at 30 June 2019. However, Council-owned properties on Moore Road and Kaihere Road were placed on the market after approval by Council on 12 September 2018 and 30 January 2019, respectively, after it was deemed that they held no future use to the Council. Both properties, are collectively valued, at \$1.3 million.

Property, plant and equipment

Property, plant and equipment is \$21.2 million higher than that budgeted. This is mainly attributable to the increase in land value across the district and unbudgeted vested assets received.

Payables and deferred revenue

Payables and deferred revenue are (\$3.9 million) higher than budgeted. This is mainly attributable to a one-off (\$2.1 million) payment being received for rent in advance. This money will be released over the remaining 17 years of the lease in question. In addition to this, other revenue in advance was also higher than that budgeted due to the amount of rate revenue received prior to its due date of (\$0.5 million) and payroll creditors being greater than that anticipated by (\$0.15 million). This is due to an increase in staff numbers and days owing as at balance date. Trade creditors are also (\$0.7 million) higher, however, this is mainly attributable to time of supply. In addition to this GST payable is also higher than anticipated as the (\$0.6 million) was due to be paid in July 2019.

Borrowings

Borrowings are lower than that budgeted by \$8.6 million due to Council not completing the capital works programme in the 2017/18 financial year. We anticipated having a higher opening debt position as at 1 July 2018 based on the forecasted 17/18 capital works programme (being the budgeted 17/18 annual plan work and carried forward capital works from the 2016/17 financial year). This work was not completed and as such our opening debt position was \$38 million, rather than the \$46 million anticipated.

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 (\$3.6 million) over budget.

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 2018/19 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; Waikato Local Authority Shared Services Limited (WLASS) and New Zealand Local Government Funding Agency Limited (LGFA).

We are also a shareholder 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. Civic Financial Services Limited is owned by 72 of 78 local authorities.

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/>

Waikato Local Authority Shared Services Limited (WLASS)

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.

Shareholders

WLASS is jointly owned by the 12 local authorities of the Waikato Region. Each local authority owns an equal number of shares in WLASS and as such has an equal say in its development. The local authorities are: Hamilton City Council, Hauraki District Council, Matamata-Piako District Council, Otorohanga District Council, Rotorua Lakes Council, South Waikato District Council, Taupō District Council, Thames-Coromandel District Council, Waikato District Council, Waikato Regional Council, Waipa District Council and Waitomo District Council.

WLASS has twelve directors; each Director being the Chief Executive, or nominee, of one of the local authorities representing the shareholding Councils. The Directors do not receive any fees or expenses for the work undertaken on behalf of WLASS.

Council Policies and Objectives relating to WLASS

The Council does not have any significant policies or objectives about ownership and control of WLASS. Council has an Appointment and Remuneration of Directors for Council Organisations Policy in place.

Objectives of Company

The objectives of WLASS are:

- To enable the Waikato councils to collectively be more effective as a region on the national stage
- To contribute to building central government's confidence in the Waikato region, and to encourage central government investment
- To achieve effectiveness and efficiency gains
- To reduce duplication of effort and eliminate waste through repetition
- To make it easier for customers to engage with councils in the Waikato region
- To promote and contribute to the development of best practice
- To promote business transformation to improve customers' experiences.

Much of the work of WLASS is undertaken by Working Parties or Advisory Groups made up of staff representatives from the shareholding councils, with expertise and interest in particular services. The WLASS CEO provides facilitation and co-ordination of the Working Parties, and is an ex officio member of the Advisory Groups.

Nature and scope of activities

There are currently 12 major initiatives operating under the WLASS umbrella, plus a support role for the collaborative work streams of the Waikato Mayoral Forum.

The **Shared Valuation Data Service (SVDS)** is an operational system which provides both timely and accurate valuation data to the member councils. The SVDS has become the accepted valuation service provider in the region. Data sales significantly reduce costs to the participating councils.

Road Asset Technical Accord (RATA) was initially established as a centre of excellence for road asset planning in 2014, as a work stream under the Mayoral Forum. The activity transferred to WLASS on 1 July 2016. The aim of RATA is to achieve best practice in road asset management by improving capability, capacity and outcomes through effective collaboration. By leading asset management best practice, RATA delivers better decision making through the effective collection and use of good quality data, and the implementation of good practice processes and systems for data collection, analysis and management.

The **Waikato Regional Transportation Model (WRTM)** provides accurate information to councils for their transport modelling requirements. The model became fully operational in February 2010. This model is the only recognised strategic transport modelling resource in the Waikato Region.

Waikato Building Consent Group (WBCG) was initially set up by five Waikato local authorities in 2004 to foster co-operation, collaboration and consistency in building functions, legislative interpretation and process documentation across the partnering councils. The Group now comprises eight councils (Hamilton City, Hauraki, Matamata-Piako, Otorohanga, Thames-Coromandel, Waikato, Waipa and Waitomo Districts). The Group has developed a common quality assurance system with associated supporting documentation and media that meet the legislative requirements of the Building Act 2004 and the Building (Accreditation of Building Consent Authorities) Regulations 2006. These regulations cover all aspects of the operational management and compliance of a Building Consent Authority (BCA).

Future Proof is a collaborative partnership between Hamilton City, Waikato and Waipa Districts, Waikato Regional Council and Tāngata whenua, with assistance from the New Zealand Transport Agency. The partners have jointly developed the Future Proof Growth Strategy and Implementation Plan – a 50-year vision and implementation plan specific to the Hamilton, Waipa and Waikato sub-region (Future Proof sub-region), which was adopted by the partners on 30 June 2009.

WLASS entered into a **Collaboration Agreement with the Energy Efficiency Conservation Authority (EECA)** in February 2016. This arrangement will bring \$210,000 in revenue from EECA over three years, subject to meeting specific energy saving targets. The activity is fully funded by the 11 participating councils (Matamata-Piako was not eligible, as it has previously received EECA funding, and Thames-Coromandel is not participating), and operates as a separate cost centre.

Joint Procurement Initiatives – WLASS is a party to numerous joint procurement contracts between the company, shareholding Councils and suppliers. Some contracts (e.g. insurance brokerage services; various collective insurance policies; courier and postal services; historic aerial photography) involve all of the shareholding councils. Other joint procurement contracts have been negotiated, but only some of the shareholding councils have chosen to participate (e.g. the Professional Services Panel; computer-generated print, mail house and e-services; IT Professional Services

Panel; Internal Audit Services). A part-time procurement specialist was engaged in February 2018 for a period of one year, to:

- Assist all councils to utilise the existing WLASS contracts, AoG contracts and syndicated contracts that are appropriate for each council, to ensure that opportunities for savings are being maximised
- Develop standard regional procurement policies, templates and procedures and provide training in each council
- Manage the existing WLASS contracts to improve relationship management and ensure that their value is being maximised.

The contractor is working directly with staff in each council to ensure that contract savings are being maximised and that good procurement systems and processes are in place.

In May 2015, WLASS entered into a Memorandum of Understanding with LINZ to scan the **Waikato Historic Aerial Photos** archive. The LINZ Crown archive contains over 500,000 historic aerial photo negatives captured by surveys flown over New Zealand between 1936 and 2005. All of the shareholding councils are participating in this four year project, which includes a subsidy of \$56,000 from LINZ.

Waikato Regional Aerial Photography Service (WRAPS) was set up in the 1990s for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region. So far, there have been four WRAPS contracts – 2002, 2007, 2012, and 2016. The current WRAPS contract is scheduled for completion by June 2019. Consideration is currently being given to changing the frequency to four yearly. WRAPS became a WLASS project in December 2014 and is fully funded by the participating councils.

The **Aligned Resource Consent Planning** toolkit developed last financial year to provide regional consistency and best practice processes in the administration of resource consenting has been implemented, and is being used by nine councils (Taupo and Otorohanga are not currently participating, and Waikato Regional Council processes different types of resource consents from the territorial local authorities). WLASS controls the documentation on the WLASS website, and the Waikato Resource Consent Forum manages the process for making updates and amendments to the templates and documents in the toolkit.

The **Regional Infrastructure Technical Specifications (RITS)** document sets out how to design and construct transportation, water supply, wastewater, stormwater and landscaping infrastructure in the eight participating councils' areas (Hamilton City, Hauraki, Waikato, Waipa, Matamata-Piako, Otorohanga, Waitomo, and South Waikato District Councils). Prior to developing RITS, each council had its own Infrastructure Technical Specifications, which resulted in different standards having to be met across the Waikato region. The purpose of RITS is to provide a single regional guide and specifications for building public infrastructure.

The contract with SHE Assure to manage the **Local Government Health & Safety Contractor Pre-qualification Scheme**, which was developed by WLASS, continues to operate well with 20 councils and one CCO now using the scheme and over 1,500 contractors registered. This enables them to be pre-qualified to work for any of the participating councils.

Performance of WLASS in 2018/19

To ensure that WLASS continues to operate effectively and efficiently, the performance targets as outlined in the 2018/19 Statement of Intent are as follows:

Target:	Measure:	Actual result for 2018/19:
Procurement Joint procurement initiatives for goods and services for WLASS councils will be investigated and implemented.	The Procurement Specialist has developed standard regional procurement policies, templates and procedures and provided training in each council by the end of the financial year.	<i>Achieved:</i> The regional procurement framework and toolkit were completed, with training provided to participating councils.
	New suppliers are awarded contracts through a competitive tender process.	<i>Achieved:</i> In consultation with work stream managers, contracts due for renewal are either re-tendered or renewed (considering commercial

Target:	Measure:	Actual result for 2018/19:
		issues). The professional services panel was re-tendered during the year.
<p>Collaborative Projects</p> <p>Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented.</p>	<p>A minimum of three priority projects for collaboration are identified per annum.</p> <p>If considered of value, business cases are developed for approval by the Board, and the projects are implemented.</p>	<p><i>Achieved:</i> Projects identified and progressed through the year were:</p> <ul style="list-style-type: none"> - LiDAR: A project to establish regional LiDAR supported by PGF funding - Professional Services Panel: A project to re-market and establish a panel of consultants across eight disciplines under an agreed framework to streamline procurement of their services - Energy & Carbon Management: A programme to support councils in energy and carbon management - A regional Health and Safety Management Framework and best practice documents were implemented - Regional reporting indicators for safety performance were approved <p>Business cases were prepared where Board approval and council funding was required.</p> <p>The customer interface group was established to provide council staff engaging with customers with a forum to collaborate and consider opportunities to use digital technology to improve the customer experience.</p> <p>In addition, a number of collaborative opportunities are under development.</p>
<p>Existing WLASS Contracts</p> <p>Existing contracts are managed and renegotiated as required.</p>	<p>The WLASS Contracts Register is maintained and managed.</p> <p>Contracts which are due for renewal are tested for competitiveness and either renegotiated or tendered through a competitive process.</p>	<p><i>Achieved:</i> The WLASS register is up to date and a process in place for managing contract renewals.</p> <p><i>Achieved:</i> In consultation with workstream managers, contracts due for renewal are either re-tendered or renewed (considering commercial issues). The professional</p>

Target:	Measure:	Actual result for 2018/19:
		services panel was re-tendered during the year.
Cashflow The company shall maintain a positive cashflow position.	The WLASS Board reviews the financial statements at least quarterly.	<i>Achieved:</i> Management accounts are presented to the Board at each meeting. The company remains in a strong cash position.
Cost Control Administration expenditure shall be managed and monitored.	Administration expenditure shall not exceed budget by more than 5%, unless prior approval is obtained from the Board.	<i>Achieved:</i> Actual spend (\$443k) exceeded budget (\$300k) but was less than the reforecast budget approved by the Board (and shareholding councils) to support the transformation of the company.
Reporting Six monthly reports provided to Shareholders.	The Board shall provide a written report on the business operations and financial position of WLASS to the shareholders every six months.	<i>Achieved:</i> Half-yearly report and annual report delivered to shareholders within required timelines.
	Every second report shall be the Annual Report, which includes a report that all of the statutory requirements of the WLASS are being adhered to.	<i>Achieved.</i>
Waikato Mayoral Forum The company shall provide administrative support to the Mayoral Forum work streams and to the Mayoral Forum.	Approved invoices for Mayoral Forum projects are paid by the 20 th of the month following their receipt.	<i>Achieved.</i>
Shared Valuation Data Services (SVDS) The SVDS is reliable, well maintained and available to all users.	The SVDS is available to users at least 99% of normal working hours.	<i>Achieved:</i> the SVDS has been available 100% for users during normal business hours.
	The SVDS Advisory Group meets at least 6-monthly.	<i>Achieved:</i> Four meetings held in August, November, March and May.
	The Annual Business Plan is accepted by the Advisory Group by 31 March 2019, and includes consideration of strategic and operational risks, a disaster recovery plan, and a business continuity plan.	<i>Achieved.</i>

Target:	Measure:	Actual result for 2018/19:
	The timetable and milestones for implementing the long-term provision of SVDS Services (as agreed by the Board), are being achieved.	<i>Not achieved:</i> The project has begun. However, data load issues and complexities has caused project delays of approx. 6 months. There is no increase in total project cost, but the delay has meant that the existing SVDS support is needed longer than anticipated, with associated cost increases. The revised end date is now March 2020.
Insurance Achieve the relevant KPIs in Appendix 4 of the Insurance Brokerage contract with Aon.	Strategic advice provided by Aon on the insurance programme structure is assessed as satisfactory in the annual WCLASS Shareholders' survey by the participating councils.	<i>Achieved:</i> Of the 11 council who responded, 3 were partially satisfied, 7 satisfied and 1 very satisfied.
	The day-to-day service provided by Aon is assessed as satisfactory in the annual WCLASS Shareholders' survey by the participating councils.	<i>Achieved:</i> Of the 11 council who responded, 1 was dissatisfied, 3 were partially satisfied, 6 satisfied and 1 very satisfied.
Road Asset Technical Accord (RATA) Deliver better data for decision making across the Waikato Region, enabling more consistent best practice	Reports are presented to stakeholders in October/January/April and July each year.	<i>Achieved:</i> All reports provided on time.
	Reports on progress presented to WCLASS Board as at 30 December and 30 June.	<i>Achieved:</i> Both reports provided
	All data are reviewed for compliance and all good practice requirements are met.	<i>Achieved:</i> All data supplied met compliance requirements
Data supplied by contractors is of good quality and meets all of the participating councils' requirements.	Procurement of services complies with WCLASS and NZTA's procurement requirements.	<i>Achieved:</i> All procurement was completed in accordance with policy requirements
	Present to a national conference on RATA innovations at least once per year.	<i>Achieved:</i> Papers presented at IPWEA conference and Sydney Road Maintenance Conference.
	At least two RATA guidance documents detailing good practice are produced each year.	<i>Achieved:</i> RATA benchmarking report and Regional MIS report delivered

Target:	Measure:	Actual result for 2018/19:
Leadership: Lead engagement and increase capability within the sector.	RATA Forums are held 2-monthly to share learnings and experience.	<i>Achieved:</i> All RATA Forum presented and well attended by RCA's
<p>Waikato Regional Transport Model (WRTM)</p> <p>The WRTM is reliable, well maintained and available to all users.</p> <p>RATA reports quarterly to the WRTM Project Advisory Group.</p>	<p>All modelling reports requested from the model supplier are actioned within the agreed timeframe, scope and budget.</p> <p>A report from RATA on any new developments and on the status of the model is provided to the WCLASS Board at least every six months.</p> <p>The quality of the base model complies with NZTA guidelines (as set out in the NZTA's Economic Evaluation Manual), and is independently peer reviewed each time the model is updated.</p>	<p><i>Achieved:</i> All reports received and shared with WRTM User Group</p> <p><i>Achieved:</i> Bi-annual reports provided to WCLASS Board</p> <p><i>Achieved:</i> Model endorsed by NZTA. Peer review recommendations being progressed (scenario testing of medium land use)</p>
<p>Waikato Building Consent Group</p> <p>Provide strategic direction and actively pursue improvements in Building Control across the Waikato region.</p>	<p>Milestones for the five strategic review work streams are achieved for:</p> <p>Digital experience and technology: a common online customer experience. Success is defined as user friendly, convenient, quick, end-to-end management and communication, measured by customer surveys and systems comparisons.</p>	<p><i>Achieved:</i> On track with both TCDC and Waipa having successfully implemented the preferred online Alpha One System. Waitomo DC is committed to implementing in the 2019/20 year and MPDC and HDC are finalising their procurement process with Alpha One in the mix. ODC is also committed to implementing Alpha One and this will probably be in 2020/21 financial year. Well on track with achieving a common processing system.</p> <p>Works is programmed for 2019/20 to revitalise our web site to enhance the digital experience.</p>
	<p>People capability. Success is defined as a successful recruitment and training programme, measured by compliance with BCA Reg. 8 -11.</p>	<p><i>Partially achieved:</i> we have scoped a programme of work to approach secondary schools and tertiary students before the end of the 2019/20 year looking at a cadet type scheme.</p>
	<p>Quality assurance. Success is defined as continued accreditation and increased service consistency, measured by accreditation</p>	<p><i>Achieved:</i> On track with successful IANZ audits for both WDC and MPDC with good feedback on the cluster QA overall. A review of our</p>

Target:	Measure:	Actual result for 2018/19:
	outcomes, BCA annual audits, and customer surveys.	QA offering will be undertaken in 2019/20.
	Lift industry competency and compliance. Success is measured by increased industry compliance, with reduced RFIs, and reducing percentages of application or building consent rejection.	<i>Partially achieved:</i> Work has been scoped for a programme to engage industry in the 2019/20 year. The Tech Committee will be continuing to work on consistency across councils on RFI's to enhance a consistent customer experience.
	Central government: engagement and legislative influence. Success is measured by legislative submissions and outcomes.	<i>Achieved:</i> Cluster submission to Building Reform Act was delivered – was very similar to that put together by LGNZ.
	<p>There is a common understanding and buy-in by all BCAs for the WBCG vision and actions that are taken to achieve this vision, measured by:</p> <ul style="list-style-type: none"> ■ Full participation in WBCG projects and programmes ■ Audits demonstrating implementation and compliance with the agreed QA systems ■ Consistency in service delivery, measured by customer surveys. 	<ul style="list-style-type: none"> ■ <i>Partially achieved:</i> Good participation in the projects when required but could improve. ■ <i>Achieved</i> ■ <i>Not achieved:</i> No customer survey this year – customer experience will be a key focus for 2019/20.
	Risk management is visible through regular reviews of the Risk Register.	<i>Not achieved:</i> Lack of awareness of risk register – will be in the programme of work for the new Strategic Manager.
	All funding requirements are met by each of the participating councils.	<i>Achieved.</i>
	Minimum of two reports presented to the WLASS Board on the Group's activities.	<i>Achieved:</i> Activity reported to the Board in September and December 2018 and February 2019.
<p>Future Proof Planning for growth in the sub-region is co-ordinated and collaborative.</p>	Phase 2 of the Future Proof Strategy is adopted by the Future Proof Implementation Committee no later than December 2018.	<i>Not achieved:</i> The draft Future Proof Strategy (phase 2) was reported to the Future Proof Implementation Committee and submitted to MfE in December 2018. However, work has been deferred due to other processes currently underway, namely the Hamilton to Auckland

Target:	Measure:	Actual result for 2018/19:
<p>The Future Proof budget is well managed and monitored.</p> <p>Future Proof influences and inputs into District Plan, Regional Plan, growth strategy and any other planning processes which manage growth within the sub-region and neighbouring regions.</p>		<p>Corridor Plan, review of NPS on Urban Development Capacity, Waikato Proposed District Plan, and sub-regional industrial land study. The phase 2 Strategy is expected to be completed in 2020.</p>
	<p>The overall Future Proof work programme is delivered within the approved budget.</p>	<p><i>Achieved:</i> The Future Proof work programme to the end of 2018/19 ran slightly over budget only as a result of an approved increase in scope associated with the Hamilton to Auckland Corridor Plan. The deficit is covered by the surplus from the previous year.</p>
	<p>Future Proof makes submissions (using RMA and Local Government processes), on District Plans, LTPs, growth management planning documents, and any central government initiatives which have the potential to impact growth management planning in the sub-region.</p>	<p><i>Achieved:</i> Future Proof made a submission on the Proposed Waikato District Plan in 2018 and has been working closely with Waikato District on their District Plan and supporting strategic planning documents. Future Proof has also been working with the Waikato Regional Council on upcoming changes to the Regional Policy Statement.</p>
<p>Aligned Resource Consent Planning Project</p> <p>Implementation of the Aligned Resource Consent Planning project is underway during 2018/19.</p>	<p>Common forms are in place for all Councils involved by December.</p>	<p><i>Achieved:</i> The suite of initial forms has been completed and is live.</p> <p>The forum continues to meet on a 3-monthly basis to discuss planning issues. Two additional forms are being prepared and the group is considering next steps in the implementation and action plan.</p>
<p>Shareholder Survey</p> <p>Shareholders are satisfied with the performance of WLASS.</p>	<p>A survey of shareholders is undertaken each year, and the results are reported to all shareholders.</p>	<p><i>Achieved:</i> The survey was undertaken in the second half of the year with response received from all shareholders. Results of the survey are included in this annual report for shareholders.</p>
<p>Review of Benefits</p> <p>Shareholders are informed of the benefits being provided to shareholding councils by WLASS.</p>	<p>Information on the financial and non-financial benefits being achieved by WLASS are included in the 6-monthly and Annual Report to shareholders.</p> <p>The WLASS website is regularly maintained and updated.</p>	<p><i>Achieved:</i> Benefits and achievements have been reported in the half-yearly report, this annual report and the statement of intent published in June 2019.</p> <p><i>Achieved:</i> Relevant information and publications are included on the website.</p>

New Zealand Local Government Funding Agency (LGFA)

The New Zealand Local Government Funding Agency Ltd (LGFA) specialises in funding the New Zealand local government sector, the primary purpose being to provide more efficient funding costs and diversified funding 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 and one non-independent directors 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 participating local authorities, including:

- providing savings in annual interest costs
- making longer term borrowings available
- enhancing the certainty of access to debt markets
- offering more flexible lending terms.

Nature and scope of activities

LGFA raises debt funding either domestically and/or offshore in either New Zealand dollars or foreign currency, and provides debt funding to New Zealand local authorities that enter into all the relevant arrangements with it and comply with the LGFA lending policies. LGFA may undertake other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, their business.

Achievement in 2018/19

The Directors of the Local Government Funding Agency report another period of strong financial and non-financial performance for the year ending 30 June 2019.

LGFA total interest income for the financial year of \$361.1 million was a 5.3% increase over the 2017/18 financial year result of \$342.8 million while net operating profit of \$11.2 million for the financial year was a 5.1% decrease on the 2017-18 financial year result of \$11.8 million.

While operating profit was lower than the previous year's result, it did exceed the Statement of Intent (SOI) forecasts due to the larger than expected growth in council loans. Lower profitability was due to the lower level of interest rates reducing income on the Liquid Assets Portfolio, and the refinancing by councils of their previous higher margin loans as they matured with lower margin loans.

Expenses have been managed under budget over the past year owing to reduced utilisation of the standby facility and lower Approved Issuer Levy (AIL) payment due to fewer offshore investor holdings relative to budget. These savings were partially offset by higher legal and NZX costs associated with the record amount of council lending and associated bond issuance.

The financial strength of LGFA was reaffirmed by credit rating agencies S&P Ratings and Fitch Ratings who both maintained LGFA's credit rating at 'AA+', which, very importantly, is the same as the New Zealand Government. In March 2019, S&P Ratings placed LGFA's local currency long-term issuer rating on positive outlook.

LGFA was established in December 2011 to provide long-dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector. The original 31 shareholders including the Crown remain as shareholders. Over the past year, eight new members were added with Clutha District, Hawkes Bay Regional, Invercargill City, Mackenzie District, Ruapehu District, Waikato Regional, Wairoa District and West Coast Regional Councils all joining. Total membership is now 64 councils, and this is expected to rise by a smaller amount in the coming year.

Performance Targets of LGFA

The following gives a summary of actual performance against the primary objectives that were outlined in the 2018/19 Statement of Intent (SOI). This information is as reported in the LGFA 2019 Annual Report. For detailed information on the LGFA performance results, see its Annual Report, published on the LGFA website: www.lgfa.co.nz

Performance target:	Result:
1. LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:	
i. Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing;	LGFA aims to minimise its issuance margin over swap rates to provide cost-effective funding to councils. The LGFA margin to swap will depend upon several factors including the relative demand and supply of high grade bonds, general credit market conditions, performance of New Zealand Government bonds and swap rates, investor perceptions of LGFA and the issuance volume and tenor of LGFA bonds.
ii. Making longer-term borrowings available to Participating Local Authorities;	The average borrowing term (excluding short-dated borrowing) for the 12-month period to June 2019 by council members was 6.0 years and this was longer than the average borrowing term of 4.5 years for the prior year. The lengthening in term was due to councils reacting to the narrowing in borrowing spreads and low outright yields. However, the length of borrowing remains short relative to the 2015/16 year (7.8 years) and 2016/17 year (8.1 years) and relative to the forecast increase in sector projected debt levels in the future combined with low interest rates.
iii. Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice;	<p>LGFA listed its bonds on the NZX Debt Market in November 2015 and this has led to greater awareness and participation in LGFA bonds by domestic retail and offshore investors. Average turnover on the NZX Debt Market since listing has been \$11 million per month or 8% of the total turnover of the NZX Debt Market. Turnover has remained at lower than normal levels over the past twelve months as retail investors are more attracted to higher term deposit rates.</p> <p>LGFA commenced the issuance of LGFA Bills for terms of three months and six months in late 2015. Because of this issuance, LGFA has offered short-term loans of less than one year to councils since 2015. As at 30 June 2019, LGFA has short-term loans outstanding to 29 councils of \$360 million funded by LGFA Bills on issue of \$505 million.</p> <p>LGFA held eight bond tenders during the 12-month period to 30 June 2019, with an average tender volume of \$188 million and a range of \$160 million to \$210 million in size. LGFA also issued \$1.0 billion of an April 2024 maturity via syndication in March 2019. This was LGFA's first syndicated issue.</p>

Performance target:	Result:
iv. Offering more flexible lending terms to Participating Local Authorities.	<p>Councils can currently access flexible lending conditions by using the short-term lending and bespoke lending products. Short-term lending is for loans between 30 days and 364 days while bespoke lending is where councils can borrow for any term between one year and the longest-dated LGFA bond maturity (currently 14 April 2033) on any drawdown date. Therefore, council members can borrow for terms ranging from 30 days to almost 14 years at any time they wish to drawdown.</p> <p>Bespoke lending into non-LGFA bond maturity dates for council members has continued to grow in popularity over the past year. During the 12-month period to 30 June 2019, LGFA lent \$1.102 billion on a bespoke maturity basis across 111 individual loans. This was 45% of total term lending to council members over that period.</p> <p>Short-term borrowing by councils as at 30 June 2019 was \$360 million comprising borrowing from 29 councils for terms between one and 12 months.</p>
2. LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local government sector. This includes:	
i. LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and visit each participating Local Authority on an annual basis;	<p>LGFA undertakes a detailed financial assessment on each of its borrowers and meets with all member councils on an annual basis while monitoring council performance throughout the year. LGFA reviews the annual and long term plans for each council and the annual financial statements. All councils were compliant with LGFA financial covenants as at 30 June 2018 and a copy of each council's borrowing position and compliance with LGFA covenants was provided to LGFA shareholders and non-shareholder guarantors in December 2018. LGFA assigns an internal credit rating to each of its council members as part of the review exercise.</p> <p>LGFA management met with 47 individual councils over the 12-month period to 30 June 2019.</p>
ii. LGFA will analyse finances at the Council group level where appropriate;	<p>LGFA reviews the financial position of each council on a parent basis except for Auckland Council where LGFA analyses the financial statements at both parent and group level. This is because Auckland Council is the only council to deliver a wide range of its essential services on a group basis.</p>
iii. LGFA will review its debt covenant methodology and assessment of council financial position at group vs parent. LGFA will present its findings to councils at the LGFA Shareholder-Borrower Day, including a comparison of LGFA methodology to that of the credit rating agencies;	<p>LGFA has undertaken an assessment of councils' financial position on a group basis but has yet to present the comparison to the credit rating agency methodologies because both rating agencies (S&P Ratings and Fitch Ratings) had changed their methodology in 2019.</p>
iv. LGFA will work closely with the Department of Internal Affairs (DIA), Office of the Auditor General (OAG) and Local Government New	<p>LGFA staff and directors have met with DIA, OAG, LGNZ, SOLGM, Treasury and the Productivity Commission during the 2018-19 year to discuss sector issues. LGFA participated in sector-wide risk and audit forums.</p>

Performance target:	Result:
Zealand (LGNZ) on sector and individual council issues;	
v. LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market.	<p>LGFA management aim to meet with the management team of each council at least once a year. LGFA also presented to elected officials at councils prior to joining to advise them of their obligations.</p> <p>LGFA have been involved in discussions between Central Government agencies around Infrastructure Funding and Financing to assist both Central and Local Government with this work stream.</p> <p>LGFA presented at various capital market conferences and regularly met with banks and investors.</p>

Martha Trust

Introduction

The Martha Trust (the trust) was established in 2001 by a joint venture known as the Waihi Gold Company, setting 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 it can be used for recreational or leisure purposes by the general public following completion of mining and closure of the site.

Exemption of Martha Trust as a CCO

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 Martha Trust was exempted from being a CCO by resolution of the council in May 2007. This exemption was reconfirmed by the council in May 2019.

It is not practical for accountability requirements and performance monitoring of the Martha Trust to take place until such a time as it becomes operative, therefore by granting an exemption the council has provided a dispensation from any form of accountability and monitoring processes.

In accordance with section 7(3) of the LGA, the exemption of the Martha Trust as a CCO was reviewed at the February 2018 Finance Committee meeting due to it being three years since the last exemption was granted. The Finance Committee granted another exemption and resolved that the exemption is reviewed and reassessed either when the mine closes or on the receipt of further funds and at least within three years from granting the second exemption.

Trust

In April 2019 a capital sum of \$50,000 was introduced to the Trust by the Settlor. This had the effect of activating the Trust. Although the supporting mechanisms of the Martha Trust exist, such as the trust structure and bond, the trust will not become a fully operative entity until such time as the closure and rehabilitation conditions are finalised in the future.

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: 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 2019

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 30 October 2019. This is the date on which we give our report.

Opinion

Unmodified opinion on the audited information, excluding the statement of service performance

In our opinion:

- the financial statements on pages 105 to 110 and pages 112 to 169:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2019; and
 - the results of the 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 111, 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;

- the statement about capital expenditure for each group of activities on pages 25 to 104, 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 25 to 104, 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.

Qualified opinion on the statement of service performance – our work was limited in relation to the performance measure on the response times to faults and interruptions to the water supply system and waste water system

In our opinion, except for the matter explained in the *Basis for our qualified opinion on the audited information* section of our report, the statement of service performance on pages 25 to 104:

- presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2019, 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.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the Annual Report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 11 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.

Basis for our qualified opinion on the audited information

The District Council included in its Long-Term Plan performance measures on the response times to call-outs in response to faults or unplanned interruptions to its water supply system and waste water system. As disclosed on pages 47 to 48 and 55, our audit identified significant issues in the completeness and accuracy of the District Council's recording of performance against these measures.

Due to the extent of the inaccuracies we identified from our sample testing, we are unable to determine whether the District Council's reported results for these measures are materially correct. As a result, our work was limited and there were no practical audit procedures we could apply to obtain assurance over the reported results for response times to call-outs in response to faults or unplanned interruptions to the water supply system and waste water system.

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 qualified 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 Long-Term 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 District Council.
- We determine the appropriateness of the reported intended levels of service in the funding impact statement for each group of activities, 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 and Group'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 audit report. However, future events or conditions may cause the District Council and the Group 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.

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 10, 170 to 183 and 189 to 192, 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.

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 and group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's debenture trust deed, which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.

A handwritten signature in black ink, appearing to read 'D Walker 19/2019', is positioned above the printed name and title.

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

Appendix 2: Council Committees

Committees as at June 2019:

Audit and Risk Committee

- Paul Bennett (Chair, Independent Member)
- Deputy Mayor Toby Adams (Deputy Chair)
- Mayor John Tregidga
- Cr Ross Harris
- Cr Paul Milner
- Cr Duncan Smeaton

Community Services & Development Committee

- Deputy Mayor Toby Adams (Chair)
- Cr Paul Milner (Deputy Chair)
- Mayor John Tregidga
- All Councillors

Consultative Committee on Water and Waste

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

District Licensing Committee

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

Western Plains Drainage District Committee

- Brian Carter (Chair)
- Harry van Eyk
- Brian Keane
- Gavin Laurich
- Peter Johnstone
- Brian Pirie
- Patrick Leonard
- Peter Paterson
- Ross Young
- Cr Don Swales (alternate – Cr James Thorp and Cr Phillip Buckthought)

Eastern Plains Drainage District Committee

- Roger Hunter (Chair)
- Richard Webster
- Andrew Green
- Ted Nicholson
- Kevin Caddy
- Peter Schouten
- Brent Conroy
- Kim Reid
- Cr Phillip Buckthought (Alternate Cr James Thorp and Cr Don Swales)

Paeroa Rural Drainage District Committee

- Mike Peters (Chair)
- Kyle Morrison
- Kevin Gillingham
- Peter Casey
- Cr James Thorp (Alternate – Cr Don Swales and Cr Phillip Buckthought)

District Plan Review Committee

- Mayor John Tregidga (Chairperson)
- Deputy Mayor Toby Adams (Deputy Chair)
- Cr Gill Leonard
- Cr Austin Rattray

Hearings & Judicial Committee

- Cr Paul Milner (Chair)
- Cr Gill Leonard (Deputy Chair)
- Cr Anne Marie Spicer

Sub-committees

Economic Development Sub-Committee

(a sub-committee of the Community Services & Development Committee)

- Cr Ross Harris (Chair)
- Cr Gill Leonard (Deputy Chair)
- John Tregidga (Mayor)
- Deputy Mayor Toby Adams
- Cr Paul Miner
- Cr Austin Rattray
- David Taipari (appointee)

Councillor Conduct Review Sub-committee

- Mayor John Tregidga (Chair)
- Deputy Mayor Toby Adams (Deputy Chair)
- Cr Gill Leonard
- Cr Paul Milner
- Cr Max Mclean

Working Parties

Paeroa Ward Working Party

- Cr Paul Miner (Chair)
- Cr Deputy Mayor Toby Adams
- Cr Carole Daley
- Cr James Thorp
- Mayor John Tregidga

Plains Ward Working Party

- Cr Gill Leonard (Chair)
- Cr Phillip Buckthought
- Cr Don Swales
- Cr Ross Harris
- Mayor John Tregidga

Waihi Ward Working Party

- Cr Max McLean (Chair)
- Cr Anne Marie Spicer
- Cr Austin Rattray
- Cr Duncan Smeaton
- Mayor John Tregidga

Community Housing Working Party

- Carole Daley (Chair)
- Anne Marie Spicer (Deputy Chair)
- Paul Milner
- Gill Leonard

Councillor Remuneration Working Party

- Mayor John Tregidga (Chair)
- Deputy Mayor Toby Adams (Deputy Chair)
- Paul Milner
- Gill Leonard

CEO Performance Assessment Working Party

- Mayor John Tregidga (Chair)
- Deputy Mayor Toby Adams (Deputy Chair)
- Ward Chairs:
 - Gill Leonard
 - Paul Milner
 - Max Mclean

Councils Organisations Appointment Working Party

- Mayor John Tregidga (Chair)
- Deputy Mayor Toby Adams (Deputy Chair)
- Ward Chairs:
 - Gill Leonard
 - Paul Milner
 - Max Mclean

Property Sale and Purchase Working Party

- Mayor John Tregidga (Chair)
- Deputy Mayor Toby Adams (Deputy Chair)
- Carole Daley
- Gill Leonard
- Max Mclean

Forums

Te Mana Whenua Forum

- Mayor John Tregidga (Chair)
- Deputy Mayor Toby Adams (Deputy Chair)
- Phillip Buckthought

Council Portfolios

Policy	Mayor John Tregidga
Policy, RMA and Regulatory	Cr Paul Milner
Property	Cr Carole Daley
Water/Wastewater/Stormwater	Cr Ross Harris
Drainage	Cr Phillip Buckthought
Roading	Deputy Mayor Toby Adams
Community Facilities	Cr Gill Leonard
Community Recreation (Sport)	Cr Max McLean
Iwi	Mayor John Tregidga
Solid Waste	Cr Duncan Smeaton
Community Growth	Cr Ross Harris
Community Initiatives	Cr Anne Marie Spicer
Civil Defence	Cr Phillip Buckthought
Finance	Deputy Mayor Toby Adams



Hauraki District Council Offices

For all customer service enquiries 24 hours a day please telephone 07 862 8609 or 0800 734 834 (from within the District).

Council offices are open from 8:00am to 4:30pm Monday to Friday, excluding public holidays.

Principal Office, Paeroa

William Street, Paeroa 3600

PO Box 17, Paeroa 3640

Phone: 07 862 8609 or 0800 734 834 (from within the District)

Email: info@hauraki-dc.govt.nz

Website: www.hauraki-dc.govt.nz

Plains Service Centre

Orchard West Road

Ngatea

Waihi Service Centre

40 Rosemont Road

Waihi