



2020/21 Annual Report



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A message from the Mayor and Chief Executive

The last financial year has been one of highs, lows, and unexpected turns. On the back of our first nationwide lockdown as a result of the global pandemic earlier in 2020, 2020/21 moved forward with gusto. Despite unfavorable predictions for employment rates, house prices and the economy generally, Hauraki district fared reasonably well considering. In light of the pandemic, we responded by pushing forward with our planned capital works programme as much as possible as we recognised this was important to aid in our local economic recovery.

However, dealing with the ongoing implications of covid-19 was not our only curveball in 2020/21, with the government also launching a suite of proposed changes that will have numerous implications for our communities. The Government's review of three waters (that is, water supply, wastewater and stormwater), the review of the future for local government, and the replacement of the resource management act are all front of mind for us. Some aspects of these reviews are further along than others, with the three waters review at the forefront and consuming a lot of our resource in late 2020/21 and on an ongoing basis in 2021/22.

The Department of Internal Affairs (DIA) offered some incentive to signing up to the first stage of three waters proposal – funding of which we took full advantage of during 2020/21. We progressed work such as water treatment plant improvements, wastewater pump station upgrades and work on the Waihi wastewater rising mains with DIA funding. Work on DIA funded projects is ongoing into 2021/22. We will continue to work through the proposed changes with Government, and advocate for the best results for our district.

Major projects

A big ticket item this year gone was the \$1.265 million spent on emergency roading works that we carried out as a result of the 2020 drought, which caused significant damage to some of our road surfaces.

2020/21 marked the completion of a major upgrade of the water supplied to the Kaimanawa area. This \$5million project supplies water to Kaimanawa from the Paeroa plant, and has been in progress for the last few years and we are pleased to see its completion.

The development of our 2021-31 long term plan (LTP) dominated a lot of our time and energy in 2020/21 and the year preceding, and with good reason. The LTP is our key planning document that sets out our priorities and work programme for the next ten years. We tried something a little different this time round and produced the *Alice in Our Place* community feedback campaign and it's safe to say, we successfully got your attention. Thank you to all those who participated in this process and provided feedback.

'Gr8 Job Hauraki' was initiated in October 2020 and has been successfully operating and providing incentives towards work ready training and job placements in the area. We are pleased to say the target set of assisting 25 individuals into employment in 2020/21 was achieved, and surpassed with 32 individuals assisted into sustainable employment positions. It is heart-warming to hear some of the success stories and demonstrates the collaboration between Council's staff and Elected Members, government agencies and local business has shown us it really takes a combined team effort to create impact and when we work together, we all win.

In terms of our financials, we ended the year with a \$5.8 million surplus. This was \$4.5 million more than what we had anticipated. This is in part due to the \$4.1 million gain incurred on the sale of inventory assets which was not budgeted for and related to the Ngatea North subdivision. Vested assets revenue was also higher than that budgeted by \$1.1m due to the Paeroa Wharf assets being vested to Council by the Historical Maritime Park during the 20/21 financial year, along with additional land being vested in Council.

The next year will reveal more about what the future for local government may look like. Whatever the future may bring, we'll continue to do our best to support our local communities.

Hauraki District Council Statement of compliance and responsibility as at 30 June 2021

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 2021 fairly reflects the financial position and operations of Hauraki District Council.

Toby Adams
Mayor

Langley Cavers
Chief Executive

Introduction and overview

Your Elected Members 2020/21

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

Mayor



District Mayor
Mr Toby Adams
027 808 4217
toby.adams@hauraki-dc.govt.nz
hauraki-dc.govt.nz
Portfolios: Policy and communications, RMA and Regulatory Policy, Finance and ICT, Iwi, Transportation, Emergency Management

Paeroa Ward



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



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



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



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

Plains Ward



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



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



Councillor
Rodney Garrett
07 867 6879
rodney.garrett@hauraki-dc.govt.nz
hauraki-dc.govt.nz
Portfolios: Water Management (Stormwater, Land Drainage and Flood Protection), Waste Management/Minimisation



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

Waihi Ward



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



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



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

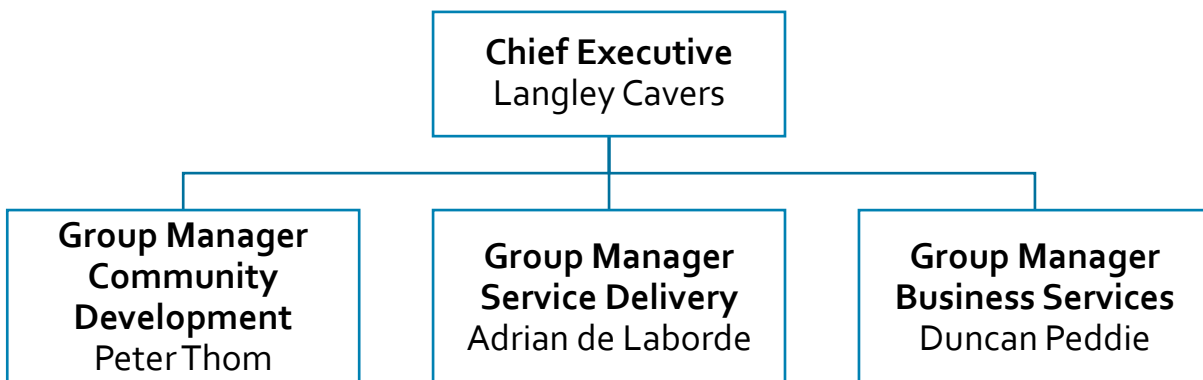


Councillor
Sara Howell
07 863 7541
sara.howell@hauraki-dc.govt.nz
hauraki-dc.govt.nz



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

Hauraki District Council's Executive Leadership Team



Mission Statement

It is the Council's mission to:

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

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

Customer Charter

Your rights as a customer are:

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

Our commitment to you:

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

Customer feedback:

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

Community Outcomes

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. As part of the planning for the Long Term Plan 2021-31, these Community Outcomes were reviewed and the revised Community Outcomes came into effect on 1 July 2021. For the purposes of the Annual Report, the Community Outcomes are those that were in place during the 2020/21 year.



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 some of the projects that we have completed during the year. Additionally, an annual plan is produced in years two and three of the LTP to update the projects and budgets for those years.

This annual report document presents our key achievements for the 2020/21 year (1 July 2020 to 30 June 2021).

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 2020/21 elected members, our community outcomes and more.
- Our progress against the goals we set in our Financial Strategy.
- For each of our activities, this annual report outlines:
 - What the activity cost and how it was funded
 - Our progress in 2020/21 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 2020/21
 - The projects that we planned to complete in 2020/21 but weren't able to
- Our financial statements for the 2020/21 year
- An overview of the achievements of our Council Controlled Organisations (CCOs) in the 2020/21 year.
- A list of all Council Committees and their members.
- A report from Audit New Zealand regarding this annual report

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 www.hauraki-dc.govt.nz



Page #
2018-28
Long Term Plan

Satisfaction Survey

Through Versus Research, Council independently surveys our customers' satisfaction with our services annually. For the 2021 survey, a sample of 591 was completed with 400 interviews being completed via phone and 191 online.

Statistically, the sample was proportionate to each Ward to ensure the survey was representative of the Hauraki District overall. Age and gender weights were applied to the final dataset to ensure specific demographic groups were not under or over represented. The margin of error for the 2021 survey was +/-4.03% at the 95% confidence interval.

Progress against our Financial Strategy

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

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

Rates affordability benchmark

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

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

Non-water rates

- the Council's planned non-water rates increase for the year is compared with forecast Local Government Cost Index (LGCI) plus 3.9% on non-water rates increases for the year contained in the financial strategy included in the Council's long-term plan; and
- A rates cap of 2% on top of the forecasted rates requirement set out in the 2018-28 LTP for the year covered by the Annual Plan.

Water rates

- The Council's planned water rates increase for the year is compared with forecast LGCI plus 3.0% on water rates increases for the year contained in the financial strategy included in the Council's long term plan; and
- A rates cap of 2% on top of the forecasted rates requirement set out in the 2018-28 LTP for the year covered by the Annual Plan.

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

Progress against our rates affordability benchmarks

Non-water rates

Council met both rate affordability benchmarks (income and increases) in the 2020/21 financial year for non-water rates.

In 2019/20, rate remissions (excluding water) were \$1.0 million. This abnormally high level reflected a charge of \$0.56 million remitted due to a rating charged assessed in error on one property. If rate remissions were excluded from the calculation, Council would have met both rate affordability benchmarks (income and increases) as actual rates income would have been \$24.0 million (and within the quantified limit of \$24.5 million) and the rate increase from the 2018/19 financial year to this financial year would have been 3.5% instead of 7.8% calculated.

Water rates

Council met both rate affordability benchmarks (income and increases) in the 2020/21 financial year for water rates.

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

Water consumption in 2017/18 was significantly higher than in 2016/17. Where as in 2018/19 water consumption was slightly under budget. In 2019/20, the district experienced a record-breaking drought, which saw water consumption spike again. A number of breaks in pipes were also identified throughout the district. The dry ground conditions caused substantial movement (contraction) in the soil and caused damage to a number of pipes and other water reticulation assets.

Although water production in 2020/21 was consistent with that in 2019/20, Council still managed to keep water rate increases within the limits set in the annual plan and long-term plan.

Debt affordability benchmarks

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

Council has four quantified limits on borrowing:

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

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

Progress against our rates affordability benchmarks

The Council set a variety of debt parameters around total debt limits and interest cost limits, which indirectly determines debt limits. The debt cap that the Council set is that its total debt should not exceed \$8,000 per property in any year. At 30 June 2021, total debt was \$2,731 per property.

In addition, the 2020/21 Annual Plan the debt forecast was \$52.5 million, with the debt cap being \$94.5 million, meaning that the Council's Annual Plan sat comfortably within its debt cap.

Council's debt at the end of June 2020 was \$44 million, which was \$9 million lower than forecast because of some delays experienced in the capital work programme.

Due to the lower than anticipated borrowing levels, both net interest expense benchmarks are well within the limits set out in the long-term plan.

Annual report disclosure statement for year ending 30 June 2021

What is the purpose of this statement?

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

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

Rates affordability benchmark

The Council meets the rates affordability benchmark if:

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

Rates (income) affordability

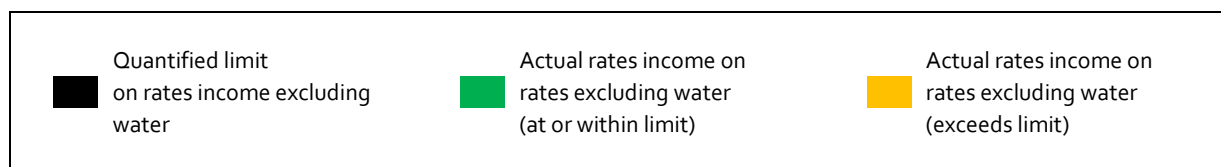
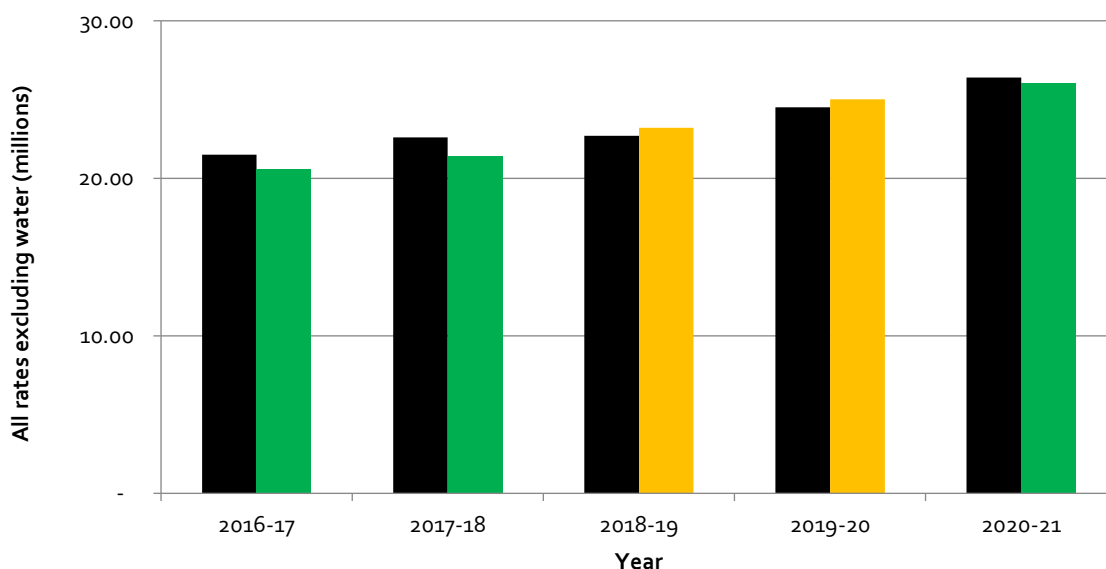
Council has two quantified limits on rates income as stated in the financial strategy included in the Council's long-term plan:

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

Rates excluding water rates (income) affordability

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

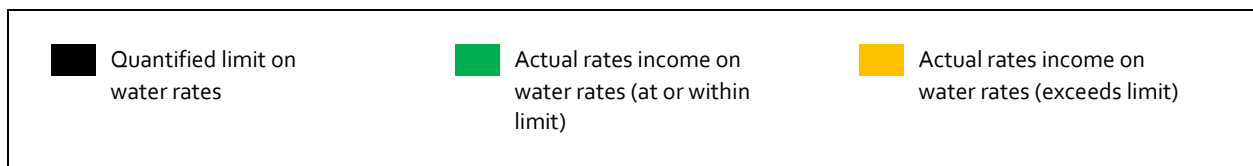
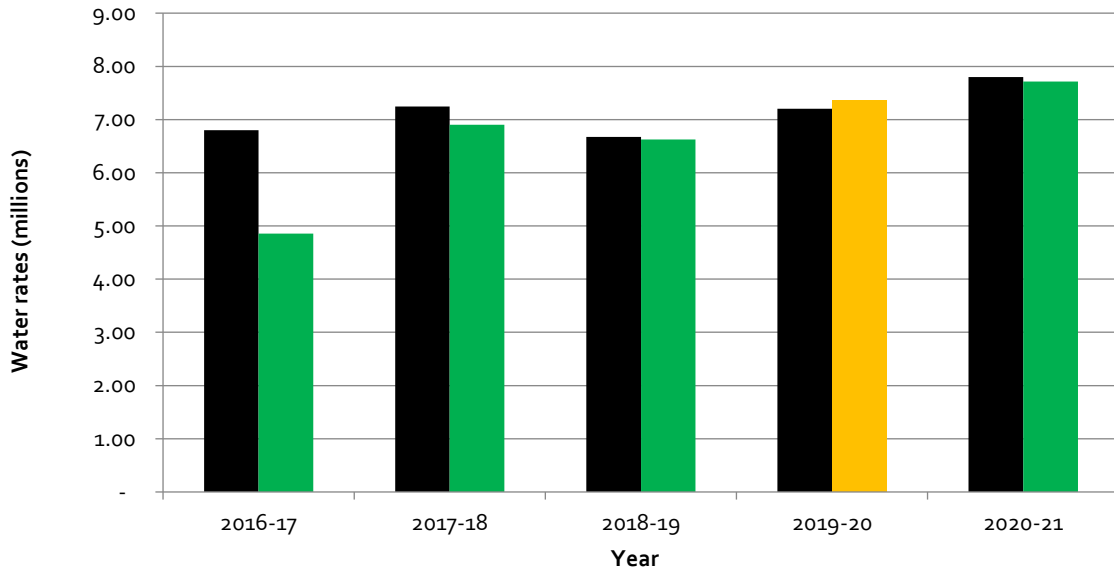
The quantified limit for 2021 was \$26.4 million, being the forecasted rates (excluding water) for 2019/20 year in the long-term plan plus 7.7%. (2020: \$24.5 million being the forecasted rates (excluding water) for 2018/19 year in the long-term plan plus 7.7%).



Water rates (income) affordability

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

The quantified limit for 2021 was \$7.8 million, being the forecasted income from water rates in the 2019/20 year plus 8.2%. (2020: \$7.2 million, being the forecasted income from water rates in the 2019/20 year plus 8.2%).



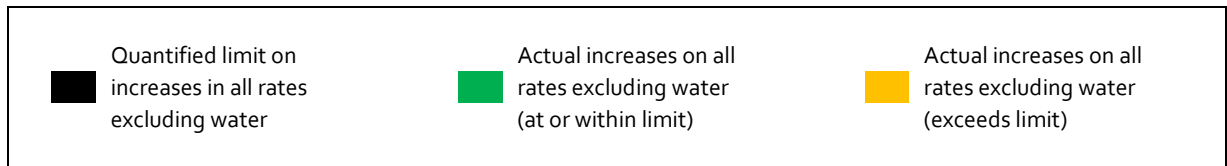
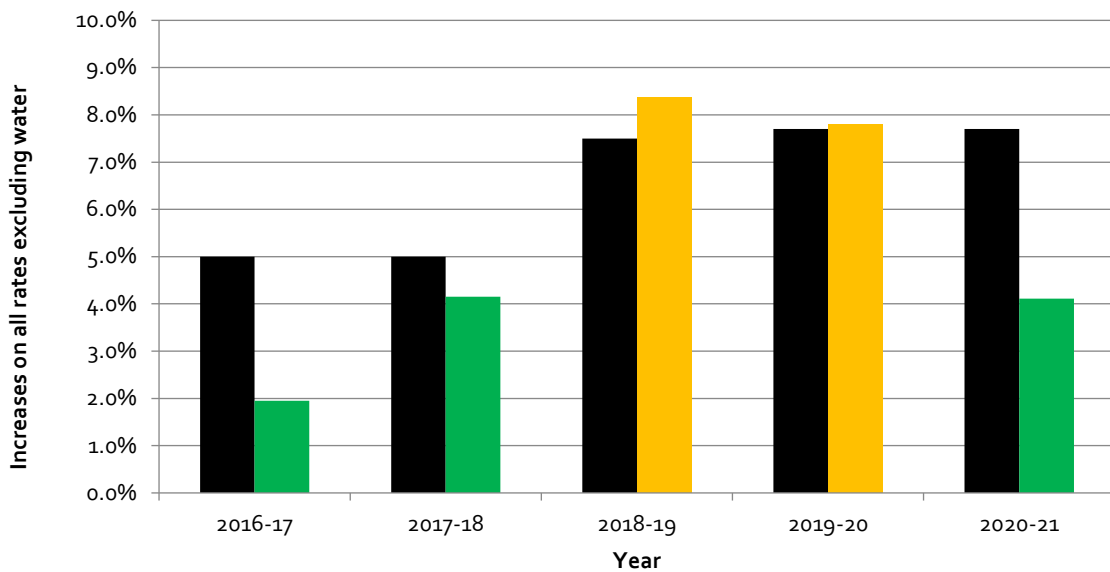
Rates (increases) affordability

Council has two quantified limits for rates increases:

- the first quantified limit is for all rates excluding water, and is expressed as the Local Government Cost Index (LGCI) plus 5.5%
- the second quantified limit is for water rates, and is expressed as the LGCI plus 6%

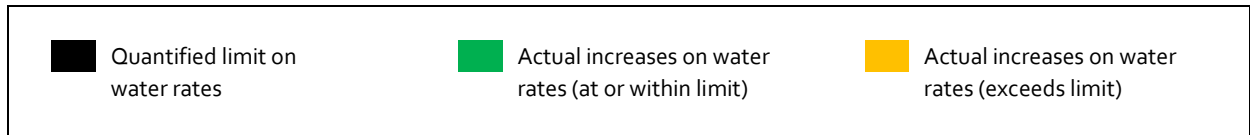
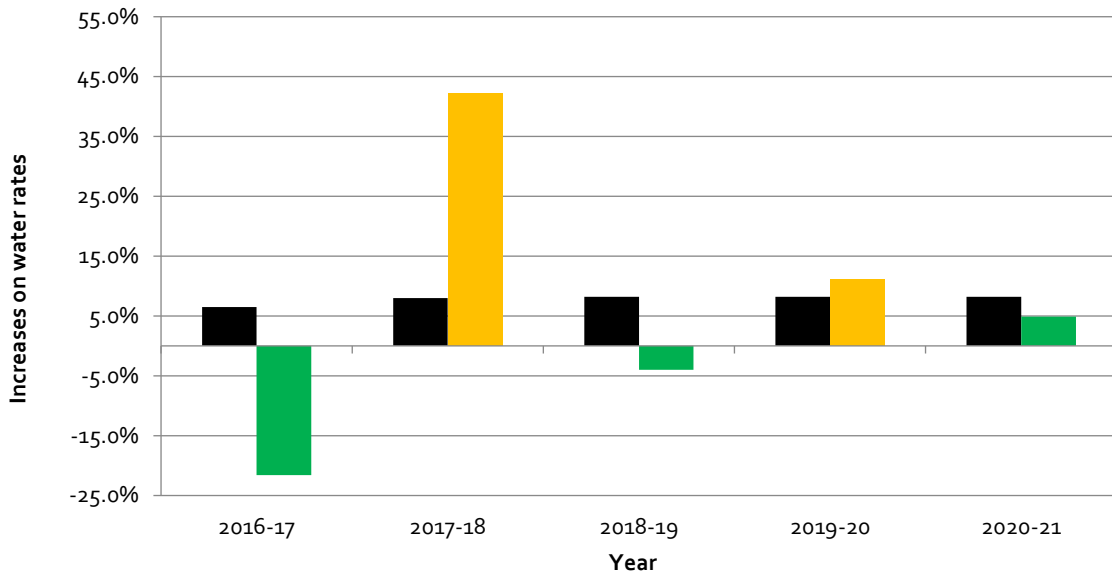
The following graph compares the Council’s actual rates increases with a quantified limited on rates increases included in the financial strategy included in the Council’s long-term plan.

The quantified limited for the amount rates can increase (excluding water) is the forecast LGCI plus 5.5%, for the first four years, and the LGCI plus 3.5% for the remaining years of the long-term plan.



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.



Debt affordability benchmarks

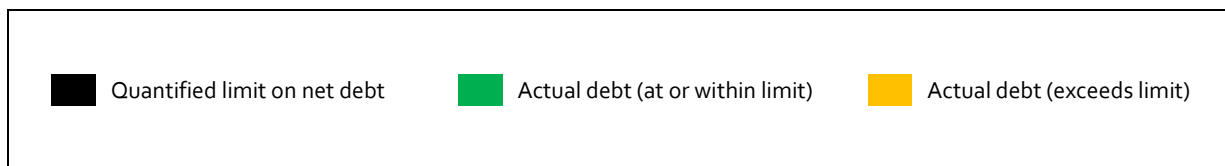
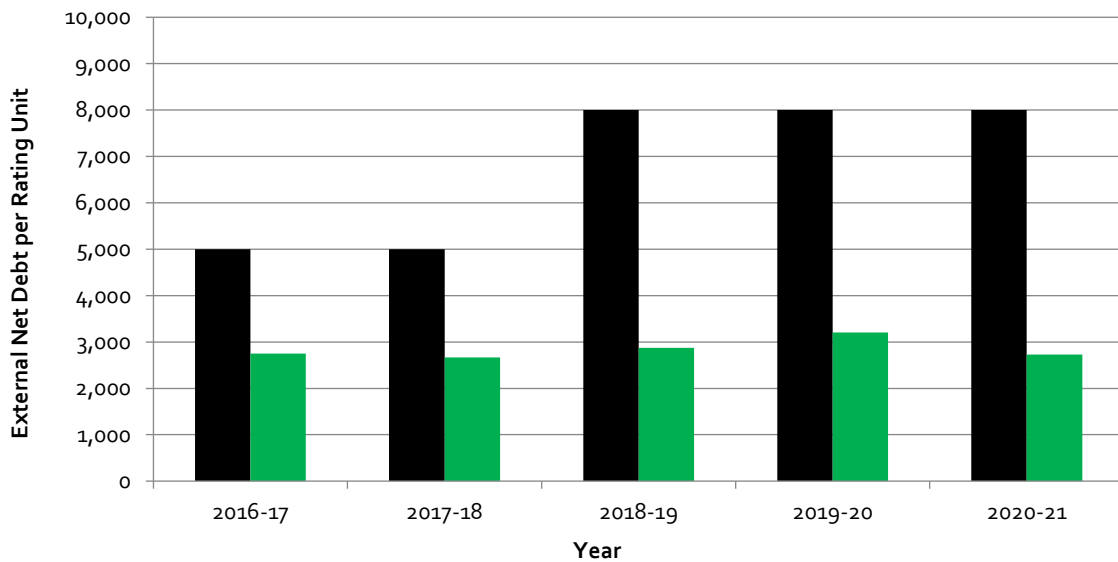
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council has four quantified limits on borrowing:

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

Debt (external net debt per rating unit) affordability

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

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



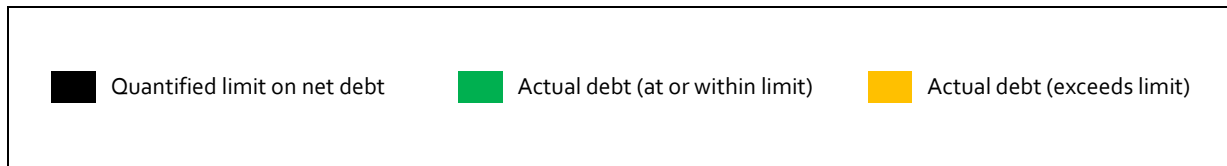
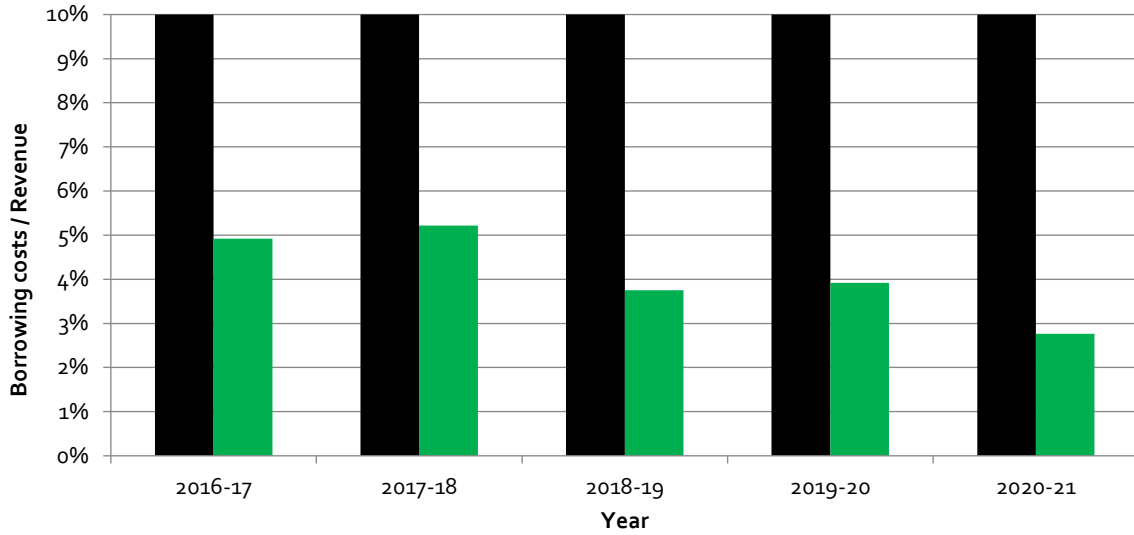
In the 2018-28 Long Term Plan, the quantified limit for this measure changed from \$5,000 to \$8,000 per rating unit. The Council is comfortably within this borrowing limit.

It was identified when preparing this annual report that the figures calculated in the 2019/20 annual report for the 2016/17 and 2017/18 years were incorrect. These should have been \$2,748 and \$2,669, respectively, and not the \$3,359 and \$2,502 previously recorded.

Debt (net interest expense to total revenue) affordability

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

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

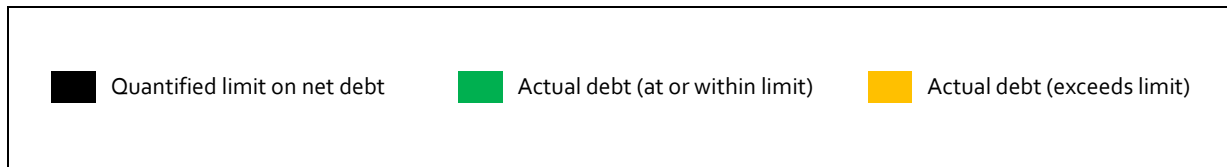
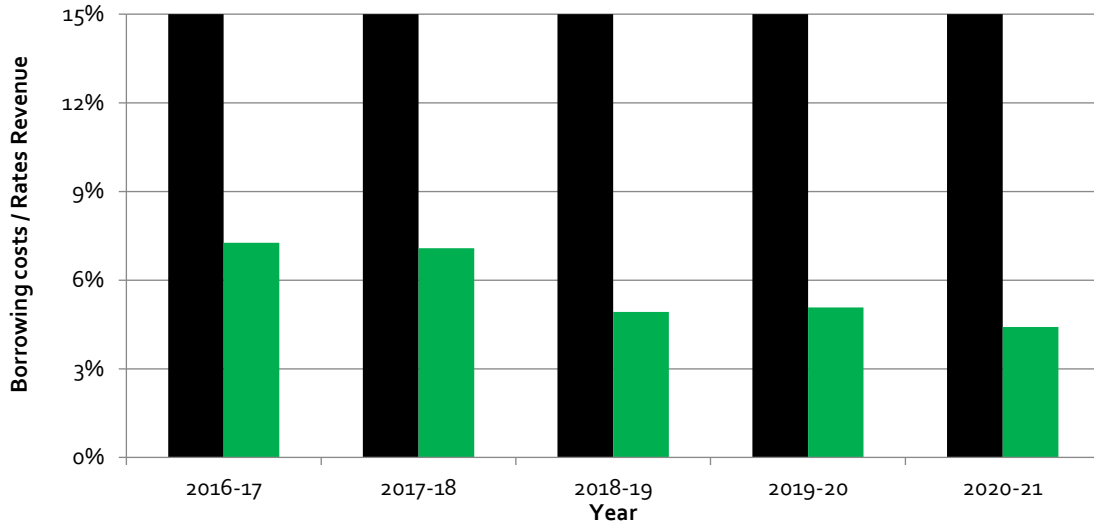


Council is comfortably within this limit.

Debt (net interest expense to rates revenue) affordability

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

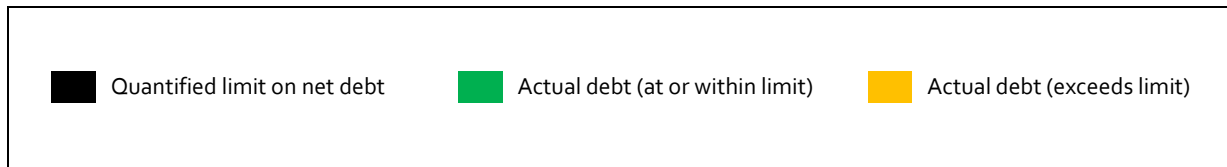
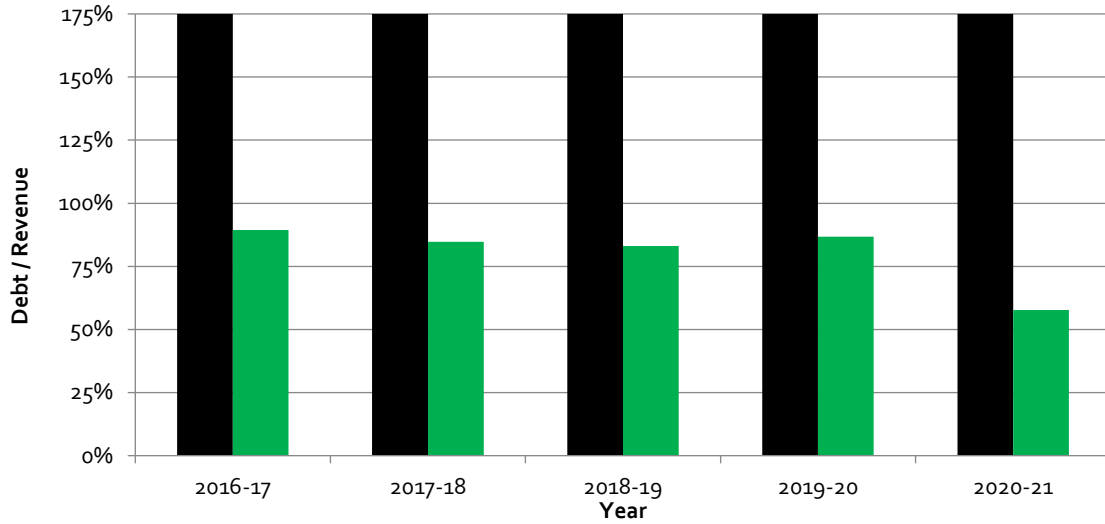
The quantified limit is that net interest expense is equal to or less than 15% of rates revenue.



Council is comfortably within this limit.

Debt (debt to total revenue) affordability

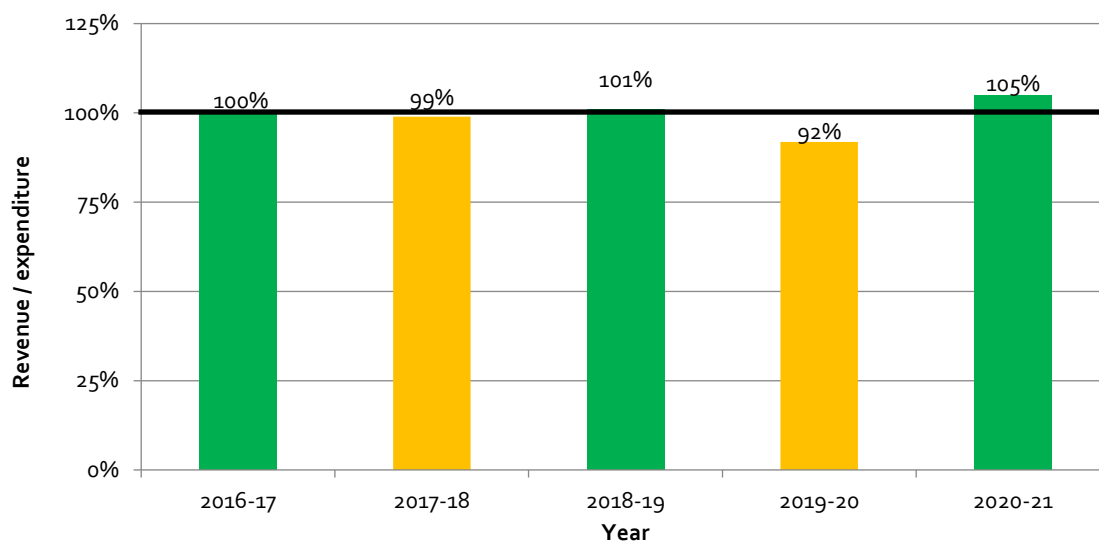
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is that debt is equal to or less than 175% of total revenue.



Council is comfortably within this limit.

Balanced budget benchmark

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

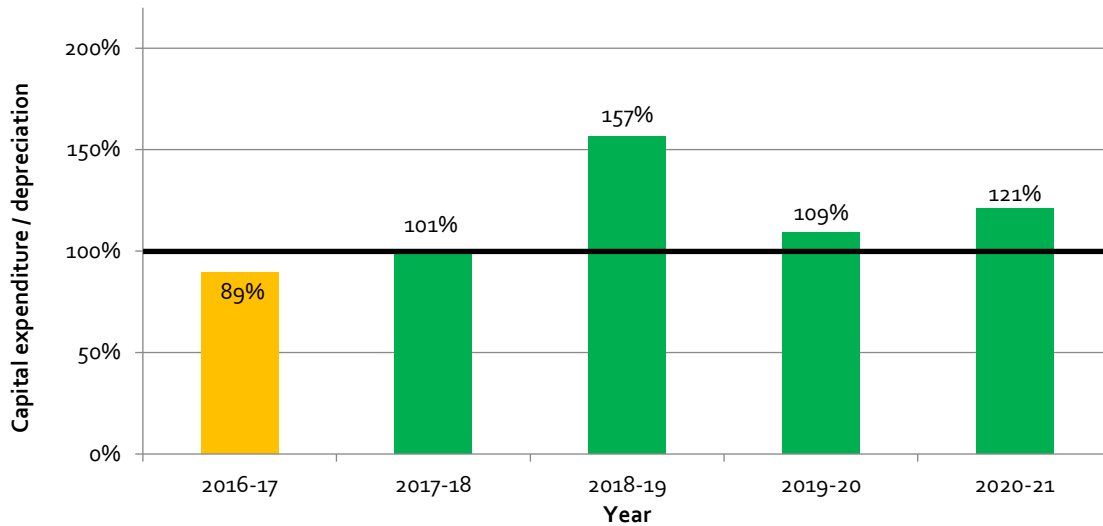


The Council aims to maximise the services it provides to the District, while minimising rates revenue increases. This is reflected in the 99% average proportion of revenue to operating expenditure over the five-year period from 2016/17 to 2020/21.

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.



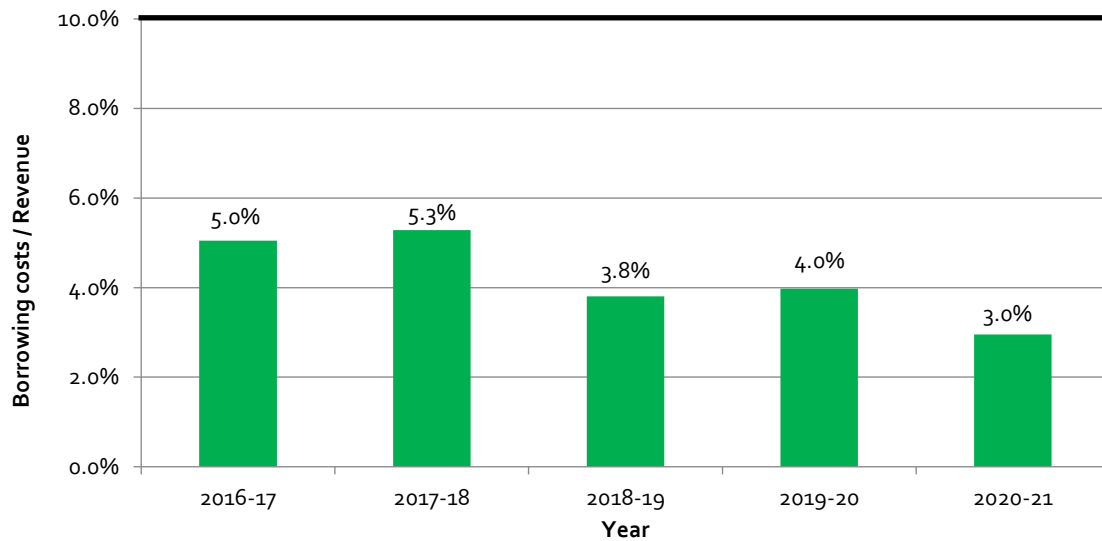
The Council's capital expenditure on network services is consistent with depreciation on network services. The average proportion of capital expenditure to depreciation expense is 117% over the five-year period from 2016/17 to 2020/21.

Capital expenditure was less than depreciation in 2016/17 as a number of capital projects were deferred until future income years.


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.



 Benchmark met

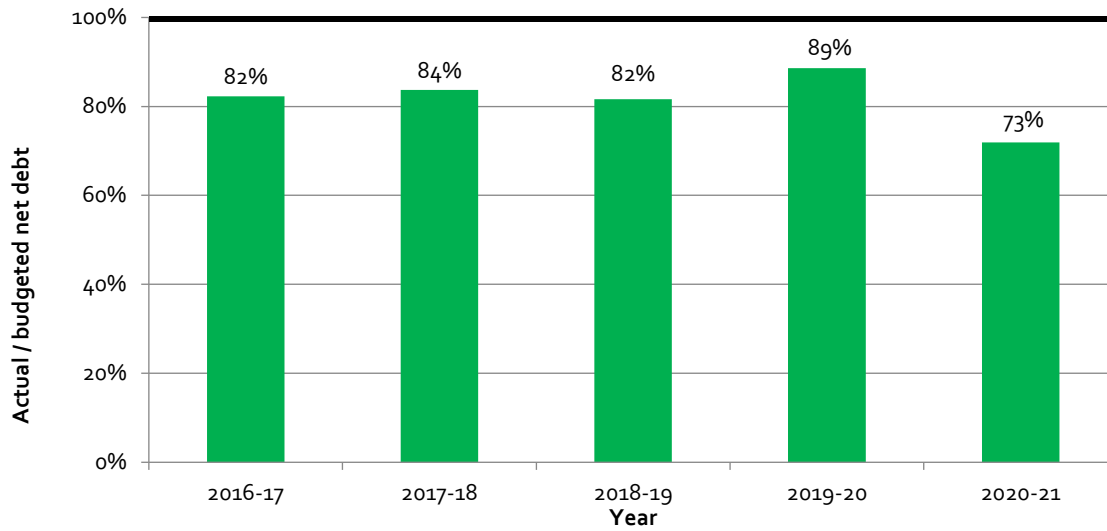
 Benchmark not met

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 2016/17 to 2020/21 was 4%.

Debt control benchmark

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

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

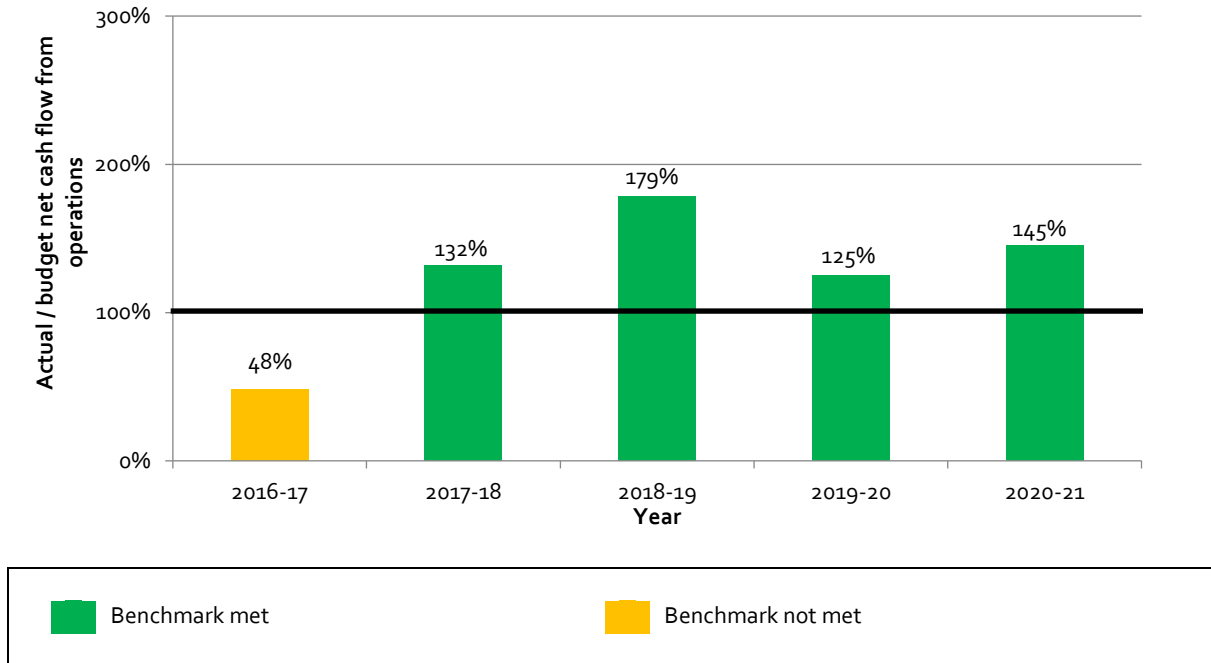


The Council has consistently maintained lower actual than planned net debt. The average proportion of actual to planned net debt was 82% over the five-year period from 2016/17 to 2020/21.

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 122% over the five-year period from 2016/17 to 2020/21.

Variances from year to year are mainly driven by events largely beyond the Council's control relating to project timing. For instance, in the 2016/17, year key movements related to rates revenue and other revenue being both \$0.5 million down on budget, and payments to suppliers and employees \$3.7m higher than budgeted. The situation was reversed in the following years, where 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:

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

Summary of our performance

We had 80 service targets listed in the 2018-28 Long Term Plan for 2020/21 – here is a summary of the results:

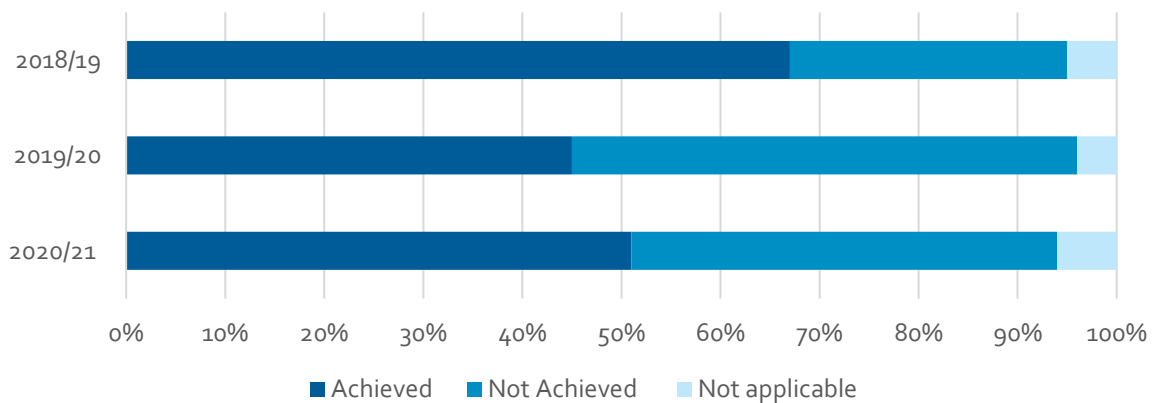


Service targets not achieved

As shown above, 44% of our non-financial performance measures were not achieved for various reasons. We're using these results to inform and improve our service delivery in the future. For further non-financial performance results see the *Meeting our Service Targets* tables in the full 2020/21 Annual Report document.

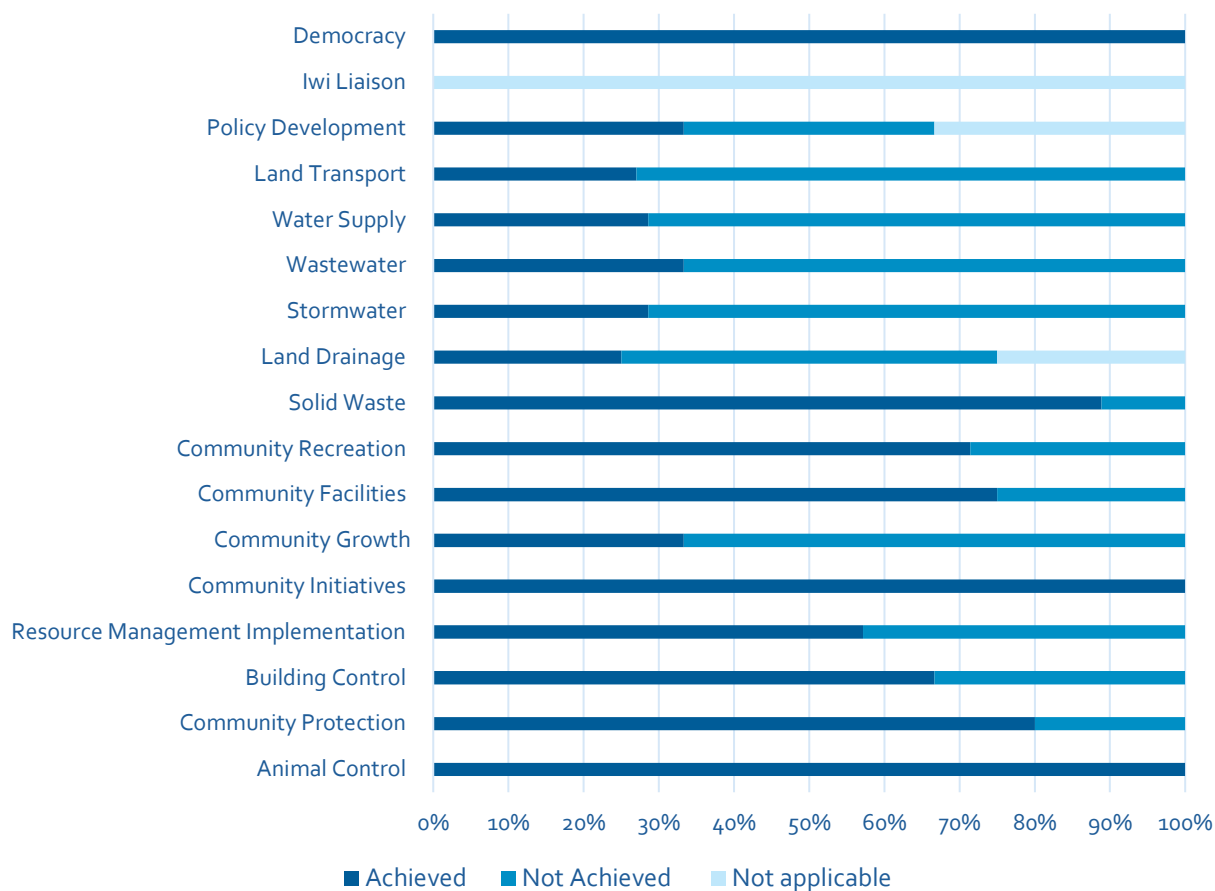
Overall service performance by year

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



For more detail on each activity that we provide, refer to the 2018-28 Long Term Plan document available on our website www.hauraki-dc.govt.nz

Overall service performance by activity



Infrastructure

Infrastructure includes the activities of land transport, water supply, wastewater, stormwater, land drainage and solid waste. Across these activities there are themes of non-achievement in the areas of attendance and resolution times for service requests, and also system and process breakdowns. Staff will be focusing on improving in these areas in the coming year.

Governance and Leadership

A key activity within the governance and leadership group is iwi liaison, with both measures being 'not applicable' in the 2020/21 year due to the treaty settlement process still ongoing. Currently only one iwi in Hauraki have settled but this has not yet gone through Parliament.

Community Services

The resident satisfaction results for libraries and parks narrowly missed their target. All other measures for libraries and pools, as well as for parks and reserves, halls, pensioner housing and cemeteries were achieved. The measure for public toilets was not achieved due to matters outside our control.

Regulatory Services

As mentioned above, following the first lockdown in 2020 predictions were that we may experience some economic downturn. However the housing market and construction sector has been busier than ever. This in some cases has impacted the achievement of some of our measures relating to LIMs, resource and building consent processing times. All aspects of the animal control activity were achieved.

Community Development

Unsurprisingly, some aspects of community growth were not achieved in 2020/21 as they were impacted by covid-19. For example, our tourism expenditure was down 6% compared to the previous year. However that being said, our district has fared reasonably well considering some unfavourable predictions early on in 2020.

Our activities in this report

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

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

For every activity the following further information is provided:

<Activity name>

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

Meeting our service targets

The levels of service, measures and targets for groups of activities or activities, as detailed in the 2018-28 Long Term Plan for the 2020/21 year, are detailed in the 'meeting our service targets' table. The table for each group of activities or activity also includes progress indicator icons to show the achievement of each measure. The icons are as follows:

Achieved

Not Achieved

Not Applicable

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

Note that the results of some measures are based on an annual satisfaction survey. This was undertaken in July/August 2021, to record customers' satisfaction with our services and facilities in the 2020/21 year.

What else happened in 2020/21?

This section details the projects that were completed in the 2020/21 year; this includes projects that were scheduled for 2020/21 in the Long Term Plan, or other projects that had been rescheduled to occur in 2020/21 from other years.

What didn't happen and why

This section details the projects that were scheduled for 2020/21 that didn't occur, and the reasons why.

What these activities cost and how they were paid for

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

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.

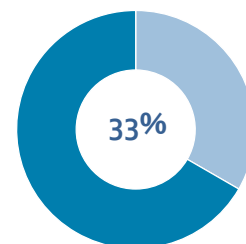
Effects on the community

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

	Annual Plan	Actual	Actual
	2021	2021	2020
	\$000	\$000	\$000
Expenditure			
Democracy			
Democracy	2,222	2,030	2,105
Interest	0	0	0
Iwi liaison			
Iwi liaison	150	116	124
Policy development			
Strategic planning	756	693	672
RMA policy	460	390	278
Total expenditure	3,588	3,230	3,179
Revenue			
Fees, charges and other revenue	0	1	3
External subsidies	0	2	0
Targeted rates	0	0	0
General rates	3,415	3,671	3,628
Total revenue	3,415	3,674	3,631
Operating surplus / (deficit)	(173)	444	452

Hauraki District Council: Funding impact statement for the year ended 30 June 2021 for Governance and Leadership

	Long-Term Plan 2020 \$000	Long-Term Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	2,559	2,925	3,672
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	2
Fees and charges	0	0	1
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	2,559	2,925	3,675
Applications of operating funding			
Payments to staff and suppliers	1,268	1,270	1,168
Finance costs	171	308	0
Internal charges and overheads applied	2,037	2,019	2,062
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,476	3,597	3,230
Surplus / (deficit) of operating funding (A - B)	(917)	(672)	444
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	1,664	1,881	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	1,664	1,881	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	747	1,209	444
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	747	1,209	444
Surplus / (deficit) of capital funding (C - D)	917	672	(444)
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 2020/21 ▼	
	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>	2020/21:	<input checked="" type="checkbox"/> Achieved: 100% (78 of 78) of agendas were available two clear working days before each meeting.
	2019/20:	<input checked="" type="checkbox"/> <i>Not achieved: 98% (50 of 51) agendas were available two working days before each meeting.</i>
	2018/19:	<input checked="" type="checkbox"/> <i>Achieved: 100% target met.</i>

What else happened in 2020/21?

2021 Satisfaction Survey

Annually we undertake a satisfaction survey to seek an understanding of the community's satisfaction with our services and facilities over the past 12 months. The 2020/21 survey commenced in July 2021. Some of those results are included in this Annual Report under the *Meeting Our Service Targets* sections. The full results report is available on the Council's website.

What didn't happen in 2020/21?

There were no planned projects that didn't happen in 2020/21.

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 2020/21 ▼
		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>	2020/21:	<input type="checkbox"/> Not applicable: Treaty settlements are still ongoing. Currently only one Iwi in Hauraki have settled but this has not yet gone through Parliament. However in 2021/22 we are going to fully engage and begin developing these partnerships, rather than wait for the government to settle all claims.
	2019/20:	<input type="checkbox"/> <i>Not applicable: Delayed due to Covid 19. Iwi are still awaiting Treaty Settlements to occur of which are also delayed.</i>
	2018/19:	<input type="checkbox"/> <i>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.</i>
<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>	2020/21:	<input type="checkbox"/> Not applicable: Treaty settlements are still ongoing. Iwi and Council have started the process of establishing better long term partnerships and in 2021/22 we are going to fully engage and further develop these partnerships, rather than wait for the government to settle all claims.
	2019/20:	<input type="checkbox"/> <i>Not applicable: Treaty settlements are still ongoing.</i>
	2018/19:	<input type="checkbox"/> <i>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.</i>

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.

In the next year we will be looking to develop partnerships with Iwi, despite the government not having settled all claims yet. In the post Treaty environment, our engagement with Mana Whenua will continue to 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.

What else happened in 2020/21?

Resourcing

Again in 2020/21 Council increased its resourcing in the iwi liaison space 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 in relation to the Waihou/Piako river catchments. During the year we have established in house training to increase staff understanding and cultural responsiveness to Tangata Whenua. In the coming year we will be moving into an implementation phase.

What didn't happen in 2020/21?

Mana Whenua Forum

By agreement between the Council and Iwi members of the Forum, no meetings of the Mana Whenua Forum were held as a result of the priority Iwi had on progressing their Treaty settlement negotiations. However within the next year we will commence three monthly reporting on progress / implementation achieved, and together we will be looking to implement a better arrangement than the status quo. This will be co-designed with Iwi.

Memoranda of understanding

No new memoranda of understanding were developed during 2020/21 as we await the completion of the Treaty process where new entities will be established.

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 2020/21 ▼
		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.	2020/21: <input checked="" type="checkbox"/>	Achieved: 100% (11/11) of legislatively required documents were adopted within the statutory timeframes.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 100% (3/3) of legislatively required documents were adopted within the statutory timeframes.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: All documents were adopted within statutory 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 the annual customer satisfaction survey. Target: ≥75% of customers satisfied	2020/21: <input checked="" type="checkbox"/>	Not achieved: The 2021 satisfaction survey showed that 60% of residents were satisfied with the Council's consultation and engagement.
	2019/20: <input checked="" type="checkbox"/>	<i>2020 survey: 58% satisfied.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>2019 survey: 50% 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.	2020/21: <input type="checkbox"/>	Not applicable: there were no appeals or judicial reviews lodged during 2020/21.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: There were no successful appeals or judicial reviews on any Change or Variation to the District Plan.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: No appeals or judicial reviews as a result of administrative or process matters.</i>

What else happened in 2020/21?

2021-31 Long term plan

A long term plan (LTP) sets out our priorities over the medium to longer term and must be produced once every three years, covering a period of at least ten years. Considerable work was undertaken in 2020/21 on the preparation of the LTP, including the Alice in Our Place community feedback campaign. The Council considered all feedback received at hearings in May 2021 and adopted the LTP on 23 June 2021. The LTP came into effect on 1 July 2021.

Significance and Engagement Policy

The Significance and Engagement Policy lets the public know what decisions or matters the Council and its communities consider to be particularly important, and how the importance of those matters will be assessed. The policy was reviewed as part of the three yearly review during 2020. Consultation process closed in August 2020 and the policy was approved by Council to come into effect on 1 October 2020.

Development Contributions Policy

Development contributions help to pay for growth-related infrastructure. When someone applies for consents or connections for development (such as subdividing land or undertaking building work) they will need to financially contribute towards funding growth related infrastructure. The Development Contribution's Policy outlines which community infrastructure we will charge development contributions for and how much we will charge, depending on where the development is taking place. We reviewed our 2021 Development Contributions Policy alongside our LTP and adopted it on 23 June 2021 to come into effect 1 July 2021.

Wharekawa Coast 2120

The Wharekawa Coast 2120 project continued in 2020/21. This project is about working together with our communities, councils and iwi to develop a community plan that addresses a range of issues for the Wharekawa coastal area, over the next 100 years. We spent just over \$100,000 on external contractors and meeting fees and expenses. Because of delays with this project, completion of the community plan has now been included in the 2021/22 financial year, with implementation of the community plan beginning once the plan has been completed.

2019/20 Annual Report

The 2019/20 Annual Report was prepared, audited and adopted in the period July 2020 to November 2020. A legislative extension was provided to allow councils extra time to adopt their annual reports in 2020, due to implications for the sector as a result of Covid-19. We adopted our Annual Report prior to the extended legislative deadline.

Dog Control Policy and Bylaw

We reviewed our dog control policy and bylaw early in 2021, with Council adopting the revised policy and bylaw on 28 April 2021 to become operative from 1 July 2021. The 2021 policy and bylaw includes new dog exercise areas at Leach Field, Paeroa, Kerepehi Domain, River Road, Ngatea (previous stock pound) and Turua Domain. The hours and days for dog exercise off leash on Whiritoa Beach was also amended. The new exercise areas were to become operative from 1 October 2021.

Zero Carbon Promise

In 2015 the Mayors and Chairs of New Zealand declared an urgent need for responsive leadership to climate change. In 2017 the Mayors and Chairs once again supported a call to action and prepared the Local Leaders Climate Change Declaration. We have since undertaken an inventory of our organisation's emissions, and formed a climate change action working party. The working party has translated its recommendation for reducing organisational emissions into our Zero Carbon Promise. The Zero Carbon Promise was adopted by Council in June 2021.

Gambling Policy

Our Gambling Policy outlines whether or not new class 4 gambling venues (pokies) may be established in the district, and if so, where they may be located. It also outlines our policy on the relocation of venues. This policy must be considered before consent can be issued to operate these venues. The revised policy was adopted to come into effect on 1 October 2020.

Dangerous and Insanitary Buildings Policy

The Dangerous and Insanitary Buildings Policy review was progressed in the 2019/20 year, and the policy was adopted to come into effect on 1 October 2020.

Bylaw amendments

In the 2020/21 year we reviewed our Dog Control Bylaw, Freedom Camping Bylaw and Nuisance Bylaw, all within the legislative timeframes.

Reserves Management Plan

We initiated the review of the Reserves Management Plan in 2020/21. The review is expected to be completed early 2022.

Plan Changes 2, 3 and 4

Work was undertaken during the year to investigate the rezoning of land at Waihi (Plan Change 2) and Paeroa (Plan Change 3). Technical work to support these possible plan changes included transportation, hazard, heritage and servicing assessments. While some initial landowner consultation was undertaken in 2020/21, no formal decisions were taken to publicly notify (or 'propose') either plan change.

Plan Change 4 (Miscellaneous) was publicly notified on 18 September 2020. There were 130 items included in Plan Change 4; 18 submissions and a 4 further submissions were received. A hearing was held in March 2021 and decisions issued in May 2021. At the end of June 2021 we had made 125 of the items 'operative' with two items withdrawn and three items subject to appeal.

What didn't happen in 2020/21?

There were no planned projects that didn't happen in 2020/21.

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.

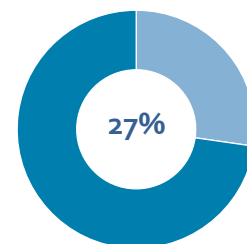
We promote road safety and having an increasing focus on improving how our residents with more limited transport options can get around, including children, the elderly and the mobility impaired. We have a small role in supporting public transport.

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 2020/21 ▼
Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
What we said we would do: provide a safe transport network for users and the community.		
<p>Measure: The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.*</p> <p>Target: Reduce fatalities and serious injury crashes to 0.</p>	2020/21: <input type="checkbox"/>	Not achieved: 2020/21: 4 fatal/5 serious 2019/20: 0 fatal/8 serious Change from previous year: Fatalities: +4 Serious injuries: -3
	2019/20: <input type="checkbox"/>	<i>Not achieved:</i> 2019/20: 0 fatal/8 serious 2018/19: 3 fatal/2 serious <i>Change from previous year:</i> <i>Fatalities: -3</i> <i>Serious injuries: +6</i>
	2018/19: <input type="checkbox"/>	<i>Not achieved: 3 fatal/2 serious</i> <i>Three-year average 2016/17 to 2018/19: 1.33 fatal/3.33 serious</i>
What we said we would do: footpath assets to be fit for purpose.		
<p>Measure: Percentage of residents satisfied with the quality of footpaths, as measured by the annual customer satisfaction survey.</p> <p>Target: ≥ 75%</p>	2020/21: <input type="checkbox"/>	Not achieved: The 2021 satisfaction survey showed that 61% of residents were satisfied with the quality of footpaths.
	2019/20: <input type="checkbox"/>	2020 survey: 53% satisfied.
	2018/19: <input type="checkbox"/>	2019 survey: 55% satisfied.
<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>	2020/21: <input checked="" type="checkbox"/>	Achieved: 99% (78/79) of reported footpaths with a defect rating of greater than 5 were isolated for safety and remedied within 7 days in 2020/21.
	2019/20: <input type="checkbox"/>	<i>Not achieved: 89% (69/78) of reported footpaths with a defect rating of greater than 5 were isolated for safety and remedied within 7 days.</i>
	2018/19: <input type="checkbox"/>	<i>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.</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. 	2020/21: <input type="checkbox"/>	Not achieved: <ul style="list-style-type: none"> ■ 92% (55/60) of regulatory/warning sign issues were resolved within 7 days. ■ 67% (2/3) of safety sign issues were resolved within 2 days. ■ For all other signs 88% (99/112) were resolved within 6 weeks.

How we measure our performance ▼

		Result 2020/21 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
All other signs within 6 weeks		The transport team and the contractor will discuss improvements to achieve target timeframes in the future.
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved:</i> <ul style="list-style-type: none"> ■ 88% (28/32) of regulatory/warning sign issues were resolved within 7 days. ■ 100% (7/7) of safety sign issues were resolved within 2 days. ■ For all other signs 92% (94/102) were resolved within 6 weeks.
	2018/19: <input checked="" type="checkbox"/>	<i>Not achieved:</i> <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 (one sign was replaced in three days). 98% (90/92) of all other signs were remedied within 6 weeks. (One sign needed to be specially ordered, which takes longer than six weeks and one sign required wording clarification).
<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>	2020/21: <input checked="" type="checkbox"/>	Not achieved: 81% (38/47) potholes on >100 vpd roads were repaired within five days. 79% (45/57) potholes on <100 vpd roads were repaired within 14 days. Significant improvements to results were achieved following poor performance in the first quarter; however, the transport team and the contractor discussed the issue and process improvements were made.
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved:</i> 78% (35/45) potholes on >100 vpd roads were repaired within five days. 71% (29/41) potholes on <100 vpd roads were repaired within 14 days.
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved:</i> 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
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>	2020/21: <input checked="" type="checkbox"/>	Not achieved: The smooth travel exposure (STE), expressed as percentage vehicle kilometres travelled on smooth roads, is 95%. More appropriate separate targets have been established for the 2021-31 LTP that

How we measure our performance ▼

		Result 2020/21 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
		reflect STE for urban low speed roads and rural high speed roads separately.
	2019/20: <input type="checkbox"/>	<i>Not achieved: The smooth travel exposure, expressed as percentage vehicle kilometres travelled on smooth roads, is 95%.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: The smooth travel exposure for the year was 96%. The three-year average 96.3%</i>
Measure: The percentage of the sealed local road network that is resurfaced.*	2020/21: <input checked="" type="checkbox"/>	Achieved: 10% (53 km of 525 km total length) of the sealed road network was resurfaced in 2020/21.
Target: 8% of the local road network resealed per year	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 9.1% (47.4 km of 518.5 km total length) of the sealed local road network was resurfaced in 2019/20.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: A programmed total of 40.128 km (8%) was resurfaced in 2018/19.</i>
Measure: Percentage of customers satisfied with the quality of roads in the District (excluding state highways), as measured by the annual customer satisfaction survey.	2020/21: <input type="checkbox"/>	Not achieved: The 2021 satisfaction survey showed that 50% of residents were satisfied with the quality of roads.
Target: ≥75% of customers satisfied	2019/20: <input type="checkbox"/>	<i>Not achieved: The 2020 satisfaction survey showed that 49% of residents were satisfied with the quality of roads (excluding state highways).</i>
	2018/19: <input type="checkbox"/>	<i>Not achieved: 2019 survey: 49% satisfied.</i>
What we said we would do: customer service requests will be dealt with promptly and appropriately.		
Measure: The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan.*	2020/21: <input type="checkbox"/>	Not achieved: 91% (1,249/1,366) of customer service requests were responded to within 10 working days in 2020/21. The transport team are instigating processes to improve the understanding of the response requirements relevant to the land transport activity and this includes developing a transport policy to provide further clarity for the team when responding to some types of requests. This policy is in the process of being prepared and is expected to be completed early 2022.
Target: 100% of requests are responded to within 10 working days	2019/20: <input type="checkbox"/>	<i>Not achieved: 89% (1,242/1,401) of customer service requests were responded to within 10 working days. Up to the end of March 2020 88% of responses were responded to within timeframes. Taking into account Covid-19, we responded to 79.5% in April, 94% in May and 97% in June within timeframes.</i>
	2018/19: <input type="checkbox"/>	<i>Not achieved: 95% of service requests were responded to within 10 working days.</i>
	2020/21: <input checked="" type="checkbox"/>	Achieved: 98% (166/169) of all reported issues regarding state highways were

How we measure our performance ▼

		Result 2020/21 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
<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>		forwarded to Waka Kotahi NZTA within one working day in 2020/21.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 98% (173/176) of all reported issues regarding state highways were forwarded to the NZ Transport Agency within one working day.</i>
	2018/19: <input type="checkbox"/>	<i>Not achieved: 94% of state highway issues in the year were forwarded within one working day.</i>
What we said we would do: access to be provided to the network of local roads .		
<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>	2020/21: <input type="checkbox"/>	Not achieved: No arterial and collector roads were closed due to weather events in 2020/21. 88% (7/8) of all other roads were open within 72 hours.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: There were no arterial and collector road closures in 2019/20. 100% (2/2) of all other roads were open within 72 hours.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: There were no unplanned road closures during the year, therefore 100% of arterial and collector roads were open.</i>
* Mandatory performance measure under section 261B of the Local Government Act 2002.		

What else happened in 2020/21?

Sealed road resurfacing

55 km of roads have been resurfaced throughout the district at a total cost of \$2.2 million.

Unsealed road renewals

15.5 km of unsealed roads were maintained or re-metalled throughout the district at a total cost of \$90,000.

Pavement rehabilitation (rebuilding the road)

4.4 km of pavement was rehabilitated, including Awaiti Road and East Coast Road. Rehab work on Waihi Beach Road and Waitawheta/Pukekauri Road has been started. The total spent on pavement rehabilitation was \$450,000 for the year. In addition, \$68,000 was spent widening East Coast Road, and \$144,000 on widening Awaiti Road.

Drainage renewals

76m of culverts were replaced at a total cost of \$25,000. We also carried out installation of 385m of new and replacement kerb and channel, and 258m of other drainage improvements at a cost of \$215,000.

Minor improvements

Improvements in 2020/21 included the following projects:

- \$102,000 was spent on the design for replacement of Mahuta Road North Bridge No. 2 (Mangatarata) with the project expected to be done in 2021/22. The design options were more than budgeted for 2020/21, and funding is being sought from Waka Kotahi.
- We conducted a network wide assessment and making safe of slips on unsealed roads (\$20,000).

- District wide safety improvements (\$55,000)
- Pavement design for Hauraki/Huirau intersection widening project in Turua (\$23,000).
- Shaw Avenue (Paeroa) drainage improvement construction progressed (\$23,000)
- Waitawheta Road retaining treatment (\$46,000)
- \$37,000 was spent on design and resource consent for the Pukekauri Road (Waitawheta) culvert replacements, with a funding application for construction submitted to Waka Kotahi.
- Backup power supply for the Piako Bridge traffic lights (\$13,000).
- Ongoing improvements to Whiritoa streetlighting (\$57,000 spent in 2020/21).

Access and Mobility

The following access and mobility projects were completed during the year at a total cost of \$86,000:

- Upgrading of pram crossings: Paeroa (\$16,000)
- Upgrading of pram crossings: Plains (\$40,000)
- Upgrading of pram crossings: Waihi (\$30,000)

New road and footpath extensions

A total of \$630,000 was spent on the extension of Bradford Street, Waihi and the extension of footpath and street lighting in Thorn Road, Waihi.

Emergency works

- \$205,000 was spent on completing the Mahuta Road under slip remediation. This was the last project to be completed that resulted from Cyclone Cook and Cyclone Debbie.
- Emergency works were carried out over the 2020/21 period as a result of the 2020 drought, which caused damage to the road surface. \$1.265million was spent in 2020/21.

Public transport

We continued to support to the Waikato public transport system to enable the link from Paeroa to Te Aroha. We contributed \$23,500 in 2020/21.

Traffic services renewal

Various signs, edge marker posts and LED replacements were carried out throughout District (\$40,000).

Footpaths

- \$59,000 was spent on the renewal of three sections of footpath in Shaw Ave (Paeroa), and the design of footpath renewals for two sections of Arney Street (Paeroa).
- Progressed the Waitete Road (Waihi) footpath between Kimberley and Rata Streets (\$68,000)

Carparks

\$11,000 was spent on an overflow carpark for Railway Reserve in Paeroa.

What didn't happen in 2020/21?

There were no major planned projects that didn't happen in 2020/21.

What it cost and how it was paid for

Operating statement for Land Transport

	Annual Plan	Actual	Actual
	2021	2021	2020
	\$000	\$000	\$000
Expenditure			
Pavement Maintenance	1,292	1,547	1,620
Amenity Maintenance	482	582	461
Professional Services	920	992	906
Other Subsidised	1,719	2,586	1,661
Administration	485	489	481
Non-Subsidised Works	382	341	211
Public Transport	21	23	23
Depreciation/Assets written off	3,226	4,550	6,856
Interest	552	391	516
Total expenditure	9,079	11,501	12,735
Revenue			
Fees, charges and other revenue	60	38	60
External subsidies	4,309	6,054	4,799
Targeted rates	4,694	4,797	5,426
General rates	0	0	0
Total revenue	9,063	10,889	10,285
Operating surplus / (deficit)	(16)	(612)	(2,450)

Hauraki District Council: Funding impact statement for the year ended 30 June 2021 for Land Transport

	Long-Term Plan 2020 \$000	Long-Term Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	4,997	5,467	4,797
Subsidies and grants for operating purposes	2,366	2,467	3,461
Fees and charges	0	0	17
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	7,363	7,934	8,275
Applications of operating funding			
Payments to staff and suppliers	4,294	4,469	6,010
Finance costs	433	379	391
Internal charges and overheads applied	738	831	549
Other operating funding applications	0	0	0
Total applications of operating funding (B)	5,465	5,679	6,950
Surplus / (deficit) of operating funding (A - B)	1,898	2,254	1,325
Sources of capital funding			
Subsidies and grants for capital expenditure	1,651	1,700	2,593
Development and financial contributions	0	0	21
Increase (decrease) in debt	581	345	(4,488)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	2,232	2,045	(1,874)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	153	157	763
- to improve the level of service	804	841	935
- to replace existing assets	2,889	2,992	3,140
Increase (decrease) in reserves	284	309	(5,388)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	4,130	4,299	(550)
Surplus / (deficit) of capital funding (C - D)	(1,898)	(2,254)	(1,325)
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 it is used to ensure it is 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.

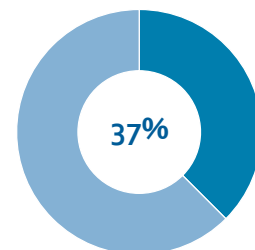
Effects on the community

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 2020/21 ▼																																
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable																																
What we said we would do: provide water that is safe to drink .																																		
<p>Measure: The extent to which Council’s drinking water supply complies with:</p> <p>a) part 4: bacteria compliance criteria, and</p> <p>b) part 5: protozoal compliance criteria*.</p> <p>Target: 100% compliance for:</p> <p>a) Bacteria</p> <p>b) Protozoa</p> <p>at all water plants</p>	<p>2020/21:</p> <p><input checked="" type="checkbox"/></p>	<p>Not achieved:</p> <table border="0"> <tr> <td><i>Supply:</i></td> <td><i>Bacteria:</i></td> <td><i>Protozoa:</i></td> </tr> <tr> <td><i>Kerepehi</i></td> <td><input checked="" type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td><i>Waitakaruru</i></td> <td><input checked="" type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td><i>Paeroa</i></td> <td><input checked="" type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td><i>Waihi</i></td> <td><input checked="" type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td><i>Kaimanawa</i></td> <td><input checked="" type="checkbox"/></td> <td><i>Not measured</i></td> </tr> </table> <p>The non-compliances triggered were regarding the real-time collection of data and not treatment related. All water was safe to drink. Supply from Kaimanawa was under a permanent boil water notice until it was decommissioned.</p>	<i>Supply:</i>	<i>Bacteria:</i>	<i>Protozoa:</i>	<i>Kerepehi</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<i>Waitakaruru</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<i>Paeroa</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<i>Waihi</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<i>Kaimanawa</i>	<input checked="" type="checkbox"/>	<i>Not measured</i>														
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What we said we would do: losses from the water supply network to be minimised																																		
<p>Measure: The percentage of real water loss from the Council’s networked reticulation system*</p> <p>Target: 30%.</p>	<p>2020/21:</p> <p><input checked="" type="checkbox"/></p>	<p>Achieved: The percentage of real water loss from the Council's networked reticulation system was 13.4% for 2020/21.</p>																																

How we measure our performance ▼

		Result 2020/21 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: The percentage of real water loss from the Council's networked reticulation system was 32% for the year.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>The District wide percentage of real water lost was 34%.</i>
What we said we would do: provide a reliable water supply		
<p>Measure: The number of unplanned interruptions to the water supply system per 1000 properties per year.</p> <p>Target: <10</p>	2020/21: <input checked="" type="checkbox"/>	<p>Not achieved: There were 14.39 unplanned interruptions to the water supply system per 1000 properties in 2020/21.</p> <p>Our service request system does not enable parent/child service requests, meaning some are counted twice.</p>
	2019/20: <input checked="" type="checkbox"/>	<p><i>Overall, we have not achieved this measure. A lack of supporting information in the first half of the year has meant the first six months of results are not based on reliable data. Therefore, although the results have been stated below, Council's confidence in the accuracy of these first two quarters is low. Significant emphasis has been on improving the data and underlying processes for the second half of the financial year and considerable improvements have been made. Council has confidence in the combined results presented for the second half of the year.</i></p> <p><i>First quarter results: There were 3.34 unplanned interruptions to the water supply system per 1000 properties.</i></p> <p><i>Second quarter results: There were 10.14 unplanned interruptions to the water supply system per 1000 properties.</i></p> <p>Not achieved (for the third and fourth quarters combined): There were 14.39 unplanned interruptions to the water supply system per 1000 properties.</p>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: 9.11 unplanned interruptions per 1000 properties.</i>
<p>Measure: The average consumption of drinking water per day per resident within the Hauraki District.*</p> <p>Target: <250 litres per resident per day (measured annually).</p>	2020/21: <input checked="" type="checkbox"/>	Achieved: The average consumption of drinking water was 187.68 litres per person per day in 2020/21.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: The average consumption of drinking water was 178.75L per person per day.</i>

How we measure our performance ▼

Result 2020/21 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
	2018/19: <input checked="" type="checkbox"/> <i>Achieved: The average consumption of drinking water per day per resident was 142 litres per person per day</i>
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>2020/21: <input checked="" type="checkbox"/></p> <p>Not achieved:</p> <p>Urgent</p> <ul style="list-style-type: none"> ■ 83.02% (88/106) attended in less than 2 hours ■ 88.68% (94/106) resolved in less than 8 hours ■ Median attendance = 25 minutes ■ Median resolution = 98 minutes <p>Non-urgent</p> <ul style="list-style-type: none"> ■ 75.61% (437/578) attended in less than 4 hours ■ 86.85% (502/578) resolved in less than 3 days ■ Median attendance = 74 minutes ■ Median resolution = 315 minutes <p>2019/20: <input checked="" type="checkbox"/></p> <p><i>Overall, we have not achieved this measure. A lack of supporting information in the first half of the year has meant the first six months of results are not based on reliable data. Therefore although the results have been stated below, Councils confidence in the accuracy of these first two quarters is low. Significant emphasis has been on improving the data and underlying processes for the second half of the financial year and considerable improvements have been made. Council has confidence in the combined results presented for the second half of the year.</i></p> <p><i>First quarter results:</i></p> <p>Urgent:</p> <ul style="list-style-type: none"> ■ 71% (20/28) attended in less than 2 hours ■ 82% (23/28) resolved in less than 8 hours <p>Non-Urgent:</p> <ul style="list-style-type: none"> ■ 88% (74/84) attended in less than 4 hours

¹ Excluding billing enquiries and new connections.

² Excluding billing enquiries and new connections.

How we measure our performance ▼

Result 2020/21 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
	<ul style="list-style-type: none"> ■ 88% (74/84) resolved in less than 3 days <p><i>Urgent:</i></p> <ul style="list-style-type: none"> ■ Median attendance = 39 minutes ■ Median resolution = 89 minutes <p><i>Non-Urgent:</i></p> <ul style="list-style-type: none"> ■ Median attendance = 30.5 minutes ■ Median resolution = 108 minutes <p><i>Second quarter results:</i></p> <p><i>Urgent:</i></p> <ul style="list-style-type: none"> ■ 80% (68/85) attended in less than 2 hours ■ 81% (69/85) resolved in less than 8 hours <p><i>Non-Urgent:</i></p> <ul style="list-style-type: none"> ■ 75% (85/113) attended in less than 4 hours ■ 85% (97/113) resolved in less than 3 days <p><i>Urgent:</i></p> <ul style="list-style-type: none"> ■ Median attendance = 39 minutes ■ Median resolution = 99 minutes <p><i>Non-Urgent:</i></p> <ul style="list-style-type: none"> ■ Median attendance = 30.5 minutes ■ Median resolution = 108 minutes <p>Not achieved (for the third and fourth quarters combined):</p> <p>Urgent:</p> <ul style="list-style-type: none"> ■ 84.91% (90/106) attended in less than 2 hours ■ 91.51% (97/106) resolved in less than 8 hours <p>Non-Urgent:</p> <ul style="list-style-type: none"> ■ 70.29% (317/451) attended in less than 4 hours ■ 88.69% (400/451) resolved in less than 3 days <p>Urgent:</p> <ul style="list-style-type: none"> ■ Median attendance = 9 minutes ■ Median resolution = 131 minutes <p>Non-Urgent:</p> <ul style="list-style-type: none"> ■ Median attendance = 79 minutes ■ Median resolution = 282 minutes
2018/19:	<p><i>Not achieved:</i></p> <p><input checked="" type="checkbox"/> <i>Urgent call outs:</i></p>

How we measure our performance ▼

Result 2020/21 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
	<p><i>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.</i></p> <p><i>Non-urgent call outs: Median attendance time: 39 minutes. 82% of faults were attended in 4 hours. Median resolution time: 3 hours, 30 minutes. 83% of faults were resolved in 3 days.</i></p>
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; ■ continuity of supply; <p>and the Council's response to any of these issues, expressed per 1000 connections to the Council's networked reticulation system.*</p> <p>Target: Water quality: ≤ 10/1000 complaints Service quality: ≤ 8/1000 complaints Water pressure / flow issues: ≤ 1/1000 complaints</p>	<p>2020/21: <input checked="" type="checkbox"/></p> <p>Not achieved:</p> <ul style="list-style-type: none"> ■ Water quality: 21.99 per 1000 connections ■ Service quality: 6.24 per 1000 connections ■ Water pressure/flow issues: 14.39 per 1000 connections. <p>We experienced difficulty treating manganese at Kerepehi and we received a large number of complaints regarding taste and odour (water quality).</p> <p>2019/20: <input checked="" type="checkbox"/></p> <p><i>Overall, we have not achieved this measure. A lack of supporting information in the first half of the year has meant the first six months of results are not based on reliable data. Therefore although the results have been stated below, Councils confidence in the accuracy of these first two quarters is low. Significant emphasis has been on improving the data and underlying processes for the second half of the financial year and considerable improvements have been made. Council has confidence in the combined results presented for the second half of the year.</i></p> <p><i>First quarter results:</i></p> <ul style="list-style-type: none"> ■ Water quality: 1.31 per 1000 connections ■ Service quality: 3.82 per 1000 connections ■ Water pressure/flow issues: 0.72 per 1000 connections. <p><i>Second quarter results:</i></p>

How we measure our performance ▼

Result 2020/21 ▼		
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable		
		<ul style="list-style-type: none"> ▪ Water quality: 2.86 per 1000 connections ▪ Service quality: 10.74 per 1000 connections ▪ Water pressure/flow issues: 1.79 per 1000 connections. <p><i>Not achieved (for the third and fourth quarters combined):</i></p> <ul style="list-style-type: none"> ▪ Water quality: 4.07 per 1000 connections ▪ Service quality: 14.39 per 1000 connections ▪ Water pressure/flow issues: 5.43 per 1000 connections.
	2018/19: <input checked="" type="checkbox"/>	<p><i>Not achieved:</i></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><i>Total for the year 12.77 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, as measured by the annual customer satisfaction survey.</p> <p>Target: ≥80%</p>	2020/21: <input checked="" type="checkbox"/>	Not achieved: The 2021 satisfaction survey showed that 77% of residents were satisfied with the quality of water supply.
	2019/20: <input checked="" type="checkbox"/>	<i>2020 survey: 75% satisfied.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>2019 survey: 72% satisfied.</i>
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> <ul style="list-style-type: none"> ▪ abatement notices; and ▪ infringement notices; and ▪ enforcement orders; and prosecutions received by Council in relation those resource consents. <p>Target: 0</p>	2020/21: <input checked="" type="checkbox"/>	Achieved: There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2020/21. Two formal warnings were received for non-compliance in the previous financial year.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: There were no abatement notices, infringement notices, or enforcement orders and prosecutions received.</i>

How we measure our performance ▼

Result 2020/21 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
2018/19: <input checked="" type="checkbox"/>	<i>Achieved: There have been no notices or orders received in relation to water treatment plant consents.</i>
* Mandatory performance measure under section 261B of the Local Government Act 2002.	

Three Waters Reforms

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

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

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

What else happened in 2020/21?

Zone metering to find out where water is being lost from our network

We focused efforts on identifying water loss from the water network during 2019/20 and continued this focus into 2020/21. Multiple leaks were found which has considerably reduced amount of water lost from the network.

Water meter replacements

As part of our ongoing project to install water meters in line with new technology, we spent \$107,000 in 2020/21 on the ad hoc renewal of water meters as identified in the field. We have now formally commenced the project that will take an area-wide, more systematic approach to replacing the aged water meters.

Waihi raw water main

The 700m raw water pumping main between the river abstraction point and the treatment plant was replaced at an approximate cost of \$390,000. This is the only supply to the plant and needed to be future-proofed and safeguarded.

Pipe renewals

As part of the ongoing pipe renewals programme 5,368m of water main renewals were progressed throughout the year at a cost of \$620,000. Various pipe replacements were completed including:

- Wani Road, Fernleigh Street and Kaikahu Road, Kerepehi
- Lewis Street, and George Street, Paeroa
- Pouarua Road and Orchard West Road, Ngatea
- Russell Street and SH2 to Willoughby Street, and Consol Street in Waihi

Pipe replacement designs were completed for:

- Pekapeka Road, Kerepehi
- Under Canal in Waitakaruru

- Mahuta Road North, Mangatarata
- Taylors Avenue, Paeroa
- Abbatoir Road, Turua
- Oronga Road, Oronga
- Puhanga Island, Ngatea
- Haszard Street, Waihi
- Hauraki Road/Huirau Road, Turua

Many of these designs are programmed to be completed in 2022.

District cast iron pipe renewal

We completed the replacement of the cast iron pipes in Abbot Road, Pipiroa; Wharf Street, Kerepehi; Raratuna Street, Turua; and Hobson Street in Waihi. We spent \$50,000 in 2020/21.

We also completed the design for the replacement of the cast iron pipes on Montrose Road in Waihi; from Pipiroa to Pipiroa Bridge; Wood Street in Waikino and Ponui Avenue, Kerepehi. \$40,000 was spent in 2020/21 on design and the works are scheduled for completion in 2022.

Kerepehi membrane

Due to some parts nearing the end of their useful life, \$258,000 was brought forward as part of the annual plan process to 2020/21 for the renewals of the Kerepehi membrane. The programme was completed with expenditure totalling \$577,000.

Water demand management

The design for the installation of Pressure Reducing Valves in Waihi was completed in 2020/21. This will be used to control network pressures as well as reduce water-losses from the older pipes. This is an on-going project to be implemented during 2021/22. \$57,000 was spent in 2020/21.

DIA funded projects:

- Instrument improvement programme: this project aimed to create redundancy around control-instrumentation at the water treatment plants. \$104,000 was spent in 2020/21. Various remaining stages of the project will be completed in 2021/22.
- Filtrate pumps and VSD: certain critical stand-by spares were identified at three membrane-operated plants to increase resilience in the treatment capacity. These spare pumps and VSD's were procured at a value of \$29,000 in 2020/21.
- Pekapeka submersible pump: the raw water intake pump supplying the Kerepehi water treatment plant was replaced. \$38,000 was spent in 2020/21.
- Manganese monitoring: \$21,000 was spent in 2020/21 to procure four inline meters to monitor the manganese at the Kerepehi water treatment plant. This project is on-going in 2021/22 and aims to find an effective way to reduce manganese during the treatment-process. This will reduce the risk of producing "brown" water on the Plains.

Kaimanawa water connection

Due to downstream pressure issues after connecting the new supply to the existing reticulation, the Kaimanawa water supply connection to Paeroa was unable to be completed until 2020/21. The final budget of approximately \$1.2m was spent in 2020/21 (\$5m in total for the project), with an additional \$98,000 required to complete the project.

Paeroa intake screen

We installed an automated airburst system at the intake screen in the Waitawheta River. This system will clean the intake screen periodically, eliminating the need for staff to enter the river during flood events. We spent \$49,000 in 2020/21.

What didn't happen in 2020/21?

The prioritisation of other projects meant that there were not enough resources available to progress some water projects in 2020/21. Covid-19 also affected our ability to progress some work. These included:

- Kerepehi Tanners pond desludging: this is an ongoing project. Partial desludging was completed in 2020/21. It is however an expensive process and will be treated as an on-going project.
- Paeroa raw water pumps: the quoted prices for the pumps were double the budgeted amount therefore work did not progress. This is now a priority project in 2021/22.
- District wide water bulk water take points
- Ohinemuri pipeline encasement
- Waikino Pukekauri network extension

What it cost and how it was paid for

Operating statement for Water Supply

	Annual Plan	Actual	Actual
	2021	2021	2020
	\$000	\$000	\$000
Expenditure			
Treatment	1,762	1,419	1,440
Reticulation	747	1,696	1,542
Intakes and Headworks	320	361	365
Fixed Costs	211	167	166
Overheads	979	979	902
Pumpstations	21	39	28
Major Maintenance	25	63	28
Other	351	504	382
Depreciation/Assets written off	1,781	2,439	1,636
Interest	895	726	785
Total expenditure	7,092	8,393	7,274
Revenue			
Fees, charges and other revenue	56	61	109
External subsidies	0	183	0
Targeted rates	7,137	7,551	7,271
General rates	0	0	0
Total revenue	7,193	7,795	7,380
Operating surplus / (deficit)	101	(598)	106

Hauraki District Council: Funding impact statement for the year ended 30 June 2021 for Water Supply

	Long-Term Plan 2020 \$000	Long-Term Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	6,929	7,345	7,551
Subsidies and grants for operating purposes	0	0	116
Fees and charges	0	0	4
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	6,929	7,345	7,671
Applications of operating funding			
Payments to staff and suppliers	3,831	3,529	4,213
Finance costs	898	890	726
Internal charges and overheads applied	902	919	1,015
Other operating funding applications	0	0	0
Total applications of operating funding (B)	5,631	5,338	5,954
Surplus / (deficit) of operating funding (A - B)	1,298	2,007	1,717
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	67
Development and financial contributions	0	0	27
Increase (decrease) in debt	(173)	299	7,753
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)	(173)	299	7,847
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	237	0
- to improve the level of service	92	90	1,280
- to replace existing assets	1,033	1,979	2,287
Increase (decrease) in reserves	0	0	5,998
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,125	2,306	9,565
Surplus / (deficit) of capital funding (C - D)	(1,298)	(2,007)	(1,717)
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.

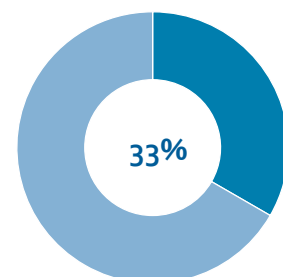
About 5,500 properties are connected to our wastewater systems.

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 2020/21 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" 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: <2 per 1000 connections.</p>	<p>2020/21: <input checked="" type="checkbox"/></p>	<p>Achieved There were 1.78 (total of 10) dry weather overflows per 1000 wastewater connections in 2020/21.</p>
	<p>2019/20: <input checked="" type="checkbox"/></p>	<p><i>Overall, we have achieved this measure, but only for the second half of the year. A lack of supporting information in the first half of the year has meant the first six months of results are not based on reliable data. Therefore although the results have been stated below, Councils confidence in the accuracy of these first two quarters is low. Significant emphasis has been on improving the data and underlying processes for the second half of the financial year and considerable improvements have been made. Council has confidence in the combined results presented for the second half of the year.</i></p> <p><i>First quarter results: There were 5 dry water overflows which equates to 0.89 dry weather overflows per 1000 wastewater connections.</i></p> <p><i>Second quarter results: There were 4 dry water overflows which equates to 0.71 dry weather overflows per 1000 wastewater connections.</i></p> <p><i>Achieved (for the third and fourth quarters combined): There were 7 dry water overflows which equates to 1.24 dry weather overflows per 1000 wastewater connections.</i></p>
	<p>2018/19: <input checked="" type="checkbox"/></p>	<p>Achieved: 11 complaints equalling 1.82 dry weather overflows per 1000 connections.</p>
What we said we would do: the risk of environmental and public health impacts will be mitigated.		
<p>Measure: The frequency of dry weather overflows from pump stations will be minimised.</p> <p>Target: <1 pump-station overflow per 20 pump stations per year.</p>	<p>2020/21: <input checked="" type="checkbox"/></p>	<p>Not achieved: There were 1.15 (total of 3) pump station overflows per 20 pump stations in 2020/21.</p> <p>A number of pumpstation failures occurred which lead to overflows during quarter four. These issues will be addressed with pump and cabinet renewals by the end of 2021.</p>

How we measure our performance ▼

Result 2020/21 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
2019/20: <input checked="" type="checkbox"/>	<p><i>Overall, we have not achieved this measure. A lack of supporting information in the first half of the year has meant the first six months of results are not based on reliable data. Therefore although the results have been stated below, Councils confidence in the accuracy of these first two quarters is low. Significant emphasis has been on improving the data and underlying processes for the second half of the financial year and considerable improvements have been made. Council has confidence in the combined results presented for the second half of the year.</i></p> <p><i>First quarter results: There have been 0.41 pump station overflows per 20 pump stations.</i></p> <p><i>Second quarter results: There have been 0.83 pump station overflows per 20 pump stations.</i></p> <p><i>Not achieved (for the third and fourth quarters): There have been 3.56 pump station overflows per 20 pump stations.</i></p>
2018/19: <input checked="" type="checkbox"/>	<i>Not achieved. 2.55 pump station overflows per 20 pump stations.</i>
What we said we would do: the community and the environment will be provided with protection.	
<p>Measure: Compliance with the Council’s resource consents for discharge from its wastewater system, as measured by the number of:</p> <ul style="list-style-type: none"> ▪ 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. 	<p>2020/21: <input checked="" type="checkbox"/></p> <p>Achieved:</p> <ul style="list-style-type: none"> ▪ 0 abatement notices ▪ 0 infringement notices; ▪ 0 enforcement orders; ▪ 0 prosecutions <p>received by Council in 2020/21. One formal warning was issued for non-compliances from the previous year.</p>
	<p>2019/20: <input checked="" type="checkbox"/></p> <p><i>Not achieved:</i></p> <ul style="list-style-type: none"> ▪ 2 abatement notices ▪ 0 infringement notices; ▪ 0 enforcement orders; ▪ 0 prosecutions <p><i>received in 2019/20.</i></p>
	<p>2018/19: <input checked="" type="checkbox"/></p> <p><i>Achieved: There have been no notices or orders received in relation to wastewater discharge resource consents.</i></p>

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>2020/21: <input checked="" type="checkbox"/></p>	<p>Not achieved:</p> <ul style="list-style-type: none"> ■ 85% (29/34) of call outs were attended within 2 hours. The median attendance time was 45 minutes. ■ 71% (24/34) of call outs were attended within 8 hours. The median resolution time was 2 hours 29 minutes.
	<p>2019/20: <input checked="" type="checkbox"/></p>	<p><i>Overall, we have not achieved this measure. A lack of supporting information in the first half of the year has meant the first six months of results are not based on reliable data. Therefore although the results have been stated below, Councils confidence in the accuracy of these first two quarters is low. Significant emphasis has been on improving the data and underlying processes for the second half of the financial year and considerable improvements have been made. Council has confidence in the combined results presented for the second half of the year.</i></p> <p><i>Results for the first quarter: Unable to measure. Insufficient data collected to provide an attendance time and a resolution time.</i></p> <p><i>Results for the second quarter</i></p> <ul style="list-style-type: none"> ■ Attendance – 67% within 2 hours ■ Resolution – 67% within 8 hours ■ Median Attendance time = 40 minutes ■ Median Resolution time = 110 minutes <p><i>Not achieved (for the third and fourth quarters combined):</i></p> <ul style="list-style-type: none"> ■ Attendance – 57.14% (12/21) within 2 hours ■ Resolution – 61.90% (13/21) within 8 hours ■ Median Attendance time = 59 minutes ■ Median Resolution time = 249 minutes
	<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
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: 2020/21: ≤10 per 1000 connections</p>	<p>2020/21: ☒</p>	<p>Not achieved: 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, <p>was 16.88 per 1000 connections in 2020/21. 55% of performance complaints received were related to faults in the network and we will use this information to inform where we need to focus our resources.</p>
	<p>2019/20: ☒</p>	<p><i>Overall, we have not achieved this measure. A lack of supporting information in the first half of the year has meant the first six months of results are not based on reliable data. Therefore, although the results have been stated below, Council's confidence in the accuracy of these first two quarters is low. Significant emphasis has been on improving the data and underlying processes for the second half of the financial year and considerable improvements have been made. Council has confidence in the combined results presented for the second half of the year.</i></p> <p><i>First quarter results: The total number of complaints received about wastewater odour, wastewater system faults, wastewater system blockages, and the Council's response to any of these issues was 2.8 per 1000 connections.</i></p> <p><i>Second quarter results: The total number of complaints received about wastewater odour, wastewater system faults, wastewater system blockages, and the Council's response to any of these issues was 4.4 per 1000 connections.</i></p> <p><i>Not achieved (for the third and fourth quarters): The total number of complaints received about wastewater odour, wastewater system faults, wastewater system blockages, and the Council's response to any of these issues was 12.26 per 1000 connections.</i></p>

	2018/19: <input checked="" type="checkbox"/>	<i>Achieved:</i> <i>The total number of complaints received about :</i> <ul style="list-style-type: none"> ▪ <i>wastewater odour;</i> ▪ <i>wastewater system faults;</i> ▪ <i>wastewater system blockages; and</i> ▪ <i>the Council's response to any of these issues,</i> <i>was 11.45 per 1000 connections.</i>
Measure: Percentage of users satisfied with the quality of the wastewater services provided, as measured by the annual customer satisfaction survey. Target: ≥95%	2020/21: <input checked="" type="checkbox"/>	Not achieved: The 2021 satisfaction survey showed that 85% of residents were satisfied with the quality of wastewater services provided by the Council.
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: 2020 survey: 85% satisfied.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Not achieved: 2019 survey: 88% satisfied.</i>
* Mandatory performance measure under section 261B of the Local Government Act 2002.		

Three Waters Reforms

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

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

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

What else happened in 2020/21?

Karangahake to Paeroa wastewater line

We spent \$68,000 in 2020/21 on the installation of a pressure wastewater line from Karangahake back to Paeroa to dispose of waste. The contractor has been procured to install the pipeline flushing system. The project will continue in 2021/22.

Paeroa wastewater pipe re-lining

We spent \$487,000 in 2020/21 on the re-lining of the wastewater pipe in Taylor Avenue, Paeroa. This pipe was 96 years old and at the end of its design life. The re-lining both increases the lifespan of the pipe as well as reduce infiltration which also reduces the risk of wet-weather wastewater overflows.

Health and Safety upgrades

We spent \$59,000 on various wastewater upgrades to meet Health and Safety requirements.

DIA funded projects:

- Wastewater pump station electrical upgrades and SCADA connection: \$42,000 spent in 2020/21. Construction is ongoing.
- Waihi wastewater rising mains: \$38,000 spent in 2020/21. This project is ongoing in 2021/22.

District wide replacement pump station cabinets etc

\$93,000 was spent in 2020/21 on the replacement of items such as sensors, switchboards, and pump components.

District wide sewer pump renewals

We spent \$48,000 in 2020/21 on the replacement of failed pumps in the network.

Resource consents

- We spent \$82,000 in 2020/21 on the process of renewing the resource consent for the Paeroa wastewater treatment plan (\$292,000 in total). Negotiations are ongoing.
- We applied and received resource consent for the operations at the Whiritoa wastewater treatment plant consent. \$36,000 was spent in 2020/21.
- We lodged our application for the renewal of our resource consent for the Kerepehi wastewater treatment plant. We spent \$90,000 in 2020/21.

Whiritoa irrigation block

We have spent \$178,000 in 2020/21 on the renewal of the Whiritoa wastewater treatment plant irrigation block. Tree felling should be completed within 2022 and replanting to occur in 2023.

Paeroa hydraulic pipe renewals

We spent \$72,000 on hydraulic renewals of wastewater pipes in Paeroa in 2020/21.

What didn't happen in 2020/21?

For the wastewater activity, some projects were unable to be completed in 2020/21. Covid-19 also affected our ability to progress some work. These included:

- Waihi resource consent renewal: effort was focussed on getting the resource consent for Paeroa first, with Waihi becoming the priority in the 2021/22 year.
- Paeroa waveband renewals: this was provisional funding for potential risk but was not required.
- Paeroa nitrifying filter renewals: This was provisional funding for potential risk but was not required.
- Waihi DAF sludge process: this project was postponed to finalise the desludging of the ponds first. The latter should be completed by the end of 2021.
- Turua repair blanket: This project was postponed to finalise the desludging of the ponds first. The latter should be completed by the end of 2021.
- Wastewater district wide pipe renewals Waihi East manholes: this is an ongoing project.
- Wastewater pipe renewals (hydraulic) – bulk mains assessment and replacement in Paeroa. This project will be carried over to 2021/22.
- Wastewater Paeroa replacement screen: as the Paeroa treatment plant is scheduled for upgrade in the 2021 LTP, these screens will be repaired instead of replaced in 2021/22.
- Whiritoa wastewater treatment plant upgrade: this project was put on hold until the new consent conditions were known. The upgrades will now commence in 2021/22.
- Paeroa wastewater chemical phosphorus removal drum filter; this work is on hold until the wastewater strategy has been developed.

What it cost and how it was paid for

Operating statement for Wastewater

	Annual Plan	Actual	Actual
	2021	2021	2020
	\$000	\$000	\$000
Expenditure			
Treatment	714	592	523
Reticulation	132	233	211
Fixed Costs	143	161	164
Overheads	665	819	753
Pumpstations	277	432	357
Major Maintenance	19	540	(59)
Other	113	125	267
Depreciation/Assets written off	874	1,271	788
Interest	238	159	129
Total expenditure	3,175	4,332	3,134
Revenue			
Fees, charges and other revenue	260	354	343
External subsidies	0	450	216
Targeted rates	3,584	3,828	3,642
General rates	0	0	0
Total revenue	3,844	4,632	4,201
Operating surplus / (deficit)	669	300	1,067

Hauraki District Council: Funding impact statement for the year ended 30 June 2021 for Wastewater

	Long-Term Plan 2020 \$000	Long-Term Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	3,579	3,758	3,828
Subsidies and grants for operating purposes	0	0	295
Fees and charges	299	306	151
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	3,878	4,064	4,274
Applications of operating funding			
Payments to staff and suppliers	1,575	1,585	2,238
Finance costs	410	417	159
Internal charges and overheads applied	613	625	665
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,598	2,627	3,062
Surplus / (deficit) of operating funding (A - B)	1,280	1,437	1,212
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	155
Development and financial contributions	0	0	56
Increase (decrease) in debt	146	98	(199)
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)	146	98	12
Applications of capital funding			
Capital expenditure			
- to meet additional demand	242	0	0
- to improve the level of service	0	56	270
- to replace existing assets	1,184	1,479	1,198
Increase (decrease) in reserves	0	0	(244)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,426	1,535	1,224
Surplus / (deficit) of capital funding (C - D)	(1,280)	(1,437)	(1,212)
Funding balance ((A - B) + (C - D))	0	0	0

Stormwater



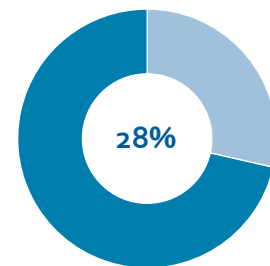
Stormwater is rainwater runoff that usually results from heavy or prolonged periods of rain. Runoff flows from surfaces on urban properties, footpaths and roads. We use a series of drainage systems to remove rainwater runoff from urban areas in Waihi, Waikino, Karangahake, Mackaytown, Paeroa, Ngatea, 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 2020/21 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
What we said we would do: provide stormwater systems to protect houses from flooding in urban areas.		
<p>Measure:</p> <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.)* <p>Target: 2020/21: <2 per 1000</p>	2020/21: <input checked="" type="checkbox"/>	Achieved: There were no flooding events in 2020/21, therefore the number of habitable floors affected by flooding was 0 per 1000 properties connected to the stormwater system.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: There were no flooding events in 2019/20, therefore the number of habitable floors affected by flooding was 0 per 1000 properties connected to the stormwater system.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: No flooding events and no habitable floors affected.</i>
What we said we would do: provide a stormwater network that is reliable.		
<p>Measure: The number of complaints received by Council about the performance of the stormwater system. Expressed per 1000 properties connected Council's stormwater system.*</p> <p>Target: <5/1000 connections.</p>	2020/21: <input checked="" type="checkbox"/>	Not achieved: The number of complaints received about the performance of the stormwater system in 2020/21 was 23.71 per 1000 properties connected to the stormwater system. We aim to map the locations of complaints received. This will allow us to analyse the type of complaints and focus resources accordingly.
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: The number of complaints received about the performance of the stormwater system was 10.7 per 1000 properties connected to the stormwater system. The storm event in December is the main reason why this target was not achieved. The storm exceeded the design capacity of Councils infrastructure.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Not achieved: 9.95 complaints per 1000 customers relating to the performance of the stormwater system were received.</i>
<p>Measure: Number of reported stormwater blockages per 100km of pipeline per year.</p> <p>Target: <20</p>	2020/21: <input checked="" type="checkbox"/>	Not achieved: There were 76.71 reported stormwater blockages per 100 km of pipeline in 2020/21. We aim to map the locations of blockages reported. This will allow us to analyse the type of complaints and focus resources accordingly.
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: There were 30.77 reported stormwater blockages per 100 km of pipeline.</i>

How we measure our performance ▼

		Result 2020/21 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
		2018/19: <input checked="" type="checkbox"/> <i>Not achieved: There were 22.62 reported stormwater blockages per 100 km of pipeline.</i>
Measure: Percentage of stormwater above ground assets in satisfactory condition (condition grades 1,2 or 3). * Target: 85%.	2020/21: <input checked="" type="checkbox"/>	Not achieved: 50% of above ground stormwater assets were in satisfactory condition in 2020/21. We only have two above ground stormwater assets (two stormwater pumps). The criterion bridge pump station is scheduled for upgrade in 2022-2024.
	2019/20: <input type="checkbox"/>	<i>Not applicable: No target specified for 2019/20.</i>
	2018/19: <input type="checkbox"/>	<i>Not applicable: No target specified for 2018/19.</i>
Measure: Customers are satisfied with the stormwater service provided, as measured by the annual customer satisfaction survey. Target: ≥80%	2020/21: <input checked="" type="checkbox"/>	Not achieved: The 2021 satisfaction survey showed that 64% of residents were satisfied with the Council's stormwater services.
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: 2020 survey: 68% satisfied.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Not achieved: 2019 survey: 59% 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 4. prosecutions received by Council in relation those resource consents.* Target: 0	2020/21: <input checked="" type="checkbox"/>	Achieved There were: 1. 0 abatement notices; and 2. 0 infringement notices; and 3. 0 enforcement orders; and 4. 0 prosecutions received in relation to stormwater discharge resource consents in 2020/21.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: There were:</i> <i>1. 0 abatement notices; and</i> <i>2. 0 infringement notices; and</i> <i>3. 0 enforcement orders; and</i> <i>4. 0 prosecutions received</i> <i>in relation to stormwater discharge resource consents in 2019/20.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: There were no notices or orders received in relation to stormwater discharge resource consents.</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.	2020/21: <input type="checkbox"/>	Not applicable: There were no flooding events in 2020/21.
	2019/20: <input type="checkbox"/>	<i>Not applicable: There were no flooding events in 2019/20.</i>

How we measure our performance ▼

Target: <2 hours.

Result 2020/21 ▼

Key: Achieved Not Achieved Not Applicable

2018/19:
Not applicable: No flooding events occurred as a result of an overflow from the Council's stormwater system.

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

Three Waters Reforms

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

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

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

What else happened in 2020/21?

Stormwater renewals

- We spent \$10,000 on the Northern floodgate renewal in Kaiaua in 2020/21.
- We spent \$18,000 on stormwater renewals in Claremont Ave/Thames Road and Corbett Street in Paeroa in 2020/21.
- We spent \$114,000 on stormwater renewals in Turua in 2020/21.

Stormwater upgrades

- We spent \$52,000 on Kaiaua Stream works in 2020/21.
- We spent \$29,000 on an upgrade to the stormwater outlet in Kon Tiki Avenue, Whiritoa in 2020/21.
- We spent \$114,000 on stormwater upgrades in Leonard Street/Paul Drive in Ngatea.

What didn't happen in 2020/21?

The following planned projects were not completed during the year:

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

What it cost and how it was paid for

Operating statement for Stormwater

	Annual Plan	Actual	Actual
	2021	2021	2020
	\$000	\$000	\$000
Expenditure			
Vegetation Control	18	5	11
Reticulation	38	58	35
Maintenance/Fencing/Culverts	10	10	1
Mechanical Cleaning	21	9	1
Floodgates	1	3	0
Pumps	9	6	4
Overheads	273	273	268
Other	155	142	140
Depreciation/Assets written off	413	476	378
Interest	(57)	(51)	(51)
Total expenditure	881	931	787
Revenue			
Fees, charges and other revenue	112	164	293
External subsidies	0	0	0
Targeted rates	831	872	831
General rates	147	158	145
Total revenue	1,090	1,194	1,269
Operating surplus / (deficit)	209	263	482

Hauraki District Council: Funding impact statement for the year ended 30 June 2021 for Stormwater

	Long-Term Plan 2020 \$000	Long-Term Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	141	144	158
Targeted rates	801	8318	872
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	942	962	1,030
Applications of operating funding			
Payments to staff and suppliers	264	271	233
Finance costs	0	0	(51)
Internal charges and overheads applied	186	171	273
Other operating funding applications	0	0	0
Total applications of operating funding (B)	450	442	455
Surplus / (deficit) of operating funding (A - B)	492	520	575
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	85
Increase (decrease) in debt	(389)	(398)	605
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)	(389)	(398)	690
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	71	89	239
- to replace existing assets	32	33	10
Increase (decrease) in reserves	0	0	1,016
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	103	122	1,265
Surplus / (deficit) of capital funding (C - D)	(492)	(520)	(575)
Funding balance ((A - B) + (C - D))	0	0	0

Land drainage



Our land drainage activity involves:

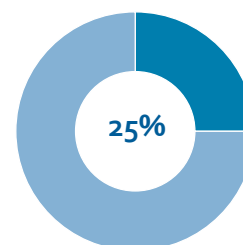
- draining excess surface water and managing ground water levels in five drainage districts,
- direct protection from river and tidal flooding in the area of Waitakaruru to Pūkorokoro / Miranda.

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 2020/21 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" 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>	<p>2020/21: <input checked="" type="checkbox"/></p>	<p>Not achieved:</p> <ul style="list-style-type: none"> ■ 100% of floodgates (81/81) and pump stations (5/5) were maintained to their full service potential. ■ 100% of floodgates (81/81) and pump stations (5/5) were repaired to their full service potential. <p>WPDD: 20% of the work required to raise the stop banks to their full level service potential has been completed. The contract has been advertised and awarded however works will start once weather permits.</p>
	<p>2019/20: <input checked="" type="checkbox"/></p>	<p>Achieved:</p> <ul style="list-style-type: none"> ■ 100% of floodgates and pumpstations were maintained to their full service potential. ■ 100% of floodgates and pumpstations were repaired to their full service potential. ■ 100% of floodgates and pumpstations were renewed to their full service potential. <p>Stopbanks:</p> <ul style="list-style-type: none"> ■ WPDD: ~ 20% of the work completed to 'renew' portions of the stopbanks to meet the LoS. ■ EPDD: ~ 20% of the work completed to 'renew' portions of the stopbanks to meet the LoS.
	<p>2018/19: <input checked="" type="checkbox"/></p>	<p>Achieved: 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%
<p>Measure: Number of properties still ponding after 3 days from a 1 in 10-year event or less (impacting the pasture)</p>	<p>2020/21: <input type="checkbox"/></p>	<p>Not applicable: 0 properties where ponding occurred for more than 3 days after a 10% AEP (1 in 10 year) event in</p>

How we measure our performance ▼

		Result 2020/21 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
Target: 0		<p>2020/21. There was no significant rainfall to cause any ponding during the year.</p> <p>2019/20: <input checked="" type="checkbox"/> <i>Achieved: There was no ponding for more than 3 days that resulted from a 10% AEP (1 in 10 year) event or less, during the year.</i></p> <p>2018/19: <input checked="" type="checkbox"/> <i>Achieved: There was no ponding for more than 3 days and no 10% AEP (1 in 10 year) events.</i></p>
What we said we would do: provide reliable land drainage networks.		
Measure: Percentage of affected customers satisfied with the land drainage and flood protection services, as measured by the annual customer satisfaction survey.	2020/21: <input type="checkbox"/>	Not achieved: The 2021 satisfaction survey showed that 60% of affected customers were satisfied with the Council's land drainage services.
Target: 80%	2019/20: <input type="checkbox"/>	<i>Not achieved: 2020 survey: 62% satisfied.</i>
	2018/19: <input type="checkbox"/>	<i>Not achieved: 2019 survey: 54% satisfied.</i>
What we said we would do: provide a timely response to customer requests.		
Measure: Where the Council responds to a service request regarding the Council's land drainage and flood protection systems, the following median response times measured for: <ul style="list-style-type: none"> ■ Urgent service requests and ■ Non-urgent service requests 	2020/21: <input checked="" type="checkbox"/>	Achieved: <ul style="list-style-type: none"> ■ Urgent: There have been no urgent requests during the reporting period. ■ Non-urgent: 100% (11/11) of non-urgent requests were responded to within 2 working days. Median response time was 3 hours 15 minutes.
Target: <ul style="list-style-type: none"> ■ Urgent: 1 hour ■ Non-urgent: 2 working days 	2019/20: <input checked="" type="checkbox"/>	<i>Achieved:</i> <ul style="list-style-type: none"> ■ <i>Urgent: There have been no urgent requests during the reporting period.</i> ■ <i>Non-urgent: 100% (11/11) of non-urgent requests were responded to within 2 working days.</i> <i>Median response time was 2 hours 26 minutes.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved:</i> <ul style="list-style-type: none"> ■ <i>Urgent: There have been no urgent requests during the reporting period.</i> ■ <i>Non-urgent: There have been no non-urgent requests during the reporting period.</i>
* Mandatory performance measure under section 261B of the Local Government Act 2002.		

What else happened in 2020/21?

Stopbank reconstruction

During the year we completed the resource consent process and surveying work for the reconstruction / raising of the Hot Springs, Karito, Foreshore, and Miranda stopbanks. The contract has been awarded, and construction will start in November 2021. \$31,000 was spent in 2020/21.

Mechanical cleaning

During the year, we mechanically cleaned 50km of drains throughout our land drainage areas. Mechanical cleaning ensures our drains can flow freely, and clear excess water from agricultural land in a timely manner. We spent \$119,000 in 2020/21.

Vegetation control

We sprayed 767km of drains to control vegetation in 2020/21; we spent \$151,000.

Western Plains Drainage District: Hopai West pump screens

During the year we commenced the refurbishment of the pump screens at the Hopai West pumpstation. We spent \$36,000 in 2020/21; however, much more work is required than originally anticipated and this project will continue in the 2021/22 year.

What didn't happen in 2020/21?

Western Plains Drainage District Pouarua Maukoro (Muggeridge) project

\$345,000 was allocated in 2019/20 for internal drain structures to feed the new Muggeridge pumpstation once it's built. However issues have arisen with the cost calculations so this is under review. As this project is being led by the Waikato Regional Council, Hauraki District Council's expenditure is dependent on the Waikato Regional Council's timing of their project.

Pūkoro and Miranda drainage district

This project is on hold until agreement is reached between all parties involved on the way forward. Our involvement in this project has changed to only facilitating communications between the parties if need be. This is done on a political level; the project is now considered completed.

SCADA installation

The installation of SCADA at several land drainage asset locations was not completed in 2020/21. It was decided that a full needs assessment of the installed switchgear needs to be undertaken first as some of it is dated and will require upgrading before SCADA can be installed. The sites requiring SCADA installation are:

- WPDD Central North SCADA installation
- WPDD Hopai West SCADA installation
- WPDD Martinovich SCADA installation
- WPDD Miranda SCADA installation
- WPDD Rowerawe SCADA installation

What these activities cost and how they were paid for

Operating statement for Land Drainage

	Annual Plan	Actual	Actual
	2021	2021	2020
	\$000	\$000	\$000
Expenditure			
Vegetation control	176	151	159
Maintenance/fencing/culverts	13	5	3
Mechanical cleaning	263	119	241
Floodgates	23	53	5
Pumps	287	165	175
Overheads	258	258	253
Other	62	79	57
Depreciation/assets written off	282	385	193
Interest	(66)	(95)	(110)
Total expenditure	1,298	1,120	976
Revenue			
Fees, charges and other revenue	0	0	0
External subsidies	0	0	0
Targeted rates	1,048	1,087	1,059
General rates	183	197	172
Total revenue	1,231	1,284	1,231
Operating surplus / (deficit)	(67)	164	255

Hauraki District Council: Funding impact statement for the year ended 30 June 2021 for Land Drainage

	Long-Term Plan 2020 \$000	Long-Term Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	165	168	197
Targeted rates	985	1,002	1,087
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	1,150	1,170	1,284
Applications of operating funding			
Payments to staff and suppliers	813	833	573
Finance costs	0	0	(95)
Internal charges and overheads applied	107	101	258
Other operating funding applications	0	0	0
Total applications of operating funding (B)	920	934	736
Surplus / (deficit) of operating funding (A - B)	230	236	548
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(196)	71	(243)
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)	(196)	71	(243)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	29	3	67
- to replace existing assets	5	304	14
Increase (decrease) in reserves	0	0	225
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	34	307	306
Surplus / (deficit) of capital funding (C - D)	(230)	(236)	(548)
Funding balance ((A - B) + (C - D))	0	0	0

Solid waste



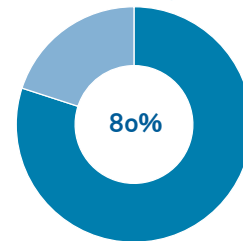
The solid waste activity consists of the minimisation, collection and disposal of solid waste. These services involve kerbside collection of refuse and recyclables and the management of two refuse transfer stations located in Paeroa and Waihi.

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 2020/21 ▼
		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.		
<p>Measure: A waste minimisation education strategy is developed and implemented.</p> <p>Target: Two education campaigns are undertaken each year.</p>	2020/21: <input checked="" type="checkbox"/>	Achieved: Four education campaigns were undertaken in 2020/21. These were Enviroschools (15 schools), Zero Waste (25 schools); plus two public campaigns: kerbside recycling and waste minimisation.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: Three education campaigns were undertaken.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: Three education campaigns were undertaken.</i>
<p>Measure: Number of justified complaints that collection is not completed on the scheduled day, as per the service request database.</p> <p>Target: ≤3 complaints (that collection was not completed) per 1000 customers per annum.</p>	2020/21: <input checked="" type="checkbox"/>	Achieved: There were 0.15 justified complaints per 1000 customers that kerbside collection was not completed on the scheduled day in 2020/21.
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: There were 76 justified complaints that kerbside collection was not completed on the scheduled day in 2019/20 (4.39 per 1000 customers per annum). To help address this, Council has recently taken over the management of the contract in house.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Not achieved: There were 3.08 justified complaints per 1000 customers.</i>
<p>Measure: The quantity of household waste collected from the kerbside per person is decreasing.</p> <p>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.</p>	2020/21: <input checked="" type="checkbox"/>	Achieved: The amount of household waste collected from the kerbside and going to landfill was 76kg per person in 2020/21. This is an increase of 6.5kg from the previous year (10% increase) however it is 2.5% less than the target of 78kg per person per annum.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: The amount of household waste collected from the kerbside and going to landfill was 60kg per person per annum. This is a reduction of 8.7kg from 2018/19 (12.6% decrease) and is a 23% decrease from the original 78kg per person.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: The amount of household waste collected from the kerbside and going to landfill was 68.7 kg per person per annum. This is a reduction of 10.08kgs from the previous year of (78kg).</i>
<p>Measure: The total quantity of waste sent to landfill per person per annum is reducing.</p>	2020/21: <input checked="" type="checkbox"/>	Not achieved: The total quantity of waste sent to landfill was 341.7kg per

How we measure our performance ▼		Result 2020/21 ▼	
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
<p>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.</p>			<p>person per annum in 2020/21. This is an increase of 65kg from the previous year (19% increase). It is 5.8% less than the target of 363kg per person per annum.</p>
	2019/20: <input checked="" type="checkbox"/>		<p><i>Achieved: The total quantity of waste sent to landfill was 276 kg per person per annum in 2019/20. This is a decrease of 25.35kg from 2018/19 (8.4% reduction) and a 24% reduction from the original 363 kg per person.</i></p>
	2018/19: <input checked="" type="checkbox"/>		<p><i>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.</i></p>
What we said we would do: provide reliable solid waste collection.			
<p>Measure: Percentage of users satisfied with the kerbside collection service, as measured by the annual customer satisfaction survey.</p> <p>Target: ≥85% of users satisfied.</p>	2020/21: <input checked="" type="checkbox"/>		<p>Achieved: The 2021 satisfaction survey showed that 88% of residents were satisfied with the kerbside collection service.</p>
	2019/20: <input checked="" type="checkbox"/>		<p><i>Not achieved: 2020 survey: 68% satisfied.</i></p>
	2018/19: <input checked="" type="checkbox"/>		<p><i>Not achieved: 2019 survey: 89% satisfied.</i></p>

What else happened in 2020/21?

Waihi Transfer Station – upgrade

In 2019/20 and 2020/21 we completed various upgrades to the Waihi Transfer Station including the construction of two new concrete slabs on either side of the shed, construction of a new concrete pad for the steel recycling area, installed CCTV cameras, procured new waste oil bins, resealed sections of the road, and completed painting and electrical work. During construction we also located contaminated soil which we had to remove and dispose of; this caused additional costs for the two year project. We spent \$172,000 in 2020/21 (\$324,000 in total).

Paper for Trees programme

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

Enviroschools / Zero waste programmes

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

teachers to educate the children about sustainability. 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. We currently have 16 schools participating in the EnviroSchools programme (74% of all schools in the district with none on the waiting list), and 25 schools participating in Zero waste.

Hauraki Reuse and Repair Centre

In 2020/21 we contributed \$20,000 (excl. gst) to the operation of the Hauraki Reuse and Repair Centre to support the reuse and recovery of items that were headed for landfill.

Review of our waste services

We carried out a review of our waste services during 2020/21, and as a result the Council decided to develop its own Waste Management and Minimisation Plan (WMMP). In May 2021 to inform our WMMP we carried out an audit of kerbside rubbish bags, to determine where improvements could be made in our waste habits. Our WMMP will be completed by early 2022.

Recycling changes

We have reduced the range of commodities collected in recycling collections. From 1 June 2020 we stopped collecting plastics 3-7. Historically there has been an overseas demand for plastic grades 3-7. However the demand collapsed after China stopped accepting the quantity of material they used to. There is a market for #5 plastics and in 2021/22 we will be investigating the collection of more materials through the development of our Waste Management and Minimisation Plan (WMMP).

What didn't happen in 2020/21?

Paeroa Transfer Station – upgrade

\$90,000 was spent on the Paeroa Transfer Station upgrade project in 2020/21. Major upgrade works are planned for the Paeroa Transfer station facility, including new drainage to accommodate water that usually ponds in the inundation zone, installation of CCTV cameras, new safety railings, painting, repairs and maintenance, and development of a site for the Hauraki Reuse and Repair Centre. In 2020/21 we commenced the design and resource consent processes for the project.

What these activities cost and how they were paid for

Operating statement for Solid Waste

	Annual Plan	Actual	Actual
	2021	2021	2020
	\$000	\$000	\$000
Expenditure			
Refuse Collection	203	1,084	725
Closed Tip Sites	79	31	601
Transfer Stations	401	1,204	321
Other	104	123	145
Total expenditure	788	2,442	1,792
Revenue			
Fees, charges and other revenue	251	1,364	110
External subsidies	75	71	72
Targeted rates	208	222	215
General rates	488	526	530
Total revenue	1,022	2,183	927
Operating surplus / (deficit)	234	(259)	(865)

Hauraki District Council: Funding impact statement for the year ended 30 June 2021 for Solid Waste

	Long-Term Plan 2020 \$000	Long-Term Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	576	308	526
Targeted rates	203	207	222
Subsidies and grants for operating purposes	57	58	71
Fees and charges	28	29	1,364
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	27
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	864	602	2,210
Applications of operating funding			
Payments to staff and suppliers	672	377	2,233
Finance costs	0	0	19
Internal charges and overheads applied	160	163	160
Other operating funding applications	0	0	0
Total applications of operating funding (B)	832	540	2,412
Surplus / (deficit) of operating funding (A - B)	32	63	(202)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(2)	(3)	(601)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	(2)	(3)	(601)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	262
- to replace existing assets	0	0	0
Increase (decrease) in reserves	30	60	(1,065)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	30	60	(803)
Surplus / (deficit) of capital funding (C - D)	(32)	(63)	202
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.

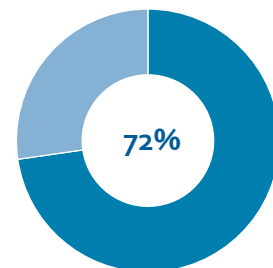
We provide a number of services intended to enhance our communities' needs for recreation and enjoyment. We provide these services to meet our district's recreational, sporting and educational expectations. In addition to this we provide facilities for public use, such as public toilets, halls, cemeteries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

	Annual Plan	Actual	Actual
	2021	2021	2020
	\$000	\$000	\$000
Expenditure			
Community recreation			
Libraries	1,225	1,226	1,175
Sportsfields	655	694	636
Recreation reserves	1,670	1,801	1,724
Events centre	179	159	151
Swimming pools	770	793	821
Sports co-ordinator	110	88	105
Community facilities			
Cemeteries	395	376	382
Community halls	285	356	327
Pensioner housing	430	472	437
Public toilets	586	581	594
Interest	317	246	293
Total expenditure	6,621	6,792	6,645
Revenue			
Fees, charges and other revenue	688	690	659
External subsidies	5	119	111
Targeted rates	2,816	2,931	2,151
General rates	3,195	3,291	3,343
Total revenue	6,704	7,031	6,264
Operating surplus / (deficit)	83	239	(381)

**Hauraki District Council: Funding impact statement for the year ended 30 June 2021 for
Community Services**

	Long-Term Plan 2020 \$000	Long-Term Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	3,763	3,889	3,291
Targeted rates	2,161	2,219	2,931
Subsidies and grants for operating purposes	5	5	114
Fees and charges	693	730	675
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	7
Total operating funding (A)	6,622	6,843	7,018
Applications of operating funding			
Payments to staff and suppliers	3,903	3,819	4,012
Finance costs	419	393	246
Internal charges and overheads applied	1,425	1,451	1,456
Other operating funding applications	0	0	0
Total applications of operating funding (B)	5,747	5,663	5,714
Surplus / (deficit) of operating funding (A - B)	875	1,180	1,304
Sources of capital funding			
Subsidies and grants for capital expenditure	5	5	0
Development and financial contributions	0	0	8
Increase (decrease) in debt	(511)	(767)	3,223
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)	(506)	(762)	3,231
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	579
- to improve the level of service	304	21	641
- to replace existing assets	417	298	1,447
Increase (decrease) in reserves	(352)	98	1,868
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	369	417	4,535
Surplus / (deficit) of capital funding (C - D)	(875)	(1,180)	(1,304)
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 2020/21 ▼	
	Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
Libraries		
What we said we would do: modern and relevant library spaces to support community needs.		
Measure: Percentage of library users satisfied with library services, as measured by the annual customer satisfaction survey. Target: ≥95% of customers satisfied.	2020/21: <input checked="" type="checkbox"/>	Not achieved: The 2021 satisfaction survey showed that 94% of residents were satisfied with the Council’s library services.
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: 2020 survey: 92% satisfied.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: 2019 survey: 96% satisfied.</i>
Measure: The number of library members is increasing, as measured by the Library Management System. Target: ≥50% of District population are members	2020/21: <input checked="" type="checkbox"/>	Achieved: 57% of the district population are members of district libraries.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 54% of the district population are members of district libraries.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: 53% of the 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.	2020/21: <input checked="" type="checkbox"/>	Achieved: 186 sessions were held across 17 library-led community based learning programmes during the year.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 49 library-led community based learning programmes were available during the year.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: 15 library-led community based learning programmes.</i>

How we measure our performance ▼

Result 2020/21 ▼

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.

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

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

2020/21:



Achieved: 100% (393/393) of safety and maintenance audits were completed during 2020/21.
1. 2 high risk occurrences all addressed within 24 hours.
2. 14 medium risk occurrences all addressed within one week.
3. 10 low risk occurrences all addressed as soon as was practical.

2019/20:



Achieved: 100% (441/441) of safety and maintenance audits were completed and actioned throughout the year.
High risk: 4 occurrences all addressed within 24 hours.
Medium risk: 9 occurrences addressed within 7 days
Low risk: 10 occurrences addressed within 30 days

2018/19:



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

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

Target: ≥90% of customers satisfied.

2020/21:



Achieved: Results of the 2021 satisfaction survey show that 91% of pool users were satisfied with the operation of Council swimming pools.

2019/20:



Not achieved: 2020 survey: 84% satisfied.

2018/19:



Achieved: 2019 survey: 92% 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.

Target: ≥90% of customers satisfied.

2020/21:



Not achieved: The 2021 satisfaction survey showed that 85% of residents were satisfied with the services provided at the district's sports fields, parks and reserves.

2019/20:



Not achieved: 2020 survey: 88% satisfied.

2018/19:



Not achieved: 2019 survey: 89% satisfied.

What we said we would do: provide safe playground facilities.

How we measure our performance ▼

		Result 2020/21 ▼	
		Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
<p>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.</p> <p>Target: 100% of playground inspections are completed as per scheduled frequency and identified safety issues are addressed.</p>	2020/21:	<input checked="" type="checkbox"/>	Achieved: 100% (244/244) of playground inspections were completed in 2020/21.
	2019/20:	<input checked="" type="checkbox"/>	<i>Not achieved: 92% (230/250) of playground inspections were completed in 2019/20. Not all required inspections were carried out due to Covid-19 lockdown and staff undertaking essential work only.</i>
	2018/19:	<input checked="" type="checkbox"/>	<i>Achieved: 100% of playground compulsory inspections were completed.</i>

What else happened in 2020/21?

Libraries

- \$111,000 was spent on new books (print and electronic) during 2020/21.
- The installation of the RFID system at our libraries progressed in June 2021; \$94,000 was spent in 2020/21.

During the year we held 17 Library-led community based learning programmes at our district libraries. 186 sessions were attended in total. Those programmes included:

- School holiday programme
- Story and Rhyme for under 5s
- Brick construction challenge
- Chess and Checkers
- Book chat groups
- Adult reading challenge
- Teen reading challenge
- Children's reading challenge
- Computer mentoring
- Matariki
- He Paku Kōrero
- Stepping Up
- Covid contact tracing app workshops
- Christmas Craft
- Summer reading challenge
- Summer story time
- Genealogy support

Ngatea Library and Service Centre

In 2019/20 Council agreed that the new Ngatea library and service centre would be located at the existing Orchard Road site. A Council working party was formed to make recommendations for the project. In 2020/21 a condition assessment and concept designs were completed; that work has indicated that it is not feasible to refurbish the current building due to compliance requirements and a purpose built facility will be constructed. The working party will work with staff in 2021/22 to investigate options for final design, layout and cost.

Swimming pools

The 2020/21 pool season saw an increase in users across all three pools. Some minor works were completed at the three pools, such as: the starter blocks were upgraded, the thermal pool cover repaired and the office building repainted in Paeroa; new entry ramp installed outside and upgraded chlorine unit in Ngatea; and changing rooms floors re-worked and repainted, extra seating on grassed area and bench seating replaced in Waihi.

Playgrounds

- The playground at Victoria Park, Waihi, was upgraded (\$137,000).

Reserves Management Plan review

Work commenced in the 2020/21 year on the review of the Reserves Management Plan. A Councillor working party has been formed and Iwi consultation commenced; the formal consultation procedure is programmed to take place during the summer of 2021/22.

Sports coordination

We continued to provide funding for a district wide sports coordinator in 2020/21.

Turua walkway project

The Piako Road section (270m) of the Turua walkway project was completed and the section of fencing on Oparia Road has also been completed. The loop walkway around the Turua township is a joint project between Council and the community. In 2020/21 the Plains Ward Committee resolved to fund a further \$50,000 towards the project to ensure its completion. The project was completed in March 2021 for \$30,000.

Wharf Street, Paeroa Streetscape

The construction of the Wharf Street, Paeroa, wharf was completed and ownership formally handed over to Council as per the memorandum of understanding between Hauraki District Council and Paeroa Maritime Park in 2020/21. We contributed \$200,000 to this project.

Ngatea main street

The Ngatea main street renewal was near completion in 2020/21 with \$1.1m spent in 2020/21 (\$1.8m spent in total). Consultation with the community took place in late 2019 to confirm the streetscape design. The kerb and channel and stormwater replacement works were completed in 2019/20, and the footpath upgrade commenced in June 2020. Unfortunately some of that work wasn't up to scratch and some areas of footpath were uplifted and replaced, and textured and anti-slip surfaces were also installed in 2020/21. The last stage of the State Highway 2 upgrade (400m) was also completed. The Ngatea main street garden beds were replanted.

Karangahake Reserve development

With the increased popularity of Karangahake Reserve, there is additional pressure placed on both the current parking and the public toilets. In 2020/21 we obtained a resource consent to install a container toilet on the Hall Committee land; the toilet is expected to be delivered early in 2021/22 due to labour shortages and delays due to Covid-19 (we spent \$83,000 in 2020/21). The development of additional car parking to service Karangahake Reserve is ongoing as we work with Iwi and the community to come to a decision regarding the location of extra parking.

What didn't happen in 2020/21?

Paeroa domain entrance

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

Swimming pools

The investigation into the condition and future of the community pool at Waihi College did not take place in 2020/21; a full review of the operation of all community pools will be carried out in alignment with the Waihi pool feasibility study in 2021/22.

Paeroa domain playing field improvements

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

Playgrounds

Kaiaua boat ramp playground was scheduled for 2020/21 however will be carried over to 2021/22 following further consultation with the community.

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 2020/21 ▼	
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: ≤34 complaints per year	2020/21: <input checked="" type="checkbox"/>	Achieved: There were 34 justified complaints received from hall users.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: There were 28 justified complaints received from hall users.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: 18 justified 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.	2020/21: <input checked="" type="checkbox"/>	Achieved: 94% (37/40) of tenants surveyed were satisfied with the comfort and safety of the units.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 91% (40/44) of tenants surveyed were satisfied with the comfort and safety of the units.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: 97% 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.	2020/21: <input type="checkbox"/>	Not achieved: 68 justified complaints were received in 2020/21. There was increase in the number of complaints regarding vandalism and cleanliness due to some freedom campers and local youths. The freedom campers were trespassed and the youths were referred to the Police.
	2019/20: <input type="checkbox"/>	<i>Not achieved: 55 justified complaints were received in 2019/20. The majority of the complaints were regarding broken equipment, missing equipment, insufficient stock and cleanliness.</i>

How we measure our performance ▼

		Result 2020/21 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
		2018/19: <input checked="" type="checkbox"/> Achieved: 40 justified complaints were received.
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. Target: A total of ≤10 complaints regarding grounds maintenance across all Council cemeteries per year.	2020/21: <input checked="" type="checkbox"/>	Achieved: No justified complaints were received in 2020/21.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: One justified complaint was received.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: Two justified complaints received.</i>

What else happened in 2020/21?

Cemeteries

The major redevelopment of Pukerimu Cemetery (Paeroa) was completed. The project included access road, drainage, and new burial and ashes berms. \$61,000 was spent in 2020/21 and the total project cost was \$322,000.

Elderly persons housing

We completed the following renewals to our elderly persons housing in 2020/21:

- Paeroa: we spent \$29,000 on renewals such as carpet, a stove, new kitchen and an interior refurbishment.
- Waihi: we spent \$25,000 on renewals such as new decks, ranch sliders, flooring, a stove, and a new kitchen.
- Plains: we spent \$29,000 on renewals such as replacement hot water cylinders, security doors/screens, and an interior refurbishment.
- In 2020/21 \$64,000 was spent on heating and ventilation in the units.

Property renewals

\$15,000 was spent on fencing the Council pool car area in the Hauraki House carpark.

Halls

The floors of the Paeroa War Memorial Hall were recoated in May-June 2021. \$7,000 was spent.

Public toilets

In 2021 we asked for feedback from the community on where new public toilet and shower facilities should be located in Kaiawa. As a result of that feedback, Council decided that it makes the most sense to locate the new facilities near the pirate ship playground. This will be accessible for users of the playground, visitors to the Pink Store, and for travellers who may stop in this area to stretch their legs. All going to plan the new facilities will be installed and ready for summer 2021/22.

What didn't happen in 2020/21?

Property renewals

- Minor works at the Chambers Restaurant and pen renewals at the Paeroa Dog Pound were both deferred to the 2021/22 year.
- The replacement of the roof and windows at the Waihi Art Centre was not completed and this work has been deferred to be included in the earthquake strengthening project.

Community development



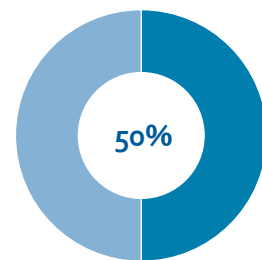
We work with communities and agencies to promote a better quality of life. We have a strong focus on 'helping our communities to help themselves' and an emphasis on community initiatives and community growth through economic development programmes. The community development group includes the community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

	Annual Plan	Actual	Actual
	2021	2021	2020
	\$000	\$000	\$000
Expenditure			
Community growth			
Economic development	361	333	346
District promotions	33	32	31
Information centres	162	160	158
Positive Paeroa	75	68	65
Positively promoting the plains	19	17	18
Go Waihi	75	97	47
Destination coromandel	143	143	142
Community initiatives			
Social initiatives	105	221	76
Discretionary social fund	135	90	71
Grants and donations	192	164	304
Rail trail	705	942	675
Conservation initiatives	17	13	5
Whiritoa beachcare	6	3	4
Whiritoa lifesaving grant	0	0	0
Other	62	74	71
Total expenditure	2,091	2,357	2,013
Revenue			
Fees, charges and other revenue	0	56	0
External subsidies	0	863	820
Targeted rates	647	637	442
General rates	1,664	1,763	1,494
Total revenue	2,311	3,319	2,756
Operating surplus / (deficit)	220	962	743

**Hauraki District Council: Funding impact statement for the year ended 30 June 2021 for
Community Development**

	Long-Term Plan 2020 \$000	Long-Term Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	1,661	1,794	1,763
Targeted rates	551	569	637
Subsidies and grants for operating purposes	0	0	117
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	56
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	2,212	2,363	2,573
Applications of operating funding			
Payments to staff and suppliers	1,200	1,214	1,371
Finance costs	0	0	0
Internal charges and overheads applied	634	645	683
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,834	1,859	2,054
Surplus / (deficit) of operating funding (A - B)	378	503	518
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	746
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	(5,564)
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	(4,818)
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	378	503	(4,300)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	378	503	(4,300)
Surplus / (deficit) of capital funding (C - D)	(378)	(503)	(518)
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 2020/21 ▼	
	Key: <input checked="" type="checkbox"/> Achieved <input checked="" 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 annual customer satisfaction survey.</p> <p>Target: ≥70% of customers satisfied with approach.</p>	<p>2020/21: <input checked="" type="checkbox"/></p>	<p>Not achieved: The 2021 satisfaction survey showed that 51% of residents were satisfied with the Council's approach to economic development.</p>
	<p>2019/20: <input checked="" type="checkbox"/></p>	<p><i>Not achieved: 2020 survey: 52% satisfied.</i></p>
	<p>2018/19: <input checked="" type="checkbox"/></p>	<p><i>Not achieved: 2019 survey: 39% 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>2020/21: <input checked="" type="checkbox"/></p>	<p>Achieved: 11 updates regarding economic development were provided during 2020/21.</p>
	<p>2019/20: <input checked="" type="checkbox"/></p>	<p><i>Achieved: 16 updates were provided.</i></p>
	<p>2018/19: <input checked="" type="checkbox"/></p>	<p><i>Achieved: 24 updates regarding economic development were provided.</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>Target: Tourism expenditure is maintained or increasing on previous calendar years' result.</p>	<p>2020/21: <input checked="" type="checkbox"/></p>	<p>Not achieved: Tourism expenditure was \$78m as at March 2021. This is a 6% decrease compared with March 2020 where it was sitting at \$83m. The district as well as the rest of the country was still impacted by Covid-19 and the related travel restrictions.</p>
	<p>2019/20: <input checked="" type="checkbox"/></p>	<p><i>Not achieved: Tourism expenditure was \$90.1m as at March 2020. This is a 1% decrease compared with March 2019 (\$91m total for the year to March 2019). The decrease is due to Covid and the related travel restrictions. A group called Hauraki Tourism Action Group has been set up to drive product development in the District.</i></p>

How we measure our performance ▼

Result 2020/21 ▼	
Key: <input checked="" type="checkbox"/> Achieved <input checked="" type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
2018/19: <input checked="" type="checkbox"/>	<i>Achieved: Tourism expenditure was \$91m as at March 2019 and has increased by \$7.4 million since March 2018.</i>

What else happened in 2020/21?

Mayors Taskforce for Jobs – Community Recovery Programme

In response to COVID-19, the Mayors Taskforce for Jobs (MTFJ) developed a Community Recovery Programme in collaboration with the Ministry of Social Development (MSD). We have been running the programme in our district since October 2020 under the brand 'Gr8 Job Hauraki'; the programme provides funding for incentives towards work ready training, job placements and pastoral care. The programme allows rural councils who are part of MTFJ to apply for funding of up to \$500,000 to support recovery through employment. We received \$250,000 towards this programme, and spent a total of \$117,000 in 2020/21. Any unspent funds will be returned to MSD at the beginning of 2021/22. 32 employment outcomes were achieved in the 2020/21 period.

Historical Maritime Park project

As part of the 2018 LTP, we committed \$400,000 towards the development of the Paeroa Historical Maritime Park project. The project involves the provision of a direct link from the Historical Maritime Park via the Waihou and Ohinemuri Rivers to Paeroa, with obvious tourism benefits to be achieved. The project also gained funding of \$1.1m from the Provincial Growth Fund. To date the wharf, floating pontoons, and boardwalk have been completed, with landscaping being progressed. A vessel has also been purchased and is now operational.

Visitor Information Services

As part of the development of our 2021-31 long term plan we asked for feedback on the future of visitor information services (or information centres). After considering feedback, we decided to change the funding levels for visitor information services to \$65,000 per year each for Paeroa and Waihi, and to \$20,000 per year for the Plains. We will also carry out a review of visitor information services at the end of 2021/22.

Town Promotions Organisations

As part of the development of our 2021-31 long term plan, we proposed to hire a district events coordinator to help coordinate events, support community groups and organisations to put on events, and support other district promotions. After considering the feedback, we've decided to go ahead with this idea and will look to employ someone in the 2021/22 year. We'll also provide funding of \$12,000 per year each for Positive Paeroa, GO Waihi and Positively Promoting the Plains.

Destination Coromandel

We continued our contribution of \$122,000 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 and Hauraki District Council.

Hauraki Coromandel Business Awards

We approved funding of \$5,000 towards the Hauraki Coromandel Business Awards event, which is scheduled to be held in October 2021. The 2020 event had been postponed due to Covid-19. The Hauraki Coromandel Business Awards are an acknowledgement of excellence in all sectors of business within the Hauraki and Thames-Coromandel districts. The awards reward business excellence and showcase to the country what our districts have to offer. A number of our local businesses have previously entered these awards and it provides a way for Council to support local businesses and recognise and celebrate their success.

Regional Economic Development Agency

We provided \$20,000 funding in 2020/21 to Te Waka, the Waikato's regional economic development agency. Te Waka has been operating since 1 July 2018, and its establishment allows the Waikato region to be represented as a group and it is anticipated this will increase the ability for projects within the region to receive funding from central government. Te Waka's key focuses in 2020/21 have been developing a new structure and approach to enact a stronger and more responsive partnership model with key stakeholders. Other important actions include designing sector work programmes in conjunction with industry leaders and business support through the Regional Business Partners programme.

Evolve Hauraki

Evolve Hauraki is a collaboration between Te Waka, Hauraki District Council, Positive Paeroa, Positively Promoting the Plains and GO Waihi. It was developed to help businesses to reach their potential and grow. One of the key ways of doing this is by giving them a greater understanding of the services provided by Te Waka's Business Growth Advisors. This is mostly through 'Business Bites' events. Evolve has expanded since Covid-19 to include LoveHauraki. LoveHauraki was developed to support businesses during and after Covid-19 but also to be an ongoing project. A website and Facebook page have been developed and over 200 businesses have registered to be involved and close to 1200 page 'likes' on Facebook.

Ngatea Northern Estate subdivision

Stage three of the Ngatea Northern Estate subdivision was completed in 2020/21 and all sections sold. There was a number of small to medium sized additions to the original scope of works resulting in additional funding being required for the development (additional \$275,000). This was mainly due to not knowing the resource consent conditions for storm water at the time of estimating this project. The remaining work includes some fencing, riparian planting and storm water operational and maintenance plans. \$127,000 was spent in 2020/21 on design, planning and consents for stage four of the subdivision.

What didn't happen in 2020/21?

There were no planned projects that didn't happen in 2020/21.

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 services, citizenship ceremonies, industry training awards, and the citizen and young achievers awards.



Meeting our service targets

How we measure our performance ▼	Result 2020/21 ▼	
	Key: <input checked="" type="checkbox"/> Achieved <input checked="" 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.	2020/21: <input checked="" type="checkbox"/>	Achieved: Of the 4 actions identified for the 2020/21 year, all (100%) were either progressed or completed.
Target: 90% of the actions identified within the Social Strategy for the given year have been progressed or completed.	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 100% of the actions identified in the Social Strategy have been progressed or completed.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: 100% of the actions identified in the Social Strategy have been progressed or completed.</i>

What else happened in 2020/21?

Creative NZ Creative Community Scheme

Creative NZ allocates funding to the Council for distribution to successful applicants to the Hauraki Creative Communities Scheme. We act as an administrator for this fund and appoint an assessment panel to determine the successful applicants who have met the criteria set by Creative NZ. 23 projects requesting a total of \$37,000 were considered by the committee this term, and with \$32,500 to allocate, 22 projects were successful.

Social strategy initiatives

Four actions from the Social Strategy Action Plan were identified for the 2020/21 year. Three actions were identified from the Connected Communities pillar, and one from the Safe and Healthy Communities pillar. All actions were progressed/completed for the 2020/21 year.

We provided grants to the following groups/organisations to assist in the betterment of the social wellbeing of the district:

- \$5,000 to Age Concern Thames Inc (annual grant - year 3 of 3)
- \$10,000 to Hauraki Citizens Advice Bureau (annual grant year 3 of 3)
- \$2,000 to Creative Waikato Trust (annual grant year 3 of 3)
- \$5,000 to Paeroa Pipe Bands Tattoo Committee – 2021 event
- \$1,300 to Cool Crew Waihi – thrive programme
- \$10,000 to the Eastern Waikato Drought Relief Fund - farming community support
- Life Education Trust
- We provided a grant of \$15,000 in 2020/21 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.

Life Education Trust

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Elephant in the Paddock

The Elephant in the Paddock began in 2017 when we teamed up with a number of rural support agencies to check in on the wellbeing of our rural communities. Championed by former Plains Ward Councillor Gill Leonard, the project encouraged rural people to talk about the effects of unhealthy stress or depression and provided information on what to do if they had any concerns and where to get help. In 2020/21 three full page feature stories on the Hauraki champions were published in the Hauraki Herald, wellbeing brochures were developed for distribution with input from social agencies, and free 'Good Yarn' wellbeing workshops were held across the district in March 2021 to support those within our rural communities.

Better Futures Hauraki

The Better Futures Hauraki Forum provides a platform for Council and social agencies from across the district to come together bi-annually to provide updates and discuss current issues and collaboration. The forum met once within the 2020/21 year with 41 in attendance from across 22 agencies.

Industry training awards

The combined Hauraki District Council and Thames-Coromandel District Council Industry Training Graduations were held on 17 November 2020 at the Paeroa War Memorial Hall with 31 graduates receiving their certificates and over 100 in attendance.

Hauraki Rail Trail

We provided \$167,000 funding for the maintenance and servicing of the Hauraki Rail Trail in 2020/21. A major maintenance focus for the Hauraki Rail Trail Charitable Trust (HRTCT) in 2020/21 has been to ensure the trail surface is at a high standard to increase the rider experience.

HRTCT maintenance and operation was also funded by Matamata-Piako District Council and Thames-Coromandel District Council, as well as government and external funding provider grants of \$775,000.

Conservation Initiatives

Two grants were provided from the 2020/21 budget towards conservation initiatives (Significant Natural Areas and Heritage Features). \$5,000 was granted towards the cost of re-roofing the Patetonga Memorial Church and \$5,000 towards the clearing of vegetation from Queens Head in Waihi.

Youth Initiatives

We provided a grant of \$1,500 towards the sponsorship of a young leader from our community to attend the 2021 Aspiring Leaders Forum in Wellington.

What didn't happen in 2020/21?

Sister cities – Jiading

As part of a sister cities relationship we have built with Jiading, an education exchange is offered annually to the colleges within Hauraki, where students and teachers from each district spending time in each other's environment. Unfortunately, this exchange was unable to take place due to the COVID-19 outbreak. We are currently reviewing the future of this cultural exchange and potential alternative options.

Hauraki District Council Citizen and Young Achiever Awards

A ceremony to acknowledge the service, commitment, achievement and contribution local residents and our young people make to the community would normally have taken place in the 2020/21 year. Unfortunately, due

to the Covid-19 pandemic, the decision was made to postpone the awards until the 2021/22 year. In 2020/21 however it was decided that the awards would be rebranded to *OnYa Awards*, which aims to remove past restrictions and provide a more inclusive platform for recognition.

Regulatory services



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

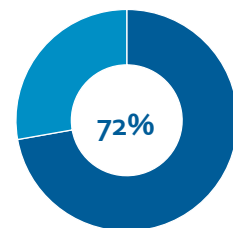
- appropriate land use management
- safe building development (including building consents)
- community health and safety (including food and alcohol safety, civil defence, animal control) and
- animal welfare.

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

	Annual Plan	Actual	Actual
	2021	2021	2020
	\$000	\$000	\$000
Expenditure			
Regulatory			
RMA implementation	1,242	1,612	1,130
Building control			
Building services	1,469	1,509	1,389
Community protection			
Rural fires	5	8	11
Emergency management	333	321	295
Health	335	371	345
Abandoned mine workings monitoring	33	27	23
Liquor licensing	125	120	117
Ground settlement	0	0	0
Animal control			
Dog registration	316	293	362
Animal control	291	248	243
Total expenditure	4,149	4,509	3,915
Revenue			
Fees, charges and other revenue	1,837	2,114	1,696
External subsidies	0	0	0
Targeted rates	0	0	0
General rates	2,391	2,527	2,002
Total revenue	4,228	4,641	3,698
Operating surplus / (deficit)	79	132	(217)

Hauraki District Council: Funding impact statement for the year ended 30 June 2021 for Regulatory Services

	Long-Term Plan 2020 \$000	Long-Term Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	2,225	2,419	2,527
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,754	1,792	2,115
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	(1)
Total operating funding (A)	3,979	4,211	4,641
Applications of operating funding			
Payments to staff and suppliers	904	921	1,327
Finance costs	0	0	0
Internal charges and overheads applied	3,123	3,180	3,180
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,027	4,101	4,507
Surplus / (deficit) of operating funding (A - B)	(48)	109	134
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	(48)	109	134
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	(48)	109	134
Surplus / (deficit) of capital funding (C - D)	48	(109)	(134)
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 providing technical advice on mining matters.



Meeting our service targets

How we measure our performance ▼	Result 2020/21 ▼	
	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>2020/21: <input checked="" type="checkbox"/></p>	<p>Achieved: 100% (1/1) of notified resource consent decisions were issued within statutory timeframes in 2020/21.</p>
	<p>2019/20: <input checked="" type="checkbox"/></p>	<p><i>Achieved: 100% (1/1) of notified resource consent decisions were issued within statutory timeframes.</i></p>
	<p>2018/19: <input checked="" type="checkbox"/></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>2020/21: <input checked="" type="checkbox"/></p>	<p>Not achieved: 92% (156/164) of non-notified resource consent decisions were issued within statutory timeframes in 2020/21. High consent numbers and resourcing constraints delayed processing times.</p>
	<p>2019/20: <input checked="" type="checkbox"/></p>	<p><i>Not achieved: 99% (112/113) of non-notified resource consent decisions were issued within statutory timeframes.</i></p>
	<p>2018/19: <input checked="" type="checkbox"/></p>	<p><i>Achieved: 100% of non-notified resource consent decisions have been issued within statutory timeframes.</i></p>
<p>Measure: Permitted boundary activity certificates are issued within statutory timeframes, as measured by the resource consent database.</p> <p>Target: 100% of decisions issued within statutory timeframes.</p>	<p>2020/21: <input checked="" type="checkbox"/></p>	<p>Achieved: 100% (33/33) of permitted boundary activity certificates were issued within statutory timeframes in 2020/21.</p>
	<p>2019/20: <input checked="" type="checkbox"/></p>	<p><i>Achieved: 100% (24/24) of permitted boundary activity certificates have been issued within statutory timeframes.</i></p>
	<p>2018/19: <input checked="" type="checkbox"/></p>	<p><i>Achieved: 100% (31/31) of permitted boundary activity certificates have been issued within statutory timeframes.</i></p>
What we said we would do: a monitoring service which ensures compliance with consent conditions.		

How we measure our performance ▼

		Result 2020/21 ▼	
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable	
<p>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.</p> <p>Target: 80% of consents granted in the previous financial year are monitored within the next 12 months.</p>	<p>2020/21: <input type="checkbox"/></p>	<p>Not achieved: 78% (62/80) of land use consents issued during 2019/20 were monitored within 12 months of being granted in 2020/21.</p>	
	<p>2019/20: <input checked="" type="checkbox"/></p>	<p><i>Achieved: 90% (115/128) of land use consents issued during 2018/19 were monitored within 12 months of being granted.</i></p>	
	<p>2018/19: <input checked="" type="checkbox"/></p>	<p><i>Achieved: 88% of land use consents issued during 2017/18 have been monitored within 12 months of being granted.</i></p>	
<p>What we said we would do: Land Information Memoranda (LIM) to be issued within agreed timeframes.</p>			
<p>Measure: Non-urgent LIMs issued within 10 working days (statutory), as measured by the applications database.</p> <p>Target: 100% issued on time.</p>	<p>2020/21: <input checked="" type="checkbox"/></p>	<p>Achieved: 100% (359/359) of non-urgent LIMs were issued within 10 working days in 2020/21.</p>	
	<p>2019/20: <input checked="" type="checkbox"/></p>	<p><i>Achieved: 100% of (257/257) non-urgent LIMs have been issued within 10 working days.</i></p>	
	<p>2018/19: <input checked="" type="checkbox"/></p>	<p><i>Achieved: 100% of non-urgent LIMs have been issued within 10 working days.</i></p>	
<p>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></p> <p>Target: 100% issued on time</p>	<p>2020/21: <input type="checkbox"/></p>	<p>Not achieved: 99.5% (245/246) of urgent LIMs were issued within three working days in 2020/21.</p>	
	<p>2019/20: <input checked="" type="checkbox"/></p>	<p><i>Achieved: 100% (147/147) of urgent LIMs have been issued within 3 working days.</i></p>	
	<p>2018/19: <input checked="" type="checkbox"/></p>	<p><i>Achieved: 100% of urgent LIMs were issued within 3 working days.</i></p>	
<p>What we said we would do: public satisfaction with the Council's administering of the Resource Consent services.</p>			
<p>Measure: Percentage of customers satisfied with the service they receive during the resource consent process, as measured by the annual customer satisfaction survey.</p> <p>Target: ≥75% of customers satisfied.</p>	<p>2020/21: <input checked="" type="checkbox"/></p>	<p>Achieved: The 2021 satisfaction survey showed that 79% of residents were satisfied with the service they received during the resource consent process.</p>	
	<p>2019/20: <input checked="" type="checkbox"/></p>	<p><i>Achieved: 2020 survey: 80% satisfied</i></p>	
	<p>2018/19: <input checked="" type="checkbox"/></p>	<p><i>Achieved: 2019 survey: 85% satisfied.</i></p>	

What else happened in 2020/21?

Major consents

During the year we received a number of major consents applications; Tirohia Landfill, Kaimai Windfarm and Protective Cropping Limited.

The Tirohia Landfill Extension Phase C resource consent application was lodged by Waste Management NZ Ltd to Hauraki District Council and Waikato Regional Council for consent to establish, operate and maintain a landfill site at Tirohia for the collection of waste over an area of 15ha, including extension and continued operation of a renewable energy plant utilising landfill gas. Hearings were held by Independent Hearing Commissioners in April and June 2021. The Hearing has recently closed.

An application was lodged by Protective Cropping Limited to establish a 28ha of horticultural greenhouse development on the south east corner of Trig Road South and Waihi Beach Road, Waihi. A Hearing was held in May 2021. The Hearing Committee have granted consent subject to conditions.

We received an application in the previous year for the development of the Kaimai Windfarm, which is still being processed.

e-Plan

During the year we have progressed the development of a basic electronic version of our District Plan – an e-Plan. This product will improve the search functionality of the District Plan and assist in answering queries and comply with the required National Planning Standards.

What didn't happen in 2020/21?

There were no planned projects that didn't happen in 2020/21.

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 2020/21 ▼
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>	2020/21: <input checked="" type="checkbox"/>	Not achieved: 69% (248/358) of building consent applications were processed within 20 working days in 2020/21. High consent numbers and resourcing constraints delayed processing times.
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: 94% (346/368) of building consent applications were processed within 20 working days. Site visits not being undertaken until level 3 contributed to this result.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Not achieved: 97% processed within 20 working days.</i>

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>	2020/21: <input checked="" type="checkbox"/>	Achieved: Council has 192 pools on its pool register. One third of these were required to be inspected in 2020/21 and 100% of the inspections required (64 of 64) were inspected in 2020/21. Note a change in regulations means spa pools no longer require monitoring so the total number of pools inspected annually has reduced from the original target.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 100% (134/134) of pools were inspected in 2019/20.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Not achieved: 96% of pools were inspected.</i>

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 annual customer satisfaction survey.</p> <p>Target: ≥80% of customers satisfied.</p>	2020/21: <input checked="" type="checkbox"/>	Achieved: The 2021 satisfaction survey showed that 86% of residents were satisfied with the service they received during the building consent process.
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: 2020 survey: 73% satisfied.</i>

How we measure our performance ▼

Result 2020/21 ▼

Key: Achieved Not Achieved Not Applicable

2018/19:



Not achieved: 2019 survey: 67% satisfied.

What else happened in 2020/21?

Building consents online

We spent \$180,000 in 2020/21 on the provision of an online building consent service – AlphaOne. This product provides the level of service that our customers have been asking for, and will enable users to experience the same process throughout the Waikato. AlphaOne went live in October 2020.

The Waikato Building Group

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

Building Consent Authority accreditation

We underwent an accreditation audit with IANZ in July 2021. We received 20 general non-compliances; five of these were cleared during the audit. The remaining non-compliances must be cleared within three months to retain our Building Consent Authority Accreditation.

Earthquake prone buildings assessments

We have nearly finalised the process of identifying potentially earthquake prone buildings within the District. The letters notifying of the requirement to undertake an engineering assessment will be sent to building owners of potential earthquake-prone priority buildings prior to 1 July 2022.

What didn't happen in 2020/21?

There were no planned projects that didn't happen in 2020/21.

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 2020/21 ▼
		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		
<p>Measure: Community response and recovery plans are developed and maintained as measured by reports to the Council.</p> <p>Target:</p> <ul style="list-style-type: none"> Four community response plans are developed and maintained each year. One recovery plan is developed each year in 2019/20 and 2020/21. 	2020/21: <input checked="" type="checkbox"/>	Achieved: Six community plans were either being developed or maintained in 2020/21. The recovery plan was completed in August 2020, and reviewed in March 2021.
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: Community Response Plans are near completion for five communities. A plan has been started for Ngatea and a committee is being formed. Civil Defence Centres are also being updated as part of this process. The recovery plan is underway and 60% completed.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: Five community response plans were developed or maintained.</i>
<p>Measure: We will have a sufficient number of key management civil defence emergency positions filled by trained staff, as measured by staff training records.</p> <p>Target: 90% positions filled by trained staff.</p>	2020/21: <input checked="" type="checkbox"/>	Achieved: 100% (9/9) of the key management positions within civil defence were filled however function manager as well as staff training is ongoing.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 100% (9/9) of key management civil defence emergency positions filled by trained staff.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: 100% of key management civil defence emergency positions filled by trained staff.</i>
What we said we would do: carry out our role in public food safety by enforcing the Food Act 2014		
<p>Measure: All known food premises are monitored for compliance with relevant legislation as measured by the food premises database.</p> <p>Target: 100% of all food premises are assessed annually.</p>	2020/21: <input checked="" type="checkbox"/>	Not achieved: 97% (97/100) of food premises required to be monitored in 2020/21, were monitored. Three food premises were unable to complete their verification within the specified month; these were completed early in 2021/22 instead.
	2019/20: <input checked="" type="checkbox"/>	<i>Not achieved: 71% (87/122) of food premises required to be monitored were monitored in 2019/20 due to Covid-19</i>

How we measure our performance ▼

		Result 2020/21 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/> Not Applicable
		<i>delays. Priority was given to those who should have been verified during the Covid-19 period once lockdown restrictions eased.</i>
		2018/19: <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. Target: 100% are issued within three months	2020/21: <input checked="" type="checkbox"/>	Achieved: 100% (24/24) of On/Off/Club liquor licences were issued within three months.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 100% (14/14) of On/Off/Club liquor licences were issued within three months.</i>
	2018/19: <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). Target: 100% investigated within two hours.	2020/21: <input checked="" type="checkbox"/>	Achieved: 100% (254/254) of complaints regarding excessive noise were investigated within two hours of the complaint being received.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 100% (172/172) of complaints regarding excessive noise were investigated within two hours of the complaint being received.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>Achieved: 100% of complaints investigated within timeframe.</i>

What else happened in 2020/21?

Recovery plan

The Recovery Plan was completed and considered by the Emergency Management Committee meeting in August 2020. We are also continuing to work with our Kaiua coastal community on the development of the Wharekawa 2120 community plan.

Community Response Plans

Community Response Plans were either in the process of being developed or were maintained in 2020/21 for Kaiua/ Whakatiwai/Waharau, Turua, Whiritoa, Waitakaruru/Miranda and Kerepehi. A plan has also been started for Ngatea and a community advocate has been identified. Civil Defence Centre's are also being updated as part of this process.

Food safety

Due to a change in legislation some food premises can now be inspected less frequently. The move to food control plans and national programmes means that if a premises is compliant some rechecks can be undertaken 18 months later, rather than 12 months later. This has resulted in a reduction in income from inspections for Council; however, this is good news for compliant businesses.

What didn't happen in 2020/21?

There were no planned projects that didn't happen in 2020/21.

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 2020/21 ▼
		Key: <input checked="" type="checkbox"/> Achieved <input 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	2020/21: <input checked="" type="checkbox"/>	Achieved: 100% (4441/4441) of known dogs in the district were registered.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 99% (4477/4510) of known dogs in the district were registered.</i>
	2018/19: <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.	2020/21: <input checked="" type="checkbox"/>	Achieved: 100% (42/42) of complaints about wandering stock on public roads were responded to within two hours.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 100% (43/43) of complaints about wandering stock on public roads were responded to within two hours.</i>
	2018/19: <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	2020/21: <input checked="" type="checkbox"/>	Achieved: 100% (47/47) of dog attack complaints were responded to within two hours.
	2019/20: <input checked="" type="checkbox"/>	<i>Achieved: 100% (48/48) of dog attack complaints were responded to within two hours.</i>
	2018/19: <input checked="" type="checkbox"/>	<i>100% responded to within two hours.</i>

What else happened in 2020/21?

Text reminders

During the year we set up to enable text message reminders to be sent to dog owners. In July 2021 we sent out text reminders for the 2021/22 registration period (due 31 July 2021) as well as reminder letters, Facebook and website communications.

What didn't happen in 2020/21?

There were no planned projects that didn't happen in 2020/21.

Financial statements



[Statement of Comprehensive Revenue and Expense for the year ended 30 June 2021](#)

[Statement of Financial Position as at 30 June 2021](#)

[Statement of Changes in Equity for the year ended 30 June 2021](#)

[Statement of Cashflows for the year ended 30 June 2021](#)

[Whole of Council Funding Impact Statement for the year ended 30 June 2021](#)

[Notes to the Financial Statements for the year ended 30 June 2021](#)

Hauraki District Council - Statement of comprehensive revenue and expense

For the year ended 30 June 2021

		2021 Budget	2021 Actual	2020 Actual
	Notes	\$000's	\$000's	\$000's
Revenue				
Rates revenue	3	31,788	33,439	31,734
Fees and charges	3	3,176	4,641	3,004
Development and financial contributions		0	167	45
Subsidies and grants	3	4,389	7,738	6,017
Interest revenue	3	0	135	114
Other revenue	3	505	7,873	1,029
Total revenue		39,858	53,992	41,942
Expenses				
Personnel costs	4	14,385	15,638	15,295
Depreciation and amortisation expense	15	9,135	11,000	9,712
Finance costs	5	1,613	1,492	1,901
Other expenses	6	13,415	20,038	19,087
Total expenses		38,547	48,168	45,994
Share of associates surplus/(deficit)		0	0	0
Share of joint venture surplus/(deficit)		0	0	0
Surplus/(deficit) before tax		1,310	5,825	(4,052)
Income tax expense		0	0	0
Surplus/(deficit) after tax		1,310	5,825	(4,052)
Other comprehensive revenue and expense				
<i>Items that will not be reclassified to surplus/(deficit)</i>				
Gain on property, plant and equipment revaluations	13	11,732	27,786	26,251
Gain/(loss) on financial assets revaluations	12	0	16	(46)
Total other comprehensive revenue and expense		11,732	27,802	26,205
Total comprehensive revenue and expense		13,042	33,627	22,152

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

Hauraki District Council - Statement of financial position

As at 30 June 2021

	Notes	2021 Budget \$000's	2021 Actual \$000's	2020 Actual \$000's
Current assets				
Cash and cash equivalents	7	292	12,844	7,633
Receivables	8	8,255	8,508	9,713
Assets held for sale	10	0	0	2,055
Other financial assets	12	87	141	97
Inventory	9	306	2,074	5,460
Total current assets		8,940	23,567	24,958
Non-current assets				
<i>Other financial assets:</i>				
Community loans	12	5	96	109
Borrower notes	12	628	621	624
Investments in other entities	12	101	61	59
Investments in CCOs and similar entities	12	17	126	113
Total other financial assets		751	904	905
Intangible assets	14	568	622	414
Forestry assets	16	1,311	1,373	1,074
Property, plant and equipment	13	620,543	630,461	597,879
Total non-current assets		623,173	633,359	600,272
Total assets		632,113	656,927	625,230
Current liabilities				
Payables and deferred revenue	17	6,447	9,526	9,379
Derivative financial instruments	11	759	846	990
Employee entitlements	19	1,861	1,914	1,837
Provisions	20	340	45	46
Borrowings	18	8,000	8,000	5,000
Total current liabilities		17,407	20,330	17,252
Non-current liabilities				
Derivative financial instruments	11	2,808	1,727	3,568
Employee entitlements	19	360	262	358
Provisions	20	202	941	1,013
Borrowings	18	42,500	36,000	39,000
Total non-current liabilities		45,870	38,930	43,939
Total liabilities		63,277	59,260	61,191
Net assets (assets minus liabilities)		568,836	597,666	564,039

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

Hauraki District Council - Statement of financial position

As at 30 June 2021

	Notes	2021 Budget \$000's	2021 Actual \$000's	2020 Actual \$000's
Equity				
Accumulated funds		411,319	417,075	407,920
Reserves	22	157,517	180,591	156,119
Total equity		568,836	597,666	564,039

Hauraki District Council - Statement of Changes in Equity

For the year ended 30 June 2021

	Notes	2021 Budget \$000's	2021 Actual \$000's	2020 Actual \$000's
Balance at 1 July		555,794	564,039	541,886
Total comprehensive revenue and expense for the year		13,042	33,627	22,152
Balance at 30 June	22	568,836	597,666	564,039
Total equity consists of:				
Accumulated funds				
As at 1 July		410,152	407,920	411,099
Transfers from asset revaluation reserves		0	3,377	953
Transfers from other reserves		0	(391)	(318)
Transfers to other reserves		(143)	344	238
Surplus/(deficit) for the year		1,310	5,825	(4,052)
As at 30 June		411,319	417,075	407,920
Other Reserves				
As at 1 July		2,920	2,739	2,658
Transfers to Accumulated Funds		(56)	(344)	318
Transfers from Accumulated Funds		199	391	(238)
As at 30 June	22	3,063	2,785	2,739
Asset Revaluation Reserves				
As at 1 July		142,667	153,372	128,074
Transfers to other reserves		0	(3,377)	(953)
Revaluation gains/(losses)		11,732	27,786	26,251
As at 30 June	22	154,399	177,782	153,372
Fair value through other comprehensive income and expense reserve				
As at 1 July		55	8	54
Net change in fair value	12	0	16	(46)
As at 30 June		55	23	8
Total equity as at 30 June		568,836	597,666	564,039

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

Hauraki District Council - Statement of cashflows

For the year ended 30 June 2021

	2021 Budget \$000's	2021 Actual \$000's	2020 Actual \$000's
Cash flows from operating activities			
Receipts from rates revenue	30,236	33,815	30,078
Receipts from other revenue	7,875	14,744	9,756
Interest received	0	117	115
Dividends received	0	4	107
GST (net)	0	(309)	(376)
Payments to suppliers and employees	(29,095)	(35,256)	(29,448)
Interest paid	(2,210)	(1,514)	(1,694)
Net cash flow from operating activities	6,806	11,601	8,538
Cash flows from investing activities			
Advance payments received	0	17	6
Receipts from sale of property, plant and equipment	0	7,768	1,476
Advance payments made	0	(45)	(216)
Purchase of property, plant and equipment	(20,757)	(13,859)	(13,575)
Purchase of intangible assets	0	(271)	(71)
Net cash flow from investing activities	(20,757)	(6,390)	(12,380)
Cash flows from financing activities			
Proceeds from borrowings	8,793	5,000	11,000
Repayment of finance lease liabilities	0	0	0
Repayment of borrowings	0	(5,000)	(5,000)
Net cash flow from financing activities	8,793	0	6,000
Net increase/(decrease) in cash and cash equivalents	(5,158)	5,211	2,158
Cash and cash equivalents at the start of the year	5,551	7,633	5,475
Cash and cash equivalents at the end of the year	393	12,844	7,633

Hauraki District Council - Statement of cashflows

For the year ended 30 June 2021

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

	2021 Actual \$000's	2020 Actual \$000's
Surplus/(deficit) after tax	5,825	(4,052)
Add/(less) non-cash items		
Vested assets	(1,307)	(555)
Amortisation	263	225
Depreciation	10,737	9,487
(Gains)/losses in fair value of forestry assets	(298)	237
Net (gains)/losses on interest rate swaps	(1,985)	990
Net (gains)/losses on fair value of spare parts	(15)	(7)
Total non-cash items	7,395	10,377
Add/(less) movements in working capital items		
Increase/(decrease) in payables	147	185
Increase/(decrease) in provisions	(73)	588
Increase/(decrease) in employee entitlements	(19)	(53)
(Increase)/decrease in receivables	1,205	(1,216)
Net movement in working capital items	1,260	(496)
Add/(less) items classified as investing activities		
(Gains)/losses on sale of property, plant and equipment	(2,879)	2,709
(Gain)/loss due to change in accounting treatment of associate	0	0
Share of joint venture's (surplus)/deficit	0	0
Total items classified as investing activities	(2,879)	2,709
Net cash inflow/(outflow) from operating activities	11,601	8,538

Hauraki District Council - Funding Impact Statement

For the year ended 30 June 2021 (whole of council)

	Annual Plan 2020 \$000	Actual 2020 \$000	Annual Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding				
General rates, uniform annual general charges, rate penalties	10,840	11,005	11,169	11,830
Targeted rates	19,808	20,729	20,619	21,610
Subsidies and grants for operating purposes	2,653	3,235	2,689	4,176
Fees and charges	2,796	3,003	2,985	4,642
Interest and dividends from investments	0	167	0	140
Local Authorities fuel tax, fines, infringement fees, and other receipts	481	225	399	219
Total operating funding (A)	36,578	38,364	37,861	42,617
Applications of operating funding				
Payments to staff and suppliers	28,527	30,473	27,801	34,435
Finance costs	2,210	1,901	1,613	1,493
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	30,737	32,374	29,414	35,928
Surplus / (deficit) of operating funding (A - B)	5,841	5,990	8,447	6,689
Sources of capital funding				
Subsidies and grants for capital expenditure	1,656	2,783	1,700	3,563
Development and financial contributions	0	45	0	167
Increase (decrease) in debt	8,793	6,000	7,500	0
Gross proceeds from sale of assets	0	1,331	0	4,059
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total Sources of capital funding (C)	10,449	10,159	9,200	7,789
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	1,744
- to improve the level of service	8,179	6,093	5,443	3,942
- to replace existing assets	12,579	7,578	10,805	8,441
Increase (decrease) in reserves	(4,468)	2,478	1,399	351
Increase (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	16,290	16,149	17,647	14,478
Surplus / (deficit) of capital funding (C - D)	(5,841)	(5,990)	(8,447)	(6,689)
Funding balance ((A - B) + (C - D))	0	0	0	0

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

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

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 2021 and were authorised for issue by Council on 15 December 2021.

Basis of preparation

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

Statement of compliance

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

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

Presentation currency and rounding

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

Other changes in accounting policies

There have been no other changes in accounting policies.

Standards issued, not yet effective and not early adopted

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

PBE IPSAS 41 Financial instruments

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

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

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

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

Note 1 – Statement of accounting policies

Amendment to PBE IPSAS 2 Cash Flow Statement

An amendment to PBE IPSAS 2 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendment is effective for the year ending 30 June 2022, with early application permitted. This amendment will result in additional disclosures. The Council will not early adopt this amendment.

PBE IPSAS 40 PBE Combinations

PBE IPSAS 40 replaces PBE IFRS 3 Business Combinations. PBE IFRS 3 excluded from its scope combinations under common control and combinations arising from local authority reorganisations. These are now included within the scope of PBE IPSAS 40, through the inclusion of both acquisition and amalgamation accounting. This new standard is effective for the year ending 30 June 2022 and is applied prospectively. The Council will not early adopt this amendment.

PBE FRS 48 Service Performance Reporting

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

Summary of significant accounting policies

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

Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2021-21 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council in preparing these financial statements.

Critical accounting estimates and assumptions

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

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

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

Note 1 – Statement of accounting policies

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

Critical judgements in applying accounting policies

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

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

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

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

Accounting policy

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

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

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

Breakdown of summary revenue and expenditure for group of activities

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

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

	Annual Plan 2021 \$000	Actual 2021 \$000	Actual 2020 \$000
Revenue			
Leadership	3,415	3,674	3,631
Roading	9,063	10,889	10,285
Water	7,193	7,795	7,380
Wastewater	3,844	4,632	4,201
Stormwater	1,090	1,194	1,269
Land drainage	1,231	1,284	1,231
Solidwaste	1,022	2,183	927
Community services	6,704	7,031	6,264
Community development	2,311	3,319	2,756
Regulatory	4,228	4,641	3,698
Activity revenue	40,101	46,642	41,642
Revenue not directly attributable to an activity			
Gain on disposal of inventory assets	0	4,059	200
Gain on revaluation of interest rate swaps	0	1,986	0
Gain on revaluation of forestry	0	298	0
Other revenue	417	1,624	719
<i>Less internal rates revenue</i>	<i>(660)</i>	<i>(616)</i>	<i>(620)</i>
Total revenue	39,858	53,992	41,942

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

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

	Annual Plan 2021 \$000	Actual 2021 \$000	Actual 2020 \$000
Expenditure			
Leadership	3,588	3,230	3,179
Roading	9,079	11,501	12,735
Water	7,092	8,393	7,274
Wastewater	3,056	4,332	3,133
Stormwater	881	931	787
Land drainage	1,298	1,120	976
Solidwaste	788	2,442	1,792
Community services	6,545	6,792	6,645
Community development	2,093	2,357	2,013
Regulatory	4,149	4,509	3,915
Activity expenditure	38,569	45,607	42,449
Expenditure not directly attributable to an activity			
Loss on revaluation of forestry	0	0	237
Loss on revaluation of interest rate swaps	0	0	990
Impairment of inventory	0	4	8
Loss on disposal of assets	0	1,180	2,910
Other expenditure	1,280	1,993	20
<i>Less internal rates revenue</i>	<i>(641)</i>	<i>(616)</i>	<i>(620)</i>
Total expenditure	39,208	48,168	45,994

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

Note 3 - Revenue

Accounting policy

Revenue is measured at fair value.

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

Rates revenue

The following policies for rates have been applied:

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

Development and financial contributions

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

New Zealand Transport Agency roading subsidies

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

Other grants received

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

Building and resource consent revenue

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

Entrance fees

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

Provision of commercially based services

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

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

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 2021

Note 3 - Revenue

Breakdown of rates and further information

	2021 Actual \$000's	2020 Actual \$000's
General rates	6,512	6,378
Uniform annual general charge	5,326	5,043
Targeted rates attributable to activities:		
- Targeted rates for metered water supply	7,717	7,357
- Other targeted rates	14,205	13,595
Rates income	33,761	32,373
Rates penalties	306	433
Rates remissions	(628)	(1,073)
Total rates	33,439	31,734

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

As at 30 June	2021
Number of rating units	11,408
Total capital values of rating units	7,412,252,400
Total land value of rating units	4,562,384,750

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 2021 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	2021 Actual \$000's	2020 Actual \$000's
Rates	33,761	32,373
Total gross annual rates income	33,761	32,373

Breakdown of subsidies and grants

	2021 Actual \$000's	2020 Actual \$000's
New Zealand Transport Agency roading subsidies	6,054	4,799
Three waters funding	633	0
Other grants	1,051	1,219
Total subsidies and grants	7,738	6,017

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

Note 3 - Revenue

Breakdown of fees and charges

	2021 Actual \$000's	2020 Actual \$000's
Building and resource consent charges	1,504	1,144
Land information memoranda sales	145	95
Other fees and charges	2,992	1,765
Total fees and charges	4,641	3,004

Breakdown of interest revenue

	2021 Actual \$000's	2020 Actual \$000's
Interest revenue		
Term deposits	102	62
Borrower notes interest revenue	6	51
Discount unwind on provisions	27	0
Total interest revenue	135	114

Breakdown of other revenue

	2021 Actual \$000's	2020 Actual \$000's
Petrol tax	210	195
Court fees and fines	6	13
Vested land and infrastructure from property development	1,307	555
Forestry asset revaluation gains	298	0
Gain on changes in fair value of derivative financial instruments	1,986	0
Property, plant and equipment gains on disposal	0	0
Dividend revenue	4	54
Gain on sale of land inventory	4,059	200
Other	3	12
Total other revenue	7,873	1,029

Other disclosures

Revenue from exchange and non-exchange revenue

The Council receives their revenue from exchange or non-exchange transactions.

Exchange transaction revenue arises when the Council provides goods and services to a third party and receives approximately equal value in return that is directly related to those goods and services.

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

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

Note 3 - Revenue

Transfer revenue includes grants, subsidies and fees, and user charges derived from activities that are partially funded by rates.

Revenue is measured at fair value, which is usually the cash value of a transaction.

	2021 Actual \$000's	2020 Actual \$000's
Revenue from non-exchange transactions		
Rates	25,722	24,376
Total revenue from rates	25,722	24,376
Revenue from transfers:		
Subsidies and grants	7,738	6,017
Building and resource consent charges	1,504	1,144
Land information memoranda sales	145	95
Other fees and charges	2,177	967
Petrol tax	210	195
Vested assets	1,307	555
Financial contributions	167	45
Court fees and fines	6	13
Total revenue from transfers	13,255	9,031
Total revenue from non-exchange transactions	38,977	33,407
Revenue from exchange transactions:		
Water by meter (targeted rate)	7,717	7,357
Finance revenue	135	114
Dividends received	4	54
Other exchange revenue	818	810
Total revenue from exchange transactions	8,673	8,335
Total revenue (excluding other gains)	47,649	41,742
Gain on disposal of property, plant and equipment	0	200
Gain on disposal of land inventory	4,059	0
Gain on changes in fair value of derivative financial instruments	1,986	0
Gain on revaluation of forestry	298	0
Total revenue	53,992	41,942

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:

	2021 Actual \$000's	2020 Actual \$000's
Operating leases as lessor		
Not later than one year	222	284
Later than one year and not later than five years	498	663
Later than five years	1,248	1,443
Total non-cancellable operating leases	1,969	2,390

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

Note 3 - Revenue

No contingent rents have been recognised during the year.

Note 4 –Personnel costs

Accounting policy

Superannuation schemes

Defined contribution schemes

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

Defined benefit schemes

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

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

Breakdown of personnel costs and further information

	2021	2020
	Actual	Actual
	\$000's	\$000's
Salaries and wages	15,278	14,982
Employer contributions to defined contribution plans	378	366
Increase/(decrease) in employee entitlements	(19)	(53)
Total personnel costs	15,638	15,295

At balance date, the Council employed 153 (2020: 133) full-time employees, with the balance of staff representing 25 (2020: 28) full-time equivalent employees. A full-time employee is determined on the basis of a 37.5-hour working week.

Chief Executive Remuneration

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$303,199 (2020: \$303,199).

Severance payments

For the year ended 30 June 2021, no severance payments were made to any employees (2020: nil)

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

Note 4 – Personnel costs

Council employee remuneration by band

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

	2021 Actual	2020 Actual
Total annual remuneration by band for employees		
< \$60,000	76	75
\$60,000-\$79,999	48	45
\$80,000-\$99,999	46	39
\$100,000-\$119,999	11	13
\$120,000-\$139,999	7	6
\$140,000-\$219,999	6	6
\$220,000-\$309,999	3	3
Total employees	197	187

Elected representatives' remuneration

Elected representatives received the following remuneration:

	2021 Actual \$000's	2020 Actual \$000's
Elected representatives received the following remuneration:		
Mr Toby Adams (Mayor)	115	98
Mrs Carole Daley	31	29
Mr Paul Milner (Deputy Mayor)	43	41
Mrs Jo Tilsley	27	18
Mr Rino Wilkinson	27	18
Mr Ray Broad	27	18
Mr Phillip Buckthorp	29	27
Mr Rodney Garrett	23	16
Mr Ross Harris	31	29
Mr Paul Anderson	23	16
Mr Brian Gentil	23	16
Mrs Sara Howell	23	16
Mr Duncan Smeaton	27	26
Mrs Anne Marie Spicer	31	29
Mrs Gill Leonard	0	12
Mr Max McLean	0	10
Mr Don Swales	0	7
Mr James Thorp	0	7
Mr John Tregidga	0	33
Mr Austin Rattray	0	8
Total elected representatives remuneration	480	473

The figures above include an annual, or part thereof, communication allowance of \$990 paid to each Councillors excluding the Mayor (2020: \$990)

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

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

	2021 Actual \$000's	2020 Actual \$000's
Interest expense		
Interest on borrowings	1,492	1,643
Discount unwind on provisions	0	258
Net finance costs	1,492	1,901

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

	2021 Actual \$000's	2020 Actual \$000's
Fees to auditors:		
fees to Audit New Zealand for audit of financial statements	140	144
- fees to Audit New Zealand for other services	6	6
- fees to Audit New Zealand for Long Term Plan	80	0
General grants and donations	393	483
Operating lease expense	37	181

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

Note 6 – Other expenses

	2021 Actual \$000's	2020 Actual \$000's
<i>Other expenses and further information continued:</i>		
Impairment of spare parts for obsolescence	4	8
Impairment of receivables	51	71
Loss on disposal of property, plant and equipment	1,180	2,910
Derivative financial instruments revaluation losses	0	990
Forestry asset revaluation losses	0	237
Other operating expenses	18,147	14,057
Total other expenses	20,038	19,087

The fees paid to Audit New Zealand for other services in the year ending 30 June 2021 were for the audit of Council's debenture trust deed and Council's Long Term Plan (2020: 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 (2020: \$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 (2020: nil).

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

	2021 Actual \$000's	2020 Actual \$000's
Not later than one year	104	100
Later than one year and not later than five years	213	137
Later than five years	160	194
Total non-cancellable operating leases	477	431

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

Note 7 – Cash and cash equivalents

Accounting policy

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

Breakdown of cash and cash equivalents and further information

	2021 Actual \$000's	2020 Actual \$000's
Cash at bank and on hand	844	4,433
Short term deposits	12,000	3,200
Total cash and cash equivalents	12,844	7,633

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

	2021 Actual \$000's	2020 Actual \$000's
Rates receivables	2,032	1,951
Water receivables	5,596	6,103
Other receivables:		
Sundry receivables	1,858	2,586
Receivables prior to impairment	9,486	10,640
Less provision for impairment	(978)	(927)
Total current receivables	8,508	9,713

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

Note 8 - Receivables

	2021 Actual \$000's	2020 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	3,051	3,604
Receivables from exchange transactions - this includes outstanding amounts for fees and charges that have not been subsidised by rates	5,458	6,109

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:

	2021			2020		
	Gross \$000's	Impairment \$000's	Net \$000's	Gross \$000's	Impairment \$000's	Net \$000's
Not past due	6,901	(70)	6,831	7,884	(422)	7,462
Past due 1-30 days	25	0	25	34	0	34
Past due 31-60 days	22	0	22	50	0	50
Past due >61 days	2,538	(908)	1,630	2,672	(505)	2,167
Total current portion	9,486	(978)	8,508	10,640	(927)	9,713

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.

	2021 Actual \$000's	2020 Actual \$000's
Individual impairment	(978)	(927)
Total provision for impairment	(978)	(927)

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:

	2021 Actual \$000's	2020 Actual \$000's
Past due >61 days	(908)	(505)
Total individual impairment	(908)	(505)

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

Note 8 - Receivables

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

	2021	2020
	Actual	Actual
	\$000's	\$000's
At 1 July	(927)	(856)
Additional provisions made during the year	(80)	(71)
Provisions reversed during the year	29	0
At 30 June	(978)	(927)

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

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

Note 9 - Inventory

Accounting policy

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

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

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

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

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

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

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

Note 9 - Inventory

Breakdown of inventory and further information

	2021 Actual \$000's	2020 Actual \$000's
Commercial inventory:		
Land being developed for sale	1,897	5,298
Non-commercial inventory:		
Quarry metal stockpile	45	49
Other	132	113
Total inventory	2,074	5,460

The write-down of inventory during the year was \$4,024 (2020: \$7,949). There have been no reversals of write-downs (2020: \$nil).

No inventory is pledged as security for liabilities (2020: \$nil).

Note 10 – Non-current assets held for sale

Accounting policy

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

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

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

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

	2021 Actual \$000's	2020 Actual \$000's
Land	0	2,055
Total non-current assets held for sale	0	2,055

Council held no property for sale as at 30 June 2021.

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

Note 11 – Derivate 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 2021 by Council staff using software provided by Hedgebook Ltd. The Council has elected not to apply hedge accounting to its derivative financial instruments.

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

Breakdown of derivative financial instruments and further information

	2021	2020
	Actual	Actual
	\$000's	\$000's
Liabilities		
Current liability portion		
Interest rate swaps	846	990
Total current liability portion	846	990
Non-current liability portion		
Interest rate swaps	1,727	3,568
Total current liabilities portion	1,727	3,568
Total derivative financial instrument liabilities	2,572	4,558

Information about interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$41.0 million (2020: \$50.0 million). At 30 June 2021, the fixed interest rates of cash flow hedge interest rate swaps varied from 1.42% to 4.96% (2020: 1.82% 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 2021

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 2021

Note 12 – Other financial assets

Breakdown of other financial assets and further information

	2021 Actual \$000's	2020 Actual \$000's
Current portion		
Term deposits	0	0
Borrower notes	128	80
Investment in CCOs and similar entities:		
Local Government Funding Agency	0	0
Other investments		
Community loans	13	17
Total current portion	141	97
Non-current portion		
Borrower notes	621	624
Community loans	96	109
Investment in CCOs and similar entities:		
Local Government Funding Agency	100	100
Local Authority Shared Services Limited	26	12
Total investment in CCOs and similar entities:	126	112
Other investments		
Civic Financial Services Ltd	61	59
Total non-current portion	904	904
Total other financial assets	1,045	1,002

Fair value

Community loans

The face value of community loans is \$109,333 (2020: \$126,333).

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

Only organisations with the ability to repay are granted loans.

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

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 2021

Note 13 – Property, plant and equipment

Accounting policy

Property, plant, and equipment consist of:

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

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

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

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

Revaluation

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

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

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

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

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

Additions

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

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

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

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

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

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

Note 13 – Property, plant and equipment

Disposals

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

Depreciation

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

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

Roading	Seal	10-20 years	5%-10%
	Base course	50 years	2%
	Surface water channels	10-75 years	1.3%-10%
	Culverts	30-100 years	1%-3.3%
	Footpaths	15-75 years	1.3%-6.7%
	Bridges	30-100 years	1%-3.3%
	Street lighting	25 years	4%
	Retaining walls	85 years	1.2%
	Railings	20-50 years	2%-5%
	Signs	12.5 years	8%
Buildings	Structure	30-150 years	0.7%-3.3%
	External Fit Out	7-108 years	0.9%-14.3%
	Electrical/Mechanical	13-38 years	2.6%-7.7%
	Fixtures and Fittings	3-49 years	2%-3.3%
	Internal wall linings	4-75 years	1.3%-25%
	Lifts	10-41 years	2.4%-10%
	Air conditioners	11-12 years	8.3%-9.1%
	Site improvements	5-102 years	1%-20%
All other assets	Water reticulation	60-120 years	0.8%-1.7%
	Water treatment	1-100 years	1%-100%
	Wastewater reticulation	65-130 years	0.8%-1.5%
	Wastewater treatment	1-200 years	0.5%-100%
	Stormwater reticulation	50-130 years	0.8%-2%
	Drainage and flood protection	1-100 years	1%-100%
	Library Books	8 years	12.5%
	Vehicles	3-21 years	4.8%-33.3%
	Equipment	2-80 years	1.1%-50%
	Technology	2-10 years	10%-50%
Furniture and fittings	7-10 years	10%-14.3%	

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

Note 13 – Property, plant and equipment

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

Impairment of property, plant, and equipment

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

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

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

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

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

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

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

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

Note 13 – Property, plant and equipment

Critical accounting estimates and assumptions

Estimating the fair value of land, buildings, and infrastructure

Land (operational, restricted, and infrastructural)

All land was valued at 30 June 2021.

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

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

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

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

Buildings (operational and restricted)

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

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

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

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

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

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

Infrastructural assets

Roading assets were valued by an independent valuer, WSP-OPUS Limited as at 1 July 2019.

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 2020.

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

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

Note 13 – Property, plant and equipment

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

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

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

Critical judgements in applying accounting policies

Classification of property

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

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

Note 13 – Property, plant and equipment

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

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

Note 13 – Property, plant and equipment

2020	Cost / Revaluation 01-Jul-19 \$000	Acc. Depn. 01-Jul-19 \$000	Carrying Amount 01-Jul-19 \$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-20 \$000	Acc. Depn. 30-Jun-20 \$000	Carrying Amount 30-Jun-20 \$000
Operational assets													
Land	22,990	0	22,990	(6,004)	17	(285)	0	0	0	0	16,718	0	16,718
Buildings and structures	25,686	2,028	23,658	0	413	(864)	0	(998)	76	0	25,235	(2,950)	22,285
Library books	1,140	640	500	0	95	0	0	(151)	0	0	1,235	(791)	444
Vehicles	3,355	1,812	1,543	0	508	(226)	0	(198)	90	0	3,637	(1,920)	1,717
Equipment	16,869	5,633	11,236	0	18	(844)	0	(729)	563	0	16,043	(5,799)	10,244
Technology	1,290	978	312	0	123	0	0	(145)	0	0	1,413	(1,123)	290
Furniture and fittings	437	294	143	0	47	0	0	(15)	0	0	484	(309)	175
Technology - Finance leases	0	0	0	0	0	0	0	0	0	0	0	0	0
Work in progress	1,486	0	1,486	585	1,311	0	0	0	0	0	3,382	0	3,382
Total operational assets	73,253	11,385	61,868	(5,419)	2,532	(2,219)	0	(2,236)	729	0	68,147	(12,892)	55,255
Infrastructural assets													
Land	5,485	0	5,485	0	0	0	0	0	0	0	5,485	0	5,485
Wastewater system	40,893	1,563	39,330	47	413	(20)	0	(774)	5	0	41,333	(2,332)	39,001
Water system	69,859	3,106	66,753	510	1,079	(65)	0	(1,579)	8	0	71,383	(4,677)	66,706
Drainage network	43,036	1,271	41,765	31	369	0	0	(571)	0	0	43,436	(1,842)	41,594
Roading network	245,322	6,096	239,226	136	2,612	(2,521)	0	(4,327)	0	26,251	265,704	(4,327)	261,377
Land under roads	88,894	0	88,894	124	19	0	0	0	0	0	89,037	0	89,037
Work in progress	6,453	0	6,453	(1,339)	7,108	(63)	0	0	0	0	12,159	0	12,159
Total Infrastructural assets	499,942	12,036	487,906	(491)	11,600	(2,669)	0	(7,251)	13	26,251	528,537	(13,178)	515,359
Council restricted assets													
Land	27,265	0	27,265	0	0	0	0	0	0	0	27,265	0	27,265
Total restricted assets	27,265	0	27,265	0	0	0	0	0	0	0	27,265	0	27,265
Total PPE	600,460	23,421	577,039	(5,910)	14,132	(4,888)	0	(9,487)	742	26,251	623,949	(26,070)	597,879

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

Note 13 – Property, plant and equipment

Significant acquisitions

Significant projects (>\$1m) undertaken during the year include Ngatea North Subdivision (\$2.6m) and the Kaimanawa Water Connection to Paeroa (\$2.1m) both of which are still in progress at the report date. Reseals were also completed around the district cost \$1.3m 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
2021				
Wastewater - Treatment	11,547	10,926	635	0
Wastewater - Other	39,251	38,676	2,243	147
Water - Treatment	27,144	26,116	2,980	0
Water - Other	48,526	47,447	5,079	30
Drainage and flood protection	12,100	11,714	53	0
Stormwater	34,184	33,709	1,524	79
Roading Network	357,056	266,312	9,476	0
2020				
Wastewater - Treatment	15,582	9,092	280	0
Wastewater - Other	47,751	29,911	12	168
Water - Treatment	32,630	30,412	980	0
Water - Other	80,834	36,295	515	95
Drainage and flood protection	24,858	14,117	81	0
Stormwater	40,055	27,476	26	293
Roading Network	347,873	261,376	2,748	0

Insurance

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

	2021 Actual \$000's	2020 Actual \$000's
The total value of all Council assets covered by Insurance contracts	228,407	213,698
The maximum amount to which insured assets are insured	360,821	344,464
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 2021

Note 13 – Property, plant and equipment

Land under roads

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

Library collections

These are valued at depreciated replacement cost as at 30 June 2021 by Council staff. Estimates of the remaining useful life over which the asset will be depreciated have been determined based on Council's policy on book replacement, as well as historical book replacement data.

Disposals

The carrying book value of the amount disposed was \$1.18 million (2020: \$4.13 million).

There were no significant disposals during the year.

Impairment

There were no impairment losses during the year (2020: \$nil).

Work in progress

The total amount of property, plant and equipment in the course of construction was \$4,161,224 (2020: \$15,541,236)

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

	2021 Actual \$000's	2020 Actual \$000's
Land	128	5,579
Buildings	261	1,181
Equipment	1,689	2,202
Roading	559	463
Water	483	4,294
Wastewater	907	1,640
Stormwater	0	96
Drainage	135	86
Total work in progress	4,161	15,541

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 2021

Note 13 – Property, plant and equipment

Capital commitments

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

	2021	2020
	Actual	Actual
	\$000's	\$000's
Roading	1,563	3,964
Wastewater	471	0
Water	0	261
Buildings	0	0
Community services	107	100
Total work in progress	2,141	4,324

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

Note 14 – Intangible assets

Accounting policy

Software acquisition and development

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

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

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

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

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

Easements

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

Carbon credits

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

Resource consents

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

Amortisation

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

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

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

Impairment of intangible assets

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

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

Restrictions

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

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

Note 14 – Intangible assets

Impairment

Carbon credits

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

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

Breakdown of intangible assets and further information

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

	Carbon Credits	Resource Consents	Software	Total
	\$000		\$000	\$000
2021				
Cost	49	502	2,635	3,186
Accumulated amortisation and impairment	0	(88)	(2,477)	(2,565)
Closing carrying amount	49	414	158	621
Opening Balance	49	0	365	414
Additions	0	239	32	271
Transfers	0	200	0	200
Work in Progress	0	0	0	0
Amortisation charge	0	(24)	(239)	(263)
Disposals	0	0	0	0
Closing carrying amount	49	415	158	622
2020				
Cost	49	0	2,603	2,652
Accumulated amortisation and impairment	0	0	(2,238)	(2,238)
Closing carrying amount	49	0	365	414
Opening Balance	49	0	519	568
Additions	0	0	71	71
Transfers	0	0	0	0
Work in Progress	0	0	0	0
Amortisation charge	0	0	(225)	(225)
Closing carrying amount	49	0	365	414

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

Note 15 – Depreciation and amortisation

Directly attributable depreciation and amortisation by group of activity:

	2021 Actual \$000's	2020 Actual \$000's
Roading	4,247	4,327
Water	2,123	1,579
Wastewater	1,206	774
Land drainage and flooding	385	193
Stormwater	476	378
Solid waste	57	47
Community services	1,074	1,028
Community development	302	304
Regulatory	0	0
Total directly attributable depreciation and amortisation by group of activity	9,870	8,630
Depreciation and amortisation not directly related to a group of activities	1,129	1,082
Total depreciation and amortisation expense	10,999	9,712

Note 16 – Forestry assets

Accounting policy

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

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

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

Breakdown of forestry assets and further information

	2021 Actual \$000's	2020 Actual \$000's
Balance at 1 July	1,074	1,311
Increases due to purchases	0	0
Gains / (losses) arising from changes attributable to physical changes	118	119
Gains / (losses) arising from changes attributable to price changes	180	(356)
Decreases due to harvest	0	0
Balance at 30 June	1,373	1,074

Council owns 97.4 ha of Radiata forest (2020: 97.4 ha), which are at varying stages of maturity ranging from 6 to 29 years. No forest was harvested during the year (2020: nil). A further 12.93 ha of forest was excluded from the 30 June 2021 valuation as it is either land-locked with no harvesting access rights across neighbouring properties or is land banked and awaiting to be replanted. The tree crops at Waikino Sandpit,

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

Note 16 – Forestry assets

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

Council had its forestry asset professionally valued as at 30 June 2021 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% (2020: 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 (2020: nil). There are no commitments for development or acquisition of forestry assets (2020: nil).

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

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

Note 17 – Payables and deferred revenue

Accounting policy

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

Breakdown of payables and other information

	2021 Actual \$000's	2020 Actual \$000's
Payables and deferred revenue under exchange transactions		
Trade payables and accrued expenses	5,409	5,546
Revenue in advance	2,364	0
Amounts due to associates and joint venture	0	0
Total payables and deferred revenue under exchange transactions	7,772	5,546
Payables and deferred revenue under non-exchange transactions		
Revenue in advance	1,693	3,328
Income tax payable	0	0
Other tax payable (e.g. GST and FBT)	61	505
Grants payable	0	0
Other grants and bequests received subject to substantive conditions not yet met	0	0
Total payables and deferred revenue under non-exchange transactions	1,754	3,833
Total payables and deferred revenue	9,526	9,379

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 2021

Note 17 – Payables and deferred revenue

Revenue in advance – Three Waters

In July 2020, the Government announced a \$761 million funding package to provide post COVID-19 stimulus to maintain, improve three waters infrastructure (Water, Wastewater and Stormwater), support a three-year programme of reform of local government water service delivery arrangements (reform programme), and support the establishment of Taumata Arowai, the new Waters Services Regulator.

The reform programme is designed to support economic recovery, and address persistent systemic issues facing the three waters sector, through a combination of: stimulating investment, to assist economic recovery through job creation, and maintain investment in water infrastructure renewals and maintenance; and reforming current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term.

Initial funding from the stimulus package was made available to those councils that had agreed to participate in the first stage of the reform programme, through a Memorandum of Understanding (MoU), Funding Agreement, and approved Delivery Plan.

Council signed the MoU at the end of August 2020, and the Funding Agreement and Delivery Plan were submitted and approved at the end of September 2020.

Under these agreements, Council will receive funding for the three waters of approximately \$3.06 million that is intended to support economic recovery, enable improvements in water service delivery, and progress the service delivery reform programme.

As of 30 June 2021, Council had received \$1.53m of the agreed amount. The remaining \$1.53 million is expected to be paid in two instalments in the 2021/22 financial year.

Of the \$1.5 million received, \$0.63 million was recognised as revenue earned due to 21% of the DIA funded programme having been achieved as at 30 June 2021.

The remaining \$0.9 million has been included as revenue in advance (as a non-exchange transaction) and will only be recognised as revenue once 50% of the DIA funded programme is achieved.

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

Note 18 – 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

	2021 Actual \$000's	2021 Actual \$000's
Current portion		
Secured loans	8,000	5,000
Total current portion	8,000	5,000
Non-current portion		
Secured loans	36,000	39,000
Total non-current portion	36,000	39,000
Total borrowings and other financial liabilities	44,000	44,000

Interest terms for secured loans

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

Security

HDC has cash advance facilities with the maximum amount that can be drawn against these of \$7.0 million. There are no restrictions on the use of these facilities. There were no borrowings as at 30 June 2021 against this facility (2021: \$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 2021

Note 18 – 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
2021					
Roading	16,281	0	4,487	11,794	391
Water	16,867	7,753	0	24,620	726
Wastewater	7,091	0	199	6,892	159
Land Drainage & Flooding	(3,827)	0	243	(4,070)	(95)
Stormwater	(2,748)	605	0	(2,143)	(51)
Solid Waste	884	0	601	283	19
Leadership	0	0	0	0	0
Community Services	4,417	3,223	0	7,640	246
Community Development	5,564	0	5,564	0	0
Regulatory	0	0	0	0	0
Total	44,529	11,581	11,095	45,015	1,395
2020					
Roading	17,337	0	1,056	16,281	516
Water	15,092	1,775	0	16,867	785
Wastewater	6,012	1,079	0	7,091	129
Land Drainage & Flooding	(3,477)	0	350	(3,827)	(110)
Stormwater	(1,715)	0	1,033	(2,748)	(51)
Solid Waste	380	504	0	884	0
Leadership	0	0	0	0	0
Community Services	4,352	65	0	4,417	293
Community Development	5,564	0	0	5,564	0
Regulatory	0	0	0	0	0
Total	43,545	3,423	2,439	44,529	1,563

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 2021

Note 19 – Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- The present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability.

Non-vested retirement and long service leave expected to be settled within 12 months of balance date are also classified as a current liability. All other employee entitlements are classified as a non-current liability.

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 3.23% (2020: 2.67%) and an inflation factor of 3.08% (2020: 2.72%) were used.

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

Note 19 – Employee entitlements

Breakdown of employee entitlements and further information

	2021 Actual \$000's	2020 Actual \$000's
Current portion		
Accrued pay	337	181
Annual leave	1,477	1,561
Retirement and long service leave	40	40
Sick leave	60	56
Total current portion	1,914	1,837
Non-current portion		
Retirement and long service leave	262	358
Total non-current portion	262	358
Total employee entitlements	2,176	2,195

Note 20 - Provisions

Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs" (see Note 5).

Critical accounting estimates and assumptions

Estimating the landfill aftercare costs

The cash outflows for landfill post-closure costs are expected to occur over the next 30 years. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The future cash outflows for the provision have been estimated taking into account existing technology and known changes to legal requirements. The gross provision before discounting is \$1,439,468 (2020: \$1,525,297). The following significant assumptions have been made in estimating the provision:

- A discount rate of 2.88% (2020: 2.66%) has been used to discount the estimated future cash outflows.
- An annual inflation factor of 2.2%-2.9% has been applied in estimating the future cash outflows
- Landfill rehabilitation/aftercare costs have been assumed to range from 20 to 30 years (2020: 20-30 years)

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 2021

Note 20 – Provisions

Breakdown of provisions and further information

	2021 Actual \$000's	2020 Actual \$000's
Current portion		
Landfill aftercare	45	46
Total current provision	45	46
Non-current portion		
Landfill aftercare	941	1,013
Total non-current portion	941	1,013
Total provision	986	1,059

The movement in the provision is as follows:

	2021 Actual \$000's	2020 Actual \$000's
Opening balance as at 1 July	1,059	542
Amounts used	(77)	(45)
Transferred to land impairment	0	0
Restatement of future liability	30	304
Discount unwind	(27)	258
Closing balance as at 30 June	986	1,059

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

Note 21 – Contingent liabilities

Contingent liabilities

	2021 Actual \$000's	2020 Actual \$000's
Weathertight home claims	0	10
Building foundation issues	10	0
Land acquisition compensation claim	27	27
Total contingent liabilities	37	37

Weathertight home claims

There was one known claim against Council as at 30 June 2021 (2020: one). As this property did not have a code compliance certificate issued, Council believes it has no liability.

Building Foundation issue

There was one known claim against Council as at 30 June 2021 (2020: Nil).

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.

Homeowners and CHH

In 2018 a multimillion-dollar class action claim was filed by residential home owners in respect of building products manufactured and supplied by Carter Holt Harvey (CHH). CHH joined 29 councils as third parties to the claim, including Hauraki District Council. However, in June 2021, the plaintiff homeowners discontinued their claim against CHH and CHH discontinued its claim against the councils on 11th of August 2021.

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.

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

Note 21 – Contingent liabilities

New Zealand Local Government Funding Agency

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a current credit rating from Standard and Poor's of AAA and a foreign currency rating of AA+ as at 22 February 2021.

As at 30 June 2021, Council is one of 31 local authority shareholders and 64 local authority guarantors of the LGFA. The New Zealand Government also has a 20% shareholding in the LGFA. It has uncalled capital of \$1.0million. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors; Council is a guarantor of all of LGFA's borrowings.

At 30 June 2021, LGFA had borrowings totalling \$13,610 billion (2020: \$11,908b).

The LGFA's borrowing of \$13,610 billion is made up of the following (\$000's):

- \$12,810,000 face value of bonds on issue
- \$79,610 accrued interest on bonds on issue
- \$610,000 bills on issue
- \$110,220 treasury stock lent to counterparts under bond repurchase agreements

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of NZLGFA defaulting on repayments of interest or capital to be very low on the basis that:

- Council is not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Riskpool

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

The Council received a notice during 2020 for a call for an additional contribution of \$45,448 in respect of the 2003 and 2004 Fund years as those funds were exhibiting deficits due to the "leaky building" issue. A call on Riskpool's members before 30 June 2022 is not expected.

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

Other claims

Other outstanding legal claims as at 30 June 2021 cannot yet be quantified (2020: nil)

Contingent assets

There are no contingent assets as at 30 June 2021.

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

Note 22– Equity

Accounting policy

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- accumulated funds;
- other reserves;
- property revaluation reserve;
- fair value through other comprehensive revenue and expense reserve

Other reserves

Other reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Other reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by Council without approval by Council. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Property revaluation reserve

This reserve relates to the revaluation of property, plant, and equipment to fair value. Fair value through other comprehensive revenue and expense reserve.

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Fair value through other comprehensive revenue and expense reserve

This reserve comprises the effective portion of the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Other reserves

Further information about other reserve funds held for a specific purpose are provided below:

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

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

Note 22– Equity

Other reserves consists of:	Opening \$000's	Transfers in \$000's	Transfers out \$000's	Closing \$000's
2020				
Financial contributions				
District community recreation	(12)	36	0	24
Plains community recreation	200	0	(60)	140
Paeroa community recreation	357	0	(122)	236
Waihi community recreation	534	6	0	540
Council created reserves				
District community projects assistance	580	199	(56)	723
Economic development projects	0	77	0	77
Quarry renewal	1,000	0	0	1,000
Total other reserves	2,659	318	(238)	2,739

Other reserves

Financial contributions

District, Paeroa, Plains, and Waihi Community Recreational Funds

These reserve funds are historic and were used to accumulate Financial Contributions prior to Council changing to a Development Contributions regime.

The balances will be used to fund community recreational facilities capital works.

These funds relate to the Community Services activity only.

Council created reserves

District Community Projects Assistance Fund

This reserve fund is to assist with the completion of community projects.

The fund relates to all activities.

Quarry Renewal Fund

This Reserve Fund is to provide funding for the cost of rehabilitating Tetley's Quarry post-closure.

The activity that this reserve relates to is Corporate Services.

Economic development projects

This reserve fund is to provide funding for the economic development projects.

The fund relates to all activities.

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

Note 22– Equity

Asset revaluation reserves

Further information about asset revaluation reserve funds are provided below:

Asset revaluation reserves consist of:	Opening \$000's	Transfers in \$000's	Transfers out \$000's	Closing \$000's
2021				
Operational Assets				
Land	43,195	11,280	(3,236)	51,239
Buildings	14,938	3,248	0	18,186
Infrastructural Assets				
Wastewater	9,519	8,917	(25)	18,410
Water	6,599	1,300	(34)	7,864
Land drainage	5,141	3,042	0	8,184
Roading	73,979	0	(81)	73,897
Total asset revaluation reserves	153,372	27,786	(3,377)	177,781
2020				
Operational Assets				
Land	43,515	0	(319)	43,195
Buildings	15,573	0	(634)	14,938
Infrastructural Assets				
Wastewater	9,519	0	0	9,519
Water	6,599	0	0	6,599
Land drainage	5,141	0	0	5,141
Roading	47,728	26,251	0	73,979
Total asset revaluation reserves	128,074	26,251	(954)	153,372

Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The LGA requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings. The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Council.

Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations.

Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the Council to make adequate and effective provision in its Long term plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

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

Note 22– Equity

The Council has two types of other reserves:

- Reserves for different of benefit; and
- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from payers of general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Trust and bequest reserves are set up where the Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable, and deductions are made where funds have been used for the purpose they were donated.

Note 23 – Related party transactions

Key management personnel compensation

	2021 Actual \$000's	2020 Actual \$000's
Key management personnel compensation		
Councillors		
Remuneration	480	473
Full-time equivalent members	14	14
Senior Management Team, including the Chief Executive		
Remuneration	969	1,119
Full-time equivalent members	4	5
Total key management personnel remuneration	1,449	1,592
Total full-time equivalent personnel	18	19

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in Note 4. The figures above include pertaining to Councillor remuneration include an annual communication allowance of \$990 paid to each Councillors excluding the Mayor (2020: \$990).

Related party transactions required to be disclosed

There are no other related party transactions that are required to be disclosed in accordance with *PBE IPSAS 20* Related Party Disclosures.

Related party disclosures have not been made for transactions with related parties that are:

- with related parties that are within a normal supplier or client/recipient relationship; and
- On terms and conditions no more or less favourable than those that it is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances

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

Note 24 – Events after balance date

Three waters

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated “all in” approach.

The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024.

There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities.

Notwithstanding the current uncertainty, the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024.

Council continues to recognise its three waters assets at 30 June 2021 in accordance the accounting policies set out on pages 120-129. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity.

It is expected central government will develop details around the mechanism for the transfer of the three water assets and this will be completed prior to 1 July 2024.

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

COVID-19 “Delta” Variant

New Zealand returned to Alert Level 4 in August 2021 with a number of community cases from the “Delta” variant of COVID-19 introduced from New South Wales.

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

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

Note 25 – Financial instruments

Financial instrument categories

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

Financial assets

	2021 Actual \$000's	2020 Actual \$000's
Financial assets		
Loans and receivables		
Cash and cash equivalents	12,844	7,633
Receivables	8,205	9,530
<i>Other financial assets</i>		
Community loans	109	126
Borrower notes from Local Government Funding Agency	749	704
Total loans and receivables	21,907	17,993
Fair value through other comprehensive revenue and expense		
<i>Other financial assets</i>		
Unlisted shares	188	172
Total fair value through other comprehensive revenue and expense	188	172

Financial liabilities

	2021 Actual \$000's	2020 Actual \$000's
Financial liabilities		
Fair value through surplus or deficit - held for trading		
Derivative financial instrument liabilities	2,572	4,558
Total fair value through surplus or deficit - held for trading	2,572	4,558
Financial liabilities at amortised cost		
Payables	5,409	5,546
<i>Borrowings</i>		
Secured loans	44,000	44,000
Total financial liabilities at amortised cost	49,409	49,546

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.

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

Note 25 – Financial instruments

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
2021				
Financial assets				
Shares	188	0	0	188
Financial liabilities				
Derivatives	2,572	0	2,572	0
2020				
Financial assets				
Shares	172	0	0	172
Financial liabilities				
Derivatives	4,558	0	4,558	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:

	2021	2020
	Actual	Actual
	\$000's	\$000's
Balance at 1 July	172	218
Gains and losses recognised in other comprehensive revenue and expense	16	(46)
Transfers into level 3	0	0
Transfers out of level 3	0	0
Balance at 30 June	188	172

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

Financial instrument risks

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. The Council and group has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. The Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

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.

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

Note 25 – Financial instruments

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

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Council is not exposed to currency risk, as it does not enter into foreign currency transactions.

Fair value interest rate risk

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

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Council and group to cash flow interest rate risk.

Generally, the Council and group raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Council or group borrowed at fixed rates directly. Under the interest rate swaps, the Council and group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Council and group, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits and listed bonds, which gives rise to credit risk. The Council also provides financial guarantees, which gives rise to credit risk.

The Council's investment policy limits the amount of credit exposure to any one financial institution or organisation. The Council reduces its exposure to credit risk by only placing investments in accordance with its investment policy which ensures dispersion and minimisation of risk. The Council invests funds only with entities that have a Standard and Poor's credit rating of at least A1 for short-term and A+ for long-term investments. The Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Maximum exposure to credit risk

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

	2021 Actual \$000's	2020 Actual \$000's
Cash at bank and term deposits	12,844	7,633
Receivables	8,205	9,530
Total maximum exposure to credit risk	21,048	17,163

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

Note 25 – Financial instruments

The Council is exposed to credit risk as a guarantor of all of the LGFA’s borrowings. Information about this exposure is explained in Note 21 - Contingencies.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor’s credit ratings (if available) or to historical information about counterparty default rates.

	2021 Actual \$000's	2020 Actual \$000's
Cash at bank and term deposits		
AA-	12,844	7,633
Total cash at bank and term deposits	12,844	7,633

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 (2020: \$7.0 million). There are no restrictions on the use of this facility.

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

Note 25 – Financial instruments

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses the Council and group's financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount \$000's	Contractual cashflows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
2021					
Payables	5,409	5,409	5,409	0	0
Secured loans	44,000	45,494	8,268	29,987	7,238
Financial guarantees	0	0	0	0	0
Total financial liabilities	49,409	50,902	13,677	29,987	7,238
2020					
Payables	5,546	5,546	5,546	0	0
Secured loans	44,000	45,579	5,214	20,700	19,665
Financial guarantees	0	0	0	0	0
Total financial liabilities	49,546	51,125	10,760	20,700	19,665

The Council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 21 - Contingencies.

Contractual maturity analysis of derivative financial instrument liabilities

The table below analyses the Council and group's derivative financial instrument liabilities into those that are settled on a net basis and those that will be settled on a gross basis into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

The amounts disclosed are the contractual undiscounted cash flows.

	Liability carrying amount \$000's	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
2021						
Nett settled derivative liabilities	2,572	0	2,572	0	1,752	820
Total derivatives	2,572	0	2,572	0	1,752	820
2020						
Nett settled derivative liabilities	4,558	0	4,558	210	2,462	1,886
Total derivatives	4,558	0	4,558	210	2,462	1,886

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

Note 25 – Financial instruments

Contractual maturity analysis of financial assets

The table below analyses the Council and group's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Carrying amount \$000's	Contractual cashflows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
2021					
Cash and cash equivalents	12,844	12,844	12,844	0	0
Receivables	8,205	8,205	8,205	0	0
<i>Other financial assets</i>					
Community loans	123	123	13	73	36
Borrower notes	749	749	128	509	112
Total financial assets	21,920	21,920	21,190	582	148
2020					
Cash and cash equivalents	7,633	7,633	7,633	0	0
Receivables	9,530	9,530	9,530	0	0
<i>Other financial assets</i>					
Community loans	126	126	17	49	60
Borrower notes	704	704	80	448	176
Total financial assets	17,993	17,993	17,260	497	236

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				
2021				
Financial assets				
Cash and cash equivalents	(32)	0	97	0
Financial liabilities				
Derivatives	(672)	0	649	0
Total sensitivity	(703)	0	746	0
2020				
Financial assets				
Cash and cash equivalents	(22)	0	54	0
Financial liabilities				
Derivatives	(761)	0	736	0
Total sensitivity	(783)	0	791	0

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

Note 25 – 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/+50bps (2020: -50bps/+50bps).

Note 26 – Major variances

Explanations for major variations from the Council's budget figures in its 2021/21 Annual Plan are as follows:

Statement of comprehensive revenue and expense

Rates revenue

Rate revenue is higher than that budgeted by \$1.1m. This is in part due to upward changes to the rating database from when the budgets were set and increase in the values associated each assessment number (where these have changed). In addition to this the budget is based on the historical "net" effect of gross rates charged less remissions, so gross rates income will always have a tendency to be higher than that originally budgeted for. Water rate revenue is also higher than budget by \$0.6m. This can be attributed to higher demand for water throughout the financial year.

Subsidies and grants

Revenue is higher than that budgeted by \$3.3m. Council received \$1.1m of unbudgeted capital grants from the Ministry of Business, Innovation and Employment for the P2K section of the Hauraki Rail Trail and the Three Waters Stimulus Programme. Subsidy income from NZTA was also higher than anticipated by \$1.7m due to higher subsidy rates being applied to some of the land transport work programme than that budgeted and additional work being funded that wasn't anticipated being funded from NZTA when preparing the annual plan.

Other revenue

Other revenue is higher than that budgeted by \$7.4m. This is in part due to the \$4.1m gain incurred on the sale of inventory assets which was not budgeted for and related to the Ngatea North subdivision. Vested assets revenue was also higher than that budgeted by \$1.1m due to the Paeroa Wharf assets being vested to Council by the Historical Maritime Park during the 20/21 financial year, along with additional land being vested in Council. Council also recorded an unbudgeted \$2.0m gain on the change in fair value of its derivative financial instruments.

Personnel costs

Personnel costs are higher than anticipated by (\$1.2m) due to more staff members being employed by Council than that originally budgeted. A significant amount of workload was expected to be completed by external contractors, however a decision was made to bring these roles "in-house" and additional staff were employed accordingly. Council has also joined the Mayor's Taskforce for Jobs programme to help drive local employment recovery. Additional staff were required to deliver this work programme and the costs associated with their employment are currently funded by the Ministry of Social Development.

Depreciation and amortisation expense

Council's depreciation expense is higher than that budgeted by \$1.9m. \$1m of this can be attributed to an increase in the annual depreciation charge on pavement structures within the land transport activity. This

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

Note 26 – Major variances

change in value is due to a decrease in the useful life of pavement structures from 130 to 20 years. This change in the depreciation rate was done as part of the revaluation of Council's roading assets in the 2020FY. It was identified that assets of this type, on clay soils, have a shorter useful life span than those on a different soil type and as such, the depreciation rate should reflect this shorter life span. Wastewater, water and land drainage assets depreciation charges increased by \$0.8m (collectively). Depreciation charges increased due to the removal of a 50% optimisation rate and the 20% residual value charge that was previously applied on all point data. In addition to this a number of base lives decreased, the most notable being water meter lives, which decreased from 25 years to 10 years. Replacement rates also increased by a least 10% since the previous 2017-18 revaluation.

Other expenses

Other expenses are higher than that budgeted by (\$6.6m). This is due to the following reasons:

- Unbudgeted losses on disposals of (\$1.2m) Council property, plant and equipment.
- Drought damage on the plains has resulted in emergency works of approximately (\$1.2m). Council receives a NZTA subsidy on this expenditure. Additional testing of soils on the Plains in order to better understand pavement defects resulted in additional unforeseen costs. This over expenditure is slightly offset by underspend on bridges/ structures maintenance and drainage maintenance.
- Solidwaste costs are higher than that budgeted for by (\$1.6m). The budget originally netted income off the expense line item, but for greater transparency, Council recorded actual expenditure and income separately. This resulted in a higher costs than that budgeted, but this increase has been offset by higher than anticipated revenue.
- Reactive repairs within the water reticulation system have resulted in unbudgeted expenditure of (\$0.4m). Additional unbudgeted work (\$0.2m) was also undertaken as part of the three water stimulus programme. A large portion of this expenditure is funded by Government.
- Desludging of wastewater treatment plants was originally budgeted as capital expenditure but has since been reclassified as operational expenditure. This has resulted in unbudgeted expenditure of (\$0.6m). Council had originally allowed \$1.11m for this spending in this year's capital expenditure budget. This expenditure has been funded by the Government as part of Three Waters Stimulus package. In addition to this significant issues in the reticulation networks in Ngatea (due to ground movement) and Paeroa (due to age) have resulted in additional unbudgeted expenditure of (\$0.1m).
- Regulatory costs are higher than that budgeted by (\$0.4m) due an increase in the complexity of consents requiring technical services, planning and other professional consultants in order to be processed. These costs are passed on to the applicant.

Gain on property, plant and equipment revaluations

A gain on revaluation was budgeted but the actual asset revaluation movement were higher than budgeted by \$16m. This is mainly attributable to the out-of-cycle revaluation that took place for Council land assets. The revaluation gain attributable to this asset class was \$11.2m. Council decided to undertake this revaluation after an internal fair value assessment showed evidence of a significant movement upward since its previous revaluation in July 2019.

Statement of financial position

Cash and cash equivalents

Cash and cash equivalents are higher than that budgeted by \$12.6m. The majority of this movement relates to funds borrowed on the expectation that the capital work programme, identified by Council last year would be completed as per the forecast provided. Due to a number of Covid-19 restrictions and lockdowns, Council was unable to complete this work. In addition to this, rate revenue was higher than that budgeted and interest costs under budget due to interest rate reductions.

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

Note 26 – Major variances

Inventory

Council had originally budgeted for the value of the subdivision to be included within property, plant and equipment. However, this was required to be transferred for inventory for financial reporting purposes. This resulted in a positive variance of \$1.8m.

Property, plant and equipment

Property, plant and equipment is \$9.9 million higher than that budgeted. The majority of this movement upwards can be attributed to the out-of-cycle revaluation that took place for Council land assets. The revaluation gain attributable to this asset class was \$11.2m. Council decided to undertake this revaluation after an internal fair value assessment showed evidence of a significant movement upward since its previous revaluation in July 2019.

Payables and deferred revenue

Payables and deferred revenue are (\$3.1m) higher than budgeted. This is mainly attributable to revenue received in advance being (\$3m) higher than that budgeted. Council received \$1.5m of government funding for the Three Waters Stimulus package of which, \$0.9m is deemed to be revenue in advance as only 42% of the work programme that relates to the \$1.5m has been completed as at 30 June 2021. A large rent prepayment has also been made and amounts to \$1.7m of the overall balance of revenue in advance. More and more ratepayers are also now electing to pay their water and rates on monthly/fortnightly direct debits, therefore resulting in a higher in revenue in advance balance as at 30 June.

Provisions

The movement in the landfill aftercare provision was \$0.4m higher than that originally budgeted. The reason for the higher than anticipated movement in the landfill provision is due to the Landfill aftercare present value discount factor decreasing from a budgeted 6.5% to 2.88%. The length of aftercare was also reassessed (for all sites) by AECOM in the 2019/2020 financial year and this resulted in an extension of aftercare from 10 years to 30 years (for most sites).

Borrowings

Borrowings are lower than that budgeted by \$6.5 million. This can mainly attributed to Council not completing its capital works programme in the 2020/21 financial year. The forecasted capital works programme was \$27m (after carry-forwards) and only \$14 million was achieved. Council's opening cash position was also \$7m higher than that originally budgeted.

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 \$1.0m under that stated in the annual plan.

Our service providers

We are required under the Local Government Act 2002 to include information in our annual report on Council-Controlled Organisations (CCOs) in which we are a shareholder. In accordance with Schedule 10, clause 28 of the Local Government Act 2002, the following section includes:

- identification of the CCOs relevant to the Hauraki District Council
- a report on the extent to which our significant policies and objectives in regard to ownership and control of the organisation (as set out in the relevant long term plan or annual plan) have been implemented or attained in the year to which the report relates
- a comparison between the nature and scope of the activities intended to be provided by the organisation in 2019/20 and the nature and scope of the activities actually provided by the organisation in that year
- a comparison between actual performance and the key performance targets as detailed in the Long Term Plan, by which performance is to be assessed.

We are a shareholder in two CCOs being the Waikato Local Authority Shared Services Limited (WLASS) and New Zealand Local Government Funding Agency Limited (LGFA).

We also have an interest in three council organisations that are currently exempt from the full reporting requirements of a CCO. These are therefore not included in this annual report. These organisations are Destination Coromandel Trust, Hauraki Rail Trail Charitable Trust and Martha Trust. We are also a shareholder of a fourth organisation, Civic Financial Services Limited, which is exempt from being a CCO under the Local Government Act, 2002.

We have no significant policies or objectives about the ownership and control of Waikato Local Authority Shared Services Ltd or New Zealand Local Government Funding Agency Ltd. Appointment of directors to these organisations is made in accordance with our Appointment of Remuneration and Directors Policy. This can be viewed on our website <https://www.hauraki-dc.govt.nz/our-council/policies/>

Waikato Local Authority Shared Services Limited (WLASS)

Note: *The audit of the WLASS 2020/21 annual report was delayed until early 2022, therefore the content below is approved by the WLASS Board, but unaudited by Audit NZ.*

In December 2005 the local authorities in the Waikato Region established Local Authority Shared Services Limited (WLASS) as a company and a Council-Controlled Organisation (CCO), for the purpose of working closely together on mutually beneficial joint projects to achieve better outcomes and cost savings for shareholders.

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. 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.

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:

- Enable the Waikato Councils to collectively be more effective as a region on the national stage;

- Contribute to building central government’s confidence in the Waikato region, and to encourage central government investment;
- Achieve effectiveness and efficiency gains;
- Reduce duplication of effort and eliminate waste through repetition;
- Make it easier for communities’ to engage with councils in the Waikato region on a consistent basis;
- Promote and contribute to the development of best practice; and
- Promote business transformation to improve communities’ experiences.

Board and employees

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

The WLASS Board includes the following members:

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

Nature and scope of activities

The major initiatives operating under the WLASS umbrella are:



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



Performance of WLASS in 2020/21


The performance targets as outlined in the 2020 Statement of Intent, and the results, are as follows:

- Achieved
- Unable to currently measure
- Partially achieved: Activity remains in progress
- Not achieved

Priority	Performance measure	Target	Outcome (progress toward target)	
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or	Business cases will include measurable benefits linked to one or more of the outcomes sought.	Projected savings to councils of \$300k+.	The WLASS Water Services Business Case was delivered in September 2020. The benefits are linked to all three of the outcomes sought. In particular, KPI’s will measure improvements in trade waste management, water usage and regulatory compliance. Although these will provide a measure of the realised	●

Priority	Performance measure	Target	Outcome (progress toward target)	
more of our objectives Linked impact(s): 			<p>benefits, it is difficult to readily quantify this in dollar terms.</p> <p>The business case for WLASS Learning & Development Shared Services (LDSS) was approved by the Board in June 2021. Collectively, the projected savings (including monetised time savings), to Waikato councils from the opportunity are ~\$2.4m over the first three years.</p> <p>Other projects are at various stages of development. While indicatively, on some, the quantifiable benefits to councils are potentially significant, further work is required before the company can confidently state a projected saving.</p>	
	Opportunity assessments are supported by councils (evidenced by Board minutes)	75% of councils	<p>Following consultation with council CEs and GMs in April, the BCSS project has progressed under an increased scope and changed focus.</p> <p>9 of 10 councils have engaged WLASS to undertake one or more of the service offerings contained in the WLASS Water Services business case.</p> <p>The opportunity assessment for LDSS was presented to the Board in June 2021. The project was approved to progress to the next stage on the back of 9 councils indicating they wish to participate.</p>	●
Develop opportunities and deliver projects within agreed budgets and timelines Linked impact(s): 	Opportunities / projects are developed / delivered within agreed timelines	80%	<p>63%: Three of the eight projects under development that had a milestone during the year, had some delays in their progress. The most significant delay was a three-month lag in relation to the Building Consent Shared Services project, for which the Board agreed to extend beyond the original timeframe to allow greater time to engage with councils.</p> <p>The transition of all councils across to the new waters services has taken three months longer than anticipated. While most councils had transitioned, some had to be deferred as HCC recruited the required resources to meet expected service delivery levels.</p>	●
	Opportunities / projects are developed	90%	100%: The five completed projects all came within budget.	●

Priority	Performance measure	Target	Outcome (progress toward target)	
	/ delivered, within approved budget			
Ensure projects realise their expected benefits Linked impact(s): 	Measurable benefits are actively monitored and reported against	Six-monthly	<p>Project benefit assessments are now being presented to the Audit & Risk Committee. These assessments report on whether the benefits noted in project business cases have been realised. They also contain 'lessons learnt' to take forward to future projects.</p> <p>The first such assessment related to the Waikato Data Portal (WDP) and was considered by the Committee in June 2021.</p> <p>As these assessments are completed the measurable benefits will then be monitored ongoing.</p>	●
	Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised).	For \$200k+ Projects (based on cost of opportunity development and ongoing investment) Within 15 months 90% of projected quantifiable benefits are realised	<p>Project benefit assessments are now being undertaken at each Audit & Risk Committee meeting. The first of these, which considered the WDP, took place in June 2021.</p>	●
			<p>10 of the 15 stated benefits of the WDP are assessed as having been realised. A further 4 are considered difficult to measure, and 1 has not been achieved.</p> <p>The original business case did not include projected quantifiable benefits, or at least baselines for these to measure against. For that reason, we are unable to attribute a percentage to the extent to which the benefits have been achieved, although evidence shows that there have been time and cost savings for councils because of the WDP.</p>	●
Ensure existing services are meeting the needs of councils Linked impact(s): 	The services we provide (below) are considered by councils who use that service to meet or exceed their expectations	80% of councils	<p>A stakeholder survey was undertaken in May 2021. The survey was sent to 220 council staff with 68 responses (~31%).</p> <p>81% of respondents said that the services they received either met or exceeded their expectations.</p>	●

Priority	Performance measure	Target	Outcome (progress toward target)	
	(evidenced by an annual survey): <ul style="list-style-type: none"> ■ RATA – roading & waters ■ Waikato Building Cluster ■ Regional Infrastructure Technical Specifications ■ Energy & Carbon Management ■ Professional Services Panel ■ Health & Safety pre-qualification 		The 80% target was also met for each of the services individually, other than the Waikato Building Consent Group. While the result for that service offering was disappointing, it was not unexpected. The prospect of change from the Building Consent Shared Services project has been unsettling for some council staff and this is reflected in the feedback on Waikato Building Consent Group.	
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice Linked impact(s): 	Across these groups, ideas for future consideration and/or initiatives are identified each year	Six per annum	Initiatives have arisen during the year from the Shared Services Working Party (SSWP), Waikato IT Managers, Procurement Managers and Legal Services groups. Discussion at the SSWP led to the priority project "Customer Digital Enablement". The Procurement Managers group have commenced a review of the Professional Services Panel, and the tender for the data, print and mailhouse contract (awarded in August 2021). The performance measure was established to ensure that the working groups: <ol style="list-style-type: none"> 1) were action-orientated; and 2) acted as a feeder for WLASS priority projects. Various other smaller initiatives have also come from the working parties (e.g. critical roles stock take, development of a psychological wellbeing best practice document). The working groups fill an important role of helping WLASS develop opportunities, through providing resource, acting as a sounding board for ideas and helping manage the potential for change within their councils. Meetings of the groups also play an important role in fostering relationships	●

Priority	Performance measure	Target	Outcome (progress toward target)
			and learning from the experience of their colleagues at other councils. They are therefore fulfilling the priority area of 'fostering and promoting cross-council collaboration and networking'.

New Zealand Local Government Funding Agency (LGFA)

The New Zealand Local Government Funding Agency Ltd (LGFA) specialises in financing the New Zealand local government sector, the primary purpose being to provide more efficient financing costs and diversified financing sources for New Zealand local authorities. LGFA was established to raise debt on behalf of local authorities on terms that are more favourable to them than if they raised the debt directly.

New Zealand Local Government Funding Agency Limited (LGFA) was enabled under the Local Government Borrowing Act 2011 and was incorporated on 1 December 2011. LGFA is a Council-Controlled Organisation (CCO) operating under the Local Government Act 2002.

Shareholders

The LGFA Board is responsible for the strategic direction and control of LGFA's activities. The LGFA Board of Directors comprises of five independent directors and one non-independent director appointed by the shareholders. Additionally, the Shareholder's Council comprises five to ten appointees from the Council Shareholders and the New Zealand Government.

Council Policies and Objectives relating to LGFA

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

Objectives of Company

The primary objective of LGFA is to optimise the debt funding terms and conditions for its member councils. Among other things this includes:

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

Nature and scope of activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities and CCOs and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business.

Performance against primary objectives

The following gives a summary of actual performance against the primary objectives that were outlined in the 2020/21 Statement of Intent (SOI). This information is as reported in the LGFA 2020/21 Annual Report. For detailed information on the LGFA performance results, see its Annual Report, published on the LGFA website: www.lgfa.co.nz

Objective:	Result:
<p>LGFA will optimise the debt funding terms and conditions for Participating Borrowers. Among other things, this includes:</p> <ul style="list-style-type: none"> <i>Providing interest cost savings relative to alternative sources of financing;</i> 	<p>LGFA continues to borrow at very competitive spreads compared to the AAA rated Supranational, Sovereign and Agency (SSA) issuers (who borrow in the New Zealand debt capital markets), the domestic banks and our closest peer issuer Kainga Ora.</p> <p>LGFA lending base margin was 20 bps for all borrowing terms for the 2020/21 year, which covers our operating costs and also provides for capital to grow in line with increases in our balance sheet. There is an additional credit margin added to the base margin depending upon whether a council has a credit rating or is a guarantor or non-guarantor of LGFA.</p>
<ul style="list-style-type: none"> <i>Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;</i> 	<p>Both short and long-term borrowing have been well supported by member councils:</p> <ul style="list-style-type: none"> As at 30 June 2021 there were \$287 million of short-term loans outstanding to 25 councils, with loan terms ranging between one month and 12 months. Over the year ended 30 June 2021, 57 councils borrowed \$2,858 million in 421 new long-term loans, across 62 maturity dates ranging between 2021 and 2037. <p>In July 2020, LGFA issued a new April 2037 bond providing councils with the opportunity to extend their long-term borrowing. The weighted average borrowing term by councils over the year ended 30 June 2021 (excluding short-dated borrowing) was 6.9 years. In December 2020, LGFA launched Standby Facility Agreements as a new product that will help reduce overall financing costs for councils. As at 30 June 2021, seven councils had entered into standby agreements with LGFA totalling \$515 million.</p>
<ul style="list-style-type: none"> <i>Delivering operational best practice and efficiency for its lending services;</i> 	<p>Over the 12 months, LGFA operations successfully settled, without error, 1,407 new trades and 11,368 cash flows in excess of \$24 billion. In the latest stakeholder survey result in August 2020, respondents recorded a 94% satisfaction result to the question "How satisfied are you with the LGFA settlement process?"</p>
<ul style="list-style-type: none"> <i>Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.</i> 	<p>For LGFA to provide certainty of access to markets for our council borrowers we need to have a vibrant primary and secondary market in LGFA bonds. The primary market is the new issuance market and we measure strength with participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges. The secondary market is the trading of LGFA bonds following issuance and a healthy market implies high turnover.</p> <p>Over the twelve months, LGFA issued a record \$3,270 million in bonds, through nine tenders and two syndications. There were twelve bill tenders over the year, with \$610 million of bills on issue at 30 June 2021. LGFA uses proceeds from LGFA bills and LGFA bond issuances to fund lending to councils and invests the balance in our liquid asset portfolio.</p> <p>LGFA maintains an Australian Medium-Term Notes Programme which, to date, has not been used but which provides LGFA with additional flexibility if there is a market disrupting event in the future.</p>
<p>LGFA will ensure its asset book remains at a high standard by ensuring it understands each Participating</p>	<p>LGFA reviews all councils' financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils on the LGFA borrower watch-list. Participating Borrowers are</p>

Objective:	Result:
<p>Borrower's financial position, as well as general issues confronting the Local Government sector. Amongst other things, LGFA will:</p> <ul style="list-style-type: none"> ▪ <i>Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies;</i> 	<p>required to complete annual compliance certificates by the end of November each year. We have received compliance certificates from all Participating Borrowers and all remained compliant as at 30 June 2020.</p>
<ul style="list-style-type: none"> ▪ <i>Analyse finances at the Council group level where appropriate and report to shareholders;</i> 	<p>No council has yet to request to LGFA that they be measured on a group basis.</p>
<ul style="list-style-type: none"> ▪ <i>Endeavour to visit each Participating Borrower annually, including meeting with elected officials as required, or if requested; and</i> 	<p>Following the lifting of COVID-19 travel restrictions, LGFA commenced council visits in the later months of 2020. Notwithstanding the later start to visits, LGFA met with all council members over the 12 months.</p>
<ul style="list-style-type: none"> ▪ <i>Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.</i> 	<p>Over the year, LGFA management met with representatives from Reserve Bank of New Zealand, Department of Internal Affairs, Office of the Auditor General, Taituarā, the New Zealand Debt Management section of the Treasury (NZDM) and members of the Three Waters Reform Group. We held investor conference calls for investors and banks relating to bond issuance and provided updates on the impact on the local government sector from COVID-19 and the proposed water industry reforms.</p> <p>LGFA continue to assist the sector and the advisers in finding ways for LGFA to play a supporting role in providing solutions to off balance sheet financing for councils and are currently providing technical input into the Cameron Partners proposed Ratepayer Financing Scheme.</p>

Performance targets

2020/21 performance targets	Result for 12-month period to 30 June 2021	Outcome
LGFA net interest income for the period to June 2021 will be greater than \$18.8 million	\$19.537 million	✓
Annual issuance and operating expenses (excluding AIL) will be less than \$6.8 million	\$6.659 million	✓
Total nominal lending (short and long term) to participating councils to be at least \$9.79 billion	\$12.039 billion	✓
Conduct an annual survey of councils and achieve 85% satisfaction score as to the value added by LGFA to council borrowing activities	August 2020 survey outcome of 98.8%	✓
Meet all lending requests from PLAs	100%	✓
Achieve 85% market share of all council borrowing in New Zealand	79%	X
Review each PLA financial position, its headroom under LGFA policies and arrange to meet each PLA at least annually	All councils visited	✓
No breaches of Treasury Policy, any regulatory or legislative requirements including H&S	No breaches	✓
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due	100%	✓
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating entity	'AA+/AAA'	✓

Martha Trust

Introduction

The Martha Trust (the Trust) was established in 2001 by a joint venture known as the Waihi Gold Company, settling the sum of \$10 to create the trust fund. The main purpose of the Trust is to monitor and maintain in perpetuity the tailings storage areas and mine pit lake so that it can be used for recreational or leisure purposes by the general public following completion of mining and closure of the site.

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 November 2006. This exemption has been revisited and subsequently reconfirmed by the Council, most recently in May 2021, three years since the last exemption was granted.

The exemption was granted on the basis that it is not practical or efficient for full accountability requirements and performance monitoring of the Martha Trust to take place until such time as it becomes operative. In the meantime the Council requested that as a minimum the Trust provide an annual report of Trust activities and available funds. By granting an exemption the Council has provided dispensation from any form of accountability and monitoring processes.

In accordance with section 7(3) of the LGA, the exemption of the Martha Trust as a CCO will again be reviewed in three years, or earlier, if either the mine closes or the settlor settles the capitalisation sum on the Trust.

Trust

In April 2019 a capital sum of \$50,000 was settled on 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 governance structure and bond, the Trust will not become a fully operative entity until such time as the closure and rehabilitation conditions are achieved.

Related Documents

Liability and Investment Policy

Background

The Liability Management Policy addresses a number of key objectives, including those required to address legislative requirements. The Liability Management Policy outlines the Council's objectives for prudence, flexibility and risk in three principle areas; liquidity and funding risk, interest rate risk, and credit risk. The Policy details Council's approach to minimising the total cost of borrowing over the medium to longer term.

The Investment Policy sets the parameters which investment activity can occur with approved organisations for investments, and the type of approved investment vehicles. The mix of investments between current and non-current is determined according to Council's working capital needs. The purpose of the policy is to ensure that Council's investments are managed prudently, within prescribed risk levels and they are set to mature at the appropriate time to match cash flow requirements.

Overall Results

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

Appendix 1: Council Committees

Committees as at June 2021:

Paeroa Ward Committee

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

Plains Ward Committee

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

Waihi Ward Committee

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

Audit and Risk Committee

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

Manaaki Toiora Committee

- Cr R Harris (Co-Chair)
- Cr A Spicer (Co-Chair)
- Cr P G Anderson
- Cr R D T Broad
- Cr P D Buckthought
- Cr C A Daley
- Cr R G E Garrett
- Cr B J Gentil
- Cr S Howell
- Cr P A Milner
- Cr D Smeaton
- Cr J R Tilsley
- Cr R L Wilkinson

Western Plains Drainage District Committee

- Brian Carter (Chair)
- Brian Pirie (Deputy Chair)
- Brian Keane
- Gavin Laurich
- Peter Johnstone
- Patrick Leonard
- Peter Paterson
- Ross Young
- Michael Karl
- Cr Phillip Buckthought (Alternate – Cr Rodney Garrett)

Eastern Plains Drainage District Committee

- Roger Hunter (Chair)
- Kim Reid (Deputy Chair)
- Richard Webster
- Andrew Green
- Ted Nicholson
- Kevin Caddy
- Peter Schouten
- Damon Coldicutt
- Cr Phillip Buckthought (Alternate – Cr Rodney Garrett)

Paeroa Rural Drainage District Committee

- Mike Peters (Chair)
- Peter Casey
- Terry Hamilton
- Craig Zydenbos
- Cr Phillip Buckthought (Alternate – Cr Rodney Garrett)

Taramaire Drainage District

- Stephen Crooymans (Chairperson)
- Dennis Thompson (Deputy Chairperson)
- Cr Phillip Buckthought (Alternate – Cr Rodney Garrett)

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

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

Councillor Conduct Review Committee

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

District Licensing Committee

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

District Plan Committee

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

Emergency Management Committee

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

Hearings and Judicial Committee

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

Co-Governance Committees

Ngati Koi Domain Co-Governance Committee

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

Tauwhare Koiora Reserve Co-Governance Committee

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

Forums

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

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

Working Parties

CEO Performance Assessment Working Party

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

Community Housing Working Party

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

Councillor Remuneration Working Party

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

Councils Organisations Appointment Working Party

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

Property Sale and Purchase Working Party

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

Waste Minimisation Working Party

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

Wharekawa Coast 2120 Joint Working Party

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

Council Portfolios

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

Appendix 2: Report of the Audit Office

Independent Auditor's Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Hauraki District Council's annual report for the year ended 30 June 2021

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 15 December 2021. This is the date at which we give our report.

Opinion on the audited information

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

In our opinion:

- the financial statements on pages 116 to 121 and 123 to 179:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2021; and
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 122, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;

- the statement about capital expenditure for each group of activities on pages 30 to 105, 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 30 to 105, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s long-term plan.

Qualified opinion on the statement of service performance

In our opinion, except for the possible effects of the matter described in the “Basis for our opinion on the audited information” section of our report, the statement of service performance on pages 24 to 115:

- presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2021, 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 23, 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 opinion on the audited information

Our work was limited in the prior year because the District Council was not able to report reliably on some performance measures relating to water supply and wastewater.

The District Council included in its long-term plan performance measures on its water supply and wastewater services. As disclosed on pages 47 to 50 and 58 to 61, significant issues were identified in the prior year in the underlying data supporting the completeness, accuracy and classification of the District Council’s performance information for the following measures:

- response times for water supply and wastewater service requests;
- number of unplanned water supply interruptions;

- number of complaints in relation to water supply and wastewater; and
- number and frequency of dry weather wastewater overflows.

Because insufficient reliable evidence was available in the prior year, our work was limited and there were no practicable audit procedures we could apply to obtain assurance that the reported information fairly reflected the performance against these measures for 30 June 2020. Our audit opinion on the statement of service performance for the year ended 30 June 2020 was modified accordingly.

This issue has been resolved for the 30 June 2021 year. As the issue cannot be resolved for the 30 June 2020 year, the District Council's performance information reported for these performance measures for the 30 June 2021 year may not be directly comparable to the 30 June 2020 performance information.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Emphasis of matter - the Government's three waters reform programme announcement

Without further modifying our opinion, we draw attention to note 24 on page 170, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the description used for the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 and 180 to 194, but does not include the audited information, 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 in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have audited the District Council's 2021 – 2031 long-term plan and performed a limited assurance engagement related to the District Council's debenture trust deed. These engagements are compatible with those independence requirements.

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

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



For more information:

- 🌐 www.hauraki-dc.govt.nz
- @ info@hauraki-dc.govt.nz
- ☎ 07 862 8609 or 0800 734 834 (from within District)

Visit us at one of our offices:

- Paeroa: 1 William Street
- Ngatea: 84 Orchard West Road
- Waihi: 40 Rosemont Road