



Te Pūrongo ā-Tau 2021/22 Annual Report

PART 1 - NAU MAI WELCOME FROM THE MAYOR AND CHIEF EXECUTIVE

Looking back over 2021-22 year, we are proud of the way our Council has performed amidst a time of huge and rapid transition. Our district continues to grow at an exponential rate, and with it comes a raft of challenges, changing community expectations and pressures on our infrastructure. As a strategy-led organisation, we focus on the bigger picture and make logical steps to achieve the best outcomes for our community.

This year we saw the local government sector under almost continuous scrutiny, with the Three Waters Reform advancing at pace to change the way water services – stormwater, water supply and wastewater – are delivered for our communities, for the future. Waipā has made no secret of our dissatisfaction with the four-entity water services model proposed by the Department of Internal Affairs, and our community's stance as well. We are heartened to see Council's Annual Resident Perception Survey resulted in its highest rating for delivery of water services over three years, reflecting our commitment to providing good quality, affordable infrastructure to our ratepayers.

We've also held steady across the board in our annual resident perception study, which shows our resilience, but with a few areas to continue to work on, including our transportation network,

community facilities and parks and reserves. We introduced a vaccination mandate for staff and our facilities for a short period of time in order to continue to keep our community facilities open and resourced well throughout the omicron variant of the COVID-19 pandemic. Achieving a lower satisfaction result has shown us how much our residents value these great community assets and the important role they play in bringing us together.

On the financial front, we've managed to maintain our AA- Fitch Credit Rating for the fourth year running, which is a nod to the financial prudence our Council has shown in a time of inflation increasing to the highest rates in recent years. The financial climate continues to be a challenge to us, but our credit rating assists us in gaining better interest rates for our debt than we would otherwise be able to achieve.

COVID-19 continues to affect our ability to resource, staff and deliver some of our key projects through supply chain constraints and illnesses, however we still managed to achieve some great wins across the board, including our 2021 representation review, an improved water supply for Kihikihi village, the adoption of the new Ngahinapouri Concept Plan, and the Waipā Transport Strategy which will pave the way for

our district's transport future over the next 30 years.

We also adopted our Annual Plan, and held our rates at 4.4 percent, as forecasted in the 2021-31 Long Term Plan, What's next Waipā.

Our What's next, Waipā campaign received two national awards, including the Local Government New Zealand's 2021 Best Consultation Document, and the coveted Supreme and Gold Awards from the Public Relations Institute of New Zealand award for an outstanding consultation. These accolades highlight Council's commitment to proving best practice communications for our residents against industry peers.

As we look ahead to the next year, Waipā – Home of Champions has a new Council, (including for the first time a Maori Ward Councillor) representing our residents and guiding the way we build connected communities. Our challenges will be many, but our strategic approach to growth, through the new Ahu Ake - the Waipā Community Spatial Plan will put us in good stead to hit the ground running.

Susan O'Regan
Waipā Mayor

Garry Dyet
Chief Executive

PART 2 -

PART 1 - NAU MAI WELCOME FROM THE MAYOR AND CHIEF EXECUTIVE.....	2
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PART 2 - IHIRANGI/CONTENTS IHIRANGI – CONTENTS ...	3
---	----------

PART 3 - NGĀ KORERO MO TO TĀTOU TAKIWA / OVERVIEW OF OUR DISTRICT.....	5
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3.1... ROHE / OUR DISTRICT.....	6
3.2... OUR ROLE	8
3.3... 12-MONTH SNAPSHOT	9

PART 4 - WHAKARĀPOPOTOTANGA O Ā MĀTOU MAHI / OVERVIEW OF OUR PERFORMANCE	12
---	-----------

4.1...SUMMARY OF OUR PERFORMANCE.....	13
4.2... OUR STRATEGIC DIRECTION	14
4.3... EXTERNAL STRATEGIC PRIORITIES	16
4.4...INTERNAL STRATEGIC PRIORITIES.....	16
4.5... RESIDENT SURVEYING.....	17
4.6... LEVEL OF SERVICE PERFORMANCE MEASURES	17

PART 5 - WHAKARĀPOPOTOTANGA PŪTEA / OVERVIEW OF OUR FINANCES.....	19
--	-----------

5.1... FINANCIAL OVERVIEW	20
5.2...FINANCIAL PRUDENCE.....	23
5.3... STATEMENT OF COMPLIANCE	30

5.4.. STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE.....	31
5.5.. STATEMENT OF CHANGES IN EQUITY	32
5.6.. STATEMENT OF FINANCIAL POSITION.....	33
5.7.. STATEMENT OF CASH FLOWS	34
5.8.. FUNDING IMPACT STATEMENT.....	36
5.9.. RECONCILIATION BETWEEN THE FUNDING IMPACT STATEMENT AND STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE.....	37
5.10 NOTES TO THE FINANCIAL STATEMENTS	38
1..... STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED JUNE 2022	38
2..... SUMMARY COST OF SERVICE.....	42
3..... REVENUE.....	44
4..... GAIN / (LOSS) ON REVALUATION	48
5..... PERSONNEL COSTS.....	49
6..... OTHER EXPENSES	50
7..... FINANCE COSTS.....	52
8..... CASH AND CASH EQUIVALENTS	52
9..... TRADE AND OTHER RECEIVABLES	52
10... OTHER FINANCIAL ASSETS	55
11... INVESTMENTS IN SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES.....	56
12... ASSETS HELD FOR SALE	57
13... PROPERTY, PLANT AND EQUIPMENT.....	58
14... INTANGIBLE ASSETS	71
15... DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY	73

16....INSURANCE OF ASSETS	73
17....FORESTRY ASSETS	73
18....INVESTMENT PROPERTY	75
19....TRADE AND OTHER PAYABLES	76
20....PROVISIONS	76
21....EMPLOYEE BENEFIT LIABILITIES.....	77
22....BORROWINGS.....	78
23....DERIVATIVE FINANCIAL INSTRUMENTS.....	79
24....EQUITY	82
25....CONTINGENCIES	87
26....RELATED PARTY TRANSACTIONS	88
27....EVENTS AFTER BALANCE DATE	89
28....FINANCIAL INSTRUMENTS	90
29....FAIR VALUE HIERARCHY DISCLOSURES.....	95
30....CAPITAL MANAGEMENT.....	96
31....EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET	97
32....INVOLVEMENT IN COUNCIL CONTROLLED ORGANISATIONS AND COUNCIL ORGANISATIONS	98

PART 6 - NGĀ TAIPITOPITO O Ā MĀTOU MAHI / OUR PERFORMANCE IN DETAIL..... 108

6.1...GOVERNANCE	109
6.2... PLANNING AND REGULATORY	113
6.3... COMMUNITY SERVICES AND FACILITIES.....	117
6.4... TRANSPORTATION	122

6.5.. STORMWATER.....	126
6.6.. WASTEWATER TREATMENT AND DISPOSAL	130
6.7.. WATER TREATMENT AND SUPPLY	133
6.8.. SUPPORT SERVICES	137
6.9.. DETAILED TRACKING AGAINST SERVICE PERFORMANCE MEASURES.....	141

PART 7 - TĀ MĀTOU HAUTŪTANGA, Ō TĀTOU TĀNGATA / OUR LEADERSHIP AND PEOPLE..... 168

7.1.. TE KAUNIHERA O WAIPĀ / OUR COUNCIL	169
7.2.. WAIPA DISTRICT COUNCIL 2021 REPRESENTATION REVIEW ...	170
7.3.. HOW DECISIONS ARE MADE	172
7.4.. OPPORTUNITIES FOR COMMUNITY INVOLVEMENT IN DECISION MAKING	174
7.5.. MĀORI INVOLVEMENT IN DECISION MAKING	176
7.6.. COMMUNITY BOARDS	177
7.7.. OUR ORGANISATION.....	178
7.8.. THE WAY WE DO THINGS / OUR VALUES.....	179
7.9.. MANAGING OUR RISKS	180
7.10 STRIVING TO IMPROVE	181
7.11 INDEPENDENT AUDITORS REPORT	182

PART 8 - GLOSSARY AND ABBREVIATIONS..... 191

PART 3 - NGĀ KORERO MO TO TĀTOU TAKIWA / OVERVIEW OF OUR DISTRICT

In this section

This section includes an overview of the Waipā district, an overview of Council's role, and a 12 month snapshot of our 2021/22 year.

3.1 ROHE / OUR DISTRICT

Located at the centre of the Waikato Region, the Waipā District is home to approximately 60,000 residents. Covering more than 1,447km² and including some of New Zealand's most fertile land and water, the district of Waipā is centered on the urban hubs of Te Awamutu, Cambridge, Kihikihi, Pirongia, Ōhaupō, and Leamington, and our three maunga – Pirongia, Maungatautari and Kakepuku.

Our rural community makes the most of our rich soils with dairy farming, as well as sheep, beef and deer farming, thoroughbred horse studs and fruit production. The Waipā District's fine equestrian heritage is held in high regard worldwide.

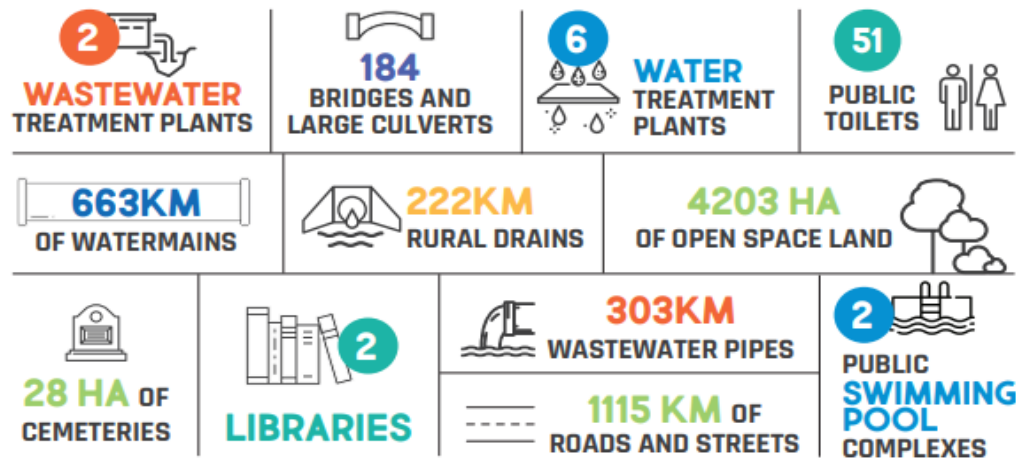
We're immensely proud of our farming and rural heritage, and are proud to host National Agricultural Fieldays, the largest annual agricultural

exhibition of its kind in New Zealand that attracts visitors from all over world.

The Waipā district is home to Hamilton Airport [HLZ], and has a growing reputation as the home of high-performance sport with Rowing New Zealand, Cycling New Zealand, Triathlon New Zealand, and Canoe Racing New Zealand all based in Cambridge. You can find out more at goWaipā .com.

We feel most at home on the water, with our large hydro lakes used extensively for watersports and recreation including Lake Karāpiro, the home of New Zealand rowing and other water sports. The major Waipā and Waikato rivers flow though our district, and our smaller peat lakes are considered some of the best examples of their type in the world.

OUR KEY INFRASTRUCTURE INCLUDES:



Population	Age composition	Ethnicity ²	Economy
<ul style="list-style-type: none"> ▪ 59,500 	<ul style="list-style-type: none"> ▪ 20% aged under 15 ▪ 62% aged 15-65¹ ▪ 18% aged over 65 	<ul style="list-style-type: none"> ▪ 78.18% European ▪ 6.28% Maori ▪ 0.45% Pacific ▪ 3.64% Asian ▪ 0.32% MELAA³ ▪ 1.16% Other ▪ 7.67% Maori/European ▪ 0.26% Maori/Pacific ▪ 0.54% Pacific/European ▪ 0.42% Asian/European ▪ 0.40% Two groups not elsewhere included ▪ 0.45% Maori/Pacific/European ▪ 0.21% Three groups not elsewhere included ▪ 0.02% Four to six groups 	<ul style="list-style-type: none"> ▪ 8,055 business units (2021) ▪ Average household earnings \$58,366 ▪ \$117,903 GDP per filled job

¹ Data sourced from Infometrics Community Profile Population by Age Broad Age Group and represents a working age group.

² Data sourced from Stats NZ 2018 Census dataset. Ethnicity is the ethnic group or groups a person identifies with or has a sense of belonging to.

³ Middle Eastern/Latin American/African

3.2 OUR ROLE

Our role is to support the current and future needs and advance the aspirations of our communities, the district and the region. We deliver an extensive range of services to Waipā – from cemeteries and parks to parking and pools, water services to roading infrastructure, libraries to museums, cycleways to road safety, waste minimisation to recycling and more.

We are responsible for controlling regulatory activities such as building, land use, noise, food preparation, liquor sales and ownership of dogs and other animals. The services we deliver all help to achieve our district’s strategic vision, set by the Council following consultation with our community.

The Council is elected every three years and is responsible for setting the overall strategic direction of the district and the budget through Long Term and Annual Plans.

It also has the following roles:

- Ensuring Council fulfils its responsibilities and follows the principles of Local Government as set out in the Local Government Act 2002.
- Setting the policy direction of Council. Monitoring the performance of Council in terms of meeting its responsibilities and achieving its policies.
- Representing the interests of the district (when elected all members must make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgement in the best interests of the district).
- Employing the Chief Executive (under the Local Government Act, the local authority employs the Chief Executive, who in turn employs all other staff on its behalf).

Council may create one or more committees of Council. A committee must have a chairperson, who is responsible for presiding over meetings of the committee, ensuring that the committee acts within the powers delegated by Council, and as set out in the Council’s Delegations Register.

3.3 12-MONTH SNAPSHOT

JULY 2021 - New supplementary water supply for Kihikihi starts

We began installing a supplementary water supply for the growing village of Kihikihi, after we received \$1.3 million to go towards it through the Three Waters Reform 'opt-in' discussions. This creates more resilience in the network by connecting Kihikihi with the neighbouring Te Awamutu water supply. Up until this point, Kihikihi had been fully serviced by two bores on Hall and Church streets.



AUGUST 2021 - Concept plan for Ngahinapouri adopted

A new concept plan for Ngahinapouri Village was adopted in August, featuring three large housing areas, a new intersection layout, a community hub and improved village entrances and pedestrian connections. The Concept Plan began in 2018 and was created in collaboration with mana whenua, key community stakeholders, Waka Kotahi NZ Transport Agency, Ministry of Education and Council, a truly collaborative effort, providing guidance for the overall growth of the village to 2050.



SEPTEMBER 2021 - Council's first trades services panel established

With the establishment of Waipā District Council's first trades services panel and following a promotion to local businesses, we signed up 93 local businesses to the panel, which will benefit in years to come from unplanned trade work. In the 20/21 financial year, Council spent approximately \$3 million on this type of work and the panel was established to help to manage costs and timeframes as well as supporting businesses that contribute to the local economy.



OCTOBER 2021 - New plan for Kihikihi adopted

In October, the Kihikihi Urban Development Plan was unanimously approved by Council. The plan aims to improve the growing town's vibrancy with indications of a new skate park, a revitalisation of Kihikihi Domain and improvement in heritage and recreational spaces. The plan was developed in consultation with key community stakeholders, including the Kihikihi Residents & Ratepayers society, and had great participation and feedback during its earlier consultation round.



NOVEMBER 2021 - Waipā and Ōtorohanga councils to work together on water improvements

Council voted in favour of entering into a collaborative arrangement with Ōtorohanga District Council to save costs on future water works that will benefit both districts at a mid-November Service Delivery Committee meeting. This decision followed an invitation from Ōtorohanga District Council to explore opportunities to collaborate on future water-related infrastructure builds that benefit each ratepayer base. Under the agreement, the councils agreed to cost sharing and cost allocation on a fair basis of management roles and charge out rates, where services are carried out for respective Council works for work undertaken through to mid-2024.



DECEMBER 2021 - Consultation closed for Te Awamutu Skatepark concept plan and we purchased a wonderful rural property adjacent to Waipuke Park

Community feedback rolled in during consultations held by Waipā District Council on a new skatepark concept plan. The concept plan included a full refresh of the existing skatepark. Common feedback from the public suggested more features for beginners, kicker to landing boxes and aero gaps for more aerial tricks, and more transition and street features. More seating, shade, rubbish bins and water fountains were also suggested. The property purchase on Maungatautari Road offers exciting recreational development possibilities.



JANUARY 2022 - Lake Te Koo Utu junior playground upgrade completed

The junior playground upgrade at Lake Te Koo Utu on Thornton Rd, Cambridge was completed as part of Stage 1 of Council’s renewal of the play space at the popular location. The first stage took about six weeks to complete after the initial start was delayed by Covid Alert level 4. Community feedback about the new asset has been very positive.



FEBRUARY 2022 - Consultation was extended for Draft Transport Strategy

Following interruptions associated with COVID-19, the timeframe for feedback on the Draft Transport Strategy was extended to 22 March and our community had their say on the new strategy that will shape how we move people, vehicles and goods through Waipā. The public submitted their feedback via a five-minute online survey or through longer submissions.



MARCH 2022 - Latest Te Awa River Ride section officially open

We removed the last of the construction fencing in March 2022, which marked the official opening of the new 4.5km Waipā section of the Te Awa River Ride Hamilton to Cambridge shared path. Along with this, we launched a month-long campaign to encourage users to get on the cycleway, with the shared path enjoyed by approximately 1,400 people the first Saturday after its opening. The launch was a resounding success, with residents submitting photos of them enjoying the cycleway, and six great prizes given away at the competition’s conclusion.



APRIL 2022 - Commission approved new Council representation structure

The Local Government Commission approved Council’s final 2021 Representation Review decision which changed the five ward structure to four wards. The determination was required after one appeal was received on the Waipā District Council’s final proposal for its 2021 Representation Review. The appeal sought disestablishment of both Te Awamutu and Cambridge Community Boards. As part of the review, the Commission assessed all aspects of Councils elected member structure, not solely that of the appeal process, and found that these meet requirements under the Local Electoral Act (2001).



MAY 2022 - Waipā Transport Strategy adopted
 Council formally adopted the 30-year Transport Strategy in May following a six-week consultation period earlier in the year. More than 170 submissions were received, traversing issues ranging from climate change to public transport and the desire for a third river crossing in Cambridge. The strategy has an emphasis on decreasing reliance on private vehicles, either through improved public transport or by encouraging safe cycling and walking. This reflects government policy, including a bigger emphasis on reducing carbon emissions. The 2022-2052 Waipā Transport Strategy will be reviewed in five years.



Waipā is moving with the times

Tell us which ideas you like?

JUNE 2022 - Waipā rates confirmed at 4.4 per cent

We confirmed the 2022/23 Annual Plan for Waipā district, which would see Waipā rates increased by an average of 4.4 per cent in the coming year, which is what was forecast for year two of the 2021-31 Long-Term Plan.



PART 4 - WHAKARĀPOPOTOTANGA O Ā MĀTOU MAHI / OVERVIEW OF OUR PERFORMANCE

This section highlights Council's overall non-financial performance as it relates to resident perceptions and levels of service performance measures. It also covers our strategic framework, external and internal strategic priorities which impact the way we work, as well as a summary of our performance and contributing factors.

4.1 SUMMARY OF OUR PERFORMANCE

INTRODUCTION

During the year, we continued to deliver our services well in a challenging environment, including the implications of responding to Central Government imposed reforms. A total of 60.7% of our level of service performance measures able to reported at year end achieved target with another 10.6% within 5% of achieving target and our budget was balanced for the year. However, some significant challenges affected how we operated, including COVID-19.

SUPPLY CHAIN ISSUES

COVID-19 continued to have a flow-on effect in our supply chain with delays in materials and other resources, which heavily impacted our delivery timeframes for major projects and our asset maintenance and renewals programmes.

COVID-19 IMPLICATIONS

For seven months (17 August 2022 to 13 April 2022), the Waipā district was under the following COVID-19 levels or settings, resulting in a range of restrictions to people’s movements. Council needed to be agile enough to make rapid changes, which impacted on services, projects, staff and our community.

On 13 December 2021, Council agreed that vaccine passes would be required for access to Waipā District Council-operated public facilities. The vaccine pass requirement was lifted on 4 April 2022, in alignment with nationwide vaccine mandates being lifted.

COVID-19 Alert Level 4

- 11.59pm.17 August 2021 - 31 August 2021

COVID-19 Alert Level 3

- 11.59pm, 31 August 2021 - 7 September 2021
- 11.59pm, 7 October 2021 – 27 October
- 11.59pm, 27 October – 16 November (Step 1)
- 11.5pm – 16 November – 2 December 2021 (Step 2)

COVID-19 Alert Level 2

- 11.59pm, 7 September 2021 – 7 October 2021

COVID-19 Protection Framework (Traffic light system)

RED

- 11.59pm, 23 January 2022 – 13 April 2022
- 11.59pm, 16 February 2022 – 24 February 2022 (Phase 2 of Omicron response)

- 11.59pm, 24 February 2022 – 25 March 2022 (Phase 3 of Omicron response)
- 11.59pm, 25 March 2022 – 13 April 2022 (changes to red setting)

ORANGE

- 11.59pm, 2 December 2021 – 23 January 2022
- 11.59pm, 13 April 2022 – 30 June 2022 (and beyond)

4.2 OUR STRATEGIC DIRECTION

Waipā Home of Champions – Building Connected Communities

Every three years we review our strategic direction, revisiting our vision, community outcomes and external strategic priorities based on changes in the district to make sure we remain on track. We completed this review as part of the 2021-2031 Long Term Plan, *What's next, Waipā*, that was adopted by our Council on 30 June 2021.

Our vision is Waipā - Home of Champions, Building Connected Communities, which identifies and celebrates the district and its champion communities, and all things residents

love about living and working here. It also highlights 'connection', which was heightened in our communities through the COVID-19 lockdown. Our vision shapes the development of our projects, services, activities and programmes of work we're planning for the next 10 years.

Social resilience, culture and heritage, a sustainable environment, and supporting a thriving economy continue to shape our priorities for the next ten years

We monitor the progress of our community outcomes through a number of indicators. These measures were selected as part of the development of the 2021-31 Long Term Plan

and based on the ability to look at trends over time. Of the 26 we monitor 25% of those measured remained on track. Two had no data available at year end.

A number of indicators were significantly affected by the disruptive effects of COVID-19 over the year and therefore did not meet our targets. Below is a snippet of performance of a smaller subset of the measures against our community outcomes. We look for meaningful change over the longer term.

This is only one part of our strategic framework. The vision and community outcomes provide our strategic direction.



Socially Resilient

He aha te mea nui o te ao? Māku e kī atu he tangata, he tangata, he tangata! – it’s all about people

- Waipā is a great place to live, work, play and invest
- We invest in hauora and support the great work community groups do
- Waipā provides a high quality of life for current and future generations



Over the past year:

- Te Waka Sentiment survey responses showed an increased confidence of respondents in the future success of their business.
- Work is underway to capture and report on local contribution elements of Council contracts.

Environment Champions

Protecting and sustaining our environment

- Environmental awareness and responsibility is promoted within the community
- We support programmes that promote environmental sustainability
- We are responsive to climate change



Over the past year:

- Council’s carbon footprint has been baselined and work is underway to set targets going forward.
- We exceeded our Enviroschools subscription target with 61% of schools in Waipā enrolled.
- Despite COVID we continued to provide waste minimisation education, while below target we had 1536 face-to-face participants over the year

Cultural Champions

Promoting our culture and heritage

- We champion the unique history of Waipā
- We have a high level of cultural awareness
- We partner with tangata whenua
- We respect the cultural diversity in our district



Over the past year:

- Over the past year visitor numbers to our key heritage sites have been affected by COVID
- We have continued to progress Tikanga training across our workforce as COVID restrictions have allowed.

Economically Progressive

Supporting a thriving, sustainable economy

- We have financially sustainable decision making and work programmes
- We provide new infrastructure as an economic stimulus for our district
- Our services provide excellent value for money
- We actively promote our district to enable development, employment and business opportunities
- Waipā is a great place to invest and do business



Over the past year:

- The volume of money spent locally over the year was greater than the year prior.
- We continued to comply with the National Policy Statement – Urban Development 2020 requirements.
- COVID restrictions and supply chain constraints continued to impact on the delivery of the capital works program.

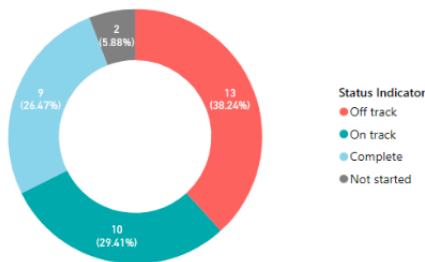
4.3 EXTERNAL STRATEGIC PRIORITIES



Our external strategic priorities set the direction of Council's Long Term Plan and guide where investment will be made over a ten year period. They support the delivery of Council's vision and Community Outcomes.

We reset these every 3 years as part of the development of the Long Term Plan in consultation with the community. We track a number of lead and lag indicators to understand how we are performing against the delivery of our external strategic priorities. Out of a total of 32 indicators measured for the 21/22 year 19 were completed or on track.

External Strategic Priority Status



Highlights over the past year:

- Scenario development for Ahu Ake Waipā’s Community Spatial Plan was completed in collaboration with Elected Members and Mana Whenua/Iwi.
- Skatepark concept plans were completed for Te Awamutu and Cambridge.
- Rain gardens were installed at Lake Te Koo Utu.
- Waipā Transport Strategy was adopted.
- Approximately 32,372 additional employment hours generated from the DIA Stimulus Funding.
- Agreements established with the new Cambridge Town Hall Community Trust.
- The Kihikihi Urban Development Plan was adopted.

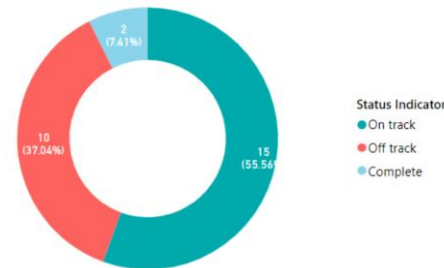
4.4 INTERNAL STRATEGIC PRIORITIES



Each year Council’s Leadership Team develops a set of internal strategic priorities linked to a set of Organisational KPIs..

These internal priorities are deemed the most appropriate focus areas to sit alongside and assist the delivery of the external strategic priorities. They aim to drive the organisation to continually improve performance over time. We track a number of lead and lag indicators to understand how we are performing against the delivery of our Organisational KPIs. Out of a total of 27 lead and lag indicators measured for the 21/22 year 17 were completed or on track.

Internal Strategic Priority Status



Highlights over the past year:

- Council has a robust carbon baseline established.
- The representation review was completed in consultation with the community.
- To date 110 leaders across Council have completed the leadership development program.
- Digital capability grew with a number of digital projects delivered.
- Staff engagement remained high being 6% higher in relation to our benchmark for our annual staff survey.
- Council’s internal audit program demonstrated increased maturity in a number of areas with the plan for the next three years confirmed.

4.5 RESIDENT SURVEYING

Regular resident surveying is an important avenue for Council to engage with our community to gain a better understanding of their thoughts and opinions, and identify areas for improvement.

Council initiated a new annual resident survey in the 2015-16 year to help Council understand how it is tracking against its community outcomes, strategic priorities and levels of service. Carried out by an independent research company, the survey focuses in particular on resident perceptions of the environment and lifestyle associated with the Waipā district, satisfaction with Council services, leadership, financial management and value for money. To help to avoid bias and detect seasonal trends the survey is carried out four times throughout the year with the aggregate results reported at year end.

Key results

The 2021-22 annual results in relation to reputation, trust and leadership indicate resident’s perceptions of Council have been influenced by the challenges territorial authorities sector-wide have faced over the last year; the impacts of mandate decisions, changes in COVID-19 alert levels and views of Central Government reforms. For Waipā specifically, perceptions are also influenced by our high growth environment and resourcing constraints.

Despite these challenges, overall satisfaction with Council remained stable after a significant decline in 2020 which is positive in relation to the external environment. Council’s reputation benchmark remained stable and within the ‘acceptable’ range. A very high proportion of residents, 72%, rated Waipā an 8 to 10 for a high quality of life.

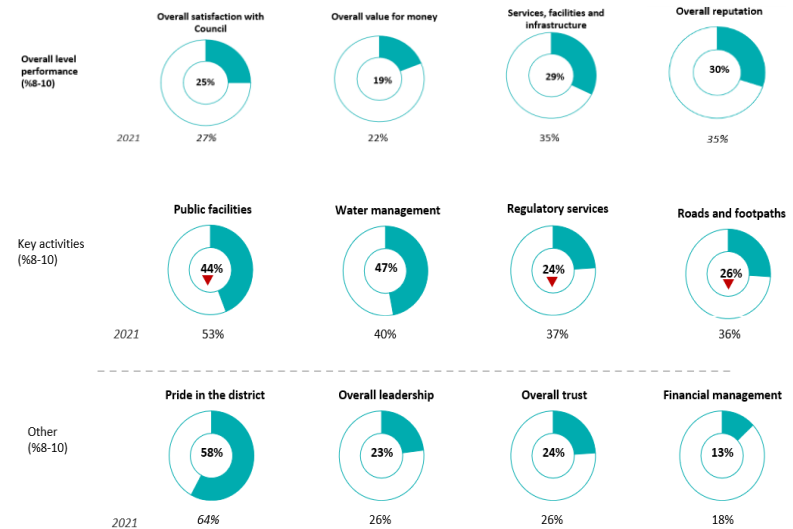
Some parameters did show significant decline with some continuing a downward trend over the last 24 months; these included satisfaction with regulatory services, public facilities, pride to live in the district and roads and footpaths. When benchmarking Waipā’s results against 16 other councils who undertake the same survey, Waipā remained in the middle for most indicators. When compared to the previous year across a number of comparable questions there was a decline across all councils. Where those services were ranked lower than average it is likely these areas were impacted by the effects of COVID.

Looking ahead, there are a number of reforms facing local government, such as the future of local government, three waters and resource management act.

We endeavour to put our best foot forward despite these challenges, and work both internally and externally to improve our delivery of services and deliver on the vision for Waipā.

The results from the Residents Perception Survey help shape our priorities, our risk management practices and Council’s ongoing communication and engagement with the Community. For full results see Council’s website. <https://www.waipadc.govt.nz/our-council/haveyoursay/annualresidentssurvey>

4.6



LEVEL OF SERVICE PERFORMANCE MEASURES

Our level of service performance measures set the service standard for our customers across a range of functions within our groups of activities. This was the first year of measurement against a suite of new measures implemented as part of the development of the 2021-31 Long Term Plan.

Overall 65 measures were achieved out of a total of 107 measures (excluding measures unable to be evaluated) equating to 60.7 percent. A further 12 measures were within 5% of achieving target. Detailed performance results are available under the relevant group of activity in Part 6 of this annual report.

Level of service performance was impacted by a number of elements over the year:

- The disruptive effects of COVID-19 had an ongoing impact on a number of Council’s level of service performance measures. Different alert level restrictions and the introduction of vaccine mandates to Council

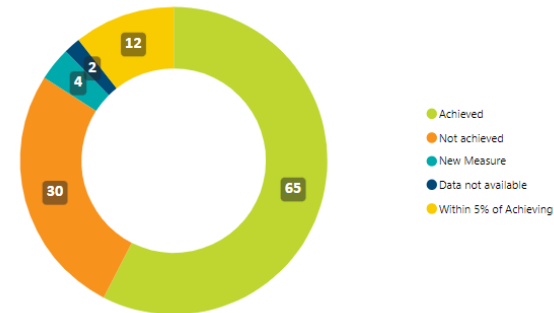
Performance Measure Results

A total of two measures were unable to be reported on due to library door counters not currently operating and therefore no data being available for the two associated measures. The Maungatautari water treatment plant is no longer active and therefore is no longer being reported on.

facilities impacted visitor numbers, satisfaction and in some cases the ability to respond in a timely manner.

- Visitor numbers, particularly in areas such as Heritage, were hindered by the drop in international travellers throughout the year.
 - Vaccine mandates and entry number restrictions also resulted in a reduction in utilisation of some facilities.
 - Satisfaction with Council facilities dropped for example across Council libraries, parks and swimming pools as a consequence of the above.
- The volume of work in some groups of activities in conjunction with a tight labour market also impacted levels of service. For example building control saw a 9.9 percent increase in building consent numbers in comparison to the year prior, in addition to the 20 percent rise throughout the 2020/21 year.

Overall Results



A total of four measures were new therefore targets have not been set until a baseline has been established.

PART 5 - WHAKARĀPOPOTOTANGA PŪTEA / OVERVIEW OF OUR FINANCES

This section covers the financial outcomes against the 2021/22 year of the Long Term Plan and budget, which sets the direction for the year. It includes our disclosure statement, financial statements relating to revenue and expenses, changes in equity, financial position, cash flows, funding impacts and the notes accompanying these financial statements. It also includes a reconciliation, capital programme variances and details on council-controlled organisations.

5.1 FINANCIAL OVERVIEW

Despite the pandemic-affected disruption of the past two years, Council continues to perform well financially and has maintained its strong financial position.

The first half of the 2021/22 year saw Waipā back into lockdown to varying degrees between August and December 2021, with further disruption under the COVID-19 Protection Framework (Traffic Light System) through to April 2022. This had impact on the services we provide to our community and it certainly made our capital works delivery challenging, particularly with the supply chain and labour impact issues that developed.

Our balance sheet (Statement of Financial Position) now reflects a total equity figure in excess of \$2 billion, with a land and buildings revaluation of around \$120 million taking us across that threshold. Our Group borrowings now stand at \$149.5 million, which remains relatively low in comparison to the wider sector, and provides considerable headroom for the further borrowing required to fund our capital programme.

The operating surplus shown in the Statement of Comprehensive Revenue & Expense is \$28.9 million against a budget of \$39.8 million and the \$40.5 million of the prior year. A big factor in those variances is the timing of development contributions, with significant dollars assessed in development contribution notices but not yet captured as the developments are not at compliance certificate stage.

Council achieved a 'general funds cash surplus' of approximately \$175,000 for this year after making provision for a number of carry forward items. This cash surplus figure remains an important internal reference point with its inherent focus on the cash income and expenditure related to our general rates, targeted ward rates and uniform annual general charge. It excludes the non-cash items which can impact the operating surplus shown in the Statement of Comprehensive Revenue and Expense. It also excludes any income and expenditure associated with activities such as roading, water, wastewater, stormwater, housing for the elderly and forestry. These are activities that, due to the nature of their funding sources, are ring-fenced from what are referred to as 'general funds'. In addition to the general funds cash surplus, there was a 'resource funding surplus' of around \$611,500, this represents savings in remuneration budgets. Council looks to return the benefit of these surpluses to ratepayers at earliest opportunity through reduced rating requirement in a future year.

Our annual credit rating review by international credit rating agency Fitch confirmed a continued long-term local currency Issuer Default Rating (IDR) of 'AA-', 'Stable Outlook', and short-term local currency IDR of 'F1+'. This is a significant endorsement of the financial strength and stability of the organisation, and the soundness of our financial management.

The disclosure statement presented over the next few pages of this Annual Report shows a Council that is continuing to comfortably and consistently meet the majority of the various

benchmark targets and limits required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

In regard to rates affordability our income from rates is just over 50 percent of our total revenue (considerably within our upper limit of 65 percent), and reflecting the diversity of our income sources and our determination to keep rates as low as possible. Our actual average rate increase (after growth) for the year was around a percent lower than provided for in the 2018-28 long-term plan.

As indicated above, although there was a substantial increase in debt over the year, we remain well below the limits related to debt affordability, debt servicing and the debt control benchmark. The graphs associated with these three measures provide a perfect pictorial indication of our capacity to take on new debt in a prudent and affordable manner – a crucially important consideration given the size of the capital spend ahead of us over the next few years.

The essential services benchmark graph confirms our continued commitment to investing in core infrastructure, with network services capital spend at a massive 280 percent of the depreciation expense on those assets. This district does not shy away from ensuring that our core infrastructure is in good shape.

The only benchmark measure not achieved was the operations control benchmark which has proved to be a difficult measure to comply with given the difficulty of budgeting cash flow timing and quantum. Council did achieve net cashflows from operating activities of \$47.3 million

Council has considerable challenges ahead in the current inflationary and interest rate environment. These have been significantly influenced by monetary policy over the past couple of years and are now at levels that we haven't seen for over 30 years in the case of the inflation numbers, and for more than ten years in respect of the interest rates. This will make the 2023/24 Annual Plan and potentially the early years of the next long term plan difficult. The Reserve Bank of New Zealand has recently acknowledged the need to drive inflation back down and the likelihood that to achieve this it will create significant unemployment and potentially drive the economy into recession. Again, a challenging environment for Council to be operating in and we will have to be monitoring key economic indicators closely.

It is here however, that the strength of the well diversified Waipā economy and Council's sound financial position will assist us as we navigate through these difficult times.

A handwritten signature in blue ink, appearing to be 'Ken Morris', enclosed in a light blue oval.

Ken Morris
DEPUTY CHIEF EXECUTIVE AND GROUP MANAGER BUSINESS SUPPORT / CHIEF FINANCIAL OFFICER

5.2 FINANCIAL PRUDENCE

Disclosure Statement

Annual report disclosure statement for year ending 30 June 2022 - What is the purpose of this statement?

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

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

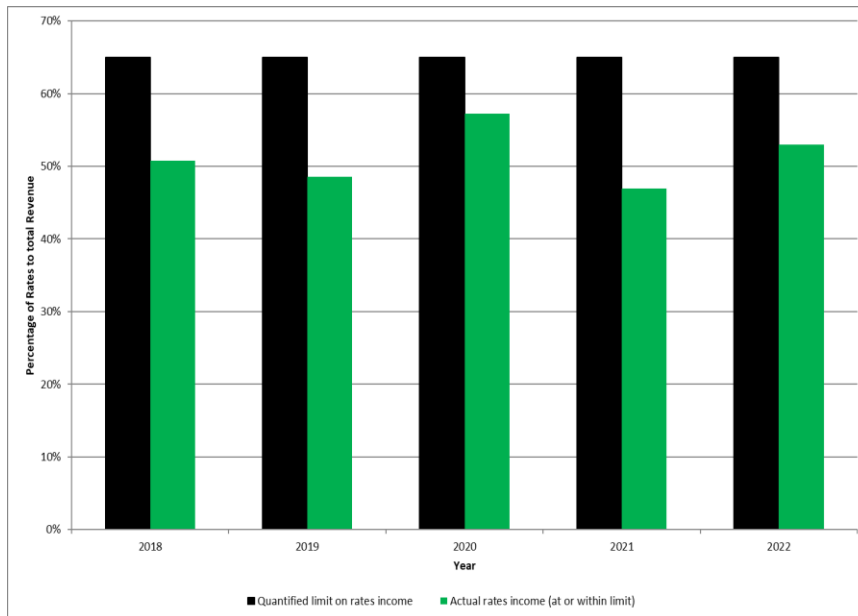
Rates affordability benchmark

The Council meets the rates affordability benchmark if –

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

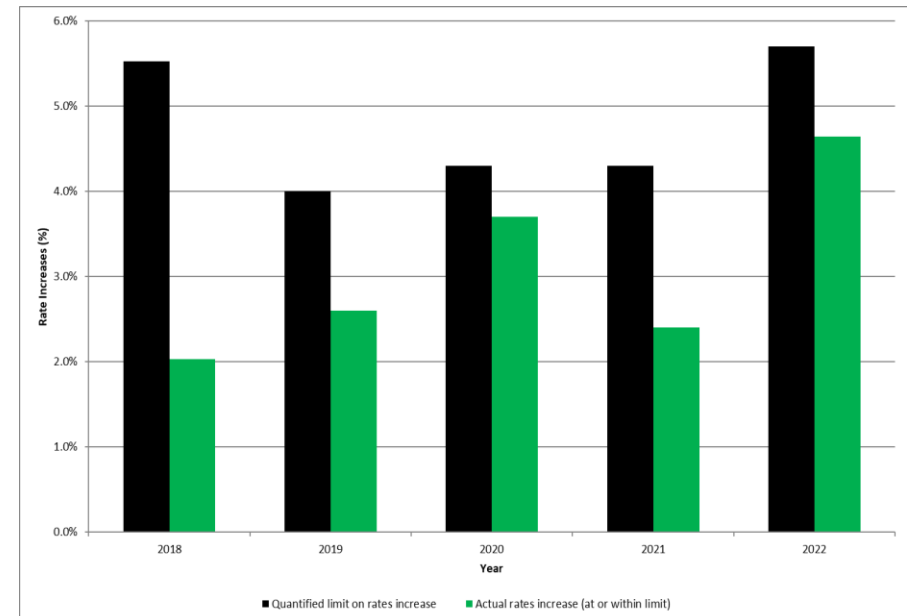
Rates (income) affordability

The following graph compares the Council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the Council’s long term plan. The quantified limit is limiting rates levels to a maximum of 65 percent of our total revenue.



Rates (increases) affordability

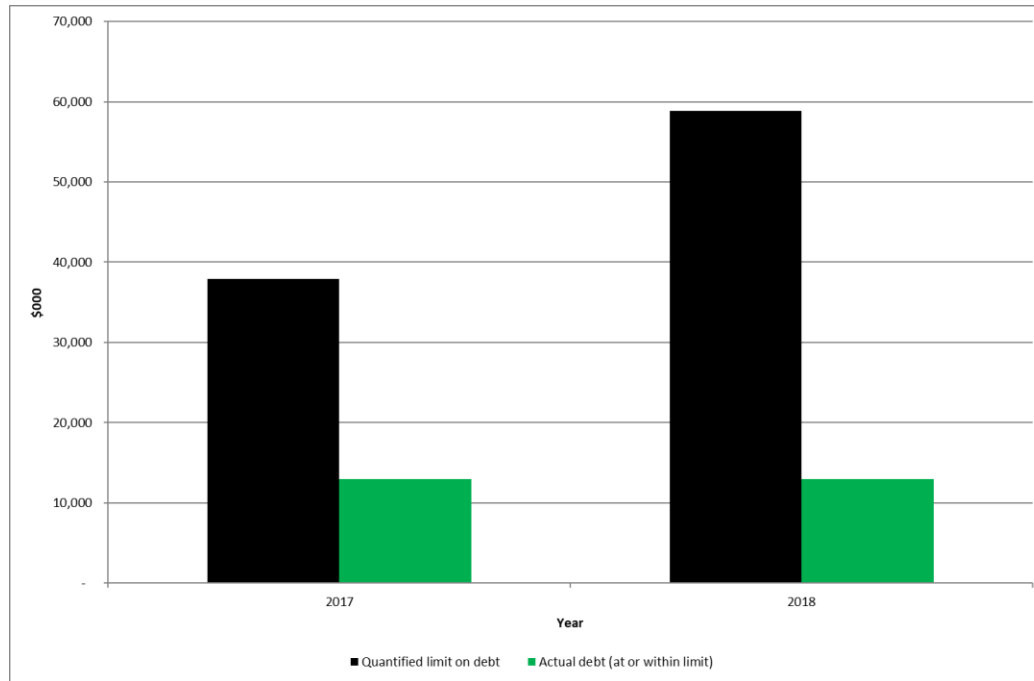
The following graph compares the Council’s actual rates increases with a quantified limit on rates increases included in the financial strategy, which is included in the Council’s long term plan. The quantified limit is Council will limit annual increases in the average rate requirement (after growth) to no more than the forecast Local Government Cost Index for that year plus 2 percent.

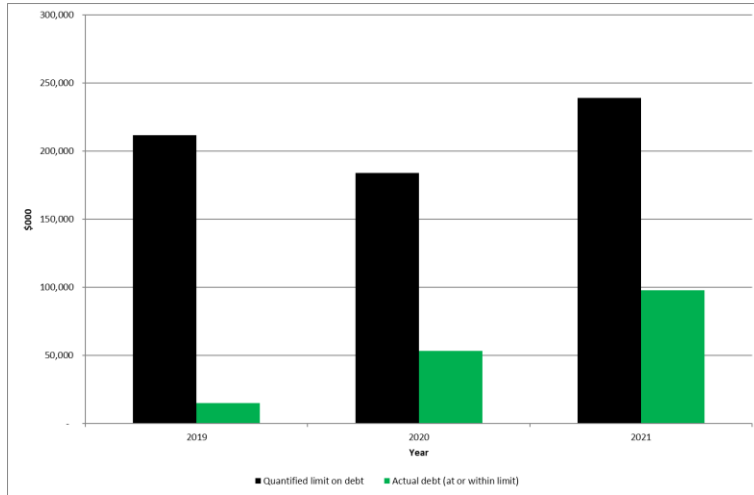


Debt affordability benchmark

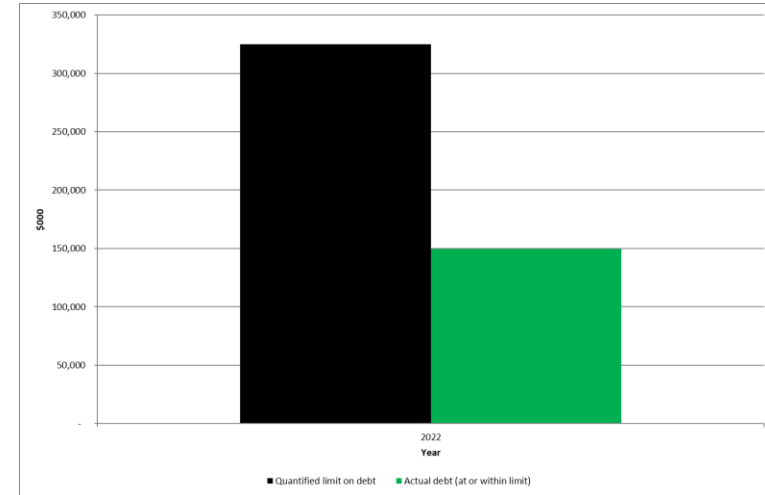
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

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 was the debt profile in Council’s Long Year Plan.





As part of the 2018/28 LTP, the basis for the external debt limit changed from 110% of budgeted debt (as portrayed in the above graph) to a more relevant limit of 175% of total revenue. This change in prudential limits was more in line with what other Councils use, and is portrayed in the graph above.

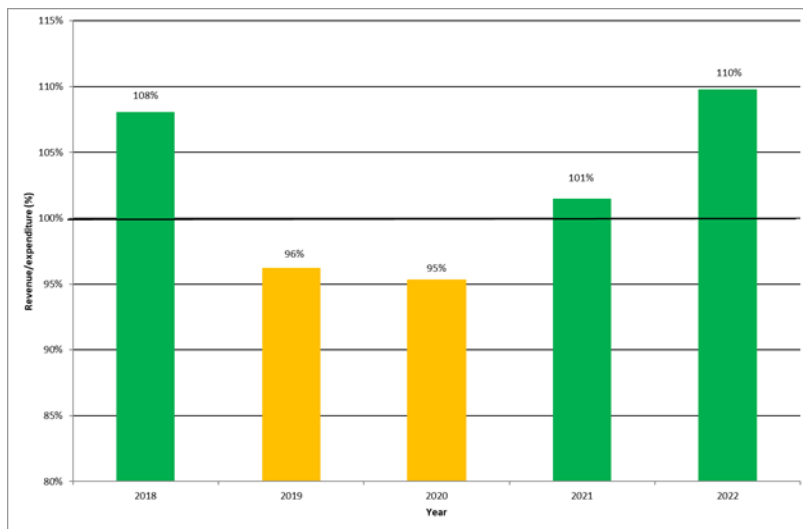


As part of the 2021/31 LTP, the basis for the external debt limit changed from 175% of budgeted debt (as portrayed in the above graph) to a more relevant limit of 250% of total revenue. This change in methodology is more in line with what other Councils use, and is portrayed in the graph above.

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, and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, and equipment).

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



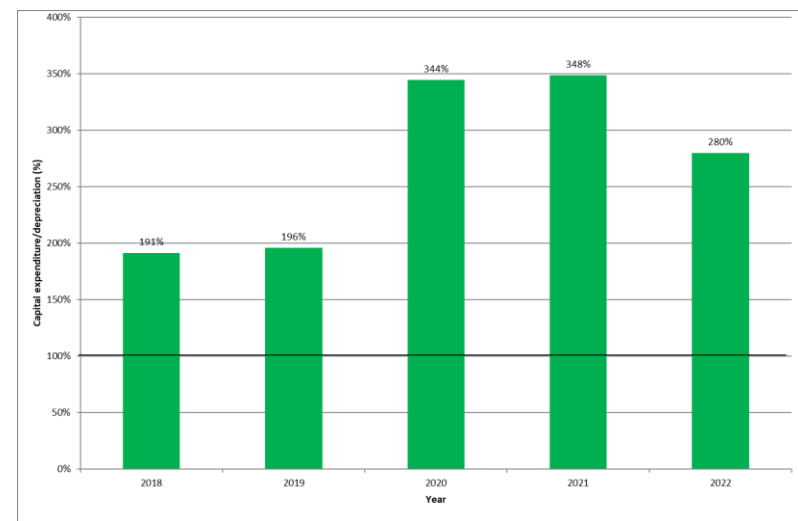
■ Benchmark met ■ Benchmark not met

Discovered assets have been excluded from 2019 onwards, due to legislative requirements.

Essential services benchmark

The following graph displays the Council’s capital expenditure on network services as a proportion of depreciation on network services.

The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

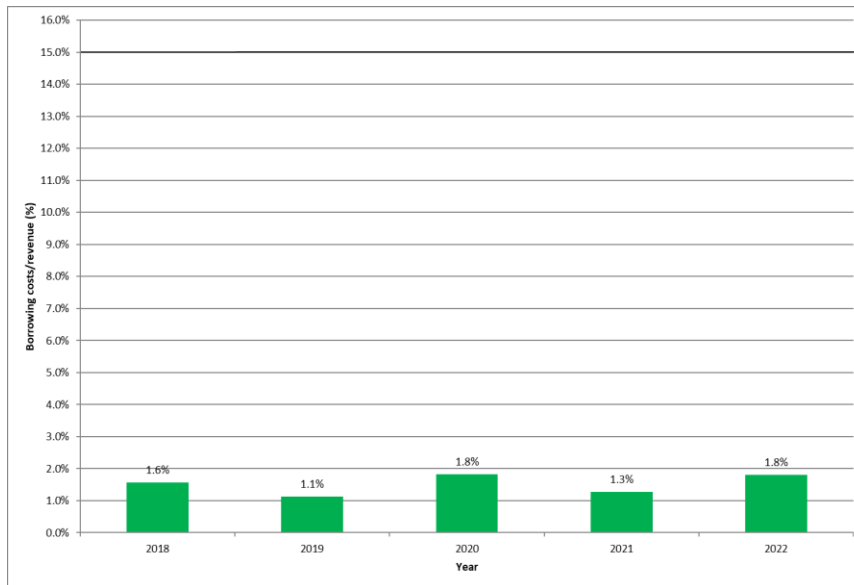


■ Benchmark met

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, and equipment).

Because Statistics New Zealand projects the Council’s population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.

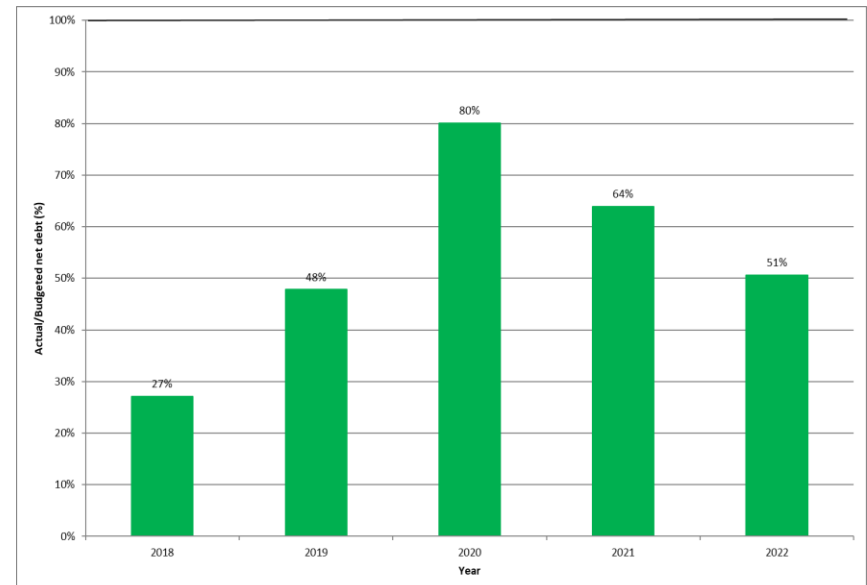


■ Benchmark met

Debt control benchmark

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

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

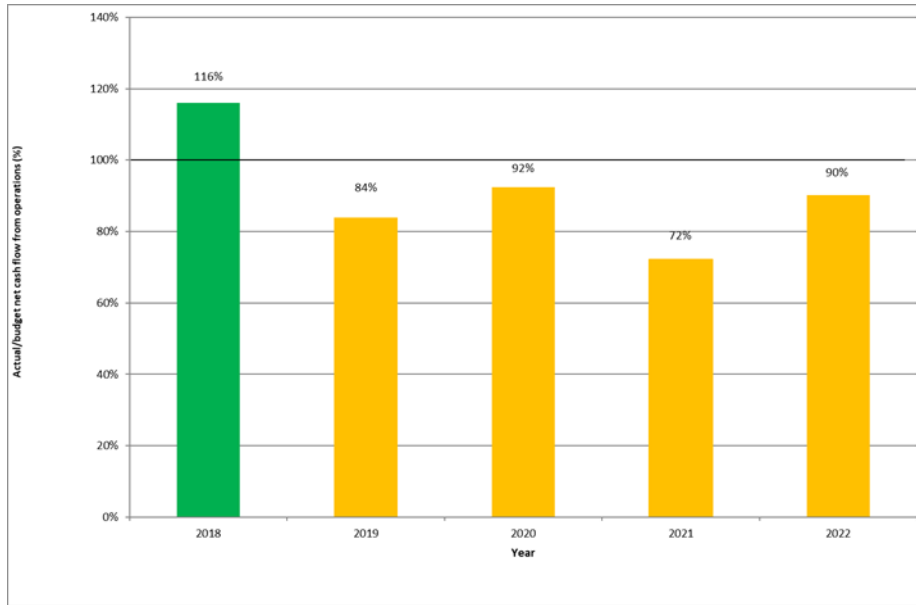


■ Benchmark met

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.

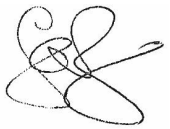


■ Benchmark met ■ Benchmark not met

It is difficult to budget cash flows as various operational factors influence the timing and quantum. Although the operations control benchmark was not met, Council generated cash from operating activities amounting to \$47.3 million for the year compared to the budget of \$52.4 million.

5.3 STATEMENT OF COMPLIANCE

The financial statements of the Council and group have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

A handwritten signature in black ink, appearing to be "Susan O'Regan".

Susan O'Regan
MAYOR

A handwritten signature in black ink, appearing to be "Garry Dyet".

Garry Dyet JP
CHIEF EXECUTIVE

5.4 STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE FOR THE YEAR ENDED 30 JUNE 2022

	Note	Council		Group		
		Actual	Budget	Actual	Actual	Actual
		2022	2022	2021	2022	2021
		\$000	\$000	\$000	\$000	\$000
REVENUE						
Rates	3	68,925	73,176	64,105	68,925	64,105
Fees and charges	3	17,896	15,187	17,125	19,625	18,890
Reserve contributions	3	308	1,375	450	308	450
Development contributions	3	4,261	19,620	9,687	4,261	9,687
Gain on revaluation	4	8,259	447	3,595	8,259	3,595
Vested assets	3	14,853	11,717	21,826	14,853	21,826
Discovered assets	3	78	-	-	78	-
Dividends	3	3	20	4	3	4
Finance revenue	3	88	15	8	91	10
Subsidies and grants	3	14,904	9,858	18,015	15,068	18,105
Other revenue	3	427	10,749	816	1,025	1,022
Total Revenue		130,002	142,164	135,631	132,496	137,694
OPERATING EXPENDITURE						
Employee benefit expenses	5	27,763	28,840	25,029	30,900	27,115
Depreciation & amortisation	13-15	30,733	30,317	26,697	30,861	26,800
Other expenses	6	40,797	41,203	42,977	39,793	41,972
Finance costs	7	2,005	1,976	1,328	2,005	1,332
Loss on revaluation	4	-	-	-	-	-
Total Operating Expenditure	2	101,298	102,336	96,031	103,559	97,219
OPERATING SURPLUS		28,704	39,828	39,600	28,937	40,475
Other Comprehensive Revenue and Expense recognised directly in Equity						
Property Plant and Equipment Revaluation gains / (losses) taken to equity		127,809	9,053	53,690	127,809	53,690
Intangible gains / (losses) taken to equity		531	-	186	531	186
Investment gains / (losses) taken to equity		10,135	-	6,325	10,135	6,325
Cash flow hedges gains / (losses) taken to equity		624	-	494	624	494
Total Other Comprehensive Revenue and Expense for the Year		139,099	9,053	60,695	139,099	60,695
Total Comprehensive Revenue for the Year		167,803	48,881	100,295	168,036	101,170

Explanation of operating surplus and total comprehensive revenue:

Council achieved an operating surplus of \$28.7m this year against a budget of \$39.8m. Explanations of the major variations from budget are provided in note 31, pages 95 and 96. The operating surplus includes a number of items of income that are non-cash in nature including infrastructure vested by developers (\$14.9m). Council's total comprehensive income includes \$130.2m of property plant & equipment revaluation gains.

The accompanying notes form part of these financial statements, pages 38-96.

5.5 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Note	Council		Group		
		2022 Actual \$000	2022 Budget \$000	2021 Actual \$000	2022 Actual \$000	2021 Actual \$000
Balance at 1 July		1,849,590	1,826,336	1,749,295	1,851,443	1,750,273
Total Comprehensive Revenue		167,803	48,881	100,295	168,036	101,170
Balance at 30 June		2,017,393	1,875,217	1,849,590	2,019,479	1,851,443
Equity represented by:						
Retained earnings	24	603,220	613,453	573,802	605,306	575,655
Other reserves	24	1,414,173	1,261,764	1,275,788	1,414,173	1,275,788
Total Equity		2,017,393	1,875,217	1,849,590	2,019,479	1,851,443

The accompanying notes form part of these financial statements, pages 38-96.

5.6 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	Council			Group	
		Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
ASSETS						
Current Assets						
Cash and cash equivalents	8	17,678	5,383	12,094	19,903	14,060
Investments in CCO's	10	-	-	-	-	-
Assets held for sale	12	85	-	85	85	85
Trade and other receivables	9	6,464	2,167	8,945	6,400	8,969
Total Current Assets		24,227	7,550	21,124	26,388	23,114
Non Current Assets						
Property plant and equipment	13	2,081,565	2,089,619	1,896,112	2,081,941	1,896,484
Intangible assets	14	4,588	4,173	3,454	4,588	3,454
Forestry assets	17	3,388	2,597	2,997	3,388	2,997
Investments in CCO's	10	36,308	18,786	25,323	36,308	25,323
Investment property	18	35,436	16,436	19,025	35,436	19,025
Trade and other receivables	9	11	14	12	11	12
Total Non Current Assets		2,161,296	2,131,625	1,946,923	2,161,672	1,947,295
Total Assets		2,185,523	2,139,175	1,968,047	2,188,060	1,970,409
LIABILITIES						
Current Liabilities						
Trade and other payables	19	15,054	16,621	16,255	15,301	16,620
Provisions	20	128	1,744	163	128	163
Employee benefit liabilities	21	2,721	1,744	1,983	2,920	2,127
Borrowings	22	45,500	9,000	8,000	45,500	8,000
Total Current Liabilities		63,403	29,109	26,401	63,849	26,910
Non Current Liabilities						
Trade and other payables	19	-	250	500	-	500
Derivative financial instruments	23	174	-	797	174	797
Provisions	20	553	699	759	553	759
Borrowings	22	104,000	233,900	90,000	104,005	90,000
Total Non Current Liabilities		104,727	234,849	92,056	104,732	92,056
Total Liabilities		168,130	263,958	118,457	168,581	118,966
EQUITY						
Retained earnings	24	603,220	613,453	573,802	605,306	575,655
Other reserves	24	1,414,173	1,261,764	1,275,788	1,414,173	1,275,788
Total Equity		2,017,393	1,875,217	1,849,590	2,019,479	1,851,443

Explanations of the major variations from budget are provided in note 31, pages 95-96.

The accompanying notes form part of these financial statements, pages 38-96.

5.7 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Council			Group	
	Actual 2022 Note	Budget 2022	Actual 2021	Actual 2022 \$000	Actual 2021 \$000
Cash Flows from Operating Activities					
Receipts from rates revenue	69,135	73,176	64,307	69,135	64,307
Interest received	88	15	8	91	10
Dividends	3	20	4	3	4
Receipts from other revenue	39,888	53,380	33,220	42,563	35,572
Payments to suppliers and employees	(58,864)	(72,160)	(61,122)	(61,036)	(62,341)
Interest paid	(2,005)	(1,976)	(1,328)	(2,005)	(1,332)
Goods and service tax (net)	(986)	(42)	1,215	(1,093)	1,349
Net Cash Flow from Operating Activities	47,259	52,413	36,304	47,658	37,569
Cash Flows from Investing Activities					
Proceeds from sale of property, plant and equipment	13,498	8,798	5,654	13,518	5,654
Proceeds from sale of investments	-	85	(50)	-	(50)
Purchase of intangible assets	(1,063)	(1,462)	(732)	(1,063)	(732)
Purchase of property, plant and equipment	(96,058)	(168,049)	(74,474)	(96,223)	(74,474)
Purchase & development of investment property	(8,702)	-	-	(8,702)	-
Acquisition of investments	(850)	-	(1,250)	(850)	(1,250)
Net Cash Flow from Investing Activities	(93,175)	(160,628)	(70,852)	(93,320)	(70,852)
Cash Flows from Financing Activities					
Proceeds from borrowings	59,500	111,000	144,200	59,505	144,200
Repayment of borrowings	(8,000)	-	(99,819)	(8,000)	(99,819)
Net Cash Flow from Financing Activities	51,500	111,000	44,381	51,505	44,381
Net (decrease) / increase in cash, cash equivalents and bank overdrafts	5,584	2,785	9,833	5,843	11,098
Cash, cash equivalents and bank overdrafts at the beginning of the year	12,094	2,598	2,261	14,060	2,962
Cash, cash equivalents at the end of the year	8	17,678	5,383	19,903	14,060

Explanations of the major variations from budget are provided in note 31, pages 95-96.

The accompanying notes form part of these financial statements, pages 38-96.

STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Surplus / (deficit) after tax	28,704	39,600	28,937	40,475
<i>Add (less) non cash items</i>				
Depreciation and amortisation	30,733	26,697	30,861	26,800
Asset write-downs	-	74	-	74
Vested / discovered assets	(14,931)	(21,826)	(14,931)	(21,826)
(Gains) / losses in fair value of investment properties, forestry and intangible assets	(8,321)	(3,521)	(8,321)	(3,521)
Add / (less) items classified as investing or financing activities	5,197	4,817	5,197	4,817
(Gains) / losses on disposal of assets	2,891	7,280	2,891	7,280
Impairment (Gain) / Loss	818	50	818	50
<i>Add / (less) movements in working capital items</i>				
Trade and other receivables	2,952	902	3,040	878
Trade and other payables	(1,281)	(17,916)	(1,386)	(17,450)
Provisions	(241)	(29)	(241)	(29)
Employee Benefits	738	176	793	21
Net Cash Inflow / (Outflow) from Operating Activities	47,259	36,304	47,658	37,569

The accompanying notes form part of these financial statements, pages 38-96.

5.8 FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2022 (WHOLE OF COUNCIL)

	2020/21 Annual Plan \$000	2020/21 Annual Report \$000	2021/22 Long Term Plan \$000	2021/22 Actual \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	38,592	37,474	40,335	39,004
Targeted rates	29,671	26,631	32,840	29,921
Subsidies and grants for operating purposes	3,524	6,879	3,244	9,877
Fees and charges	15,925	18,890	15,184	19,625
Interest and dividends from investments	291	14	35	94
Local authorities fuel tax, fines, infringement fees, and other receipts	412	1,022	412	1,025
Total sources of operating funding (A)	88,415	90,910	92,050	99,546
Applications of operating funding				
Payments to staff and suppliers	66,221	59,975	66,120	65,436
Finance costs	1,870	1,332	1,976	2,005
Other operating funding applications	1,930	1,782	1,641	1,645
Total applications of operating funding (B)	70,021	63,089	69,737	69,086
Surplus (deficit) of operating funding (A - B)	18,394	27,821	22,313	30,460
Sources of capital funding				
Subsidies and grants for capital expenditure	7,803	11,226	6,618	5,191
Development and financial contributions	12,594	10,137	20,995	4,569
Increase (decrease) in debt	120,000	44,381	65,500	51,500
Gross proceeds from sale of assets	1,275	28,880	8,796	17,220
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	141,672	94,624	101,909	78,480
Applications of capital funding				
Capital expenditure				
- to meet additional demand	80,521	16,538	127,771	54,019
- to improve the level of service	70,853	58,653	25,157	15,726
- to replace existing assets	20,058	15,550	19,050	16,494
Increase (decrease) in reserves	(11,366)	31,704	(47,756)	22,701
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	160,066	122,445	124,222	108,940
Surplus (deficit) of capital funding (C - D)	(18,394)	(27,821)	(22,313)	(30,460)
Funding balance ((A - B) + (C - D))	-	-	-	-

5.9 RECONCILIATION BETWEEN THE FUNDING IMPACT STATEMENT AND STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The funding impact statement is prepared in compliance with the requirements of clause 15, part 1, schedule 10 of the Local Government Act 2002. Unlike the statement of comprehensive revenue and expense, the funding impact statement is not compliant with generally accepted accounting standards (GAAP).

The funding impact statement is intended to show in a transparent manner how all sources of funding received by Council are applied. It does not include “non-cash” that is classified as income on the statement of revenue and expense (as required by GAAP) such as assets that are vested to Council through the subdivision process, or unrealised gains on assets. The statement of comprehensive revenue and expense also requires “non-cash” expenses such as depreciation, amortisation, and unrealised losses of assets to be reflected, whereas these are excluded from the funding impact statement. The reconciliation below identifies the differences between the two statements.

	2020/21 Annual Plan \$000	2020/21 Annual Report \$000	2021/22 Long Term Plan \$000	2021/22 Actual \$000
Total revenue and expense wholly attributable to District Council	47,587	101,170	48,881	168,036
Surplus (deficit) of operating funding per prospective whole of council funding impact statements	18,394	27,821	22,313	30,460
Difference	29,193	73,349	26,568	137,576
The difference is due to:				
Capital income	20,397	21,363	36,415	9,760
Vested assets	15,176	21,826	11,717	14,853
Discovered assets	-	-	-	78
Revaluation of assets	21,472	64,290	9,500	147,358
Gain (loss) on sale/disposal of assets & Discounting Charges & Debt Write-offs	(2,391)	(7,330)	(747)	(3,612)
Operating income received in advance	-	-	-	-
Depreciation and amortisation	(25,461)	(26,800)	(30,317)	(30,861)
Total explained difference	29,193	73,349	26,568	137,576

5.10 NOTES TO THE FINANCIAL STATEMENTS

1. Statement of accounting policies for the year ended June 2022

Reporting entity

Waipā District Council is a territorial local authority established under 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 group consists of the ultimate parent, Waipā District Council, the Waipā Community Facilities Trust and the Cambridge Town Hall Community Trust.

The primary objective of Council and group is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

These financial statements of the Council and group are for the year ended 30 June 2022, and were authorised for issue by Council on 13 December 2022.

Basis of preparation

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

The financial statements of the Council and group have been prepared in accordance with the requirements of the LGA and the local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R,) 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 Tier 1 PBE accounting standards.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000), other than part of the remuneration and the severance payment disclosures in Note 5. The remuneration and severance payment disclosures are rounded to the nearest dollar. The functional currency of Council is New Zealand dollars.

Changes in accounting policies

2018 Omnibus Amendments to PBE Standards

Applies for annual periods beginning on or after 1 January 2021.

The following standards are amended by this document:

- PBE IPSAS 2 Cash Flow Statements. Disclosure Initiative (Amendments to IAS 7), issued by the IASB in January 2016, amended IAS 7 Statement of Cash Flows to require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes .
- PBE IPSAS 40 Combinations. This new PBE Standard will replace 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. The new standard is effective for the year ending 30 June 2022 and is applied prospectively. Council has applied this standard in preparing its 30 June 2022 financial statements.

Standards issued and not yet effective, and not early adopted

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

- PBE FRS 48 Service Performance Report. 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.

Financial instruments

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

- New classification and measurement requirements for how the amount of change in fair value of financial liabilities is accounted for.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management risks.

Council plans to apply this standard in preparing its 30 June 2023 financial statements. Council and the group has not yet assessed the effects of the new standard.

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.

Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flow of entities in the Group on a line-by-line basis. All intragroup balances, transactions, revenue, and expenses are eliminated on consolidation.

Waipā District Council has retained ownership of the majority of the assets that both WCFT and CTHT uses for their operations and provide a major source of funding for the trusts. The assets that are held within WCFT and CTHT are not available for access or use by Council and Council is unable to settle liabilities of WCFT and CTHT.

There is minimal risk for Council with its interest in WCFT due to Council retaining ownership of the majority of the assets that WDC use for their operations and as a source of funding for the trust. This risk remains unchanged.

Council is unlikely to lose control of WCFT and CTHT due to Council being a settlor of the Trusts and irreversibly pre-determining the material operating and financing policies of the Trusts.

Council also owns most of the assets that WCFT use for their operations and provide a major source of funding for the trust. If Council were to lose control during the reporting period, this would not have a material impact on the Councils performance.

Goods and services taxation (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD 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 Council at the beginning of the year in the 2021-31 Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of these financial statements.

Three waters reform

In October 2021, the Government confirmed that it will introduce legislation to create four publicly owned water entities, and that the group's participation in the proposed reform will be mandatory. These entities will own and operate drinking water, wastewater and stormwater (three waters) services across New Zealand. The Department of Internal Affairs is tasked with the successful implementation of these reforms, and will work with the local government sector, iwi, water industry and other stakeholders to ensure a smooth transition to the new arrangements. Subsequently, on 2 June 2022, the government introduced the Water Services Entities Bill in the House of Representatives. After the first reading on 9 June 2022 the Bill was referred to the Finance and Expenditure Committee which was to report back to the House of Representatives by 11 November 2022. The Water Services Entities Bill proposes to create four publicly owned water services entities that would take on responsibility for delivering water services to a specific geographical area, from 1 July 2024. Further clarification of the transition to the new water services entities is expected to be released in legislation later in 2022 and 2023.

Waipā's Three Waters network is currently owned and operated by Waipā District Council.

Critical accounting estimates and assumptions

In preparing these financial statements the Council has made estimates and assumptions 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 or future events that are believed to be reasonable under the circumstances.

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

- Estimating the fair value of land, buildings, and infrastructural assets – see Note 13.
- Estimating the landfill aftercare provision – see Note 20.
- Estimating the carrying value of certain capital work in progress projects – see Note 13.

Income tax

The Council is tax exempt for income tax purposes.

2. Summary cost of service

Accounting policy

Cost allocation

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

Direct costs are those costs directly attributable and charged to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity. Indirect costs are charged to significant activities using appropriate cost drivers such as computer equipment used, 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

	2022 Actual \$000	2022 Budget \$000	2021 Actual \$000
INCOME			
Governance	81	54	67
Planning and Regulatory	7,060	5,473	7,030
Community Services and Facilities	7,249	18,032	7,625
Roads and Footpaths	11,212	9,551	15,480
Stormwater	784	4	150
Wastewater Treatment and Disposal	2,274	1,300	1,863
Water Treatment and Supply	15,153	12,186	13,246
Support Services	15,443	15,242	14,769
GROSS REVENUE	59,256	61,842	60,230
Less Internal Charges	(15,510)	(15,139)	(14,421)
Total Income	43,746	46,703	45,809
EXPENDITURE			
Governance	7,967	8,644	8,290
Planning and Regulatory	10,427	9,516	9,441
Community Services and Facilities	28,669	29,506	26,697
Roads and Footpaths	24,960	23,193	22,450
Stormwater	5,048	4,473	4,921
Wastewater Treatment and Disposal	11,766	13,643	12,006
Water Treatment and Supply	14,128	13,466	14,885
Support Services	15,968	15,841	14,393
GROSS EXPENDITURE	118,933	118,282	113,083
Less Internal Charges	(15,510)	(15,139)	(14,421)
Less rates charged to Council properties	(1,401)	(1,126)	(1,296)
NET EXPENDITURE	102,022	102,017	97,366
NET COST OF SERVICE - OPERATING	(58,276)	(55,314)	(51,557)

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities (refer Note 3). In order to fairly reflect the total external operations for the Council in the statement of comprehensive revenue and expense, these transactions are eliminated as shown above.

3. Revenue

Accounting policy

Revenue is measured at the fair value of consideration received.

Revenue may be derived from either exchange or non-exchange transactions.

Exchange transactions

Exchange transactions are transactions where Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange.

Specific accounting policies for major categories of exchange revenue transactions are listed below:

Interest and dividends

Interest income is recognised using the effective interest method.

Dividends are recognised when Council's right to receive the payment is established.

Housing for the Elderly revenue

Rental revenue arising from tenancy agreements is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of revenue and expenditure due to its operating nature.

Other gains and losses

Other gains and losses include fair value gains and losses on financial instruments at fair value through surplus or deficit, unrealised fair value gains and losses on the revaluation of investment properties and realised gains and losses on the sale of Property, Plant and Equipment (PPE) held at cost.

Sales of goods

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

Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange, or where the value given or received is not able to be accurately measured.

An inflow of resources from a non-exchange transaction, whether this be an asset or revenue, is only recognised if a liability is not also recognised for that particular asset or revenue.

A liability is only recognised to the extent that the present obligations have not been satisfied. A liability in respect of a transferred asset is recognised only when the transferred asset is subject to a condition, such as a condition for the asset to be consumed as specified and/or that future economic benefits or service potential must be returned to the owner.

Specific accounting policies for major categories of non-exchange revenue transactions are listed 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 actual basis. 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 in rates revenue when the Council has received an application that satisfies its rates remission policy.

Development contributions

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

Waka Kotahi (New Zealand Transport Agency) transportation subsidies

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.

Direct charges

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council or Group is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as resource consents, building consents, water connections, dog licencing, etc.), and where the shortfall is subsidised by income from other activities, such as rates. Generally there are no conditions attached to such revenue.

Revenue from such services is recognised when the Council or Group issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council or Group has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council or Group for the service) if the service is not completed.

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 facilities, such as the pools. Revenue from entrance fees are recognised upon entry to such facilities.

Infringement fees and fines

Infringement fees and fines mostly relate to animal infringements and parking infringements and are recognised when the revenue is received. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

Vested or donated physical assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Assets vested in Council are recognised as revenue when control over the asset is obtained.

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

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

i) Breakdown of rates and further information

Council is required by the New Zealand Local Government Funding Agency Limited (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 Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates income of Council for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below.

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Rates consist of:				
General rates	24,898	23,952	24,898	23,952
Uniform annual general charge	15,783	14,898	15,783	14,898
Targeted ward rates	4,792	4,472	4,792	4,472
Other targeted rates:				
Metered Water Supply	8,382	8,057	8,382	8,057
Other Water Rates	20	19	20	19
Sewerage	10,142	8,004	10,142	8,004
Stormwater	3,955	3,701	3,955	3,701
Recycling	2,065	1,938	2,065	1,938
Other	399	471	399	471
Add Penalties	88	82	88	82
Less Remissions	(198)	(192)	(198)	(192)
	70,326	65,402	70,326	65,402
Less rates charged to Council properties	(1,401)	(1,297)	(1,401)	(1,297)
Total Rates	68,925	64,105	68,925	64,105

ii) Rate remissions

The Council's rate remission policy allows the remission of rates under certain conditions and criteria. The following is a breakdown:

	Council	
	2022 \$000	2021 \$000
Sport / community organisations	113	118
Maori land	-	13
Open space covenanted land	6	6
School waste water	58	42
Other	21	13
Uniform annual general charge	-	-
	198	192

	Council	
	2022	2021
Number of rating units at start of year	24,018	23,091

	Council	
	2022 \$000	2021 \$000
Total capital value of rating units at start of year	23,726,289	22,544,912
Total land value of rating units at start of year	13,471,609	13,206,833

iii) Breakdown of subsidies and grants

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
New Zealand Transport Agency roading subsidies	9,996	14,460	9,996	14,460
Grants and Donations	297	146	461	236
Three Waters Stimulus Funding	4,546	2,275	4,546	2,275
External funding	65	1,134	65	1,134
Total subsidies and grants	14,904	18,015	15,068	18,105

There are no unfulfilled conditions or other contingencies attached to subsidies and grants recognised (2021 nil).

iv) Breakdown of fees and charges

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Rendering of services	1,504	1,350	1,504	1,350
User Charges	7,132	7,028	8,861	8,793
Regulatory revenue	7,026	6,985	7,026	6,985
Rental income from investment properties	403	365	403	365
Other Significant Activity revenue	1,831	1,397	1,831	1,397
Total fees and charges	17,896	17,125	19,625	18,890

v) Breakdown of other revenue

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Profit on Sale	-	319	-	325
Insurance recoveries	-	51	-	51
Infringements and fines	33	46	33	46
Petrol tax	394	400	394	400
Miscellaneous Revenue	-	-	598	200
Total other revenue	427	816	1,025	1,022

Operating leases as lessor

Investment property is leased under operating leases. The majority of these are short term leases, however Council also has a small number of non-cancellable long term leases. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Not later than one year	100	120	100	120
Later than one year and not later than five years	172	272	172	272
Later than five years	28	28	28	28
Total Non-cancellable Operating Leases	300	420	300	420

No contingent rents have been recognised during the year.

4. Gain / (Loss) on revaluation

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Gain / (Loss) on changes in fair value of investment property	7,868	3,083	7,868	3,083
Gain / (Loss) on changes in fair value of forestry assets	391	512	391	512
	8,259	3,595	8,259	3,595

5. Personnel costs

Accounting policy

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred. Salaries and wages are recognised as an expense as employees provide a service.

Breakdown of personnel costs and further information

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Salaries and wages	26,288	24,212	29,370	26,409
Defined contribution plan employer contributions	737	685	737	685
Increase / (decrease) in employee benefit liabilities	738	132	793	21
Total employee benefit expenses	27,763	25,029	30,900	27,115

Chief Executive remuneration

The Chief Executive is appointed under section 42 of the Local Government Act 2002. He received a salary of \$329,627 (2021 \$297,334) in terms of his contract. The Chief Executive's total remuneration included other benefits as follows:

	Council	
	2022 \$	2021 \$
Salary	329,627	297,334
Defined contribution plan employer contributions (KiwiSaver)	12,353	24,741
Vehicle	16,704	15,032
Total Chief Executive remuneration	358,683	337,107

Elected representatives' remuneration

	Council	
	2022	2021
	\$	\$
<i>Elected representatives received the following remuneration:</i>		
Jim Mylchreest JP, Mayor	135,500	132,149
Liz Stolwyk, Deputy Mayor	43,985	43,335
Elwyn Andree-Wiltens	27,658	33,334
Hazel Barnes JP	33,834	33,334
Andrew Brown	40,601	40,001
Lou Brown	33,834	33,334
Philip Coles	33,834	33,334
Roger Gordon	33,834	33,334
Marcus Gower	40,601	40,001
Susan O'Regan	40,601	40,001
Mike Pettit	33,834	33,334
Clare St Pierre	33,834	33,334
Bruce Thomas JP	33,834	33,334
Grahame Webber	40,601	40,001

Council employees remuneration by band

Total annual remuneration by band for employees as at 30 June:

	2022	2021
	Actual	Actual
Total annual remuneration by band for employees as at 30 June:		
< \$60,000	116	128
\$60,000 - \$79,999	78	96
\$80,000 - \$99,999	71	55
\$100,000 - \$119,999	44	28
\$120,000 - 139,999	8	9
\$140,000 - \$159,999	11	10
\$160,000 -219,999	9	6
\$220,000 - 339,999	1	2
\$340,000 - 363,999	1	-
Total Employees	339	334

Total remuneration includes non-financial benefits provided to employees.

At balance date Council employed 279 (2021 270) full-time employees, with the balance of staff representing 37 (2021 39) full-time equivalent employees. A full-time employee is determined on the basis of a 40 hour week.

Severance payments

For the year ended 30 June 2022 there was \$55,000 of severance payments to employees (2021 \$NIL).

6. Other expenses

Accounting policy

Grant expenditure

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 Council has no obligation to award on receipt of the grant application and grants are recognised as expenditure on payment.

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.

Breakdown of other expenses and further information

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
<i>Fees to the principal auditor:</i>				
Fees to Audit New Zealand for audit of the Parent and Group's financial statements	188	173	188	173
Fees to Audit New Zealand for audit of the 2021-31 Long-term Plan	-	109	-	109
Fees to Audit New Zealand for audit of the 2020-21 Annual Report	53	-	53	-
Fees to Audit New Zealand for audit of the Debenture Trust Deed	8	8	8	8
Total Audit Fees	249	290	249	290
Community grants	1,645	1,782	1,645	1,782
Loss on disposal property, plant and equipment	2,891	7,280	2,891	7,280
Impairment of property, plant and equipment	818	50	818	50
Direct expenses from investment property	271	254	271	254
Direct expenses from investment property not primarily generating income	436	491	436	491
Lease payments under operating leases	113	104	113	104
Other operating expenditure	34,374	32,726	33,370	31,721
Total Other Expenses	40,797	42,977	39,793	41,972

Operating lease as lessee

The Council leases property in the normal course of its business. The majority of these leases have a non-cancellable term. The properties that Council leases are 77 Daphne Street, Te Awamutu and 33 Wilson Street, Cambridge (depots and carpark); units 64 and 65 at 230 Berquist Drive, Te Awamutu; and 244 Arawata Street, Te Awamutu. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Not later than one year	44	93	-	93
Later than one year and not later than five years	8	52	-	52
Later than five years	-	-	-	-
Total Non-cancellable Operating Leases	52	145	-	145

7. Finance costs

Accounting policy

In accordance with PBE IPSAS 5 Borrowing Costs, all borrowing costs are recognised as an expense in the period in which they are incurred.

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Interest on borrowings	1,996	1,078	1,996	1,082
Discount unwind on provisions (note 20)	9	250	9	250
Total	2,005	1,328	2,005	1,332

8. Cash and cash equivalents

Accounting policy

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Breakdown of cash and cash equivalents and further information

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Cash at bank and in hand	3	5	2,228	1,971
Term deposits with maturities less than 3 months	17,675	12,089	17,675	12,089
Total	17,678	12,094	19,903	14,060

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

9. Trade and other receivables

Accounting policy

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

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.

Fair Value

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

Assessment for collectability

The Council does not provide for any un-collectability on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

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

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

Breakdown of receivables and further information

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Rates receivables	535	408	535	408
Community loans	11	13	11	13
Sundry debtors	5,929	8,536	5,865	8,560
Loans to Other Entities	-	-	-	-
	6,475	8,957	6,411	8,981
<i>Less non current portion</i>				
Community loans	11	12	11	12
Loans to Other Entities	-	-	-	-
Total Non-current Portion	11	12	11	12
Current Portion	6,464	8,945	6,400	8,969
Total receivables comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	2,442	3,216	2,442	3,216
Receivables from exchange transactions - this includes outstanding amounts for fees and charges that have not been subsidised by rates	4,022	5,729	3,958	5753

As of 30 June, all overdue receivables, except for rates receivable, have been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

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

- Section 90A: \$22,986.70 (2021: NIL)
- Section 90B: \$NIL (2021: NIL)

The impairment provision has been calculated based on expected losses for Council's pool of debtors. There are no anticipated losses. All receivables more than 30 days in age are considered to be past due.

The status of the current portion of receivables as at 30 June is detailed below:

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Not past due	5,668	7,987	5,603	8,011
Past due 1 - 60 days	570	434	571	434
Past due 61 - 120 days	109	292	109	292
Past due > 120 days	117	232	117	232
Total	6,464	8,945	6,400	8,969

10. Other financial assets

Accounting policy

Council classifies its investments in the following categories:

- Financial assets at fair value through surplus or deficit;
- Loans and receivables;
- Held-to-maturity investments; and
- Financial assets at fair value through other comprehensive revenue and expense.

The classification depends on the reason behind acquiring the investment. Council decides how to classify its investments when they are acquired.

Purchases and sales of investments are recorded on the value date. Financial assets are no longer recognised when the right to receive cash flows from the financial assets has expired or has been transferred. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, Council establishes fair value through valuation techniques. At each year end Council assesses whether there is evidence that a financial asset or group of financial assets is impaired. Any impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

Financial assets at fair value through surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit. A financial asset falls in this category if acquired principally to sell in the short-term or if designated this way by Council. After initial recognition, they are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit. These financial assets are classified as current assets if they are held for trading or expected to be realised within twelve months of the year end date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market. They arise when Council provides money, goods or services directly to a debtor with no intention of selling the receivable asset. After initial recognition, they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. They are included in current assets, except for those with maturities greater than twelve months after the year end date, which are classified as non-current assets.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council has the intention and ability to hold to maturity. After initial recognition, they are measured at amortised cost using the effective interest method. Gains or losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date

or if the debt instrument is not expected to be realised within 12 months of balance date. The Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments 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. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Breakdown of other financial assets and further information

Non-current portion

Investments in CCOs

	Number of Shares	% Holding	Balance Date	Council	
				2022 \$000	2021 \$000
Waikato Regional Airport Limited	777,110	15.63	30 June	33,214	23,079
Civic Financial Services Limited	149,082	1.35	31 Dec	141	141
Waikato Local Authority Shared Services Limited - called	1	8.33	30 June	1	1
Waikato Regional Transport Model* - called	11,250	5	30 June	112	112
LGFA - unlisted shares	200,000	0.4	30 June	100	100
LGFA - borrower notes			30 June	2,740	1,890
Total non current portion of shares and investments in other organisations				36,308	25,323

Fair value

The carrying amount of term deposits approximates their fair value.

Impairment

There are no impairment expenses or provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.

11. Investments in subsidiaries, associates, and joint ventures

Accounting policy

Further information about the initial adoption of these standards is provided in note 29.

Subsidiaries

The Council consolidates in the group financial statements those entities it controls. Control exists where the Council is exposed, or has rights, to variable benefits (either financial or non-financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose

and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by the Council.

Associate

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the group financial statements using the equity method of accounting.

Investments in associates are measured at cost in the Council’s parent financial statements.

Equity method of accounting in group financial statements

Investments in associates and joint ventures are accounted for in the group financial statements using the equity method of accounting.

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the group’s share of the change in net assets of the entity after the date of acquisition. The group’s share of the surplus or deficit is recognised in the group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of the entity equals or exceeds the interest in the entity, the group discontinues recognising its share of further deficits. After the group’s interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the entity. If the entity subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

12. Assets held for sale

Accounting policy

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale 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.

These assets are not depreciated or amortised.

Breakdown on assets held for sale and further information

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Assets held for sale - Land	85	85	85	85
Assets held for sale - Buildings	-	-	-	-
Total assets held for sale	85	85	85	85

Council is still proposing to sell 263m² of land being part of the Karapiro Hall site at Karapiro Road to Karapiro Motors (1975) Limited.

13. Property, plant and equipment

Accounting policy

Property, plant and equipment consists of:

- Operational assets which include land, buildings, library books, plant, furniture and equipment, and motor vehicles.
- Infrastructural assets which are the fixed utility systems. 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.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. Additions are generally recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value at the date of acquisition.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential with the item will flow to Council 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.

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:

	Components	Years
Water Treatment	Structures	25 – 80
	Plant	10 – 100
	Pipes	60
Water Reticulation	Pipes	30 – 100
	Fittings	10 – 100
Sewage Treatment	Structures	25 – 100
	Plant	10 – 100
	Pipes	60
Sewerage Reticulation	Pipes	50 – 100
	Fittings	25 – 100
	Manholes	80
Stormwater	Structures	15 – 80
	Pipes	50 – 100
	Manholes	50 – 80
Formation/carriageway and shoulder		Infinite
Pavement structure		12 – 150
Pavement surface (seal)		6 – 65
Catchpits and culverts		50 – 75
Bridges		50 – 115
Kerb and channel		50 – 75
Lighting		20 – 35
Footpaths		15 – 70
Signs		10 – 35
Railings		20 – 35
Islands		35 - Infinite
Traffic Signals		15 – 50
Buildings – not componentised		0 – 100
Building – structure		35 – 100
Building – fit-out		20 – 40
Building – services		30 – 45
Plant/motor vehicles		15 – 25
Furniture, fittings and equipment		3 – 75
Computer equipment		3 – 10
Intangibles		0 – 10
Library Books		7

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Revaluation

Infrastructure assets are valued on a two-yearly cycle and Operational Land and Buildings are valued every three years, on the basis described below.

The carrying values of all revalued assets are either revalued on the frequencies noted above, or where not revalued they are assessed each balance date to ensure that the carrying values do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment 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.

Operational land and buildings

At fair value as determined from market-based evidence where there is a market, or depreciated replacement cost for specialised assets, by an independent valuer. The most recent valuation was performed by Quotable Value Limited - Asset and Advisory (registered valuers) and the valuation is effective as at 30 June 2022.

Infrastructural assets

At fair value determined on a Depreciated Replacement Cost (DRC) basis by an independent valuer. The valuation of the utility assets and roading assets was performed by Beca Valuations Limited (Beca) and is effective as at 30 June 2021.

Land under roads and road reserves

Valued by Opus International Consultants Limited (registered valuers) using estimates provided by Quotable Value at current market prices (\$/ha) for land use categories through which the roads pass. The valuation is effective as at 1 July 2006. On transition to New Zealand equivalents to International Financial Reporting Standards on 1 July 2006, the Council elected to use the fair value of land under roads as at 1 July 2006 at deemed cost. Land under roads is no longer revalued.

Impairment of property, plant and equipment and intangible assets

Property, plant, and equipment are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount might 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 value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is 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 an impairment loss is also 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, 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.

Critical accounting estimates and assumptions

Infrastructural assets

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the assets, then Waipā District Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk Waipā District Council’s infrastructural assets useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Waipā District Council’s asset management planning activities, which gives Waipā District Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council’s infrastructural asset revaluations.

The total fair value of infrastructure assets is determined on a DRC basis at 30 June 2021.

Operational land and buildings

There are a number of assumptions and estimates used when performing market valuations over operational land and buildings assets. These include:

Land (operational)

- Land is valued as vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage.
- Assumption of an open market “willing buyer willing seller” scenario. This is effectively the price an informed purchaser would have to pay to acquire a similar property.
- Where there is a designation held against the land, adjustments have been made to reflect that designation.

Buildings (operational)

- All buildings have been valued on either a fair market basis or depreciated replacement cost approach.
- Where the fair value of an asset can be determined by reference to the price in an active market for the same asset or a similar asset, the fair value of the asset is determined using this information. Where fair value of the asset is not able to be reliably determined using market-based evidence, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.

- The highest and best use of the property is considered when formulating which approach to undertake the building valuation. Where market-based evidence exists, structures have been valued on a market basis in relation to market-based net rates per square metre.

Experienced independent valuers perform the Council's Operational Land and Buildings asset revaluations.

Other

Work in progress shows the amount of capital projects that are in the course of construction, and will be capitalised once completed in future years.

There are no restrictions over the title of Council's property, plant and equipment assets, nor are property plant and equipment assets pledged as security for liabilities.

The Local Government Act 2002 requires Council to separate treatment from reticulation for water and sewage assets but Council still considers this to be one class of asset.

Treatment of bore drilling costs

The outcome for projects such as bore drilling are largely unknown until the project is substantially complete. It is only then that the future economic benefits or service potential of such assets can be determined. Council assesses each borehole in the light of the future economic benefits or service potential to Council. Costs associated with bores that show no evidence of yielding future economic benefits or service potential are treated as impairment losses.

Council has impaired any boreholes that show no evidence of yielding future economic benefits or service potential to Council. Council believes it appropriate for the remaining costs to sit in work in progress until these are put to use and further assessment for capitalisation/impairment at that point.

The total amount of property, plant and equipment as at 30 June 2022 is \$2,081,940,000. This is made up of total operational and infrastructure assets valued at \$537,031,000 and \$1,544,909,000 respectively (2021 \$1,896,513,000, with \$366,885,000 and \$1,529,628,000 respectively).

Council 2022	Land \$000	Buildings \$000	Landfills post closure \$000	Library books \$000	Plant \$000	Furniture and equipment \$000	Total operational assets \$000
Operational assets							
Balance at 1 July 2021							
Cost	254,307	83,133	418	2,436	11,604	33,521	385,419
Accumulated depreciation and impairment charges	-	(1,815)	(418)	(1,147)	(4,188)	(11,338)	(18,906)
Opening carrying amount	254,307	81,318	-	1,289	7,416	22,183	366,513
Year Ended 30 June 2022							
Transfers	200	-	-	-	(70)	70	200
Additions	35,826	1,550	-	287	628	6,424	44,715
Additions (vested to Council)	27	-	-	-	-	-	27
Disposals	(21)	(154)	-	(244)	(175)	(272)	(866)
Accumulated depreciation write off on disposal	-	26	-	244	141	91	502
Current year depreciation	-	(3,545)	-	(313)	(869)	(1,229)	(5,956)
Accumulated depreciation write off on revaluation	-	6,873	-	-	-	-	6,873
Revaluation Surplus / (deficit)	96,854	26,190	-	-	-	-	123,044
Impairment	-	(3,000)	-	-	-	-	(3,000)
Loss on Accumulated Impairment on revaluation	-	168	-	-	-	-	168
Work in progress	113	270	-	1	90	3,962	4,436
Total movement	132,999	28,378	-	(25)	(255)	9,046	170,143
Balance 30 June 2022							
Cost	387,306	110,989	418	2,480	12,077	43,705	556,975
Accumulated depreciation and impairment charges	-	(1,293)	(418)	(1,216)	(4,916)	(12,476)	(20,319)
Council Closing Carrying Amount	387,306	109,696	-	1,264	7,161	31,229	536,656

Group 2022	Land \$000	Buildings \$000	Landfills post closure \$000	Library books \$000	Plant \$000	Furniture and equipment \$000	Total operational assets \$000
Operational assets							
Balance at 1 July 2021							
Cost	254,307	83,133	418	2,436	12,134	33,851	386,279
Accumulated depreciation and impairment charges	-	(1,815)	(418)	(1,147)	(4,500)	(11,514)	(19,394)
Opening carrying amount	254,307	81,318	-	1,289	7,634	22,337	366,885
Year Ended 30 June 2022							
Transfers	200	-	-	-	(70)	70	200
Additions	35,826	1,582	-	287	759	6,426	44,880
Additions (vested to Council)	27	-	-	-	-	-	27
Disposals	(21)	(154)	-	(244)	(223)	(272)	(914)
Accumulated depreciation write off on disposal	-	26	-	244	155	91	516
Current year depreciation	-	(3,545)	-	(313)	(937)	(1,289)	(6,084)
Accumulated depreciation write off on revaluation	-	6,873	-	-	-	-	6,873
Revaluation Surplus / (deficit)	96,854	26,190	-	-	-	-	123,044
Impairment	-	(3,000)	-	-	-	-	(3,000)
Loss on Accumulated Impairment on revaluation	-	168	-	-	-	-	168
Work in progress	113	270	-	1	90	3,962	4,436
Total movement	132,999	28,410	-	(25)	(226)	8,988	170,146
Balance 30 June 2022							
Cost	387,306	111,021	418	2,480	12,690	44,037	557,952
Accumulated depreciation and impairment charges	-	(1,293)	(418)	(1,216)	(5,282)	(12,712)	(20,921)
Group Closing Carrying Amount	387,306	109,728	-	1,264	7,408	31,325	537,031

Impairment losses of \$3,000,000 (2021 \$NIL) have been recognised for prior year capital costs. \$657,000 was recognised as impairment loss and the remaining was written back to the revaluation reserve.

Council 2021	Land \$000	Buildings \$000	Landfills post closure \$000	Library books \$000	Plant \$000	Furniture and equipment \$000	Total operational assets \$000
Operational assets							
Balance at 1 July 2021							
Cost	253,960	76,606	418	2,358	7,393	30,095	370,830
Accumulated depreciation and impairment charges	-	1,074	(418)	(1,097)	(4,181)	(10,388)	(15,010)
Opening carrying amount	253,960	77,680	-	1,261	3,212	19,707	355,820
Year Ended 30 June 2021							
Transfers	-	-	-	-	-	-	-
Additions	282	22,325	-	328	5,220	2,024	30,179
Additions (vested to Council)	420	-	-	-	-	-	420
Disposals	(365)	(371)	-	(251)	(851)	(170)	(2,008)
Accumulated depreciation write off on revaluation	-	287	-	251	739	153	1,430
Current year depreciation	-	(3,176)	-	(301)	(746)	(1,103)	(5,326)
Accumulated depreciation write off on disposal	-	-	-	-	-	-	-
Revaluation Surplus / (deficit)	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Loss on Accumulated Impairment on revaluation	-	-	-	-	-	-	-
Work in progress	10	(15,427)	-	1	(158)	1,572	(14,002)
Total movement	347	3,638	-	28	4,204	2,476	10,693
Balance 30 June 2021							
Cost	254,307	83,133	418	2,436	11,604	33,521	385,419
Accumulated depreciation and impairment charges	-	(1,815)	(418)	(1,147)	(4,188)	(11,338)	(18,906)
Closing Carrying Amount - Restated	254,307	81,318	-	1,289	7,416	22,183	366,513

Group 2021	Land \$000	Buildings \$000	Landfills post closure \$000	Library books \$000	Plant \$000	Furniture and equipment \$000	Total operational assets \$000
Operational assets							
Balance at 1 July 2020							
Cost	253,960	76,606	418	2,358	7,863	30,312	371,517
Accumulated depreciation and impairment charges	-	1,074	(418)	(1,097)	(4,430)	(10,524)	(15,395)
Opening carrying amount	253,960	77,680	-	1,261	3,433	19,788	356,122
Year Ended 30 June 2021							
Transfers	-	-	-	-	-	-	-
Additions	282	22,325	-	328	5,292	2,137	30,364
Additions (vested to Council)	420	-	-	-	-	-	420
Disposals	(365)	(371)	-	(251)	(863)	(170)	(2,020)
Accumulated depreciation write off on revaluation	-	287	-	251	739	153	1,430
Current year depreciation	-	(3,176)	-	(301)	(809)	(1,143)	(5,429)
Accumulated depreciation write off on disposal	-	-	-	-	-	-	-
Revaluation Surplus / (deficit)	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Loss on Accumulated Impairment on revaluation	-	-	-	-	-	-	-
Work in progress	10	(15,427)	-	1	(158)	1,572	(14,002)
Total movement	347	3,638	-	28	4,201	2,549	10,763
Balance 30 June 2021							
Cost	254,307	83,133	418	2,436	12,134	33,851	386,279
Accumulated depreciation and impairment charges	-	(1,815)	(418)	(1,147)	(4,500)	(11,514)	(19,394)
Group Closing Carrying Amount	254,307	81,318	-	1,289	7,634	22,337	366,885

2022	Sewerage system treatment \$000	Sewerage system reticulation \$000	Water system treatment \$000	Water system reticulation \$000	Drainage network \$000	Roading network \$000	Land under roads \$000	Total infrastructural assets \$000
Council infrastructural assets								
Balance at 1 July 2021								
Cost	69,990	116,489	61,668	146,491	129,616	770,736	234,638	1,529,628
Accumulated depreciation and impairment charges	-	-	-	-	-	-	-	-
Opening carrying amount	69,990	116,489	61,668	146,491	129,616	770,736	234,638	1,529,628
Year Ended 30 June 2022								
Transfers	-	-	-	-	-	-	-	-
Additions (constructed by Council)	-	229	-	14,683	3,878	5,913	-	24,703
Additions (vested to Council)	656	2,428	-	2,123	5,002	4,617	-	14,826
Disposals	-	(17)	-	(13,677)	(23)	(2,589)	-	(16,306)
Accumulated depreciation write off on disposal	-	-	-	75	1	261	-	337
Current year depreciation	(3,149)	(2,597)	(1,767)	(3,438)	(1,959)	(11,408)	-	(24,318)
Accumulated depreciation write off on revaluation	-	-	-	-	-	-	-	-
Revaluation Surplus / (deficit)	-	-	-	-	-	-	-	-
Work in progress	2,429	5,190	3,785	3,098	(1,501)	3,038	-	16,039
Total movement	(64)	5,233	2,018	2,864	5,398	(168)	-	15,281
Balance 30 June 2022								
Cost	73,075	124,319	65,453	152,718	136,972	781,715	234,638	1,568,890
Accumulated depreciation and impairment charges	(3,149)	(2,597)	(1,767)	(3,363)	(1,958)	(11,147)	-	(23,981)
Closing carrying amount	69,926	121,722	63,686	149,355	135,014	770,568	234,638	1,544,909

A valuation of the Rooding Network was performed by Beca Valuations Limited (Beca), (registered valuation experts) effective as at 30 June 2021. A fair value assessment of the utility assets was performed by Beca Valuations Limited (Beca), (registered valuation experts) effective as at 30 June 2021.

2021	Sewerage system treatment \$000	Sewerage system reticulation \$000	Water system treatment \$000	Water system reticulation \$000	Drainage network \$000	Roading network \$000	Land under roads \$000	Total infrastructural assets \$000
Council infrastructural assets								
Balance at 1 July 2020								
Cost	39,339	127,327	49,033	118,690	120,064	766,322	234,638	1,455,413
Accumulated depreciation and impairment charges	(1,281)	(2,380)	(1,156)	(3,128)	(1,689)	(10,770)	-	(20,404)
Opening carrying amount	38,058	124,947	47,877	115,562	118,375	755,552	234,638	1,435,009
Year Ended 30 June 2021								
Transfers	-	(16)	-	-	115	(99)	-	-
Additions (constructed by Council)	17,073	5,336	18,898	32,754	4,135	18,348	-	96,544
Additions (vested to Council)	12,196	2,715	8	1,477	2,570	2,441	-	21,407
Disposals	-	(3,190)	(114)	(6,857)	(1,826)	(14,873)	-	(26,860)
Accumulated depreciation write off on disposal	-	118	-	405	29	817	-	1,369
Current year depreciation	(1,820)	(2,491)	(1,539)	(3,004)	(1,740)	(10,374)	-	(20,968)
Accumulated depreciation write off on revaluation	3,101	4,753	2,695	5,727	3,400	20,327	-	40,003
Revaluation Surplus / (deficit)	3,435	4,042	1,263	15,974	1,426	(6,339)	-	19,801
Work in progress	(2,053)	(19,725)	(7,420)	(15,577)	3,132	4,936	-	(36,707)
Total movement	31,932	(8,458)	13,791	30,899	11,241	15,184	-	94,589
Balance 30 June 2021								
Cost	69,990	116,489	61,668	146,491	129,616	770,736	234,638	1,529,628
Accumulated depreciation and impairment charges	-	-	-	-	-	-	-	-
Closing carrying amount	69,990	116,489	61,668	146,491	129,616	770,736	234,638	1,529,628

Core infrastructure asset disclosure

The table below shows the most recent replacement cost estimate for Council’s revalued infrastructure assets.

	Council	
	2022	2021
	\$000	\$000
Sewerage system - treatment	78,139	77,482
Sewerage system - reticulation	181,948	179,310
Water system - treatment	80,646	80,127
Water system - reticulation	214,343	212,127
Drainage network	174,611	165,830
Roading network	990,863	984,095
Total	1,720,550	1,698,971

Work in progress

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

	Council	
	2022	2021
	\$000	\$000
Land and buildings	3,376	2,993
Plant	122	32
Furniture and equipment	6,405	2,418
Wastewater treatment and disposal	25,978	18,359
Water treatment and supply	16,133	9,250
Drainage network	9,390	10,892
Roading network	17,918	14,879
Total	79,322	58,823

Capital commitments

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

	Council	
	2022	2021
	\$000	\$000
<i>Capital Commitments</i>		
Roading network	27,239	6,725
Drainage network	20,818	285
Wastewater treatment and disposal	19,637	1,323
Water treatment and supply	2,030	2,610
Community Facilities	4,644	1,228
Information Technology	34	-
Animal Control	46	-
Property development	257	548
Total capital commitments	74,705	12,719

14. Intangible assets

Accounting policy

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with development and maintenance of the Council’s website are recognised as an expense when incurred.

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 period is recognised in the Statement of Comprehensive Revenue and Expense. The useful lives and associated amortisation rates of computer software have been estimated at 3-10 years (33% - 10%).

Impairment of intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite life are reviewed for indicators of impairment and tested annually for impairments each balance date.

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.

Emissions trading scheme

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the New Zealand Units (NZU). Gains and losses on disposals are reported in the surplus or deficit. If at the end of any financial year there has been some deforestation (such as harvesting) that is yet to be replanted, a contingent liability will be disclosed until such time as replanting has occurred. After initial recognition, Emission Trading Scheme credits are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit. NZUs are not amortised and have an indefinite life.

Financial risk management strategies

Compensation has been provided to forestry owners, via the allocation of compensation units, known as NZUs in two tranches. Council received the first tranche of 6,256 units in November 2012, and the second tranche of 10,064 units in April 2013. The value of these NZUs as at 30 June 2022 is \$1,240,320 (2021 \$709,430).

Breakdown of intangible assets and further information

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

2022	Computer	Council	Total
	Software	NZ	
	\$000	Units	\$000
Balance at 1 July 2021			
Cost	5,885	710	6,595
Accumulated amortisation and impairment	(3,142)	-	(3,142)
Opening carrying amount	2,743	710	3,453
Year ended 30 June 2022			
Additions	973	-	973
WIP Movement	90	-	90
Intangible gains / (losses)	-	531	531
Disposals	(695)	-	(695)
Accumulated depreciation write off on disposal/revaluation	695	-	695
Amortisation charge	(459)	-	(459)
Closing carrying amount	3,347	1,241	4,588
Balance at 30 June 2022			
Cost	6,253	1,241	7,494
Accumulated amortisation and impairment	(2,906)	-	(2,906)
Closing carrying amount	3,347	1,241	4,588

2021	Computer	Council	Total
	Software	NZ	
	\$000	Units	\$000
Balance at 1 July 2020			
Cost	5,153	524	3,905
Accumulated amortisation and impairment	(2,740)	-	(2,569)
Opening carrying amount	2,413	524	1,336
Year ended 30 June 2021			
Additions	404	-	404
WIP Movement	328	-	328
Intangible gains / (losses)	-	186	186
Disposals	-	-	-
Accumulated depreciation write off on disposal/revaluation	-	-	-
Amortisation charge	(402)	-	(402)
Closing carrying amount	2,743	710	1,852
Balance at 30 June 2021			
Cost	5,885	710	6,595
Accumulated amortisation and impairment	(3,142)	-	(3,142)
Closing carrying amount	2,743	710	3,453

There are no restrictions over the title of Council's intangible assets, nor are intangible assets pledged as security for liabilities.

15. Depreciation and amortisation expense by group of activity

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Directly attributable depreciation and amortisation expense by group of activity				
Governance	7	7	7	7
Planning and Regulatory	9	8	9	8
Community Services and Facilities	4,544	4,125	4,672	4,125
Roads and Footpaths	11,520	10,383	11,520	10,486
Stormwater	1,959	1,740	1,959	1,740
Water Treatment and Supply	5,208	4,547	5,208	4,547
Wastewater Treatment and Disposal	5,746	4,311	5,746	4,311
Support Services	1,740	1,576	1,740	1,576
Total depreciation and amortisation expense	30,733	26,697	30,861	26,800

16. Insurance of assets

The total value of all assets of Council that are covered by insurance contracts is \$1,214,161,079 (2021 \$908,152,450) and the maximum amount to which they are insured, on a per loss basis, is \$234,407,929 (2021 \$232,514,037).

Insurance Class	Total Declared Value \$	Policy Limit \$
Infrastructure	696,411,446	\$80,000,000 per loss
Material Damage	513,341,704	\$150,000,000 each and every loss and in the annual aggregate (\$30,000,000 any one loss and in the aggregate for the period of insurance for fire)
Motor Vehicle	4,407,929	4,407,929
Total	1,214,161,079	234,407,929

The total value of all assets of Council that are covered by financial risk sharing arrangements is nil, and the maximum amount available to Council under this arrangement is nil.

The total value of all assets of the local authority that are self-insured is nil, and the value of any fund maintained by Council for that purpose is nil.

Council maintains insurance reserves to cover the cost of excesses for both material damage and infrastructure claims. The reserve will also be used to minimise fluctuations in premium costs due to external markets.

17. Forestry assets

Accounting policy

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber

prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs, and from a change in fair value less estimated point of sale costs, are recognised in the Statement of Comprehensive Revenue and Expense. The costs to maintain the forestry assets are included in the Statement of Comprehensive Revenue and Expense.

Breakdown of forestry assets and further information

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Balance at 1 July	2,997	2,559	2,997	2,559
Decrease due to harvest and thinnings	-	(74)	-	(74)
Gains / (losses) arising from changes in fair value less estimated point of sale costs	391	512	391	512
Balance 30 June	3,388	2,997	3,388	2,997

Council owns 284 hectares of forest land with 229 hectares of mainly pinus radiata and 4.8 hectares of mixed species. The pinus radiata is at varying stages of maturity ranging from 8 years to 38 years.

There has been no harvesting in the 2022 year.

Forestry experts P F Olsen Limited have valued the forestry assets as at 30 June 2022. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- A post-tax discount rate of 6.0% has been used in discounting the present value of expected cash flows.
- Log prices are based on a three year historical rolling average.

A peer review of the P F Olsen Limited’s valuation was completed by Interpine Group Limited.

Financial risk management strategies

Council is exposed to financial risks arising from changes in timber prices. Council is a long-term forestry investor and forestry interests form only a small part of Council’s business activity and asset base, therefore, it has not taken any measures to manage the risks of a decline in timber prices

Council had 272 hectares of eligible forest area of pre-1990 forest land at the time of application. This land is subject to the provisions of the New Zealand emissions trading scheme (‘ETS’). The implication of this for the financial statements is two-fold:

- Should the land be deforested (that is, the land is changed from forestry to some other purpose), a deforestation penalty will arise; and
- As a result of the deforestation restriction, compensation units are being provided by the Government.

18. Investment property

Accounting policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals.

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are measured at fair value as determined annually by an independent valuer. Gains and losses on revaluation, acquisition and disposal are recognised in the Statement of Comprehensive Revenue and Expense.

Breakdown of investment property and further information

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Balance at 1 July	19,025	15,942	19,025	15,942
Additions	8,702	-	8,702	-
Disposals	(21)	-	(21)	-
Transfers	(200)	-	(200)	-
Gain / (loss) on sale	-	-	-	-
Revaluation loss on Disposal	-	-	-	-
Revaluation loss on Impairment	-	(116)	-	(116)
Fair value gains / (losses) on revaluation	7,930	3,199	7,930	3,199
Balance 30 June	35,436	19,025	35,436	19,025

Investment properties are valued annually at fair value effective 30 June.

The valuation was performed by C Coakley ANZIV MPINZ, registered valuer, Quotable Value Limited. Quotable Value Limited are experienced valuation experts with extensive market knowledge in the types of investment properties owned by Council.

The fair value of investment property has been determined by the current market sales within the areas where the properties are located. Where no comparable sales were evident, sales of other types of properties were checked to determine if there had been a shift in market values over the previous twelve months since the properties were last valued.

Information about the revenue and expenses in relation to investment property is detailed below:

	Council	
	2022 \$000	2021 \$000
Rental income	673	900
Expenses from investment property generating income	271	254
Expenses from investment property not primarily generating income	546	491

19. Trade and other payables

Accounting policy

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Breakdown of payables and other information

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Trade payables	6,066	6,938	6,232	7,224
Deposits and bonds	-	-	-	-
Accrued expenses	4,186	3,605	4,267	3,684
Income in advance	4,276	5,701	4,276	5,701
Taxes payable (e.g. GST and FBT)	526	511	526	511
	15,054	16,755	15,301	17,120
<i>Less non current portion</i>				
Income in advance	-	500	-	500
Total Non-current Portion	-	500	-	500
Current Portion	15,054	16,255	15,301	16,620
Total payables comprise:				
Payables under non-exchange transactions -	2,750	3,977	2,750	3,977
Payables under exchange transactions -	12,304	12,778	12,551	13,143

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

20. Provisions

Accounting policy

Council recognises a provision 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 expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

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 7).

Breakdown of provisions and further information

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
<i>Current provisions are represented by:</i>				
Landfill aftercare provision	128	163	128	163
Total Current Provisions	128	163	128	163
<i>Non current provisions are represented by:</i>				
Landfill aftercare provisions	553	759	553	759
Total Non-current Provisions	553	759	553	759

Provisions for landfill aftercare costs

Council has operated the Cambridge, Te Awamutu, Kihikihi and Pirongia landfills. Council has the responsibility under the resource consents to provide on-going maintenance and monitoring of the landfills after the sites are closed.

Capacity of the sites

The Cambridge, Te Awamutu, Kihikihi and Pirongia landfills have all been closed and capped. The cash flows for landfills post-closure are expected to continue as far out as 2039.

The long term nature of the liability means that there are inherent uncertainties in estimating the costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 4.15% (2021 1.49%).

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Opening balance	922	951	922	951
Amounts used	(130)	(165)	(130)	(165)
Unused amounts reversed	(120)	(114)	(120)	(114)
Discounting changes	9	250	9	250
Closing Balance	681	922	681	922
<i>Represented by:</i>				
Current portion	128	163	128	163
Term portion	553	759	553	759
	681	922	681	922

21. Employee benefit liabilities

Accounting policy

Employee benefits expected to be settled within twelve months of balance date are measured at nominal values 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 for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it is anticipated it will be used by staff to cover those future absences.

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Accrued pay	392	300	392	300
Annual leave	2,209	1,579	2,408	1,723
Sick leave	120	104	120	104
Total Employee Benefit Liabilities	2,721	1,983	2,920	2,127
<i>Comprising:</i>				
Current	2,721	1,983	2,920	2,127
Total Employee Benefit Liabilities	2,721	1,983	2,920	2,127

22. Borrowings

Accounting policy

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Internal borrowings

Information about internal borrowings is provided on pages 115 to 190 of Council’s annual report. Internal borrowings are eliminated on consolidation of activities in Council’s financial statements.

Breakdown of borrowings

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<i>Current</i>				
Secured loans	45,500	8,000	45,500	8,000
Total Current Borrowings	45,500	8,000	45,500	8,000
<i>Non-Current</i>				
Secured loans	104,000	90,000	104,005	90,000
Total Non-current Borrowings	104,000	90,000	104,005	90,000
Total Borrowings	149,500	98,000	149,505	98,000

\$10m is repayable in full on 14 August 2023, \$5m is repayable in full on 15 April 2023, \$15m is repayable in full on 15 April 2023, \$15.5m is repayable in full on 12 June 2023, \$7m is repayable in full on 20 September 2023, \$21m is repayable in full on 15 April 2024, \$5m is repayable in full on 15 April 2025, \$17m is repayable in full on 15 April 2025, \$12m is repayable in full on 15 April 2026, \$15m is repayable in full on 15 April 2026, \$5m is repayable in full on 15 April 2027, \$3m is repayable in full on 15 April 2027, \$10m is repayable in full on 15 April 2028 and \$9m is repayable in full on 20 April 2029.

Fixed rate debt

Council currently has \$142.5m of secured debt issued at fixed rates of interest (2021 \$91m). Council utilises interest rate swap arrangements to provide fixed rate cover on debt. Note 23 provides detail of the interest rate swaps that are in place.

Committed cash advance facilities

Council has the following committed cash advance facilities in place:

- A \$5m revolving committed cash advance facility with ANZ Bank New Zealand Limited, (2021, \$5m)

There was no drawdown of this facility at balance date (2021 no draw down of this facility at balance date).

Security

Council's loans and committed cash advance facilities are secured by a charge on rates by way of security stock issuances under a debenture trust deed.

Maturity analysis and effective interest rates

The following is a maturity analysis of Council's borrowings. There are no finance leases.

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Less than one year	45,500	8,000	45,500	8,000
<i>weighted average effective interest rate</i>	<i>0.80%</i>	<i>0.04%</i>	<i>0.80%</i>	<i>0.04%</i>
Later than one year but not more than five years	85,000	82,000	85,000	82,000
<i>weighted average effective interest rate</i>	<i>1.09%</i>	<i>1.31%</i>	<i>1.09%</i>	<i>1.31%</i>
More than five years	19,000	8,000	19,005	8,000
<i>weighted average effective interest rate</i>	<i>0.58%</i>	<i>0.14%</i>	<i>0.58%</i>	<i>0.14%</i>
	149,500	98,000	149,505	98,000

23. Derivative financial instruments

Accounting policy

Council uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. In accordance with the treasury management policy Council does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the Statement of Comprehensive Revenue and Expense. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see Hedging policy).

The fair value of interest rate swaps is the estimated amount that the Council would receive or pay to terminate the swap at the Statement of Financial Position date, taking into account current interest rates and the current credit worthiness of the swap counterparts.

Hedging

Derivatives are first recognised at fair value on the date a contract is entered into and are subsequently re-measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Council designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction Council documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. Council documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Comprehensive Revenue and Expense, together with any changes in the fair value of the assets or liability that are attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Comprehensive Revenue and Expense.

Amounts accumulated in equity are recycled in the Statement of Comprehensive Revenue and Expense in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of the non-financial assets (for example inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost of carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Comprehensive Revenue and Expense.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Statement of Comprehensive Revenue and Expense.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in the Statement of Comprehensive Revenue and Expense.

Breakdown of derivative financial instruments and further information

	Less than 1 Year	1-2 Years	3-5 Years	Total
Council 2022				
Interest rate swaps - cash flow hedges				
Nominal Amount (in \$000)	-	174	-	174
Average fixed rate	-	6.01%	-	6.01%
Total Derivative Financial Instrument Liabilities	-	174	-	174

	Less than 1 Year	1-2 Years	3-5 Years	Total
Council 2021				
Interest rate swaps - cash flow hedges				
Nominal Amount (in \$000)	-	797	-	797
Average fixed rate	-	6.01%	-	6.01%
Total Derivative Financial Instrument Liabilities	-	797	-	797

Interest rate swaps

The notional principal amounts of the interest rate swap contracts are \$7,000,000 (2021 \$7,000,000). As at 30 June 2022 the fixed interest rates of cash flow hedge interest rate swaps was 6.01% (2021 6.01%).

Council deems the hedges held to be effective. Gains and losses are recognised in the hedging reserve in equity (note 24) and will be released to the Statement of Comprehensive Revenue and Expense as interest is paid on the underlying debt.

Fair value

The fair value of the interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market values. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most mark parameters are implied from instrument prices.

The fair values of forward foreign exchange contracts have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from instrument prices.

24. Equity

Accounting policy

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves, the components are:

- Retained earnings
- Council created reserves
- Revaluation Reserves
- Cash flow hedge reserve

Council created reserves

Council created reserves are a component of equity representing a particular use to which various parts of equity have been assigned. Council may alter them without reference to any third party or the Courts. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

Cash flow hedge reserves

This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

Breakdown of equity and further information

	Council		Group	
	2022	2021	2022	2021
<i>Retained earnings</i>				
As at 1 July	573,802	517,674	575,655	518,652
Transfers to:				
Reserves and special funds	(114,711)	(219,302)	(114,711)	(219,302)
Transfers from:				
Asset Revaluation reserve on disposal of property, plant and equipment	(2,936)	22,737	(2,936)	22,737
Reserves and special funds	118,361	213,093	118,361	213,093
Surplus / (deficit) for the year	28,704	39,600	28,937	40,475
Total retained earnings as at 30 June	603,220	573,802	605,306	575,655
<i>Council created reserves</i>				
As at 1 July	46,515	40,306	46,515	40,306
Transfers to:				
Retained earnings	(118,361)	(213,093)	(118,361)	(213,093)
Transfers from:				
Retained earnings	114,711	219,302	114,711	219,302
As at 30 June	42,865	46,515	42,865	46,515
Asset Revaluation Reserves				
As at 1 July	1,230,071	1,192,607	1,230,071	1,192,607
Revaluation gain / (losses)	138,475	60,201	138,475	60,201
Transfer of revaluation reserve to retained earnings on disposal of property plant and equipment	2,936	(22,737)	2,936	(22,737)
As at 30 June	1,371,482	1,230,071	1,371,482	1,230,071
<i>Asset revaluation reserves consist of:</i>				
Operational assets				
Land	322,632	225,712	322,632	225,712
Buildings	63,154	25,422	63,154	25,422
Intangible Assets	1,240	710	1,240	710
Investments	29,747	19,611	29,747	19,611
Infrastructural Assets				
Sewerage System	78,579	77,366	78,579	77,366
Water System	85,790	84,320	85,790	84,320
Drainage network	74,685	73,587	74,685	73,587
Roading network	715,655	723,345	715,655	723,345
Total Asset Revaluation Reserves	1,371,482	1,230,071	1,371,482	1,230,071
<i>Cash Flow Hedge Reserves</i>				
Opening balance 1 July	(798)	(1,292)	(798)	(1,292)
Fair value gains / (losses) in the year	624	494	624	494
Total Cash Flow Hedge Reserve	(174)	(798)	(174)	(798)
Total other reserves as at 30 June	1,414,173	1,275,788	1,414,173	1,275,788

Information about reserve funds held for a specific purpose is provided below:

	Council			
	Opening	Transfer	Transfer	2021/22
	Balance	to Reserve	From	Closing
	\$000	\$000	\$000	\$000
<i>Council created reserves consist of:</i>				
Property Reserves				
Asset Sales Cambridge	-	310	(310)	-
Asset Sales Te Awamutu	242	-	(9)	233
Asset Sales General	631	50	(540)	141
Endowment Land Cambridge	-	-	-	-
Endowment Land Pirongia	3	-	-	3
Endowment Land Te Awamutu	123	-	-	123
Endowment Land Waipa District	14	-	-	14
Residential Housing Reserve	3,538	406	(998)	2,946
Reserve Contributions & Development Contributions				
Cambridge North	-	-	-	-
District Wide Stormwater	436	17,056	(16,923)	569
District Wide Waste Water	2,756	3,705	(3,906)	2,555
District Wide Water Treatment and Supply	2,996	1,570	(1,559)	3,007
District Wide Roothing	4,227	20,385	(23,070)	1,542
District Wide Reserve Developments	807	52	(27)	832
District Wide Land Purchase	2,336	1,763	(4,099)	-
Cambridge Pool	-	15	(15)	-
Karapiro Reserve Development	-	7	(7)	-
Te Awamutu Library/Museum	90	3	-	93
Special Funds				
Cemetery Paterangi	5	-	-	5
Project Funding Reserve	9,414	3,826	(3,032)	10,208
General Insurance Reserve	526	-	-	526
Infrastructure Insurance Reserve	572	-	-	572
Te Awamutu 110kv Compensation Reserve	339	-	-	339
Pavement Levies	113	-	-	113
Road Asset Technical Accord (RATA)	14	-	-	14
Waste Minimisation Reserve	525	93	-	618
Separate Balances				
Roothing Reserve	4,381	25,867	(25,871)	4,377
Stormwater Reserve	626	5,096	(4,152)	1,570
Water Supply Reserve	5,339	16,147	(16,740)	4,746
Waste Water Reserve	2,560	13,078	(12,660)	2,978
Depreciation Reserve - Long Term Assets	2,699	2,765	(2,289)	3,175
Depreciation Reserve - Medium Term Assets	1,203	2,517	(2,154)	1,566
Total Council Created Reserves	46,515	114,711	(118,361)	42,865

The table below sets out the purpose of the reserves held by Council and the related activities for these reserves.

Reserve	Purpose	Activity
Property reserves		
Asset sales Cambridge	Proceeds from Cambridge asset sales held in reserve to fund future asset purchases	Property
Asset sales Te Awamutu	Proceeds from Te Awamutu asset sales held in reserve to fund future asset purchases	Property
Asset sales general	Proceeds from district wide asset sales held in reserve to fund future asset purchases	Property
Endowment land Cambridge	Proceeds from sale of Cambridge endowment land held in reserve for endowment purposes	Property
Endowment land Pirongia	Proceeds from sale of Pirongia endowment land held in reserve for endowment purposes	Property
Endowment land Te Awamutu	Proceeds from sale of Te Awamutu endowment land held in reserve for endowment purposes	Property
Endowment land Waipa district	Proceeds from sale of district wide endowment land held in reserve for endowment purposes	Property
Forestry reserve	Proceeds from forestry harvesting to fund future forestry activities	Forestry
Residential housing reserve	Proceeds from residential housing rental revenue to fund the operating and capital expenditure of that activity.	Housing for the Elderly & Own Your Own Housing
Reserve contributions and development contributions		
Cambridge North	Proceeds from development contributions to fund growth related expenditure	Transportation / Stormwater / Wastewater Treatment & Disposal / Water Treatment & Supply
District wide stormwater	Proceeds from development contributions to fund growth related expenditure	Stormwater
District wide wastewater	Proceeds from development contributions to fund growth related expenditure	Wastewater Treatment & Disposal
District wide water treatment and supply	Proceeds from development contributions to fund growth related expenditure	Water Treatment & Supply
District wide roading	Proceeds from development contributions to fund growth related expenditure	Transportation
District wide reserve developments	Proceeds from development contributions to fund growth related expenditure	Parks & Reserves

Reserve	Purpose	Activity
District wide land purchase	Proceeds from development contributions to fund growth related expenditure	Parks & Reserves
Te Awamutu library/museum	Proceeds from development contributions to fund growth related expenditure for Te Awamutu Library / Museum	District Libraries / Museums
Special funds		
Cemetery Paterangi	Proceeds held in reserve to fund future capital works	Cemeteries
Project funding reserve	Funding for specific projects to be completed in the following year	All activities
General insurance reserve	Provision to pay call-ups and to fund increase in deductibles of claims as well as to help to pay future premium increases	All activities
Infrastructure insurance reserve	Provision to help cover the insurance deductible if a major event happens in the Waipa district.	Stormwater / Wastewater Treatment & Disposal / Water Treatment & Supply
Te Awamutu 110kv compensation reserve	Proceeds from the granting of easement rights for the Waipa Networks 110kv line, held in reserve for appropriate future utilisation with due regard to the source of these funds.	Properties
Pavement levies	Levies collected from land use consents for future pavement rehabilitation	Transportation
Road Asset Technical Accord (RATA)	Funds held in reserve for future works	Transportation
Waste minimisation	Net funds from waste minimisation levy held for use on waste minimisation activities.	Waste minimisation
Separate balances		
Roading reserve	Funds held in reserve for capital works expenditure	Transportation
Stormwater reserve	Funds held in reserve for capital works expenditure	Stormwater
Water supply reserve	Funds held in reserve for capital works expenditure	Water Treatment & Supply
Wastewater reserve	Funds held in reserve for operating and capital works expenditure	Wastewater Treatment & Disposal
Depreciation reserve long term assets	Funds held in reserve for capital works expenditure	Community Services & Facilities
Depreciation reserve medium term assets	Funds held in reserve for capital works expenditure	Community Services & Facilities
Asset revaluation reserves		
Operational		
Land	Non cash reserve to record appreciation values arising from asset revaluations	Community Services & Facilities

Reserve	Purpose	Activity
Buildings	Non cash reserve to record appreciation values arising from asset revaluations	Community Services & Facilities
Infrastructural assets		
Sewerage system	Non cash reserve to record appreciation values arising from asset revaluations	Wastewater Treatment & Disposal
Water system	Non cash reserve to record appreciation values arising from asset revaluations	Water Treatment & Supply
Drainage network	Non cash reserve to record appreciation values arising from asset revaluations	Stormwater
Roading network	Non cash reserve to record appreciation values arising from asset revaluations	Transportation

25. Contingencies

Contingent liabilities

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
a) Guarantees	25	33	25	33
	25	33	25	33

Council is listed as sole guarantor for a number of community organisation bank loans. The Council is obligated under each guarantee to make loan payments in the event that the organisation defaults on a loan arrangement.

Contingent liabilities not able to be quantified

Local Government Funding Agency

Council is a shareholder of the New Zealand Local Government Funding Agency Limited (NZLGFA) and is party to the guarantee of all borrowings of the entity.

This entity was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and has a local currency rating of AA+ from Fitch Ratings and AAA from Standard and Poor and a foreign currency rating of AA from Fitch Ratings and AA+ from Standard and Poor.

Council is one of 30 local authority shareholders and 54 local authority guarantors of the NZLGFA. In that regard, the LGFA has total uncalled capital of \$20 million of which Council's portion is \$100,000. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all of the LGFA's borrowings. At 30 June 2022, NZ LGFA had borrowings totalling \$15,789,000,000 (2021 \$13,610,000,000). This figure is made up of the face value of LGFA's bonds on issue of \$15,105,000,000, accrued interest on bonds on issue of \$87 million, the face value of bills on issue of \$565 million and bonds LGFA lent to counterparties under bond repurchase transactions of \$32 million.

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

- The LGFA engages stringent credit check controls on borrowers and potential borrowers.
- Council are not aware of any local authority debt default events in New Zealand in recent years; and
- Local government legislation enables local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required

Erinic Investments Limited v Waipā District Council

In August 2020, proceedings were initiated in the High Court by Erinic Investments Limited against the Council (as first defendant) and others. The claim alleges that the Council was negligent in issuing building consents, inspecting the building work and issuing Code Compliance Certificates in respect of a building in Te Awamutu. Following an amended Statement of Claim, the plaintiff now seeks over \$5 million in damages with additional consequential losses to be quantified, interest and costs. At present, there is still insufficient information to conclude on potential liability and claim quantum, if any.

Atkinson v Waipā District Council

In November 2020, proceedings were initiated in the District Court against Council. The claim alleges, among other things, that the Council has been negligent, breached its statutory duty and has created a nuisance in relation to the private drain on the plaintiffs' property in Kihikihi. Following an amended Statement of Claim, the plaintiffs now seek over \$2.5 million in damages, interest and costs. At present, there is still insufficient information to conclude on potential liability and claim quantum, if any.

Bunker v Waipā District Council

In March 2022, proceedings were initiated in the High Court against the Council, and others. The claim alleges among other things that Council was negligent in undertaking inspections and issuing a code compliance certificate in respect of a dwelling in Ngāhinapōuri. The plaintiffs seek over \$1 million in damages with additional consequential losses to be quantified, interest and costs. At present, there is still insufficient information to conclude on potential liability and claim quantum, if any.

Loan guarantee for New Zealand Sports Hall of Fame

In June 2022, Council confirmed its willingness to assist the New Zealand Sports Hall of Fame in their fundraising endeavours by committing to act as guarantor to its loan facility, should this be required in the future. The timing and amount of the guarantee is uncertain at period end.

Contingent assets

Council is a 2% capital beneficiary of the WEL Energy Trust. The life of the Trust ends in 2073 unless terminated earlier if its purpose is completed. Given the uncertainties surrounding the life of the Trust, Council is unable to accurately establish the appropriate value of the 2% shareholding.

26. Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Related party transaction to be disclosed

Council entered into a lease arrangement with Waipā Community Facilities Trust in 2013, for the Trust to occupy the Trust Waikato Te Awamutu Event Centre and the Cambridge Swimming Pool Complex. The lease covers a term of twenty years and attracts a rental charge of one dollar plus GST per annum, payable on 16 September each year.

Senior management and councillors' compensation

	Council	
	2022	2021
	\$000	\$000
<i>Councillors</i>		
Remuneration	606	602
Full-time equivalent members*	14	14
<i>Executive Team, including Chief Executive</i>		
Remuneration	1,286	1,193
Full-time equivalent members	7	5
Total key management personnel remuneration	1,892	1,795
Total number of members	21	19

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

27. Events after balance date

There were no significant events after balance date.

28. Financial instruments

The accounting policies for financial instruments have been applied to the line items below:

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Financial Assets				
Loans and receivables				
Cash and cash equivalents excluding term deposits	3	5	2,228	1,971
Trade and other receivables	6,464	8,945	6,400	8,969
Other financial assets:				
- term deposits	17,675	12,089	17,675	12,089
- community loans	11	13	11	13
- loans to other entities	-	-	-	-
Total loans and receivables	24,153	21,052	26,314	23,042
Fair value through other comprehensive revenue and expense				
- Borrower notes	2,740	1,890	2,740	1,890
- Investments in CCO's	33,568	23,433	33,568	23,433
Total fair value through other comprehensive revenue and expense	36,308	25,323	36,308	25,323
Financial Liabilities				
Derivatives that are hedge accounted				
Derivative financial instrument liabilities	174	797	174	797
Financial liabilities at amortised cost				
Trade and other payables	10,252	10,544	10,252	10,908
Borrowings:				
- secured loans	149,500	98,000	149,505	98,000
Total financial liabilities at amortised cost	159,752	108,544	159,757	108,908

Financial instrument risk

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Liability Management and Investment policies which do not allow any transactions that are speculative in nature.

Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in the market prices. Council is not exposed to price risk as it does not enter into widely held equity security transactions.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. It is rare for Council to enter into foreign currency transactions of any significant value.

Interest rate risk

Interest rates on borrowings are disclosed in note 22.

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. Borrowing at fixed rates exposes Council to fair value interest rate risk and the Liability Management Policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest

rate swaps may be entered into to hedge the fair value interest rate risk arising from borrowing at fixed rates. Disclosure of these hedging arrangements is made in Note 23. In addition investments at fixed interest rates give an exposure 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 to cash flow interest rate risks.

Generally, the Council 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 borrowed at fixed rates directly. Under the interest rate swaps, the Council 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, causing Council to incur a loss. There are no specific concentrations of credit risk. Council only invests funds in bank deposits and local authority stock and the Investment Policy limits the exposure to any one organisation.

Council is exposed to credit risk as a guarantor of community organisation loans and LGFA borrowings. Information about this exposure is explained in note 25.

Maximum exposure to credit risk

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

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Cash at bank and term deposits	17,678	12,094	19,903	14,060
Receivables	6,464	8,945	6,400	8,969
Community and related party loans	11	13	11	13
Financial guarantees	25	33	25	33
Total	24,178	21,085	26,339	23,075

Credit quality of financial assets

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

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at bank and term deposits				
AA-	17,678	12,094	19,903	14,060
Total cash at bank and term deposits	17,678	12,094	19,903	14,060
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Community and related party loans				
Existing counterparty with no defaults in the past	11	13	11	13
Total community and related party loans	11	13	11	13

Debtors and other receivables arise mainly from the Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers. The Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. In order to meet its commitments, Council maintains a liquidity buffer of \$1.5 million and has a committed cash advance facility of \$5.0 million. There are no funds drawn as at 30 June 2022.

Council is exposed to liquidity risk as a guarantor of all of 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 25.

Contractual maturity analysis of financial liabilities excluding derivatives:

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

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	5+ Years \$000
Council 2022						
Creditors and other payables	10,252	10,252	10,252	-	-	-
Secured loans	149,500	160,496	49,040	30,082	61,260	20,114
Financial guarantees	-	25	25	-	-	-
Total	159,752	170,773	59,317	30,082	61,260	20,114
Group 2022						
Creditors and other payables	10,252	10,252	10,252	-	-	-
Secured loans	149,500	160,496	49,040	30,082	61,260	20,114
Financial guarantees	-	25	25	-	-	-
Total	159,752	170,773	59,317	30,082	61,260	20,114
	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	5+ Years \$000
Council 2021						
Creditors and other payables	10,544	10,544	10,544	-	-	-
Secured loans	98,000	102,490	9,424	21,375	63,582	8,109
Financial guarantees	-	33	33	-	-	-
Total	108,544	113,067	20,001	21,375	63,582	8,109
Group 2021						
Creditors and other payables	10,908	10,908	10,908	-	-	-
Secured loans	98,000	102,490	9,424	21,375	63,582	8,109
Financial guarantees	-	33	33	-	-	-
Total	108,908	113,431	20,365	21,375	33,361	8,109

Council has derivative financial instruments in the form of one (2021 one) interest rate swap arrangement, with this interest rate swap arrangement maturing in 2023.

Contractual maturity analysis of financial assets:

The table below analyses the Council’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	Contractual Cash Flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	5+ Years \$000
Council 2022						
Cash at bank and term deposits	17,678	17,678	17,678	-	-	-
Debtors and other receivables	6,464	6,464	6,464	-	-	-
Community loans	11	13	1	1	3	8
Total	24,153	24,155	24,143	1	3	8
Group 2022						
Cash at bank and term deposits	19,903	19,903	19,903	-	-	-
Debtors and other receivables	6,400	6,400	6,400	-	-	-
Community loans	11	13	1	1	3	8
Total	26,314	26,316	26,304	1	3	8

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	5+ Years \$000
Council 2021						
Cash at bank and term deposits	12,094	12,094	12,094	-	-	-
Debtors and other receivables	8,945	8,945	8,945	-	-	-
Community loans	13	13	1	1	3	8
Total	21,052	21,052	21,040	1	3	8
Group 2021						
Cash at bank and term deposits	14,060	14,060	14,060	-	-	-
Debtors and other receivables	8,969	8,969	8,969	-	-	-
Community loans	13	13	1	1	3	8
Total	23,042	23,042	23,030	1	3	8

Sensitivity analysis

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at the balance date.

	Notes	2022 Actual \$000				2021 Actual \$000			
		-100 bps Other Profit Equity		+100 bps Other Profit Equity		-100 bps Other Profit Equity		+100 bps Other Profit Equity	
Council									
Interest rate risk									
<i>Financial assets</i>									
Cash and cash equivalents	1	(177)	-	177	-	(121)	-	121	-
<i>Financial liabilities</i>									
Derivatives-hedge accounted	2	-	(70)	-	68	-	(150)	-	146
Total sensitivity on interest rates		(177)	(70)	177	68	(121)	(150)	121	146

Explanation of sensitivity analysis:

1. Cash and cash equivalents – Cash and cash equivalents include deposits at call totalling \$17,675,000 (2021 \$12,089,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$176,750 (2021 \$120,890).
2. Derivatives – hedge accounted – Financial Liabilities – Derivative financial liabilities hedge accounted includes interest rate swap fair value hedges totalling \$173,767 (2021 \$797,383). A movement in interest rates plus 100 bps has an effect of \$68,409 (2021 \$146,194) and minus 100 bps has an effect of \$69,540 (2021 \$150,453).

29. Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

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

	Valuation technique			
	Total	Quoted	Observable	Significant non-observable
	\$000	market price	inputs	inputs
		\$000	\$000	\$000
Council				
<i>30 June 2022</i>				
Financial assets				
Investments in CCO's	36,308	-	2,740	33,568
Financial liabilities				
Derivatives	174	-	174	-
Council				
<i>30 June 2021</i>				
Financial assets				
Investments in CCO's	25,323	-	1,890	23,433
Financial liabilities				
Derivatives	797	-	797	-

Valuation techniques with significant non-observable inputs (level 3)

The fair value for the investment in Waikato Regional Airport has been determined based on Council’s proportion of ownership of the airports net assets. In this case the replacement cost of the service potential embodied in the investment is a proxy to fair value. Given most of WRAL’s assets are carried at fair value, this can easily be derived using Councils shareholding percentage of WRAL’s balance sheet. This approach is supported by the conceptual framework and by analogy of other standards for PBE assets.

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	Council	
	2022 \$000	2021 \$000
Balance at 1 July	23,433	17,108
Investment Gain - recognised in other comprehensive revenue and expense	4,088	6,325
Impairment - recognised in comprehensive revenue and expense	-	-
Balance 30 June	27,521	23,433

30. Capital management

Council’s capital is its equity (or ratepayers’ funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 [the Act] requires 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.

An objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today’s ratepayers to meet the costs of utilising Council’s assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires 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 Act also sets out the factors that 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 Long Term Plan.

Waipā District Council has the following Council created reserves:

- reserves for different areas of benefit;
- insurance reserves; and
- reserves and special funds.

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

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

31. Explanation of major variances against budget

Explanations for major variances from the 2021/22 budgeted figures are as follows:

Statement of comprehensive revenue and expense

- Fees and charges were \$4.4 million higher than budget mainly due to \$3.7 million of revenue from Fonterra transferred from rates (this also explains rates being under budget), \$1.7 million of revenue from the Community Facilities Trust on consolidation, and \$858,000 of additional revenue from regulatory income, offset by a reduction in revenue of \$1.9 million from forestry income.
- Development and reserve contributions were \$16.3 million lower than budget due to timing of developments. The gain on revaluation of Forestry and Investment Properties was \$7.8 million higher than budget due to current market conditions.
- The value of assets vested from developers was \$3.1 million higher than budget, this mainly relates to higher than anticipated growth in the district and the timing of receiving assets from developers.
- Subsidies and grants are \$5.2 million higher than budget mainly due to \$4.5 million being received through the New Zealand Government Three Waters reform programme, \$1.8 million extra funding received from NZTA offset by a reduction in budget of \$1.4 million of external funding for Cycling – Te Awamutu/Ngaroto/Pirongia Connection.
- Other revenue is \$9.7 million lower than budget mainly due to the delay of asset sales from timing of development.
- Employee benefit expenses are \$2 million higher than budget due to growth in staff numbers and the Community Facilities Trust on consolidation.
- Other expenses are \$1.4 million lower than budget, this is mainly due to the reduction in forestry harvesting costs due to the delay in harvesting until the 2022/23 year

Statement of financial position

- The higher cash balance at year end is due to the timing of capital work, particularly development related projects.
- Property, plant and equipment was \$8.1 million lower than budget mainly due to delayed capital work and the impairment of 135 Roche Street building.
- Borrowings at year end are \$93.4 million lower than budget. This is mainly due to delayed timing of capital works.

32. INVOLVEMENT IN COUNCIL CONTROLLED ORGANISATIONS AND COUNCIL ORGANISATIONS

The Local Government Act 2002 requires Council to include in the Annual Report information on Council controlled organisations and Council organisations in which it is a stakeholder. In particular, Council must include:

- Its significant policies and objectives regarding ownership and control of the organisation;
- The nature and scope of the activities to be provided by the organisation; and,
- The key performance targets and other measures by which performance may be judged.

We are a shareholder in three organisations that are classified as Council controlled organisations as defined by the Local Government Act 2002. The organisations are:

- Waikato Regional Airport Limited, also known as Hamilton International Airport;
- Local Government Funding Agency Limited; and
- Waikato Local Authority Shared Services Limited.

Further detail on each of these organisations can be found in our 2021-31 Long Term Plan and on pages 96 to 104 of this Annual Report.

Waikato Regional Airport Limited

Waikato Regional Airport Limited (Hamilton International Airport) is jointly owned by five local authorities – Hamilton City Council, Waipā District, Waikato District, Matamata-Piako District and Otorohanga District Councils.

Waipā District Council's shareholding is 15.625 percent.

Corporate mission

The mission of Waikato Regional Airport Limited is to operate a successful commercial business providing safe, appropriate and efficient services for the transportation of people and freight in and out of Hamilton Airport.

Goal

The retention of the Airport as a major infrastructural facility is important to the Waikato economy.

Policies and objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of Waikato Regional Airport.

Nature and scope of activities to be undertaken as per 2021/22 statement of intent

Operate an efficient and compliant airport

- Operate a first class safe and compliant regional airport by providing for essential projects for essential projects, together with any compliance expenditure warranted.

Enhance the traveller experience

- Maximise traveller satisfaction and airport experience.

Maintain a viable aeronautical business

The COVID-19 pandemic has painted a very different canvas for the aviation sector over the next few years. We will:

- Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
- Promote the recovery of the general aviation sector.
- Develop or implement a five year plan to give effect to, or seek renewal of the runway extension designation.
- Position and protect the airport as an efficient, cost effective international port of arrival.
- Pursue all new international air service opportunities (both charter and scheduled services) as New Zealand international borders open up.
- Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.

Maximise revenue diversification through non-aeronautical business opportunities

- Support the development of land within the bounds of a sound, strategic approach to long-term planning for the airport precinct by its subsidiary Titanium Park Limited (TPL).

- TPL will continue marketing for sale, development and optimised investment, all available non-aeronautically strategic land in a planned and co-ordinated approach.
- In conjunction with the hotel manager, maximise the recovery plan and earnings of the recently acquired and upgraded airport hotel business upon completion of the Managed Isolation Facility contract.

Ensure appropriate internal and external resource to enable a commercially driven and high performing organisation

Knowledgeable and capable, high performing and appropriately resourced management personnel to ensure sound reporting and accountability, and delivery of the strategic plan.

Dividend policy

The Directors initially propose that no dividend be paid during the three year period ending 30 June 2022 given the impact of the COVID-19 pandemic. This will be reviewed in light of actual trading and changes in future outlook.

Performance targets as per 2021/22 Statement of Intent

Based on Company forecasts	Year ended 30 June		
	2022	2023	2024
EBITDA excluding land sales	\$3.6m	\$4.0m	\$4.2m
EBITDA including land sales	\$5.7m	\$6.1m	\$5.5m
Net profit tax <i>no less than</i>	\$1.9m	\$2.0m	\$2.3m
Net operating cash flow (excluding land sales)	\$4.2m	\$5.2m	\$5.2m
Total debt <i>not exceeding</i>	\$29.0m	\$29.0m	\$29.0m
Percentage of non-landing charges revenue of at least	60%	60%	60%
Land sales	\$3.7m	\$3.8m	\$2.8m
Interest cover <i>at least</i>	4.0x	4.0x	4.0x

Performance results as per 2021/22 Annual Report

This information was not available at the time of publication of Waipā District Council's 2021/22 Annual Report. The 2021/22 Annual Report of Waikato Regional Airport Limited is expected to be published on that organisation's website by December 2022.

New Zealand Local Government Funding Agency Limited

The New Zealand Local Government Funding Agency Limited (LGFA), which is a council controlled trading organisation, has been established by the Local Government sector and the Crown to enable local authorities to borrow at lower interest margins than would otherwise be available.

The main objectives of LGFA will be to:

- Achieve the shareholder agreed objectives and performance targets specified in the Statement of Intent;
- Be a good employer;
- Demonstrate social, economic, environmental and cultural responsibility;
- Maintain strong and sound corporate governance;
- Set and model high standards of ethical behaviour; and
- Operate in accordance with sound business practice.

Policies and objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of LGFA.

Nature and scope of activities to be undertaken as per 2021/22 Statement of Intent

The 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.

The LGFA will only lend to Council's and CCO's that enter into all the relevant arrangements with it (such Council's being "Participating Local Authorities" and such Councils and CCOs being "Participating Borrowers") and comply with the LGFA's lending policies.

Dividend policy

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than shareholders. Consequently, it is intended to pay a limited dividend to shareholders.

The board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

Performance targets as per 2021/22 Annual Report

Performance targets are specified in the LGFA Statement of Intent for 2021/22 and are summarised with the actual results below:

Financial performance measure:	2021/22 Targets	2021/22 Results	2021/22 outcome
Comprehensive income			
Interest income	18.1m	393.5m	Not achieved
Interest expense	0m	376.0m	Not achieved
Other income	1.0m	1.1m	achieved
Net Income	19.1m	18.6m	Not achieved
Insurance and on-lending costs	2.7m	2.8m	achieved
Approved Issuer Levy	0.6m	0.7m	achieved
Operating expenses	4.4m	4.4m	achieved
Insurance and operating expenses	7.8m	7.9m	achieved
P & L	11.3m	10.7m	Not achieved
Financial Position			
Liquid assets portfolio	1,961m	2,208m	achieved
Loans to local government	13,294m	14,042m	achieved
Total assets	15,255m	16,250m	achieved
Total bonds (nominal ex treasury stock)	13,975m	14,016m	achieved
Bills on issue	500m	563m	achieved
Borrower notes	256m	283m	achieved
Other liabilities	-	1,284m	achieved
Total liabilities	14,731m	16,146m	achieved
Capital	25m	25m	achieved
Retained earnings	81	79.6m	Not achieved
Shareholder equity	106	105m	Not achieved

2021/22 performance targets:	2021/22 outcome
LGFA total operating income for the period 30 June 2022 will be greater than \$19.1 million	Not achieved

2021/22 performance targets:	2021/22 outcome
LGFA's annual issuance and operating expenses (excl AIL) will be less than \$7.2 million	Not achieved
Total nominal lending (short and long term) to participating council to be at least \$13,294 billion	Achieved
Conduct an annual survey of councils and achieve at least an 85% satisfaction score as to the value added by LGFA to the borrowing activities.	Achieved
Meet all lending requests from PLAs.	Achieved
Achieve 85% market share of all council borrowing in New Zealand.	Not achieved
Review each PLA financial position, it's headroom under LGFA policies and arrange to meet each PLA at least annually.	Achieved
No breaches of Treasury Policy, any regulatory requirements including the Health and Safety at Work Act 2015.	Achieved
Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due.	Achieved
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.	Achieved

Waikato Local Authority Shared Services Limited (Trading as Co-Lab Limited)

Shareholders

Waikato Local Authority Shared Services Limited is jointly owned by 12 local authorities.

- Hamilton City Council
- Hauraki District Council
- Matamata-Piako District Council
- Otorohanga District Council
- Rotorua Lakes Council
- South Waikato District Council
- Taupo District Council
- Thames-Coromandel District Council
- Waikato District Council
- Waikato Regional Council
- Waipā District Council
- Waitomo District Council

Background

The local authorities within the boundaries of the Waikato region have adopted shared services as a mechanism for providing back office type services in a coordinated manner across the region to leverage opportunities and deliver benefits. Over the period that Waikato Local Authority Shared Services Limited has been operating, the following positive outcomes have been achieved:

- Improved level and quality of service.
- Coordinated approach to the provision of services.
- Reductions in the cost of services.
- Opportunities to develop new initiatives.
- Standardisation of service levels.
- Opportunities for all councils, irrespective of location or size, to benefit from joint initiatives.
- Economies of scale, resulting in cost saving, have been achieved in procurement.

Council policies and objectives relating to Council Controlled Organisations

The Constitution of Waikato Local Authorities Shared Services Limited sets out the principles and expectations around how the company will be governed and operated. While council has no formal policies and objectives, it has become a shareholder on the basis that the Waikato Local Authority Shared Services Limited will develop products and services of significant benefit to Waipā residents and ratepayers.

The objectives of WLASS are to:

- 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
- promote and contribute to the development of best practice
- make it easier for communities to engage with councils in the Waikato region on a consistent basis
- promote business transformation to improve communities' experiences.

Policies and objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of Waikato Local Authority Shared Services Limited.

Benefits of WLASS

Over the period that the company has been operating benefits have been delivered in the form of:

- Improved level and quality of services;
- Co-ordinated approach to the provision of services;
- Reductions in the cost of services;
- Development of new initiatives;
- Opportunities for all councils (irrespective of their location or size) to benefit from joint initiatives; and,
- Economies of scale resulting from a single entity representing all Councils and leveraging procurement opportunities.

Based on feedback from the shareholding Councils and the Mayoral Forum, the WLASS Directors continue to discuss opportunities to develop shared services at Board meetings. The Directors see the continuing investigation of possible future shared services as a key focus of their role.

Waikato Local Authority Shared Services Limited has the following priorities and performance measures:

PRIORITY	PERFORMANCE MEASURE	TARGET
<p>Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives.</p>	<p>Business cases will include measurable benefits linked to one or more of the outcomes sought. Business cases are supported by councils (evidenced by take up of the opportunity).</p>	<p>Projected savings/increased revenue to councils of at least \$300k. 75% of councils.</p>
<p>Develop opportunities and deliver projects within agreed budgets and timelines¹.</p>	<p>Opportunities/projects are developed/delivered within agreed timeframes. Opportunities/projects are developed/delivered, within approved budgets. Overall, Company Management/Support functions will be undertaken within budget, unless additional expenditure has board pre-approval.</p>	<p>80% 90%</p>
<p>Ensure projects realise their expected benefits.</p>	<p>Measurable benefits are actively monitored and reported against. Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised).</p>	<p>Six-monthly. For 200k+ Projects (based on cost of opportunity development and ongoing investment) Within 15 months. 90% of projected quantifiable benefits are realised.</p>

¹ Budgets and timelines for opportunity development will be those established following discovery and/or opportunity assessment. A business case will refine these parameters with respect to project delivery.

PRIORITY	PERFORMANCE MEASURE	TARGET
Ensure existing services are meeting the needs of councils.	<p>The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey):</p> <ul style="list-style-type: none"> - Rata – roading & Waters -Waikato Building Cluster - Regional Infrastructure Technical specifications - Energy & Carbon Management - Professional Services Panel - Health & Safety pre-qualification 	80% of Councils.
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice.	Across these groups, ideas for future consideration and/or initiatives are identified each year.	Four per annum.

Performance results as per 2021/22 Annual Report

This information was not available at the time of publication of Waipā District Council’s 2021/22 Annual Report. The 2021/22 Annual Report of Waikato Local Authority Shared Services Limited is expected to be published by December 2022.

PART 6 - NGĀ TAIPITOPITO O Ā MĀTOU MAHI / OUR PERFORMANCE IN DETAIL

In this section

This section describes in detail how we performed in each of our groups of activities. Each activity area includes an overview of the activities from the year, and a summary of financials and performance measures.

How to read this section:

What's being reported:

- **Overview of the year:** includes the summary of our financial and non-financial information. Where applicable we have included details on the impact of COVID-19.
- **Activity information:** outlines what is delivered, contribution to community outcomes and identified effects on community wellbeing.
- **Financial information:** capital expenditure and operational expenditure for each activity area.
- **Performance information:** overview of level of service performance measures. Performance measures cover quality, timeliness, utilisation and satisfaction.

How we group activities

Our services in this Annual Report are gathered within eight groups, each containing a number of activities.

Seven of the groups of activities are focused on public service delivery, with the contents of four of these set by legislation, while the remaining three have been grouped according to Council's corporate structure of related activities. The remaining group of activities, support services, is internally focused and is not an official group of activities as defined in the Local Government Act 2002. However, it is included in the Annual Report as it contains a significant number of our activities and, together with the other groups, provides a complete picture of the activities Council provides. Support services support the delivery of community services within each

How we measure performance

For each group of activities, a range of targets and measures were developed to show the standard of performance expected over the next ten years and the means by which we intend to measure that performance. The measures, when considered collectively, are intended to provide a general view of the overall performance in each area.

group of activities. While the costs of support services are included within each group, they are also shown separately at the end of the section to show the total indirect costs.

The groups of activities covered in this section are:

- Governance
- Planning and Regulatory
- Community Services and Facilities
- Transportation
- Stormwater
- Wastewater Treatment and Disposal
- Water Treatment and Supply
- Support Service

6.1 GOVERNANCE

What we do

The Governance group of activities represents the decision making function of elected officials who are supported by communications specialists, strategy advisors and the governance business unit to manage democratic processes.

Governance activities include performance measures for:

- Representation
- Communications and engagement

Additionally, the Governance group of activities is responsible for ensuring Māori involvement in decision-making, developing strategy and enhancing community relationship

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan (LTP).

How the Governance group of activities helps deliver our community outcomes

Economically progressive

- *We have financially sustainable decision making and work programmes*
- *Our services provide excellent value for money*
- *We actively promote our district to enable development, employment and business opportunities*

Socially resilient

- *Waipā is a great place to live, work, play and invest*

Cultural champions

- *We have a high level of cultural awareness*
- *We partner with tangata whenua*
- *We respect the cultural diversity in our district*

Identified effects on community wellbeing

The Governance group of activities is the key area for the democratic processes of Council. A significant amount of work goes into ensuring clear communication is achieved (both to and from Council) via the formal community representative groups – including Council’s Committees, Community Boards, and Senior Council.

Council uses community engagement strategies which ensure that the public is able to participate in the consultation and decision making processes of Council. We will continue to use a large number of engagement channels including social

media as well as traditional methods to reach as many people as possible. This focus on engagement with residents is aimed at both educating people about what Council does as well as gathering feedback to gauge the most acceptable way forward in terms of decision making. This helps Council to achieve the current and future needs of our communities in an effective manner for households, businesses, and Council.

Strategic planning processes are also included in this group of activities. The development, sharing and implementation of effective plans and policies are the foundation of good governance. Of special importance is our participation in the Waikato Mayoral Forum, which works to ensure consistent local government application across communities, cost cutting through sharing of services and the provision of cohesive community leadership. Within this strategic planning role are a number of planning initiatives, including the Waipā 2050 Growth Strategy,

the Future Proof Sub-regional Strategy, and the development of Ahu Ake, our district-wide Community Spatial Plan. The operative Waipā District Plan is a key document that provides Council with resource management planning controls that give effect to National, Regional, and Sub-regional directives, while enabling appropriate development of the district and helping to protect our highly productive land. Council’s other strategies, policies and bylaws all help to ensure that we successfully deliver on our vision to build connected communities.

Statement of service performance: Governance

What to expect from us:

Representation

- The Community have access to timely and accurate information.
- We provide opportunities for our communities to engage with Council and participate in decision-making processes.

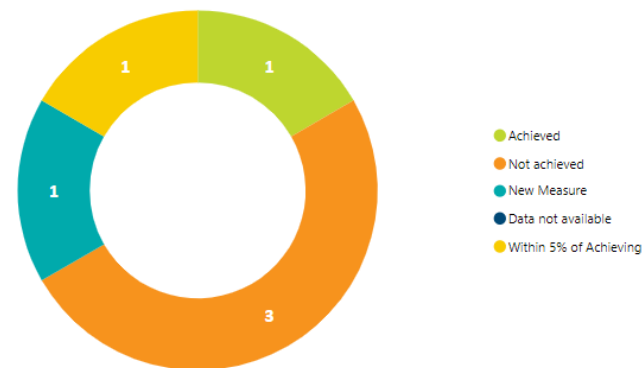
Statement of service performance overview

This Group of Activity is responsible for 5.3 percent of Council’s performance measures.

Communications and Engagement

- We provide regular communication to the district enabling community sharing and engagement.
- We showcase how we’re building champion communities.

Performance Measure Results



Capital expenditure table

	2020/21 Long-term Plan \$000	2021/22 Long-term Plan \$000	2021/22 Actual \$000
To Improve Level of Service			
External Promotions - Communication	-	-	-
TOTAL CAPITAL EXPENDITURE	-	-	-

Internal borrowing statement

	Opening Balance 1 July 2021 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2022 \$000	Interest \$000
Activity Loans	2,332	(462)	-	1,870	29
Total	2,332	(462)	-	1,870	29

**Waipā District Council funding impact statement for year ended 30 June 2022
for Governance**

	2020/21 Long-term Plan \$000	2021/22 Long-term Plan \$000	2021/22 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	7,886	7,712	5,738
Targeted rates	1,053	1,020	1,024
Subsidies and grants for operating purposes	42	54	80
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	50	-	-
Total sources of operating funding (A)	9,031	8,786	6,842
Applications of operating funding			
Payments to staff and suppliers	4,455	4,280	3,860
Finance costs	119	39	29
Internal charges and overheads applied	2,989	3,219	2,983
Other operating funding applications	971	1,099	1,094
Total applications of operating funding (B)	8,534	8,637	7,966
Surplus (deficit) of operating funding (A - B)	497	149	(1,124)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	497	149	(1,124)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	497	149	(1,124)
Surplus (deficit) of capital funding (C - D)	(497)	(149)	1,124
Funding balance ((A - B) + (C - D))	-	-	-

6.2 PLANNING AND REGULATORY

What we do

We provide planning and regulatory services to manage the natural and physical resources of the district, and to promote and protect the health and safety of our communities

Planning and Regulatory activities include;

- Animal Control
- Building Compliance
- Development Engineering
- Environmental Health
- Resource consents, enforcement and land information memorandums

As our district continues to experience significant development and population growth, robust planning and regulatory services will be integral to the creation of

liveable communities. Our planning and regulatory activities are governed and directed by national legislation, national directions, and regional and local policies

and bylaws. These policies and bylaws are subject to regular reviews and link to other Waikato councils when appropriate. Public health and safety activities are fundamental to the protection of life and property in the community.

We will continue to monitor the various legislative development and review processes, with significant changes considered and responded to as part of future annual and long term plans.

The current and projected growth increases the pressures on: our town character and outstanding landscapes; internationally significant peat lakes; stands of indigenous trees; natural features; rural character; and historically significant sites.

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-22 10-Year Plan.

How the Governance group of activities helps deliver our community outcomes

Environmental champions

- *Environmental awareness and responsibility is promoted within the community*
- *We are responsive to climate change*

Cultural champions

- *We champion the unique history of Waipā*
- *We have a high level of cultural awareness*

Socially resilient

- *Waipā provides a high quality of life for current and future generations*

Identified effects on community wellbeing

The planning and regulatory group of activities guide, enhance and maintain the quality of the district’s natural and physical environment and ensures that communities are safe in a district that is developed in a sustainable way.

Maintaining Public Health and Safety are important components of this group of activities. Complaints about aggressive dogs are investigated and actioned. Dog owner education is undertaken where appropriate. This minimises danger, distress and nuisance to the public, and keeps people safe and educated about their responsibilities.

Environmental services teams operate under the Food Act, Health Act and other legislation where public health is the focus, and the Sale and Supply of Alcohol Act 2012 has reduction of alcohol related harm as its aim.

All buildings that have had a Code Compliance Certificate issued at the completion of the building work will comply with the requirements of the Building Code. These buildings will therefore be safe and sound and provide a secure environment in which to work and live.

Statement of service performance: Planning and Regulatory

What to expect from us:

Animal control

- Animal control is managed in a way that ensures support is provided to both animals and the community in a timely manner.

Building compliance

- We ensure that buildings, including earthquake-prone buildings, are safe and fit for purpose.
- Noise and smoke control is provided to the community in a timely manner
- Food premises maintain a high level of food safety.

Resource consents and monitoring, and land information memorandums

- We achieve community aspirations through the implementation and enforcement of the District Plan

Development engineering

- We are responsive to enquiries and requests for information.

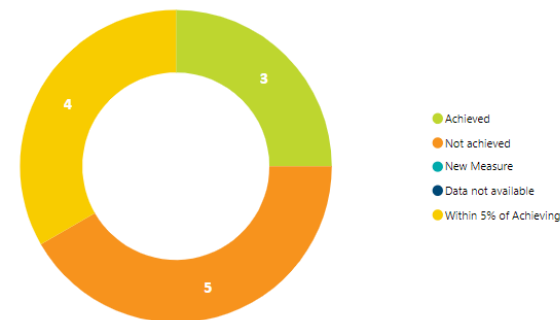
Environmental health

- We ensure the public sale and supply of alcohol is undertaken safely and responsibly.

Statement of service performance overview

This Group of Activity is responsible for 10.6 percent of Council’s performance measures.

Performance Measure Results



Capital expenditure table

	Notes	2020/21 Long-term Plan \$000	2021/22 Long-term Plan \$000	2021/22 Actual \$000
To Replace Existing Assets				
Dog Pound Development	1	-	616	36
TOTAL CAPITAL EXPENDITURE		-	616	36

Explanation of funding impact statement operating variances between LTP and Actual

1. Lower than expected expenditure for Dog pound Development due to timing of development. This project has been deferred to the 2022/23 year.

Internal borrowing statement

	Opening Balance 1 July 2021 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2022 \$000	Interest \$000
Activity Loans	327	(42)	474	759	4
Total	327	(42)	474	759	4

Waipā District Council funding impact statement for year ended 30 June 2022 for Planning and Regulatory

	2020/21 Long-term Plan Notes \$000	2021/22 Long-term Plan \$000	2021/22 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,558	3,639	3,638
Targeted rates	14	-	-
Subsidies and grants for operating purposes	-	1	-
Fees and charges	1 5,194	5,474	7,026
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	33
Total sources of operating funding (A)	7,766	9,114	10,697
Applications of operating funding			
Payments to staff and suppliers	2 5,804	6,777	7,722
Finance costs	8	5	4
Internal charges and overheads applied	1,926	2,726	2,692
Other operating funding applications	-	-	-
Total applications of operating funding (B)	7,738	9,508	10,418
Surplus (deficit) of operating funding (A - B)	28	(394)	279
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	150	-
- to replace existing assets	-	-	36
Increase (decrease) in reserves	28	(544)	243
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	28	(394)	279
Surplus (deficit) of capital funding (C - D)	(28)	394	(279)
Funding balance ((A - B) + (C - D))	-	-	-

Explanation of significant costs of service variances between LTP and Actual

1. Fees and charges are \$1.6 million higher mainly due to an increase in revenue for Resource Consent fees of \$552,000, and an increase in revenue for Building fees of \$858,000 due to increased growth.
2. Operating expenditure is \$945,000 higher mainly due to an increase for Resource Management Consents - cost recovery

6.3 COMMUNITY SERVICES AND FACILITIES

What we do

We provide recreational benefits and promote the social and environmental wellbeing of our communities. Community services and facilities activities include;

- Parks & Reserves
 - Open Spaces
 - Playgrounds
 - Public Toilets
 - Cemeteries
- Libraries
- Heritage
 - Property Services
 - Community Land & Buildings
 - Housing for the Elderly
- Public Swimming Pools
- Waste Management and Minimisation
- Emergency Management

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

How the Governance group of activities helps deliver our community outcomes Economically progressive

- *Our services provide excellent value for money*
- *Waipā is a great place to invest and do business*
- *We have financially sustainable decision making and work programmes*

Environmental champions

- *Environmental awareness and responsibility is promoted within the community*

Cultural champions

- *We champion the unique history of Waipā*
- *We have a high level of cultural awareness*

Socially resilient

- *Waipā is a great place to live, work, play & invest*
- *Waipā provides a high quality of life for current and future generations*

Identified effects on community wellbeing

The community services and facilities group of activities provides recreational benefit, and promotes the social and physical wellbeing and engagement of our communities. Parks, sports reserves and swimming pools provide for physical and environmental wellbeing, while libraries, museums and housing for the elderly

cater for social and cultural wellbeing. The Waipā Community Facilities Trust was established to ensure that levels of service for our swimming pool facilities are maintained and enhanced.

Statement of service performance: Community Services and Facilities

What to expect from us:

Parks, Reserves & Open Spaces

- Provision of an adequate network of multi-purpose open spaces which provide for passive and active recreation and sporting activities.

Playgrounds

- Provision of an adequate network of playgrounds which provide for safe and stimulating play.

Public Toilets

- Provision of an adequate and accessible network of public toilets which meets the needs of the community and visitors while minimising public health risks and environmental impact, in a way that is most cost effective.

Cemeteries

- Provision of accessible cemeteries and interment services which meets the needs of the community.

Libraries

- Provision of library facilities with sufficient resources and services which provide the necessary support for the communities' learning and leisure needs.

Community Land & Buildings

- Council is responsive to community land and building-related service requests.

Housing for the Elderly

- Council is responsive to service requests relating to housing for the elderly.

Heritage

- The district's community and visitors are provided with appropriate opportunities to experience the district's heritage through interpretation, education and conservation delivered directly by Council and through partnerships.

Public swimming pools

- Safe and pleasant aquatic facilities are provided which offer a variety of casual and programmed activities which cater for the needs of the community.

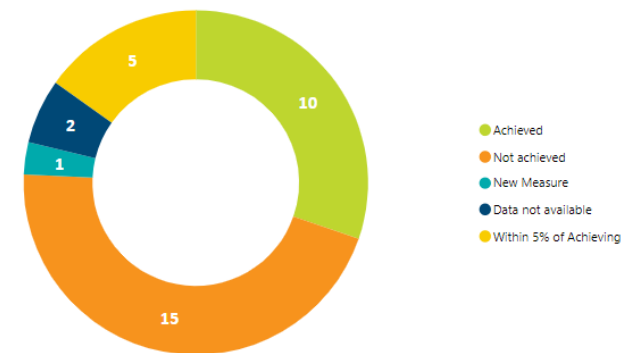
Waste management & minimisation

- Provision of an effective waste minimisation education programme.
- Provision of a convenient kerbside recycling service.

Emergency Management

- We remain suitably capable to provide a high level response in the event of a Civil Defence Emergency.

Performance Measure Results



Statement of service performance overview

This Group of Activity is responsible for 29.2 percent of Council's performance measures.

Capital expenditure table

	Notes	2020/21	2021/22	2021/22
		Plan	Long-term Plan	Actual
		\$000	\$000	\$000
To Meet Additional Demand				
Reserve Purchases - Developments	1	156	3,990	2,543
Playground Reserve Land Cambridge North	1	-	410	-
Playground Reserve Land CB North LTP Yr3	1	60	379	38
Cambridge North Land Acquisition and Development		-	1,800	2,006
C8 Hautapu Industrial Land Acquisition and Development		-	700	13
Waipuke Park Extension	2	-	-	5,276
Total Capital Expenditure to Meet Additional Demand		216	7,279	9,876
To Improve Level of Service				
Cambridge Town Belt Development		47	-	9
Reserve Developments		417	214	112
Development & Restoration of Lake Ngaroto		437	-	-
Addison Street Development - Property		-	15	-
Karapiro Domain Improvements		94	119	28
Peat Lake Programme		5	26	10
Cambridge Pool Playground		83	-	-
Storage Facilities for Climax Engine		-	105	-
Colgan Street Development - Property	3	-	886	-
Te Rahu Road Development - Property		-	385	-
Pukemako A & B - Planning & Restoration		-	-	48
Land Wars - Site Interpretation and Facilities		31	-	-
Flour Mill Sites - Access and Interpretation		16	-	-
Cycling - Te Awamutu/Ngaroto/Pirongia Connection	4	1,101	5,100	337
Kakepuku - Interpretation & Restoration		16	-	-
Public Conveniences - New Toilet Blocks		84	-	-
Lake Rotopiko - Heritage Development		36	50	48
Lake Mangakaware - Restoration & Development		-	7	-
Housing for the Elderly- Upgrade and New Buildings	5	2,124	3,170	1,007
Mt Pirongia - collaboration with DOC		26	30	31
Erosion Control and Amenity Enhancement		125	326	22
Design and Build Discovery Centre		4,326	-	-
Discovery Centre - Exhibition Planning, Design, Development & Install		785	-	-
District Wide Skateparks	6	-	120	562
Waipuke Reserve Development		88	53	47
Matakitaki Access & Restoration		-	-	5
Kihikihi Town Clock Repairs		-	40	73
Cemetery Capacity Developments		-	140	67
Band Rotundas within the District		-	-	144
Heritage Showcase Sites & Mobile App Planning Design		520	-	-
Destination Playgrounds		45	-	107

Explanation of capital expenditure variances between LTP and Actual

1. Reduced spend on growth cell projects due to development timing.
2. Unanticipated spend for Waipuke park extension for land purchase due to market opportunity.
3. The Colgan Street development has been deferred to the 2022/23 year.
4. The spend on the Cycling – Te Awamutu/Ngaroto/Pirongia Connection is lower than the 2021-31 LTP by \$4.7 million due to timing delays. This has been deferred to the 2022/23 year.
5. The construction of new Housing for the Elderly units for an estimated \$2.2m has had timing delays. This project has been carried forward to the 2022/23 year.
6. The Te Awamutu state park upgrade has been brought forward from Year 2 of the 2021-31 LTP.

Land Acquisition - Structure Plan areas and Esplanade Reserves	364	-	-
Purchase of Land for Te Awamutu Hub Development	625	-	-
Cambridge Town Pool Development	-	-	310
Memorial Park	-	288	438
Museum Minor Assets	-	-	23
Maungatautari - Hicks Rd Formation	-	150	164
Ngaroto Heritage Restoration	-	105	-
Library RFID Technology	-	265	-
Kihikihi Town Hall	-	20	-
Pirongia Town Hall	-	20	-
Cambridge Town Hall Upgrades	-	60	-
LTP Potential Property Development & Sales	-	210	-
Cambridge Town Hall Clock Tower Repairs	-	25	-
Castleton Park	-	473	-
T8 Land Acquisition and Development: Structure Plan Areas	-	784	610
T1 Land Acquisition and Development: Structure Plan Areas	-	-	180
Horahora Domain Land Purchase	-	400	-
Kihikihi Memorial Hall	-	20	-
Lake Te Ko Utu	-	268	-
Te Rahu Road Development - Property	-	-	9
Rat-tu Reserve Enhancement	-	-	17
Collective Hydro Lakes	-	70	30
Other Minor Assets	-	-	39
Play provision outside of Structure Plans	-	500	239
Total Capital Expenditure to Improve Level of Service	11,395	14,444	4,716
To Replace Existing Assets			
Karapiro/Arapuni Lakes Programme	21	-	-
Housing for the Elderly Renewals	-	300	-
Playground Equipment & Safety Surfaces Renewal	59	566	632
Parks Renewals	59	325	329
Plant Replacement - Mighty River Domain	52	80	66
Parks Plant & Equipment Replacement	-	196	102
Carpark Renewals	116	24	-
Library Books Te Awamutu	181	177	144
Library Books Cambridge	181	177	144
District Pools Plant Renewals	126	103	103
Other Minor Asset Renewals	406	129	208
Total Capital Expenditure to Replace Existing Assets	1,201	2,077	1,728
TOTAL CAPITAL EXPENDITURE	12,812	23,800	16,320

Internal borrowing statement

	Opening Balance 1 July 2021 \$000	Loan Repayments \$000	Loans Raised 0	Closing Balance 30 June 2022 \$000	Interest \$000
Activity Loans	35,010	(2,458)	9,468	42,020	439
Total	35,010	(2,458)	9,468	42,020	439

Explanation of funding impact statement operating variances between LTP and Actual

1. Increase in other revenue due to the consolidation of Waipā Communities Facilities Trust.
2. Decrease in payments to staff and suppliers due to a reduction in employee benefits of \$229,000 due to vacant positions and a reduction in expenditure of \$864,000 for forestry due to the harvest being deferred to the 2022/23 year.

**Waipā District Council funding impact statement for year ended 30 June 2022
for Community Services and Facilities**

	2020/21 Long-term Plan Notes	2021/22 Long-term Plan \$000	2021/22 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	15,027	16,166	16,158
Targeted rates	5,405	5,904	5,959
Subsidies and grants for operating purposes	11	287	410
Fees and charges	6,614	6,324	6,237
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	-	598
Total sources of operating funding (A)	27,057	28,681	29,362
Applications of operating funding			
Payments to staff and suppliers	2	19,910	19,201
Finance costs		1,531	449
Internal charges and overheads applied		3,165	3,673
Other operating funding applications		408	551
Total applications of operating funding (B)	25,014	24,930	23,874
Surplus (deficit) of operating funding (A - B)	2,043	3,751	5,488
Sources of capital funding			
Subsidies and grants for capital expenditure	2,540	1,440	-
Development and financial contributions	649	1,375	308
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	8,481	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	3,189	11,296	308
Applications of capital funding			
Capital expenditure			
- to meet additional demand	216	7,279	9,876
- to improve the level of service	11,395	14,444	4,716
- to replace existing assets	1,201	2,077	1,728
Increase (decrease) in reserves	(7,580)	(8,753)	(10,524)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	5,232	15,047	5,796
Surplus (deficit) of capital funding (C - D)	(2,043)	(3,751)	(5,488)
Funding balance ((A - B) + (C - D))	-	-	-

6.4 TRANSPORTATION

What we do

The Transportation group is the primary service provider for the provision of the local transport network including roads, footpaths and cycleways, as well as road safety interventions and education.

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

How the Governance group of activities helps deliver our community outcomes

Economically progressive

- *We have financially sustainable decision making and work programmes*
- *We provide new infrastructure as an economic stimulus for our district*

Environmental champions

- *We support programmes that promote environmental sustainability*

- *We are responsive to climate change*

Cultural champions

- *We partner with tangata whenua*

Socially resilient

- *Waipa provides a high quality of life for current and future generations*

Identified effects on community wellbeing

The transportation group of activities provides the means for the transport of goods and people throughout the district and provides major social and economic benefits. It connects communities to many destinations such as work, shopping, leisure, education and entertainment.

Road and footpath rehabilitation activities are an essential part of the on-going maintenance programme. However in delivering these services there may be

disruption and nuisance caused to the public through road closures and dust generation. Although staff endeavour to minimise the negative impacts as much as possible and provide regular information about projects, parts of the community will always be inconvenienced in various ways.

Council continues to promote road safety initiatives and more sustainable forms of transport such as cycling.

Statement of service performance: Transportation

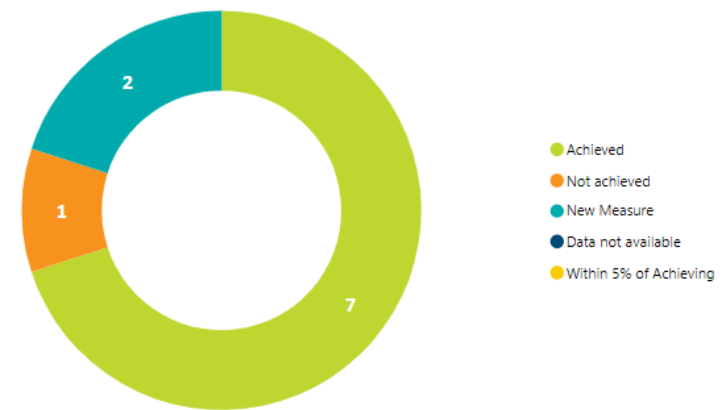
What to expect from us:

- Roads and road usage is managed to reduce the risk of harm to users.
- Provision of road and footpath networks which support usability and user comfort both now and in the future.
- We are responsive to roading issues raised by the community.
- Alternative transport options are available and user friendly.

Statement of service performance overview

This Group of Activity is responsible for 8.8 percent of Council’s performance measures.

Performance Measure Results



Capital expenditure table

		2020/21	2021/22	2021/22
		Long-term	Long-term	Actual
	Notes	Plan	Plan	Actual
		\$000	\$000	\$000
To Meet Additional Demand				
Cambridge North Capital Projects	1	1,326	1,350	1
Cambridge Growth Cells (C1,C2 and C3) incls Land Purchase	2	1,826	31,150	20,512
Cambridge Growth Cells (C5 C6) Lamb Street		-	300	1
Hautapu Structure Plan and Cycleway	3	835	5,100	653
St Ledger and Kihikihi Road		261	300	39
Picquet Hill Plan Change Rooding	4	496	3,500	656
Frontier Road Plan Change		104	14	52
Urban Upgrades - Development Related	5	52	1,300	61
Hamilton Rd/Cambridge Rd Urbanisation		-	300	220
T9/T10 New Collector Road and Walkway		-	1,000	478
Total Capital Expenditure to Meet Additional Demand		4,900	44,314	22,673
To Improve Level of Service				
Seal Extensions		500	-	1
New Footpaths		125	100	166
Car Park Improvements		52	-	12
Town Concept Plans Implementation	6	543	1,300	544
Passenger Transport Infrastructure		21	100	5
Street Light Improvements		365	150	78
Cycling Projects District Wide	7	695	4,310	3,462
Associated & Minor Improvements		887	1,355	480
Bridge Footpath Widening		-	-	18
Cambridge Bypass Rooding Improvements		2,443	-	-
CBD Accessibility Improvements		230	-	-
Major Improvements		241	215	2
Total Capital Expenditure to Improve Level of Service		6,102	7,530	4,768
To Replace Existing Assets				
Footpath Renewals		449	375	333
Amenity Lighting Renewals		-	3	-
Car Park Renewals		37	55	22
Drainage Renewals		371	389	52
Sealed Road Resurfacing		2,662	4,030	4,176
Unsealed Road Metalling		63	60	22
Pavement Rehabilitation		2,662	1,800	1,751
Structures Component Renewal		418	410	169
Traffic Services Renewals		26	40	57
Guardrail Renewals		52	55	37
Cycleway Renewals		-	-	-
Bus Shelter Renewals		10	10	3
Total Capital Expenditure to Replace Existing Assets		6,750	7,227	6,622
TOTAL CAPITAL EXPENDITURE		17,752	59,071	34,063

Explanation of significant capital variances between LTP and Actual

1. The majority of Cambridge North Growth projects have been deferred due to developer timing
2. Cambridge Growth Cells (C1, C2 & C3) projects have been delayed due to development timing. These budgets have been carried forward to the 2021/22 year.
3. The Cambridge North Growth projects have been deferred due to developer timing delays and have been carried forward to the 2022/23 year
4. There has been a reduction in expenditure for the Piquet Hill Plan change rooding project due to delays in construction. This project has been deferred to the 2022/23 year.
5. There has been a reduction in expenditure for Urban upgrades due to development delays. This project has been deferred to the 2022/23 year.
6. The Ohaupo Town Concept projects have been deferred to the 2022/23 year.
7. There has been a decrease in cycling projects district wide of \$848,000 mainly due to the majority of the costs for Te Awa River Ride happening in the 2020/21 year.

Internal borrowing statement

	Opening Balance 1 July 2021 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2022 \$000	Interest \$000
Activity Loans	16,554	(1,879)	-	14,675	329
Total	16,554	(1,879)	-	14,675	329

Explanation of funding impact statement operating variances between LTP and Actual

1. Increase in subsidies and grants of \$1.9 million mainly due to an increase in MBIE external funding of \$1 m for Te Awa Cycleway and an increase in NZTA local share funding of \$864,000.

Waipā District Council funding impact statement for year ended 30 June 2022 for Transportation

	2020/21 Long-term Plan \$000	2021/22 Long-term Plan \$000	2021/22 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	12,600	13,100	13,096
Targeted rates	374	269	274
Subsidies and grants for operating purposes	1	2,929	4,805
Fees and charges	765	1,469	1,223
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total sources of operating funding (A)	16,668	17,740	19,398
Applications of operating funding			
Payments to staff and suppliers	7,648	8,652	8,751
Finance costs	1,062	286	212
Internal charges and overheads applied	1,531	1,891	2,171
Other operating funding applications	-	-	-
Total applications of operating funding (B)	10,241	10,829	11,134
Surplus (deficit) of operating funding (A - B)	6,427	6,911	8,264
Sources of capital funding			
Subsidies and grants for capital expenditure	5,074	5,178	5,191
Development and financial contributions	2,847	5,045	1,679
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	7,921	10,223	6,870
Applications of capital funding			
Capital expenditure			
- to meet additional demand	4,900	44,314	22,673
- to improve the level of service	6,102	7,530	4,768
- to replace existing assets	6,750	7,227	6,622
Increase (decrease) in reserves	(3,404)	(41,937)	(18,929)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	14,348	17,134	15,134
Surplus (deficit) of capital funding (C - D)	(6,427)	(6,911)	(8,264)
Funding balance ((A - B) + (C - D))	-	-	-

6.5 STORMWATER

What we do

We are the primary service provider for managing stormwater in urban areas. Council maintains all public rural drains in Waipa.

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

How the Governance group of activities helps deliver our community outcomes

Economically progressive

- *We provide new infrastructure as an economic stimulus for our district*
- *Our services provide excellent value for money*

Environmental champions

- *We are responsive to climate change*

Cultural champions

- *We partner with tangata whenua*

Socially resilient

- *Waipa provides a high quality of life for current and future generations*

Identified effects on community wellbeing


Effective stormwater systems are important in managing the effects of high intensity rainfall in urban environments to avoid regular flooding. Some of our stormwater systems were designed in the 1950s and are insufficient to deal with the effects of the higher intensity rainfall events expected with climate change. Improvements to these systems are built into Council's Long Term Plans, including a consent strategy which is underway for the development of a District Wide Stormwater Comprehensive Consent in 2022.

Stormwater discharges from urban and industrial areas into rivers can also have potentially negative consequences for environmental wellbeing, for example from oil or diesel spills. However the likelihood of these occurrences are managed by dedicated Trade Waste Officers that work with commercial and industrial entities on a regular basis to ensure there are mechanisms in place to minimise the likelihood of spills reaching the environment. Planning and monitoring is also underway to ensure Council maintains its comprehensive stormwater discharge consent.

Statement of service performance: Stormwater

What to expect from us:

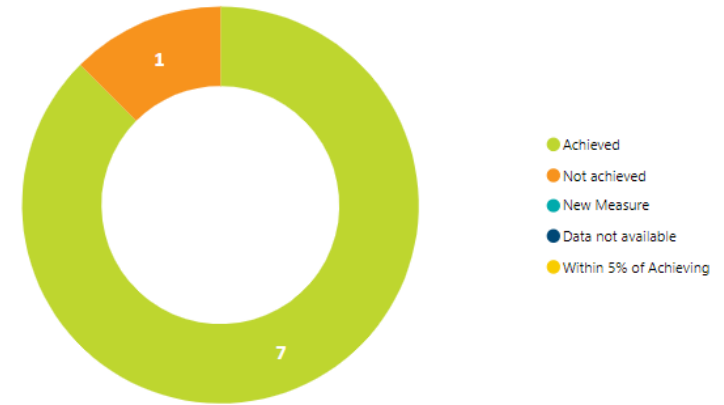
- Provision of a safe and reliable stormwater system which minimises flooding and environmental impact.

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Statement of service performance overview

This Group of Activity is responsible for 7.1 percent of Council's performance measures.

Performance Measure Results



Capital expenditure table

		2020/21 Long-term Plan Notes	2021/22 Long-term Plan \$000	2021/22 Actual \$000
To Meet Additional Demand				
Cambridge Growth Cells (C1,C2 and C3)	1	15,225	48,056	16,005
Hautapu Industrial Stormwater	2	1,678	6,907	61
Cambridge Deferred Residential Stormwater Works		730	-	210
Cambridge North Residential Stormwater Works	3	-	5,398	-
Bond Road Stormwater Culvert		-	-	1
Kihikihi Stormwater Works		262	234	-
Total Capital Expenditure to Meet Additional Demand		17,895	60,595	16,277
To Improve Level of Service				
Consent, Remedial and Flood Mitigation Work		-	528	4
Total Capital Expenditure to Improve Level of Service		-	528	4
To Replace Existing Assets				
Renewals		525	1,347	897
Total Capital Expenditure to Replace Existing Assets		525	1,347	897
TOTAL CAPITAL EXPENDITURE		18,420	62,470	17,178

Explanation of significant capital variances between LTP and Actual

1. The Cambridge Growth Cells (C1, C2 & C3) have been deferred due to developer timing delays and have been carried forward to the 2022/23 year.
2. Capital expenditure for Hautapu Industrial Stormwater works has been delayed due to developer timing. This has been carried forward to the 2022/23 year.
3. The Cambridge North Growth projects have been deferred due to developer timing delays and have been carried forward to the 2022/23 year.

Internal borrowing statement

	Opening Balance 1 July 2021 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2022 \$000	Interest \$000
Activity Loans	120	(120)	-	-	2
Total	120	(120)	-	-	2

Explanation of funding impact statement operating variances between LTP and Actual

1. Unanticipated subsidies and grants revenue due to external funding received from the New Zealand Government Three Waters reform programme.
2. Increase in payments to staff and suppliers of \$514,000 mainly due to an increase in budget for Stormwater water reform projects offset by a reduction in employee benefits of \$218,000 due to vacant positions.

Waipā District Council funding impact statement for year ended 30 June 2022 for Stormwater

	2020/21 Long-term	2021/22 Long-term	2021/22 Actual
Notes	Plan \$000	Plan \$000	\$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	282	319	318
Targeted rates	3,417	3,933	3,955
Subsidies and grants for operating purposes	1	-	766
Fees and charges	-	4	18
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total sources of operating funding (A)	3,699	4,256	5,057
Applications of operating funding			
Payments to staff and suppliers	2	1,683	1,748
Finance costs	-	7	2
Internal charges and overheads applied	489	560	804
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,172	2,315	3,068
Surplus (deficit) of operating funding (A - B)	1,527	1,941	1,989
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	6,112	7,395	801
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	6,112	7,395	801
Applications of capital funding			
Capital expenditure			
- to meet additional demand	17,895	60,595	16,277
- to improve the level of service	-	528	4
- to replace existing assets	525	1,347	897
Increase (decrease) in reserves	(10,781)	(53,134)	(14,388)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	7,639	9,336	2,790
Surplus (deficit) of capital funding (C - D)	(1,527)	(1,941)	(1,989)
Funding balance ((A - B) + (C - D))	-	-	-

6.6 WASTEWATER TREATMENT AND DISPOSAL

What we do

We provide a safe, effective and reliable system for managing wastewater in urban areas to maintain public health and protect land and waterways from contamination.

The wastewater treatment and disposal activity includes the reticulation network for the collection of sewage and trade waste and its treatment and disposal.

Wastewater treatment and disposal is a core service of Council and is recognised by our Significance and Engagement Policy. The Infrastructure Strategy outlines the strategic intent of this activity and this is supported by the Activity Management Plan.

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

How the Governance group of activities helps deliver our community outcomes

Economically progressive

- *We provide new infrastructure as an economic stimulus for our district*
- *Our services provide excellent value for money*

Environmental champions

- *We are responsive to climate change*

Cultural champions

- *We partner with tangata whenua*

Socially resilient

- *Waipā provides a high quality of life for current and future generations*

Identified effects on community wellbeing

Wastewater treatment and disposal is a cornerstone of public health. Waipā District Council continue to work closely with Waikato Regional Council and Iwi partners on confirming long term development and resource consent options for the site for all to be in place prior to the expiry of the short term consent in 2026. Council intend to apply for a new long term consent in 2022 and design is currently underway for an upgrade to the Cambridge Wastewater Plant to be completed by 2026.

Te Awamutu Wastewater Treatment Plant has also been generally compliant over the past 12 months. Plant upgrades have been completed, with phase 4 upgrades planned for future years of the LTP.

Statement of service performance: Wastewater Treatment and Disposal

What can you expect from us:

- Provision of a safe and reliable system for the treatment and disposal of wastewater which minimises public health risks and environmental impact.

Statement of service performance overview

This Group of Activity is responsible for 7.08 percent of Council’s performance measures.

Performance Measure Results



Capital expenditure table

	2020/21	2021/22	2021/22
	Long-term	Long-term	Actual
Notes	Plan	term Plan	\$000
	\$000	\$000	
To Meet Additional Demand			
Cambridge Growth Cells (C1,C2 and C3)	1	950	4,471
Hautapu Industrial Wastewater	2	839	1,692
Cambridge Wastewater Treatment Plant Upgrades	3	449	2,282
Te Awamutu Wastewater Treatment Plant Upgrade		344	-
District Wide Wastewater Pump Station Upgrades		-	410
District Wide Wastewater Pipe Upgrades	4	-	3,542
Te Awamutu Growth Provision (T8)		-	126
Total Capital Expenditure to Meet Additional Demand		2,582	12,523
Total Capital Expenditure to Meet Additional Demand			4,260
To Improve Level of Service			
Waikeria Prison Expansion		6,556	-
Cambridge Wastewater Treatment Plant Upgrade Stage 1		7,872	-
Scada & Telemetry Upgrade	5	-	-
District Wide Modelling and Condition Assessment		-	36
Total Capital Expenditure to Improve Level of Service		14,428	36
Total Capital Expenditure to Improve Level of Service			1,051
To Replace Existing Assets			
Renewals		982	-
Cambridge Pipe Bridge		-	-
Plant and Pumps		231	3,045
Total Capital Expenditure to Replace Existing Assets		1,213	3,045
Total Capital Expenditure to Replace Existing Assets			3,095
TOTAL CAPITAL EXPENDITURE		18,223	15,604
			8,406

Explanation of significant capital expenditure variances between LTP and Actual

1. The Cambridge Growth Cells (C1, C2 & C3) have been deferred due to developer timing delays and have been carried forward to the 2022/23 year
2. The Hautapu Industrial Wastewater project has been deferred to the 2022/23 year due to timing of development.
3. The spend on the Cambridge Wastewater Treatment plant upgrade is lower than budget due to a delay in timing of the project.
4. The District Wide Wastewater pipe upgrades have been deferred to the 2022/23 year.
5. The Scada & Telemetry upgrade was carried over from the 2020/21 year.

Internal borrowing statement

	Opening Balance 1 July 2021 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2022 \$000	Interest \$000
Activity Loans	21,165	(1,664)	760	20,261	271
Total	21,165	(1,664)	760	20,261	271

Explanation of funding impact statement operating variances between LTP and Actual

1. The \$1,109,000 funding is from the New Zealand Government Three Waters reform programme.
2. The reduced spend of \$1.5 million reflects the delays in the commissioning of the new Cambridge Wastewater Treatment Plant (\$1.2 million) and a reduction in employee benefits of \$451,000 due to vacant positions

Waipā District Council funding impact statement for year ended 30 June 2022 for Wastewater Treatment and Disposal

	2020/21 Long-term Plan Notes \$000	2021/22 Long-term Plan \$000	2021/22 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	720	664	661
Targeted rates	7,040	10,049	10,142
Subsidies and grants for operating purposes	1	-	1,109
Fees and charges	588	1,300	1,164
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total sources of operating funding (A)	8,348	12,013	13,076
Applications of operating funding			
Payments to staff and suppliers	2	2,985	6,132
Finance costs	619	346	271
Internal charges and overheads applied	1,258	872	1,127
Other operating funding applications	-	-	-
Total applications of operating funding (B)	4,862	7,350	6,018
Surplus (deficit) of operating funding (A - B)	3,486	4,663	7,058
Sources of capital funding			
Subsidies and grants for capital expenditure	4,983	-	-
Development and financial contributions	3,120	4,202	1,016
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	8,103	4,202	1,016
Applications of capital funding			
Capital expenditure			
- to meet additional demand	2,582	12,523	4,260
- to improve the level of service	14,428	36	1,051
- to replace existing assets	1,213	3,045	3,095
Increase (decrease) in reserves	(6,634)	(6,739)	(332)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	11,589	8,865	8,074
Surplus (deficit) of capital funding (C - D)	(3,486)	(4,663)	(7,058)
Funding balance ((A - B) + (C - D))	-	-	-

6.7 WATER TREATMENT AND SUPPLY

What we do

The water treatment and supply group of activities includes all the services involved in abstracting, treating, storing and distributing water to users through the reticulation network.

We provide reticulated water supplies to Cambridge, Te Awamutu, Kihikihi, Pirongia, Ōhaupō, Pukerimu and Karāpiro and operate seven water treatment plants. We are responsible for maintaining water supply assets worth \$232.6million including 607km of water pipes plus pump stations, reservoirs and treatment plants. Water infrastructure remains a significant challenge facing our district over the coming decade, particularly given our projected population growth.

Our water supply and treatment challenges are;

- Some of our water infrastructure is old and needs replacing.
- We have water pressure, taste and odour issues to resolve.

- Compliance with new resource consent conditions, including restrictions on how much water we can take from water sources.
- Compliance with new rules to protect the environment.
- Compliance with drinking water standards.

Council has developed a Three Waters Master Plan to inform the work programme for the water treatment and supply activity, along with stormwater and wastewater activities. The Master Plan operates in conjunction with the subregional three waters strategy, which was prepared by the Future Proof partnership to provide an overarching framework for the development and maintenance of the Three Waters network of the Waipā and Waikato districts and Hamilton city. Waipā is continuing to deliver the Smart Water demand.

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

How the Governance group of activities helps deliver our community outcomes

Economically progressive

- *We have financially sustainable decision making and work programmes*
- *We provide new infrastructure as an economic stimulus for our district*
- *Our services provide excellent value for money*

Cultural champions

- *We partner with tangata whenua*

Socially resilient

- *Waipā provides a high quality of life for current and future generations*

Environmental champions

- *We are responsive to climate change*

Identified effects on community wellbeing

Growth within the district is at an all-time high, and Council have completed significant scheduled infrastructure upgrades aimed at ensuring continuity of supply.

Demand is managed through universal water metering, and water education conservation strategies throughout the year, as well as imposing water alert restrictions across the district and sub-region in conjunction with partners Hamilton City Council.

Statement of service performance: Water treatment and supply

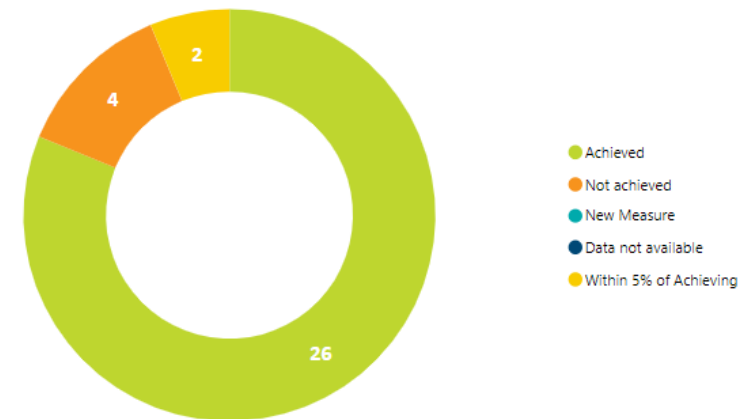
What can you expect from us:

- Provision of potable water within specified areas via a safe and reliable treatment and supply system.
- Provision of wholesome potable water within specified areas via a safe and reliable treatment and supply system.
- Water supply and demand is managed to ensure prudent use of water.

Statement of service performance overview

This Group of Activity is responsible for 28.3 percent of Council’s performance measures.

Performance Measure Results



Capital expenditure table

	2020/21 Long-term Plan Notes \$000	2021/22 Long-term Plan \$000	2021/22 Actual \$000
To Meet Additional Demand			
Dedicated Main Leamington to Hautapu	79	225	-
Cambridge North to Hautapu Pipeline	-	744	124
Cambridge Growth Cells (C1,C2,C3,C4 and C7)	1	1,181	1,023
Dedicated Cambridge North Water Main	799	-	-
Te Awamutu Growth Cells	-	350	380
Pukerimu Airport Supply	928	-	-
Water Supply Provision Cambridge (C6)	257	-	-
Cambridge Water Reticulation Active Control	463	-	132
Hautapu East Water Development (C10)	-	620	43
Alpha Street Water Treatment Plant Upgrade	-	40	-
Te Awamutu Internal CBD Rising Main	-	58	33
Total Capital Expenditure to Meet Additional Demand	3,707	3,060	933
To Improve Level of Service			
Te Awamutu Fire & Water LOS Service Upgrades	-	63	16
Cambridge Fire & Water LOS Service Upgrades	190	124	57
Parallel Rd Water Treatment Plant Upgrade	2	4,196	-
Parallel Rd to Taylors Hill Pipeline	4,196	-	18
District Wide Water Modelling	-	54	-
District Wide Zone Identification	-	86	-
Fairview Rd Water Main	-	58	4
Standby Generators for Treatment Plants	-	248	187
Parallel Rd Treated Water Storage	-	-	65
Scada & Telemetry Upgrade	-	-	789
Kihikihi Alternate Water Supply	3	-	1,386
Frontier Road to Taylors Hill Main Trunk	174	-	-
Raw Water Main Renewal & Inlet Pump Installation	-	-	202
Minor Equipment	-	-	346
Te Awamutu Active Reticulation Control	463	-	267
Total Capital Expenditure to Improve Level of Service	9,219	633	4,299
To Replace Existing Assets			
District Wide Water Main Renewals	4	2,507	2,272
Connection and Meter Renewals	-	336	223
Reservoir Renewals	210	451	525
Plant & Pumps	277	790	1,075
Total Capital Expenditure to Replace Existing Assets	2,994	3,849	3,166
TOTAL CAPITAL EXPENDITURE	15,920	7,542	8,398

Explanation of significant capital expenditure variances between LTP and Actual

1. The Cambridge Growth Cell work has been delayed to align with developers and other planned works.
2. This project will be carried forward to the 2022/23 year.
3. This budget has carried over from the 2020/21 year.
4. The reduction in expenditure for District Wide Water Main Renewals is due to delays in construction as this is now a joint project with Otorohanga District Council. This project has been deferred to the 2022/23 year.

Internal borrowing statement

	Opening Balance 1 July 2021 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2022 \$000	Interest \$000
Activity Loans	25,073	(834)	619	24,858	321
Total	25,073	(834)	619	24,858	321

Explanation of funding impact statement operating variances between LTP and Actual

1. A reduction in revenue for targeted rates is due to the Fonterra revenue being transferred from targeted rates to fees and charges.
2. This revenue is due to funding from the New Zealand Government Three Waters reform programme.
3. The increase in expenditure of \$776,000 is mainly due to an increase in spend for water treatment three waters operating projects of \$473,000 and an increase in employee benefits of \$337,000.

Waipā District Council funding impact statement for year ended 30 June 2022 for Water Treatment and Supply

	2020/21 Long-term Plan notes	2021/22 Long-term Plan	2021/22 Actual
	\$000	\$000	\$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	746	530	530
Targeted rates	1 11,068	11,665	8,587
Subsidies and grants for operating purposes	2 -	-	2,671
Fees and charges	1 478	550	3,919
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total sources of operating funding (A)	12,292	12,745	15,707
Applications of operating funding			
Payments to staff and suppliers	3 7,009	6,154	6,930
Finance costs	789	399	321
Internal charges and overheads applied	367	1,148	1,225
Other operating funding applications	5	5	-
Total applications of operating funding (B)	8,170	7,706	8,476
Surplus (deficit) of operating funding (A - B)	4,122	5,039	7,231
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	2,828	2,978	764
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	2,828	2,978	764
Applications of capital funding			
Capital expenditure			
- to meet additional demand	3,707	3,060	933
- to improve the level of service	9,219	633	4,299
- to replace existing assets	2,994	3,849	3,166
Increase (decrease) in reserves	(8,970)	475	(403)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	6,950	8,017	7,995
Surplus (deficit) of capital funding (C - D)	(4,122)	(5,039)	(7,231)
Funding balance ((A - B) + (C - D))	-	-	-

6.8 SUPPORT SERVICES

What we do

This group provides a range of specialist skills and services to support the organisation to efficiently deliver services

Support Services activities include performance measures for;

- Information Services
- Customer Support

Additionally, the Support Services group of activities is responsible for financial management, human resources, legal services, and business improvement and risk management functions which work closely with the other groups of activities to understand our business, community and statutory needs.

The level of service we will deliver

The level of service was maintained as planned within this group of activities as outlined in the 2021-31 Long Term Plan.

How the Governance group of activities helps deliver our community outcomes

Economically progressive

- *We have financially sustainable decision making and work programmes*
- *Our services provide excellent value for money*

Environmental champions

- *We support programmes that promote environmental sustainability*

Cultural champions

- *We have a high level of cultural awareness*
- *We respect the cultural diversity in our district*

Socially resilient

- *Waipā is a great place to live, work, play and invest*
- *Waipā provides a high quality of life for current and future generations*

Statement of service performance: Support Services

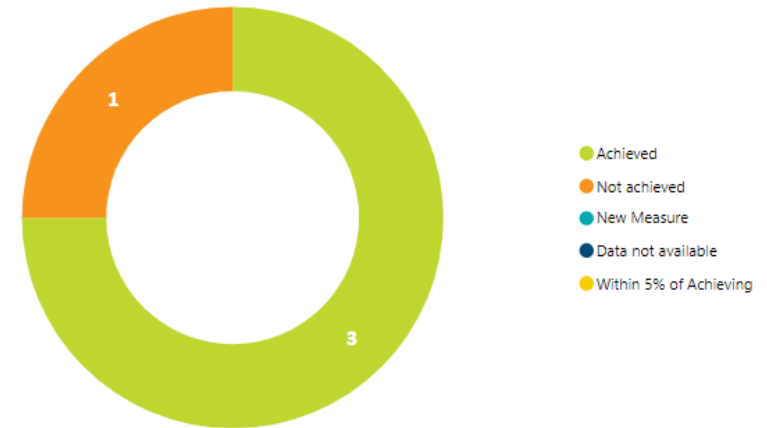
What to expect from us:

We provide a responsive customer support service to our community.

Statement of service performance overview

This Group of Activity is responsible for 3.5 percent of Council’s performance measures

Performance Measure Results



Capital expenditure table

	Notes	2020/21 Long-term Plan \$000	2021/22 Long- term Plan \$000	2021/22 Actual \$000
To Improve Level of Service				
Buildings		1,386	374	23
Computer Hardware Upgrades		-	-	-
Computer Software Upgrades	1	-	1,462	865
Total to Improve Level of Service		1,386	1,836	888
To Replace Existing Assets				
Plant	2	664	1,321	370
Buildings		-	94	440
Carparks Renewals		36	-	-
Computer Hardware Renewals		126	70	80
Computer Software Renewals		108	20	60
Total to Replace Existing Assets		934	1,505	950
TOTAL CAPITAL EXPENDITURE		2,320	3,341	1,838

Explanation of significant capital expenditure variances between LTP and Actual

1. Capital expenditure on computer software upgrades was lower than budget due to costs associated with some Technology One contracts being carried over to the 2022/23 year.
2. Plant renewals are lower than the LTP budget due to timing delays.

Internal borrowing statement

	Opening Balance 1 July 2021 \$000	Loan Repayments \$000	Loans Raised \$000	Closing Balance 30 June 2022 \$000	Interest \$000
Activity Loans	8,989	(575)	1,659	10,073	125
Development Contribution Loans	42,214	(3,406)	39,981	78,789	525
Total	51,203	(3,981)	41,640	88,862	650

Waipā District Council funding impact statement for year ended 30 June 2022 for support services

	2020/21 Long-term Plan Notes \$000	2021/22 Long- term Plan \$000	2021/22 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	295	362	362
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	37
Fees and charges	49	63	37
Internal charges and overheads recovered	12,900	15,139	15,510
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	394
Total sources of operating funding (A)	13,244	15,564	16,340
Applications of operating funding			
Payments to staff and suppliers	1 11,610	14,223	15,013
Finance costs	304	100	192
Internal charges and overheads applied	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	11,914	14,323	15,205
Surplus (deficit) of operating funding (A - B)	1,330	1,241	1,135
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	315	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	315	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,386	1,836	888
- to replace existing assets	934	1,505	950
Increase (decrease) in reserves	(990)	(1,785)	(703)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,330	1,556	1,135
Surplus (deficit) of capital funding (C - D)	(1,330)	(1,241)	(1,135)
Funding balance ((A - B) + (C - D))	-	-	-

Explanation of funding impact statement operating variances between LTP and Actual

1. This increase in expenditure of \$790,000 is mainly due to an increase in expenditure for SaaS Maintenance of \$283,000 which includes additional Microsoft licenses, an increase in insurance of \$176,000 for Public Liability and Personal Indemnity insurance and an increase in security costs of \$80,000 due to COVID-19 protocols.

6.9 DETAILED TRACKING AGAINST SERVICE PERFORMANCE MEASURES

This section provides the detailed results and variance explanations for our level of service performance measures.

Non-Financial Performance Summary

A review of all performance measures was carried out, with a range of new targets and measures being developed to show the standard of performance expected over the next ten years and the means by which we intend to measure that performance. Data is sourced from Resident Surveying, external data and our Customer Request Management system to monitor progress against the targets set out in the LTP.

A total of two measures were unable to be reported on due to library door counters not currently operating and therefore no data being available for the two associated measures. The Maungatautari water treatment plant is no longer active and therefore is no longer being reported on.

Resident Perception Survey Methodology

The results of the survey are based on a 10-point satisfaction scale. The survey is a quota sample, designed to cover the important variables within the population. In reporting the results the ‘don’t know’ responses have been removed. At an aggregate level the survey has an expected 95 percent confidence interval (margin of error) of +/-4.2 percent.

COVID-19

The effects of COVID-19 remained present and the disruption of varying alert levels has had an ongoing impact on a number of Council’s performance measures. Where COVID has impacted performance .this is outlined in detail in the commentary

Key



Governance | Representation

What you can expect from us	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
The Community have access to timely and accurate information.	The percentage of official information requests responded to within statutory timeframes.	99.25%	100%	99.43%	<p>Within 5% of achieving target.</p> <p>There was a total of 353 LGOIMA requests for the 2021/22 year, two of which did not meet target for the following reasons: For a cross departmental LGOIMA, due to the volume of information requested, the full 20 working days were required. Staff were in touch with the requester, however, due to technical issues the response missed the 5pm cut off and was sent the following morning. The requester acknowledged the apology. An initial response was provided which met the statutory timeframe, however due to an error a corrective response was issued on 13 June which Waipā considers to be the official response and exceeded timeframes by one day. The requester was satisfied with the response.</p>
	Percent of respondents to residents perception survey ⁵ who are satisfied with Council “for being transparent and communicating openly.”	21%	≥prior year’s results	21%	Achieved.
We provide opportunities for our communities to	Percentage of respondents to residents’ perception survey ⁶ who are satisfied with the opportunities provided to them	New measure	Baseline measure	13%	New measure.

⁵ From Waipā District Council Annual Resident Perception Survey result. Satisfied are those percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: “How would you rate Council for being transparent and communicating openly?”.

⁶ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percentage of individuals who scored Council an 8-10 on the ten point survey scale. Full working of question: “How satisfied are you with the opportunities provided to you to participate in Council making decision processes?”

engage with Council and participate in decision-making processes.	to participate in Council decision making processes.				
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Governance | Communications and Engagement

What you can expect from us	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
We provide regular communication to the district enabling community sharing and engagement.	Average audience reach through traditional media ⁷ .	New measure	≥200,000 month	187,798	Data collection was not available for the period of 1-28 July 2021, therefore when assessed against a 12 month period, this has resulted in not meeting target. When assessed against the available time period, the target would have been met (205,000 per month).
	Average impression rate ⁸ of Antenno posts	New measure	50%	39%	The post and publishing approach for Antenno allows notifications to be read by the user without opening the Antenno app, which has likely affected the ability to meet this target. Staff changes have also impacted on the frequency of Antenno notifications, resulting in less notifications going out to the public. Usage of Antenno is up overall despite this, following a change to our recycling calendar notifications going fully digital which resulted in a large increase in the number of Antenno app downloads, which went from 4,700 users in January 2022, to 6,158 users in February 2022.
We showcase how we're building champion communities.	Overall percent of respondents to residents' perception survey who have pride in their district ⁹ .	New measure	≥75%	58%	This measure displayed a significant drop in comparison to the 2020/21 result. The year was a challenging one in relation to the impacts of COVID and planned government reforms. A reduction in perception was seen across a number of questions. Positively there were a high number of residents (72%) who rated Waipā an 8 to 10 for a high quality of life. There are a number of initiatives in progress which will likely have a positive impact on perceptions going forward.

⁷ Traditional Media includes Television, Radio, Print, and Websites

⁸ Impression rate is the number of unique devices that have displayed the posts published via Antenno

⁹ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council an 8-10 on the ten point survey scale. Full working of question: "How proud do you feel to be able to say that you live in this district?".

Planning and Regulatory | Animal Control

What you can expect from us	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
Animal control is managed in a way that ensures support is provided to both animals and the community in a timely manner.	The percentage of urgent dog attack allegations acted upon within one hour of Council being notified. ¹⁰	100%	≥95%	92%	<p>Within 5% of achieving target.</p> <p>There remained one urgent attack meeting the criteria that was not responded to within one hour in December. It was received at the change over from staff to contractor on a public holiday but was still attended slightly over the 60-minute timeframe.</p> <p>One additional attack took place in June which was not responded to within 1 hour as the CRM was assigned to the Animal Control Officer while they were away from their desk and without an immediate phone call to their mobile. The attack has since been followed up and investigated.</p>

Planning and Regulatory | Building Compliance

What you can expect from us	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
We ensure that buildings, including earthquake-prone buildings, are safe and fit for purpose.	Building consent applications are processed within statutory timeframes. ¹¹	99.24%	100%	99.21%	<p>Within 5% of achieving target.</p> <p>There have been 2,027 consents granted, of which 2,011 were granted within statutory timeframes. There were a number of contributing factors for this result. The unexpected and unprecedented growth in the district has seen a significant increase in building consents submitted,</p>

¹⁰ Urgent is defined as a dog attack on a human or other animal where the Council has been notified within 12 hours of the event. Acted upon is defined as a phone call or site visit.

¹¹ The Building Act 2004 states the time limit is “within 20 working days after receipt by the building consent authority of the application”.

					despite anticipating a drop in business post COVID. The significant increase in the volume of consent applications within the Waipā District and New Zealand wide has put a strain on the capacity of staff and availability of contractors. Due to the COVID Alert Level changes and technology issues along with consent numbers still exceeding our projected level we have not achieved the target of 100%.
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Planning and Regulatory | Development Engineering

What you can expect from us	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
We are responsive to enquiries and requests for information.	Enquiries are responded ¹² to within 4 working days.	94.18%	≥95%	86.61%	An increase in staff resource has led to an improvement in response times and an easing of pressures over the last three months, however due to call volumes being higher than average as well as staffing shortages prior to Christmas the target was unable to be met. The high RMA workload meant that adjustments in priority have had to be made throughout the year which has also contributed to the lag in response times.

Planning and Regulatory | Environmental Health

What you can expect from us	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
We ensure the public sale and supply of alcohol is undertaken safely and responsibly.	All premises that sell alcohol are licensed.	100%	100%	100%	Achieved.

¹² Responded to is defined as contact with the requestor (could include phone call or visit).

Noise and smoke control is provided to the community in a timely manner.	The percentage of excessive noise complaints investigated within 1 hour.	95.89%	≥95%	87.25%	There have been 698 excessive noise complaints, of which 609 were investigated within 1 hour. Throughout the year there was a decline in daytime noise complaint response times as staff have continued to work remotely and in bubbles, reducing resource availability. The focus was shifted to ensure that all calls were followed up (via site visit or phone call) rather than opting not to attend some calls. There were also a number of call outs to properties which staff or contractors are unable to attend if Police are not available to accompany them. Afterhours response times had fallen throughout the year, with a noted increase in calls to rural properties which has been discussed with contractors.
	The percentage of smoke complaints investigated within 1 hour.	86.64%	≥95%	84.85%	There has been a total of 33 smoke complaints, of which 28 have been responded to within 1 hour. While smoke complaints were not considered a priority during COVID-19 Alert Level 4 & 3 restrictions, all were attended. Since fire control moved to FENZ the number of complaints in this category has fallen considerable, the low volume of smoke complaints enables a small number of off-track requests to significantly reduce the result.
Food premises maintain a high level of food safety.	All premises that sell food to the public are registered.	99.86%	100%	99.33%	Within 5% of achieving target. As the majority of food premises have not been able to operate or have operated at reduced levels due to COVID restrictions, a number have not re-registered and/or have not paid fees. Staff are working through following up these operators.

Planning and Regulatory | Resource Consents, enforcement and land information memorandums

What you can expect from us	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
We process all applications within agreed timeframes.	The percentage of Resource Consents processed within statutory timeframes.	100%	100%	95.59%	Within 5% of achieving target. There has been a total of 749 resource consents and notices issued throughout the 2021/22 year, 33 of which have not met the statutory timeframes. This is a result of increased workload and reduced resourcing throughout the year. Recruitment processes were carried

					out to fill vacancies and contractors were also used to assist with consent processing.
	The percentage of LIMs processed within statutory timeframes.	100%	100%	100%	Achieved.
	The percentage of requests for general resource consent information and planning enquiries responded to within ten working days.	New measure	100%	93.99%	There has been a total of 3,429 general planning enquires received throughout the 2021/22 year, 3,223 of which were responded to within ten working days. The balance have not met the statutory timeframes. This is a result of increased workload and reduced resourcing throughout the year. Recruitment processes were carried out to fill vacancies and contractors were also used to assist with planning enquiries.

We ensure we investigate compliance with the District Plan when requested.	We respond ¹³ to requests to check compliance of the District Plan and land use consents within 4 working days.	100%	100%	100%	Achieved.
We complete the required safety inspections of swimming pools and associated barriers.	We will inspect 500 swimming pool fences per annum. ¹⁴	418	500	397	As a result of COVID restrictions and reduced resources, staff have been unable to conduct inspections at the expected volume.

Community Services and Facilities | Parks and Reserves

What you can expect from us	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
Provision of an adequate network of multi-purpose open spaces which provide for passive and active recreation and sporting activities.	Percentage of residents who are satisfied with parks, reserves and open spaces ¹⁵ .	71%	≥previous year result	61%	Some of Waipā's key parks were impacted during the COVID-19 lockdown period, to assist the police in reducing gatherings of large numbers of people (i.e. Lake Te Koo Utu). There has also been an increase in vandalism across all public facilities and open spaces over the last 12 months.
	Percentage of residents who have utilised parks, reserves and open spaces in the last year ¹⁶ .	82%	≥previous year result	84%	Achieved.

¹³ Responded to is defined as contact with the requestor (could include phone call or visit) or e-mail to the accused.

¹⁴ The Building Act 2004 states - All swimming pools in the District must be inspected every 3 years from 1 January 2017.

¹⁵ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "How would you rate your overall satisfaction with each other the following facilities...Parks, reserves and open spaces?"

¹⁶ From Waipā District Council Annual Resident Perception Survey result. Full working of question: "Which of the following facilities have you visited or used within the last year...Parks, reserves and open spaces?"

Provision of an adequate network of playgrounds which provide for safe and stimulating play.	Percentage of residents who are satisfied with playgrounds ¹⁷ .	67%	≥previous year result	53%	Playgrounds were impacted throughout the COVID-19 Alert Level 3 & 4 restrictions, when they were closed off for use. There have been some playground equipment removals following a Health and Safety audit and failing assets, which impacted Leamington Domain, Lindsay Park and McLean Street. Lake Te Koo Utu playground was closed while renewal was completed and is once again a well-used playground. We have a contractor on board, who is progressing our renewal and development programme across the next 3 years.
	Percentage of residents who have utilised playgrounds in the last 12 months ¹⁸ .	42%	≥previous year result	37%	Within 5% of achieving target Playgrounds were impacted through COVID-19 Alert Level 3 & 4 restrictions, when they were closed off for use. There have been some playground equipment removals following a Health and Safety audit and failing assets, which impacted Leamington Domain, Lindsay Park and McLean Street. Lake Te Koo Utu playground was closed while renewal work was completed and is once again a well-used playground. We have a contractor on board, who is progressing our renewal and development programme across the next 3 years.
Provision of an adequate and accessible network of public toilets which meets the needs of the community and visitors while minimising public health risks and environmental impact, in a way that is most cost effective.	Percentage of residents who are satisfied with public toilets ¹⁹ .	48%	≥previous year result	34%	The number of public toilets available were reduced during COVID-19 Alert Level 3 & 4 restrictions, with additional cleaning of the toilets which remained open. There was also additional cleaning across all toilets during Alert Level 2 and the Red traffic light setting. During the last 12 months, there has been an increase in vandalism and graffiti of Waipa facilities, resulting in some toilets being closed for periods of time while repairs have been completed.

¹⁷ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: “How would you rate your overall satisfaction with each other the following facilities...Playgrounds?”.

¹⁸ From Waipā District Council Annual Resident Perception Survey result. Full working of question: “Which of the following facilities have you visited or used within the last year...Playgrounds?”

¹⁹ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: “How would you rate your overall satisfaction with each other the following facilities...Public toilets?”.

Provision of accessible cemeteries and interment services which meets the needs of the community.	Percentage of residents who are satisfied with cemeteries ²⁰ .	67%	≥previous year result	44%	Cemeteries were impacted throughout the COVID-19 Alert Levels 3 & 4, as well as Red and Orange traffic light settings with restrictions surrounding the number of people able to gather. At times this significantly impacted family and friends abilities to attend funeral services. Work is underway to review future cemetery capacity and development opportunities, in consultation with the community.
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²⁰ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: “How would you rate your overall satisfaction with each other the following facilities...Cemeteries?”.

Community Services and Facilities | Public Libraries

What you can expect from us	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
Provision of library facilities with sufficient resources and services which provide the necessary support for the communities' learning and leisure needs.	% of population who are active ²¹ library users	69.60%	≥65%	63.24%	Within 5% of achieving target Active users were impacted by COVID-19 restrictions. A clean up of users who haven't used the library in 3 years was undertaken. It has been identified that often one card per family is used rather than individual cards which has an impact on reporting. We expect as library hours return to normal we will start seeing an increase of people joining the library.
	The number of walk-in library visitors per annum	No result ²²	Unable to measure ²³	Unable to measure	The door counters in both Te Awamutu and Cambridge libraries are no longer operational, therefore a result cannot be reported. Work is underway to implement an alternative technology which incorporates broader security requirements for the libraries
		No result	Unable to measure	Unable to measure	
	Size of the Library collection compared to the LIANZA standard of 3 items per resident.	2.82	2.95 to 3.05	2.68	The Cambridge Library is limited in size which prevents Waipā from safely meeting this measure. While the population continues to grow the collection is unable to grow with it due to capacity constraints.
Percentage of customers who are satisfied with libraries ²⁴ .	70%	≥75%	57%	Libraries were impacted throughout COVID-19 Alert Level 3 & 4, as well as Red and Orange traffic light settings. The opening of libraries and the number of visitors who could enter the facilities was affected. Also introduced in December 2021 were central government vaccine mandates, which caused angst in the community and prohibited some of our library members, who were	

²¹ Active – library card used in past 2 years

²² The door counters in both Te Awamutu and Cambridge libraries were not operational in 2021/22 therefore no result is available.

²³ The Library RFID project, which includes installation of security gates, is scheduled for 2022/23 Q2. This will enable measurement of the number of walk-in library visitors per annum from 2023/24.

²⁴ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "How would you rate your overall satisfaction with each other the following facilities...The district's libraries?".

					unvaccinated. Due to ongoing winter illness impacting staff resources, the library services have not returned to full hours.
	Number of participants in library programmes.	1,786	≥previous year result	8,655	Achieved.

Community Services and Facilities | Property Services

What you can expect from us	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
Council is responsive to community land and building-related service requests.	The median response time (hours) for an urgent ²⁵ service request relating to land and buildings to be actioned.	1.25 hours	2 hours	0 hours	Achieved. There were no service requests deemed urgent within this period.
	The median response time (days) for a non-urgent ²⁶ service request relating to land and buildings to be actioned.	0.81 days	2 days	0.98 days	Achieved.
Council is responsive to service requests relating to housing for the elderly.	The median response time (hours) for an urgent ²⁷ service request relating to housing for the elderly to be actioned.	0.00 hours	2 hours	1.15 hours	Achieved.

²⁵ Urgent service requests defined as a health & safety or public safety issue.

²⁶ Non-urgent service requests defined as any other service request other than a health & safety or public safety issue.

²⁷ Urgent service requests defined as a health & safety or public safety issue.

	The median response time (days) for a non-urgent ²⁸ service request relating to housing for the elderly to be actioned.	0.29 days	2 days	0.76 days	Achieved.
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Community Services and Facilities | Heritage

What you can expect from us	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment	
The district's community and visitors are provided with appropriate opportunities to experience the district's heritage through interpretation, education and conservation delivered directly by Council and through partnerships.	The percentage of visitors surveyed who were satisfied with their Heritage Facility visit. ²⁹	94.55%	95%	100%	Achieved.	
	Number of annual visitors to key Heritage sites.	Te Awamutu Museum ³⁰	5,109	≥4,500	3,245	Visitor numbers have been impacted by the frequent changes to COVID-19 Alert Levels and Traffic Light restrictions throughout the year, as well as the rise in Omicron cases.
		Pirongia Visitor Centre	3,220	≥2,000	1,983	Within 5% of achieving target Visitor numbers have been impacted by the frequent changes to COVID-19 Alert Levels and Traffic Light restrictions throughout the year, as well as the rise in Omicron cases.
		Cambridge Museum	4,772	≥4,000	2,664	Visitor numbers have been impacted by the frequent changes to COVID-19 Alert Levels and Traffic Light restrictions throughout the year, as well as the rise in Omicron cases.

²⁸ Non-urgent service requests defined as any other service request other than a health & safety or public safety issue.

²⁹ As identified through the Museum's survey questionnaire.

³⁰ Excludes school students visiting the museum as part of the LEOTC programme

	Lake Ngā Roto	58,220	≥previous year result	51,323	A Public Health Warning was issued on 30 December 2021 and subsequently upgraded to a warning of extreme risk on 21 January 2022 which is also thought to have impacted visitor numbers, the warning was lifted 23 February 2022.
	Usage of Te Ara Wai Journeys website ³¹ .	12,180	≥previous year result	9,642	With a limited marketing budget, Te Ara Wai Journeys is mainly promoted to visitors in the Museum which throughout the year has been significantly impacted by COVID-19 restrictions. Videos on the Te Ara Wai website were not operational for 3 weeks throughout January due to a temporary expiration of Waipa’s Vimeo subscription which is thought to have impacted visitor numbers. There was a significant rise in numbers throughout February & March once videos were reinstated.
	The number of school students experiencing Heritage based through the LEOTC ³² programme.	2,256	4,400	709	The frequent changes to COVID-19 restrictions have resulted in school closures, and in turn, a reduction in bookings and a number of movements or postponements for existing bookings.

Community Services and Facilities | Public Swimming Pools

What you can expect from us	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment	Activity
Safe and pleasant aquatic facilities are	The percentage of users satisfied	Te Awamutu	83%	≥80%	77%	Within 5% of achieving target

³¹ Number of individual Te Ara Wai Journeys website sessions.

³² Learning Experience Outside the Classroom.

provided which offer a variety of casual and programmed activities which cater for the needs of the community.	with swimming pool services (via survey mechanism).	Cambridge	0%	≥80%	79%	Swimming pool and other Council facilities have been impacted by the COVID-19 restrictions and Protection Framework measures alongside the temporary, government led, requirement for patrons to be vaccinated to enter the facility. Survey comments have also been received regarding cost of entry and hours of operation.
	The number of admissions per annum. ³³	Te Awamutu	147,118	110,000	92,239	Swimming pools and other Council facilities have been impacted by the COVID-19 alert levels and Protection Framework measures alongside the temporary, government led, requirement for patrons to be vaccinated to enter the facility. Survey comments have also been received regarding cost of entry and hours of operation.
		Cambridge	20,289	120,000	95,171	
	The percentage of compliance with water quality standards. (no. of tests compliant).	Te Awamutu	94.68%	≥85%	93.50%	Achieved.
		Cambridge	97.83%	≥85%	94.32%	Achieved.

³³ Results previously provided as a combined total, now split by site.

Community Services and Facilities | Waste Management and Minimisation

What you can expect from us	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
Provision of an effective waste minimisation education programme.	Number of face-to-face participants in the waste minimisation programme.	1,482	≥previous year result	1,557	Achieved.
Provision of a convenient kerbside recycling service.	Annual average quantity (kg) of recycled material per household. ³⁴	87.50	170-180	146.20	Throughout the year the recycling collections were compromised by ongoing high levels of contamination and non-recyclable items in the bins, this has to be separated out through the sorting process and is sent to landfill. However, it is not always possible to separate out the contaminated materials which often means entire loads have to be sent to landfill, resulting in reduced volume of good materials that can be recycled. COVID-19 restrictions have also impacted the recycling collections with the assisted service having been suspended for several weeks during lockdown, which resulted in lower volumes of recycling collected during this time.
	Number of residents satisfied with the kerbside recycling service. ³⁵	69%	≥previous year result	60%	For most of the year the recycling bins have consistently been serviced on the scheduled dates. The assisted service experienced a brief disruption due to COVID-19 restrictions. Over the past two to three months, the impacts of COVID-19 have continued to affect the service causing delays to the scheduled collection due to drivers off work with COVID-19.

Community Services and Facilities | Emergency Management

³⁴ Household defined as: a property rated for recycling.

³⁵ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale.

What you can expect from us	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
We remain suitably capable to provide a high level ³⁶ response in the event of a Civil Defence Emergency.	Percentage scored in an emergency response annual evaluation exercise ³⁷ .	New measure	≥previous year result	Advancing 61 -80%	New measure.

Transportation

The service we provide	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
Roads and road usage is managed to reduce the risk of harm to users.	Number of annual crashes resulting in fatal and serious injuries on Waipa local roads (five year average).	22.00 ³⁸	<prior year result	21.00	Achieved.
	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. [M]	6 more	<prior year result	12 less	Achieved.

³⁶ High level is considered to be Advancing or Mature score. Scores are based on the CDEM Capability Scoring Guide & Capability level.

³⁷ Council will be assessed on the capability shown during the exercise and scored a percentage based on the CDEM Capability Scoring Guide & Capability level: Unsatisfactory = 0-20%, Early Developing = 21-40%, Late Developing = 41-60%, Advancing = 61-80%, Mature = 81-100%.

³⁸ The 2020/21 results have been amended to report the number of fatal/serious injury crashes. The result previously reported in the 2020/21 Annual Report reflected the number of individual fatalities/serious injuries.

The service we provide	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
Provision of road and footpath networks which support usability and user comfort both now and in the future.	The percentage of the sealed local road network that is resurfaced. ³⁹ [M]	120.34%	75%-120%	94.13%	Achieved.
	The percentage of footpaths whose condition meets the desired minimum standard for condition. ⁴⁰ [M]	98.28%	≥95%	95.63%	Achieved.
	Length (km) of network which remains unsealed.	New measure	<prior year result	13.44%	New measure.
	The percentage of vehicle kilometres travelled on smooth sealed local roads. ⁴¹ [M]	94%	≥87%	93%	Achieved.
We are responsive to roading issues raised by the community.	The % of customer service requests relating to roads & footpaths within the time frame specified in the long term plan. ⁴² [M]	87.53%	≥90%	92.64%	Achieved.

³⁹ As compared to the average annual target set in the Asset Management Plan (82.6 centre line km per year).

⁴⁰ Full wording of mandatory measure is: The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan). For Council this is based on a five point scale (excellent, good, average, poor and very poor) the percentage will be the length of footpath recorded as average, good or excellent condition grade.

⁴¹ Full wording of mandatory measure is: The average quality of ride on a sealed local road network, measured by smooth travel exposure. Note the road roughness survey was last completed in the 2021/22 financial year and includes updates on arterial and collector roads. Those results are used to determine the 30th June 2022 result.

⁴² Full wording of mandatory measure is: The percentage of customer service requests relating to roads & footpaths to which the territorial authority responds within the time frame specified in the long term plan – 10 working days.

The service we provide	How we measure success		Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
Alternative transport options are available and user friendly.	Usage of the ratepayer funded passenger transport services	Bus ⁴³	137,862	>prior year result	109,561	Bus use was negatively impacted by the nationwide COVID-19 response in the August to December 2021 period. The remainder of the year January to June 2022, bus use reverted to more typical numbers.
		Total Mobility	2,232	>prior year result	2,751	Achieved.
	Length of dedicated cycling facilities within the road corridor ⁴⁴		New measure	>prior year result	35.78 km	New measure.

Stormwater

The service we provide	How we measure success		Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
Provision of a safe and reliable stormwater system which minimises flooding and environmental impact.	The number of complaints received about the performance of the stormwater system. ⁴⁵ [M]		3.38	≤10	3.89	Achieved.
	Compliance with the resource consents for	Number of Abatement notices [M]	0	0	1	There has been one abatement notice issued throughout the year for unlawful discharge of sediment to the unnamed tributary of the Mangaohoi Stream, this applies to the location of the Kihikihi Domain.

⁴³ Te Awamutu and Cambridge services to Hamilton

⁴⁴ Defined as cycleways which are within the road corridor, but which are separate to the actual road, this includes cycleways which are designed to be shared by pedestrians and mobility device users.

⁴⁵ Full wording of mandatory measure is: The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.

The service we provide	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment	
	discharge from the stormwater system. ⁴⁶	Number of Infringement notices [M]	0	0	0	Achieved.
		Number of Enforcement orders [M]	0	0	0	Achieved.
		Number of Convictions [M]	0	0	0	Achieved.
	The number of flooding events in the district. ⁴⁷ [M]	0	≤5	0	Achieved.	
	For each flooding event, the number of habitable floors affected. ⁴⁸ [M]	0	≤0.09	0	Achieved.	
	The median response time (hours) to attend a flooding event from the time that notification is received. ⁴⁹ [M]	No flooding events	2	No flooding events	Achieved.	

⁴⁶ Full wording of mandatory measure is: Compliance with the territorial authority’s resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices; and (b) infringement notices; and (c) enforcement orders; (d) successful prosecutions, received by the territorial authority in relation to those resource consents.

⁴⁷ Full wording of mandatory measure is: The number of flooding events that occur in a territorial authority district.

⁴⁸ Full wording of mandatory measure is: For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the territorial authority’s stormwater system).

⁴⁹ Full wording of mandatory measure is: The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.

Wastewater Treatment and Disposal

The service we provide	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment	
Provision of a safe and reliable system for the treatment and disposal of wastewater which minimises public health risks and environmental impact.	The number of dry weather sewerage overflows. ⁵⁰ [M]	0.00	≤1	0.11	Achieved.	
	Compliance with consents for discharge from the sewerage system. ⁵¹	Number of Abatement notices. [M]	1	0	0	Achieved.
		Number of Infringement notices. [M]	0	0	0	Achieved.
		Number of Enforcement orders. [M]	0	0	0	Achieved.
		Number of Convictions. [M]	0	0	0	Achieved.
	The median response time for call-outs in response to a	The time (hours) from notification for service personnel to reach the site. [M]	0.95 hours	2 hours	0.60 hours	Achieved.
		The time (hours) from notification that resolution of	0.95 hours	6 hours	1.60 hours	Achieved.

⁵⁰ Full wording of mandatory measure is: The number of dry weather sewerage overflows from the territorial authority's sewerage system expressed per 1000 sewerage connections to that sewerage system.

⁵¹ Full wording of mandatory measure is: Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (a) abatement notices, (b) infringement notices, (c) enforcement orders, (d) convictions received by the territorial authority in relation to those resource consents.

The service we provide	How we measure success		Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
	sewerage overflow. ⁵²	a blockage or other fault. [M]				
	The number of complaints received about any of the following: odour, system faults, blockages, and the response to any of these issues. ⁵³ [M]		3.42	<10	2.92	Achieved.

Water Treatment and Supply

The service we provide	How we measure success			Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
Provision of potable water within specified areas via a safe and reliable treatment and supply system.	The extent to which the local authority's drinking water supply complies with the drinking-water	Water Treatment Plants – compliance with bacteriological criteria [M]	Alpha Street	C	C	C	Achieved.
			Frontier Road	C	C	C	Achieved.
			Karāpiro	C	C	C	Achieved.
			Parallel Road	C	C	C	Achieved.
			Rolleston Street	C	C	C	Achieved.
			Te Tahi	C	C	C	Achieved.
		Alpha Street	C	C	C	Achieved.	

⁵² Full wording of mandatory measure is: Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: (a) Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, (b) Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.

⁵³ Full wording of mandatory measure is: The total number of complaints received by the territorial authority about any of the following (expressed per 1000 connections to the territorial authority's sewerage system): Sewerage odour, sewerage system faults, sewerage system blockages, territorial authority's response to issues with its sewerage system.

The service we provide	How we measure success		Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment	
	standards. 54 55 56 , , .	Water Treatment Plants – compliance with protozoal criteria [M]	Frontier Road	C	C	C	Achieved.
			Karāpiro	C	C	NC	The Karāpiro water treatment plant failed to meet the required log credits due to a programming issue in May 2022, as a technical non-compliance there was no risk to public. The programming issue has now been rectified.
			Parallel Road (Membrane Plant)	C	C	NC	The Membrane Plant experienced a PLC programming issue while it was still in the defects phase of the contract. The non-compliance was highlighted as an item for priority to fix and amendment, the work being dependent on the contractors/consultants engaged to rectify, as a technical non-compliance there was no risk to public. The programming issue has now been rectified.
			Rolleston Street	C	C	C	Achieved.
			Te Tahi	C	C	C	Achieved.
			Cambridge	NC	C	C	Achieved.
	Network zones – compliance [M]	Kihikihi	C	C	C	Achieved.	
		Maungatautari	Not Applicable	C	Not Applicable	No longer active.	

⁵⁴ Full wording of mandatory measure is: The extent to which the local authority's drinking water supply complies with: (a) part 4 of the drinking water standards (bacteria compliance criteria); and (b) part 5 of the drinking water standards (protozoal compliance criteria).

⁵⁵ The details of how this measure is reported against have changed (Treatment Plant element has been split out into individual plants rather than combining those supplying the same network, proposed decommission of Hick Rd, and new Maungatautari network zone), therefore the 2017/18 results were not audited split this way as part of the Annual Report 2017/18.

⁵⁶ This is preliminary assessment of compliance with the drinking water standards until confirmation has been received from the Regulator.

The service we provide	How we measure success			Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
			Ōhaupō	C	C	NC	E.coli was detected during routine sampling. Extensive sampling and continuous data leading up to the incident, suggested that contaminated water was highly unlikely at point of leaving the treatment plant and therefore that it occurred in the zone. The non-compliance caused no risk to public.
			Pirongia	C	C	C	Achieved.
			Pukerimu Rural	NC	C	NC	E.coli was detected in the Pukerimu zone during routine sampling. Extensive sampling and continuous data leading up to the incident, suggested that contaminated water was highly unlikely at point of leaving the treatment plant and therefore that it occurred in the zone. The non-compliance caused no risk to public.
			Te Awamutu	C	C	C	Achieved.
Provision of wholesome potable water within specified areas via a safe and reliable	Median response time for call-outs in response to a fault or unplanned interruption to the network. ⁵⁷		Attendance for urgent call-out from the time of notification. (hours) ⁵⁸ [M]	0.80 hours	2 hours	0.57 hours	Achieved.

⁵⁷ Full wording of measure is: Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response time measured.

⁵⁸ Full wording of mandatory measure is: Attendance for urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

The service we provide	How we measure success		Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
treatment and supply system		Resolution of urgent call-outs from the time of notification (hours). ⁵⁹ [M]	2.02 hours	6 hours	1.82 hours	Achieved.
		Attendance for non-urgent call-outs from the time of notification (days) ⁶⁰ [M]	0.90 days	2 days	0.72 days	Achieved.
		Resolution of non-urgent call-outs from the time of notification (days) ⁶¹ [M]	0.98 days	10 days	0.77 days	Achieved.
	The total number of complaints received about any of the following: Drinking water clarity, taste, odour, pressure or flow, continuity of supply, and the response to any of these issues. ⁶² [M]		11.55	>15	11.47	Achieved.

⁵⁹ Full wording of mandatory measure is: Resolution of urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.

⁶⁰ Full wording of mandatory measure is: Attendance for non-urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

⁶¹ Full wording of mandatory measure is: Resolution of non-urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.

⁶² Full wording of the measure is: The total number of complaints received by the local authority about any of the following (expressed per 1000 connections to the local authority's networked reticulation system): Drinking water clarity, drinking water quality, drinking water taste, drinking water odour, drinking water pressure or flow, continuity of supply, the local authority's response to any of these issues.

The service we provide	How we measure success		Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
Water supply and demand is managed to ensure prudent use of water.	The percentage of real water loss from the networked reticulation system. ^{63 64} [M]	Cambridge & Karāpiro.	8%	<12%	5%	Achieved.
		Te Awamutu & Pirongia.	9%	<12%	9%	Achieved.
		Kihikihi	22%	<20%	23%	Within 5% of achieving target Water loss has increased this past year. Input volumes have significantly increased with WTP capacity upgrades, no water restrictions and warm weather increasing consumption.
		Ohaupo & Pukerimu	6%	<20%	10%	Achieved.
	The average consumption of drinking water per day per resident. ⁶⁵ [M]	Cambridge & Karāpiro	194	190	199	Within 5% of achieving target No water restrictions or significant water conservation messages were put in place across Waipā last year. Combined with warm weather and long periods without rain, consumption has increased across the district with the exception of Kihikihi.
		Te Awamutu & Pirongia	168	190	187	Achieved.
		Kihikihi	188	190	185	Achieved.
		Ohaupo & Pukerimu	168	190	190	Achieved.

⁶³ Full wording of the mandatory measure is: The percentage of real water loss from the local authority's networked reticulation system.

⁶⁴ Water loss calculations determine any 'unknown' water usage, this includes any illegal hydrant takes/theft, or any leakage.

⁶⁵ Full wording of the mandatory measure is: The average consumption of drinking water per day per resident within the territorial authority district.

Support Services | Information services

The service we provide	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
The online services Council provides are reliable.	The Council website and online forms have an availability uptime of 99% ⁶⁶ .	99.95%	≥99%	99.95%	Achieved.

Support Services | Customer Support

The service we provide	How we measure success	Actual for 2020/21	Target for 2021/22	Actual for 2021/22	Comment
The community has enquiries completed at first resolution provided by Customer Support.	Percentage of query calls received by Customer Support resolved at the time.	90.38%	≥80%	90.20%	Achieved.
	Percentage of walk in queries received by Customer Support resolved at the time.	95.09%	≥90%	94.66%	Achieved.
The community has a positive experience when contacting Council.	Percentage of respondents to residents' perception survey who are satisfied with how their enquiry or complaint has been handled ⁶⁷ .	54%	≥previous year result	45%	Disruption to recycling and waste services and the perceived lack of communications likely resulted in a decrease in customer satisfaction in relation to the handling of queries.

⁶⁶ www.Waipadc.govt.nz and eservices.Waipadc.govt.nz sites only.

⁶⁷ From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "Overall, how satisfied are you with how your complaint or query was handled?"

PART 7 - TĀ MĀTOU HAUTŪTANGA, Ō TĀTOU TĀNGATA / OUR LEADERSHIP AND PEOPLE

In this section

This section describes the Council's democratic and corporate governance arrangements and presents information relating to our elected members, committees, groups and business units, organisational structure and staff.

7.1 TE KAUNIHERA O WAIPĀ / OUR COUNCIL

Te Kaunihera o Waipā | Waipa District Council is made up of the Mayor and 13 Councillors, one of whom serves as Deputy Mayor.

Along with all local authorities in New Zealand, the Council is elected every three years. The Mayor is elected 'at large', meaning by all the district's residents who are eligible to vote. The

Councillors are elected by voters from their respective geographical areas (wards). The Deputy Mayor is appointed by the Mayor. The 2022 local government elections will be held on 8 October 2022 and will include the introduction of a Māori Ward, a first for Waipa. The Maungatautari Ward Councillor resigned

on 26 April 2022, creating a vacancy which the Council resolved to leave unfilled until the elections in October.

7.2 WAIPA DISTRICT COUNCIL 2021 REPRESENTATION REVIEW

After adopting a Māori Ward on 19 May 2021, Waipa District Council was required to complete a representation review in 2021.

Councillors adopted a proposal to see Waipa ratepayers and residents have less councillors to represent them in the 2022 local body elections, after community feedback supported a proposal to reduce the number of councillors from 13 to 11.

27 August
2021

Consultation on the 2021 Representation Review ran from Friday 27 August to Wednesday 29 September 2021.

12 October
2021

Elected members heard from submitters on 12 October at a Finance and Corporate Committee meeting and considered community feedback on the recent 2021 representation review.

Council received 49 submissions and one late submission on the representation review. The majority of submitters agreed with Council’s recommendation to reduce the number of general

ward councillors from 13 to 10 to reflect the number of Councillors appropriate for a Council the size of Waipa . Rounding up the full 11 Councillors will be the new Māori Ward Councillor, which was approved following a public consultation in April 2021, a first for the district.

The community also provided feedback in support of keeping the Te Awamutu Community Board and Cambridge Community Board structure.

26 October
2021

At the Waipa District Council meeting on 26 October 2021, Councillors adopted a proposal for what the elected member representation for the community would look like for the 2022 local body elections. One appeal was received. Appeals are dealt with by the Local Government Commission.

28 March
2022

After considering the appeal, the Local Government Commission decided that the basis for elected member representation for the 2022 local body elections, would be the same as the Council’s final proposal for its representation structure.

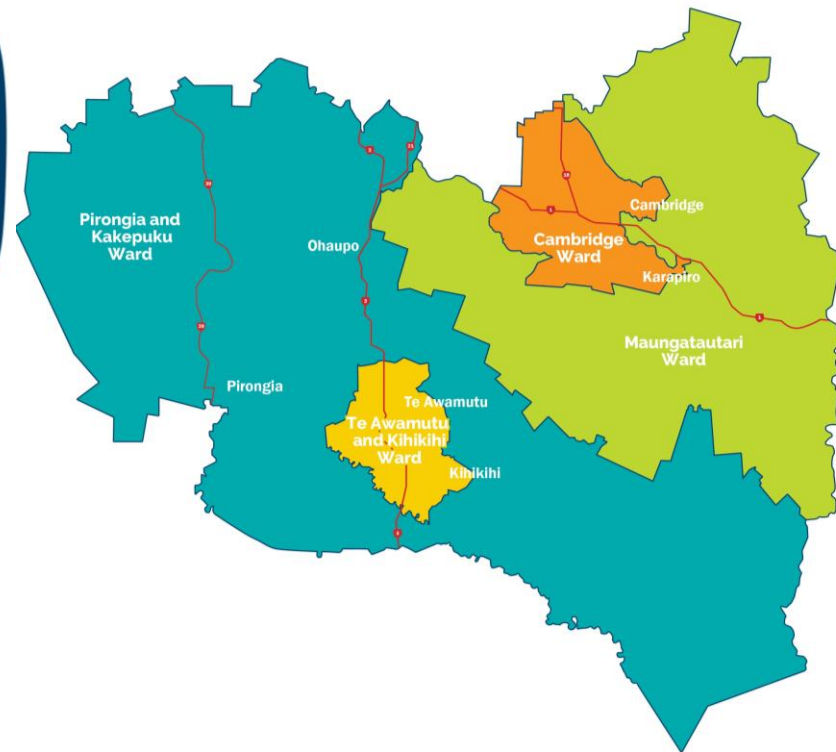
Our new representation looks like this:



TE AWAMUTU & KIHIKIHI
Community Board representative breakdown



CAMBRIDGE
Community Board representative breakdown



7.3 HOW DECISIONS ARE MADE

[Note that this and following sections of the document reflects the governance structure and appointees in place during the 2021/22 financial year]

Strategic Planning & Policy Committee

Full Council and an appointed Te Kahoni representative Miriata Tauroa.

Chair: Councillor O'Regan.

Purpose: To oversee the development and implementation of liveable spaces in our communities, with a focus on the promotion of the social, economic, environmental and cultural well-being of communities. To oversee the development and implementation of Council's plans (including long term, annual plans and district plan), bylaws, strategies and policies and where appropriate, with the exception of the district plan, to act as Council's hearings committee for consultation submissions in relation to these.

Finance & Corporate Committee

Full Council and an appointed Te Kahoni representative Bronwyn Koroheke.

Chair: Councillor A Brown.

Purpose: To undertake Council's corporate and governance functions specifically in relation to financial and non-financial reporting, financial

and treasury policies and arrangements, insurance arrangements, property management and Council Controlled Organisations.

Service Delivery Committee

Full Council and an appointed Te Kanohi representative Bill Harris.

Chair: Councillor Webber.

Purpose: To have responsibility for overseeing Council's infrastructure work programme, asset management planning and levels of service in relation to the service delivery areas of Transportation and Waste Minimisation and Management, Road Asset Technical Accord, Water Services and Community Services, including the consideration of regional integration of services.

Regulatory Committee

Councillor Gower, Councillor St Pierre, Councillor Stolwyk, Councillor L Brown, Councillor Gordon and an appointed Te Kanohi representative Poto Davies.

Chair: Councillor Gower.

Purpose: To manage the regulatory aspects of Council's business, in particular in relation to the Resource Management Act 1991, and to

oversee Council's emergency management functions.

Audit & Risk Committee

Mayor Mylchreest, Councillor A Brown, Councillor Gordon, Councillor O'Regan, Councillor St Pierre and independent chairperson Bruce Robertson.

Chair: Bruce Robertson.

Purpose: To provide independent assurance and assistance to the Waipā District Council on Council's risk, control and compliance framework, and its external accountability responsibilities.

Te Ara Wai Governance Committee

Mayor Mylchreest, Councillor A Brown, Councillor O'Regan, Councillor Stolwyk, Lee-Ann Muntz, Paraone Gloyne, Puawai Cairns and Glenda Taituha.

Chair: Lee-Ann Muntz.

Purpose: To provide a governance and strategic overview for the establishment of Te Ara Wai.

District Licensing Committee

Ross Murphy, Patsi Davies, Michael Cameron, Roy Johnstone, John Gower.

Chair: Sara Grayson Commissioner (Chairperson); Alternate Commissioner – Tegan McIntyre.
Deputy Chairperson and Member: Councillor Gower.

Purpose: To consider and determine applications for licences, managers certificates, renewal of licences and managers certificates, temporary authorities and other matters pursuant to section 187 of the Sale and Supply of Alcohol Act 2012.

Pirongia Ward Committee

Two Pirongia Ward Councillors – Councillor Thomas and Councillor St Pierre, and the Chairperson or their nominee of the Pirongia Community Association, Te Pahu Residents’ and Ratepayers Association, Kaipaki Community, Purekireki Marae, Koromatua Community, Ohaupo Community and a representative from Te Whakakitenga o Waikato.

Chair: Councillor St Pierre.

Purpose: To allocate funds, to consider the draft annual plan and to perform similar representative functions as the community boards, and to manage the three reserves known as Franklin Street, Rangimarie and Te Ngahere reserves.

Chief Executive Performance Management Committee

Mayor Mylchreest, Councillor O’Regan, Councillor Stolwyk, Councillor Thomas.

Chair: Mayor Mylchreest.

Purpose: To conduct the reviews of the performance of Council’s Chief Executive and make recommendations to Council.

Waipa Iwi Consultative Committee

Mayor Mylchreest, Councillor Stolwyk, Councillor O’Regan, Councillor Brown, Councillor Webber, Councillor Gower, Waikato Tainui Trust Board – representative to be advised, Raukawa Settlement Trust – representative to be advised, Ngāti Hikairo – representative to be advised, Ngāti Haua – representative to be advised, Maniapoto Trust Board – Gabrielle Kuaiahine Morgan-Logan, Ngā Iwi Toopu o Waipa Chairperson – Gaylene Roberts, Kaumatua – Jim Keremeta, Wharepuhunga – Kataraina Hodge, Purekireki – Haupai Puke, Puniu – Harold Maniapoto, Kakepuku – Dominic Tumoana Viles, Kaniwhaniwha – Thomas Lord, Maungatautari – Josephine Taute, Ngāti Ngawaero – Kate Searancke, Ngāti Apakura (Apakura Runanga Trust Board) – Bill Harris.

Chair: Mayor Mylchreest.

Purpose: To facilitate communications between Council and Tangata Whenua. The Committee will consider any matter impacting on the interests of Tangata Whenua including but not

limited to historical, cultural, recreational, health, housing, environmental and resource management matters. The Committee will advise Council and the various Iwi on Treaty of Waitangi implications for policies and activities of Council.

Maungatautari Reserve Committee

Mayor Mylchreest, Councillor Coles, Councillor Gordon, Councillor Webber, Extraordinary Vacancy - unfilled, Hiiri Taute (Pohara Marae), Poto Davies (Ngāti Koroki Kahukura /MEIT and Maungatautari Marae), Representative to be advised (Ngati Haua), Geoff Canham (Consultant), one representative from the Maungatautari Ecological Island Trust, one representative from the Department of Conservation and one representative from the Waikato Regional Council. [Landowners to be appointed once available]

Chair: Mayor Mylchreest.

Purpose: To facilitate Council’s role in relation to the administration and management, including co-governance and management of the Maungatautari Reserve in accordance with the requirements of the Reserves Act 1977, reserve management issues as they relate to the reserve and to the ecological island project, and to oversee the services of MEIT for day-to day management of the enclosures and to oversee the Reserve Management Plan for the reserve.

District Promotions Sub-Committee

Mayor Mylchreest, Councillor Coles, Councillor Gower, Councillor St Pierre, Councillor Stolwyk, Merv Gyde, Kevin Burgess.

Chair: Mayor Mylchreest.

Purpose: Make allocation decisions in respect of Council’s District Promotions Fund and Community Event Fund.

7.4 OPPORTUNITIES FOR COMMUNITY INVOLVEMENT IN DECISION MAKING

The community had their say

During the 2021/22 year we ran 8 formal engagement processes;

- Let’s Talk Waipa - 2022/23 Draft Annual Plan
- 2022-52 Transport Strategy
- 2021 Representation Review
- Kihikihi Village Urban Development plan
- Ōhaupō Pedestrian Crossing
- Te Awamutu and Cambridge Skate Park concept plans
- Animal Nuisance Bylaw
- Waipa Cemetery Concept Plan

Formal engagement and consultation is only one part of what we did.

We also welcomed our community’s thoughts, ideas and opinions through social media, surveys, face-to-face through our Customer Support team, and through online channels. We also saw a huge influx of Antenno users, after stopping delivery of our recycling calendars, and asking people to get reminders digitally instead, reducing waste and reaching our audience in a whole new way.

Waipa District Council’s Facebook page continued to grow with 11,014 active followers and our Waipa Home of Champions Instagram page, which celebrates all things Waipa, also had an increase, growing from 1,609 to 1,775 followers.

Let’s talk Annual Plan, 2022/23 Draft Annual Plan consultation

During March and April 2022, we carried out the 2022-23 Draft Annual Plan consultation which sets the district’s property rates for that year. This year, we proposed an average rates increase of 4.3 percent, and keeping to health and safety guidelines due to COVID-19, we took our consultation online and held community ‘Cuppa with your Council’ webinars. Here, our community spoke directly with the people in charge, elected members, management and staff to get their questions answered.

We received 27 submissions during the consultation period and finalised our 2022/23 Annual Plan at the end of June. The community supported deferring \$5.28m for the Te Awamutu-Ngā Roto-Pirongia cycleway to the 2022/23 year, continuing the Urban Mobility programme, despite Waka Kotahi NZ Transport Agency not able to fund to the total amount, and exploring other ways to help address our recycling contamination issue through increased recycling audits, increase in the annual recycling charge or reducing the number of collections, to offset the increasing cost of disposing of the contaminated materials to landfill.

During the submissions, the community also requested additional funding totalling about \$1.1 million for community projects, and we were able to accommodate some of these, which impacted the overall rates by 0.1 percent, landing us on the forecasted average rates increase for 2022/23 of 4.4 percent.

Thirty year Transport Strategy locked in

Our 30-year “big picture” Transport Strategy was formally adopted by Waipā District Council after we sought community feedback on how we would move people, goods and vehicles around the Waipā district.

We held a six-week consultation period with more than 170 submissions received, traversing issues ranging from climate change to public transport and the desire for a third river crossing in Cambridge. The strategy embraced decreasing reliance on private vehicles, either through improved public transport or by encouraging safe cycling and walking. This reflects government policy, including a bigger emphasis on reducing carbon emissions.

With COVID-19 restrictions playing a major part in the consultation, we again took our consultation online, using video, online and printable surveys and emails as our key avenues for feedback, and with social media playing a major part in the number of submissions received. We also used traditional media by way of media releases to reach our wider community to ensure no stone was left unturned.

Feeding back to Council

We love to hear from our community and always encourage feedback on our services, projects and activities. Whether you need information or want to share your thoughts, you can either visit one of our offices or contact us by phone, email, Antenna or social media.

7.5 MĀORI INVOLVEMENT IN DECISION MAKING

Council fosters the development of Māori capacity to contribute to decision making by working within the ‘Policy for liaison with Māori and Joint Management Agreements’ and continuing to support the representative structure already put in place through the Iwi Consultative Committee and Ngā Iwi Tōpū o Waipā.

Council’s objectives (as captured in the Policy referenced above) are:

- Council is committed to ongoing development of the capacity of Māori to contribute to Council’s decision-making processes.
- Council is committed to decision-making processes that are robust, effective and transparent.

The purpose of the Iwi Consultative Committee is to facilitate communications between Council and Tangata Whenua. The Committee will consider any matter impacting on the interests of Tangata Whenua including but not limited to history, culture, recreation, health, housing, environment and resource management. The Committee advises Council and Iwi on Treaty of Waitangi implications for policies and activities of Council.

The Iwi Consultative Committee is comprised of:

- The Mayor,
- The Deputy Mayor; and
- The Chairs of the
 - Strategic Planning and Policy Committee
 - Service Delivery Committee
 - Finance and Corporate Committee
 - Regulatory Committee
- One representative from each of the
 - Waikato Tainui Trust Board
 - Maniapoto Māori Trust Board; and the

- Raukawa Settlement Trust
- The Chairperson of Ngā Iwi Tōpū o Waipā
- A Kaumatua representative; and
- A further nine members recommended by Ngā Iwi Tōpū o Waipā are appointed by Council to represent the hapū of the Waipā district.

This committee is supported by Ngā Iwi Tōpū o Waipā, with which Council has an arrangement for the purpose of reviewing resource consent applications and considering other matters of significance. This arrangement recognises the mandate Ngā Iwi Tōpū o Waipā has in acting on behalf of most iwi and hapū of the district.

Te Kanohi representatives with voting rights have also been appointed to the Strategic Planning and Policy, Regulatory, Service Delivery, and Finance and Corporate Committees of Council. These appointments were made after nomination by Ngā Iwi Tōpū o Waipā.

In May 2021 Council voted to establish a Māori Ward with one member from the 2022 local elections.

Council also has Joint Management Agreements in place with the Waikato-Tainui Trust Board, the Maniapoto Māori Trust Board and the Raukawa Settlement Trust. We also have co-management responsibilities for some reserves through the Ngāti Koroki Kahukura Reserves Joint Management Board now known as Ngā Pae Whenua and with Ngāti Hauā for the Pukemako Reserve.

Council will continue to work in together with mana whenua/iwi as we move forward. Council puts priority on maintaining relationships with mana whenua/iwi and other key partners to enable community and economic growth.

7.6 COMMUNITY BOARDS

Waipa has two Community Boards and their role is to act as an advocate for their communities on council matters. The community boards are governed under the provisions of Local Government Act 2002. The community board meetings, held monthly, also have a public forum for members of the public to come and talk to them about concerns or ideas for the community. The

community boards have delegations from council to carry out duties including sister cities relationships (Cambridge) and to distribute the Waipa Community Discretionary Fund to community groups and organisations that apply for small projects.

Cambridge Community Board

The Cambridge Community Board covers the Cambridge and Maungatautari wards.

Te Awamutu Community Board

The Te Awamutu Community Board covers the Te Awamutu and Kakepuku wards.

7.7 OUR ORGANISATION

Our Chief Executive, Garry Dyet, is appointed by Council to manage Council operations and lead the Council's administrative organisation. The Chief Executive is legally responsible for

employing the staff required to carry out the responsibilities of Council. The number of staff, their positions and the organisational structure is determined by the Chief Executive. Our

organisational structure is based around five groups led by Group Managers plus the Human Resources team, the Manager of which also reports to the Chief Executive.

Our five business groups are:

- Business Support
- Customer and Community Services
- District Growth and Regulatory
- Strategy
- Service Delivery

Our Chief Executive is responsible for:

- advising the Mayor and Councillor's on policy matters
- making sure that any strategy and policy the Council adopts is correctly carried out
- and ensuring that our organisation is all heading in the same direction in supporting the realisation of Council's vision and community outcomes.



Garry Dyet
Chief Executive



Ken Morris
Deputy Chief Executive
Group Manager Business Support



Sally Sheedy
Group Manager Customer and Community Services



Wayne Allan
Group Manager District Group & Regulatory Services



Kirsty Downey
Group Manager Strategy



Dawn Inglis
Group Manager Service Delivery



Stephanie Shores
Manager Human Resources

7.8 THE WAY WE DO THINGS / OUR VALUES

At Waipa District Council we are guided by a set of values that help shape who we are and what we stand for.

We expect our values to guide our thoughts, behaviour, actions, and decisions whilst representing the council. They have been developed by

Waipa District Council staff and are our guide to the way we work. These values help us do great work so that we can deliver on our vision for Waipa to be the ‘Home of Champions – Building Connected Communities’.



				
<p>BEING SAFE AND WELL MATTERS</p>	<p>TE PIRIPONO KI TE IWI MAORI ME TE TIRITI COMMITMENT TO MĀORI AND THE TREATY</p>	<p>WE ARE BETTER TOGETHER</p>	<p>WE STRIVE TO IMPROVE</p>	<p>WE DO THE RIGHT THING</p>
<p>We know that to stay happy, healthy and productive we must look out for each other and take care of ourselves.</p>	<p>Me tū tira tātou - stand together. We respect the importance of partnering with Māori.</p>	<p>We recognise and value each other's unique qualities and experience. Many views, one purpose, great decisions.</p>	<p>We look to make a positive difference by finding ways to make things better. We improve by learning from both our successes and failures.</p>	<p>Our actions are guided by a desire to do the right thing for our people, colleagues, community and assets.</p>

7.9 MANAGING OUR RISKS

Council has a strong risk management framework in place with a number of components that provide assurance that Council is managing its risks appropriately.

Our top risks

Every year the Audit and Risk Committee, Councillors and the Leadership Team review and agree on a set of top risks, those risks that may stop Council from achieving its key strategic objectives. These are actively managed throughout the year and their status reported on to Council’s Audit and Risk Committee on a quarterly basis. These are supported by Council’s risk appetite statement which outlines at a risk portfolio level the amount of risk Council is prepared to accept in pursuit of its objectives.

Business Resilience

Business Resilience is the ability of an organisation to adapt and respond to risks and new circumstances. It in turn supports community resilience. Business Continuity, Crisis Management and Emergency Management are individual disciplines which interconnect, supporting each other. Combined they provide the basis for Business Resilience here at Council. Council has an

established and tested Crisis Management model. The model has been effectively used to manage our internal response to COVID-19 and ensure the continued delivery of services to the community. All of these disciplines are underpinned by strong risk management practices.

Audit and Risk Committee

Council’s Audit and Risk Committee was established in 2015 and meets on a quarterly basis chaired by an independent external appointee.

The general objective of the Audit and Risk Committee is to assist and advise Waipā District Council on its responsibility and ownership for enterprise risk management, Council’s control and compliance framework, and its external accountability responsibilities.

Internal audit programme

Council has a comprehensive internal audit programme in place, managed by the Group Manager Business Support and overseen by the Audit and Risk Committee. Every three years a plan of internal audits are agreed over a range of functions. The purpose of each audit is to ensure Council has the right balance of internal controls for our key processes and improves its maturity in key business functions over time. Each audit evaluates the effectiveness of the controls and provides recommendations as to how Council could improve.

Council currently has eight multi-year programmes underway in various stages including procurement and contract management, business resilience and risk management. Cybersecurity, compliance management and asset management planning programmes have also commenced.

7.10 STRIVING TO IMPROVE

Aligned with our values Council is continually looking at ways to improve performance on behalf of the community. Seeking to find new ways to improve both the effectiveness and efficiency of Council remained the focus of a number of internal priorities for the year. Below are a number of highlights.

Digital Capability

Council continued the delivery of its ‘Digital Roadmap’ with the objectives of enhancing digital capability in response to growing digital customer experience expectations and the objectives of creating efficiencies, lowering the cost of interactions and reducing risk due to business disruption. Highlights included the implementation of Council’s first learning management system, upgrading the financial system to leverage new functionality, welcoming a new staff intranet and automating Council’s Environmental Health inspection processes. Waipa’s staff digital literacy program continued to support staff to thrive in a digital based world.

Council’s Carbon Footprint

A comprehensive baseline of Council’s carbon footprint has been completed with monitoring now established on an annual basis with targets currently under review. Staff from across Council are part of a working group seeking to find innovative ways to reduce Council’s footprint with a number of initiatives underway to date. Council’s project management lifecycle is currently being reviewed to include carbon evaluation and

monitoring elements from business case through to benefit realisation stages.

Staff Engagement

Council’s yearly staff engagement survey was completed with the results showing strong and maintained levels of engagement across staff despite a challenging year. The survey received an amazing 91 percent response rate. The results are used to inform internal priority areas for the forward year. Results strongly supported a change in work practices based upon our COVID experience with a move to a blended working model where feasible. The implementation of a flexible working policy is now underway. Council continues to support a program of Tikanga training across staff which includes elements of onsite learning and an offsite marae visit. Leadership Training also continues, building the capability of people leaders across Council with a recent focus on managing a flexible workforce.

Policy and ByLaws

Council continued its program of reviewing external policies and bylaws. The Smokefree and Vapefree Policy was adopted which declares Waipa District Council-owned public places to be smokefree and vapefree. The

Animal Nuisance Bylaw was adopted which regulates the keeping of bees, poultry and other animals within urban areas of the district. Council’s internal organisational policy setting process was reviewed. A new template was adopted which aims to communicate the key points to staff in a more clear and concise language. The new template is accompanied by an internal policy rationalisation project whereby Council is seeking to reduce the number of organisational policies over time and enable values based decision making.

Procurement

Council continued to improve its procurement practices and evolve its approach over the last year to ensure that we are addressing the current market issues in a way that will make Council a client of choice. We continue to improve our contract management processes and regularly review our supporting documentation for staff.

We have engaged with our key contractors and included weightings in our evaluations that recognise those contractors who demonstrate how they will contribute to Waipa through employment, training, use of local supply chain and subcontractors.

7.11 INDEPENDENT AUDITORS REPORT

Independent Auditor's Report

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

The Auditor-General is the auditor of Waipā District Council (the District Council). The Auditor-General has appointed me, Leon Pieterse, 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 13 December 2022. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 31 to 35 and 37 to 98:
 - present fairly, in all material respects:
 - the District Council’s financial position as at 30 June 2022;
 - 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 36, 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 (LTP);
- the groups of activities on pages 109 to 140:
 - presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2022, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;

- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 111 to 139, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's LTP; and
- the funding impact statement for each group of activities on pages 112 to 140, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 23 to 29, 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.

Emphasis of matter – The Government’s three waters reform programme announcement

Without modifying our opinion, we draw attention to note 1 on page 41, 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 proposed reforms, once legislated, will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. The bill is currently before Parliament and as such, the impacts of the proposed reforms are currently unclear. Additional legislation is expected later in 2022 that will provide detail on the transfer of assets and liabilities to the water service entities.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the “Responsibilities of the auditor for the audited information” section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's Long-Term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the groups of activities (statement of service provision), as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 page 1 to 22, 99 to 107, 168 to 181 and 183 to 185 but does not include the audited information and the disclosure requirements.

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 carried out engagements in the areas of a limited assurance engagement related to the District Council's debenture trust deed and the audit of the long term plan, which are compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in the District Council.

A handwritten signature in blue ink, appearing to read 'Leon Pieterse'.

Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

Glossary and abbreviations

Glossary

- **Activity:** Services provided by or on behalf of Council.
- **Amortisation:** The reduction of the value of an asset by prorating its cost over a period of years.
- **Annual Plan:** Contains details of Council's action plan for the next financial year, the budget and the level of rates required to fund that spending. It also contains details of any variation from the financial statements and funding impact statement that are included in Council's current 10-Year Plan.
- **Annual report:** Report prepared once a year to assess Council's performance against its objectives, activities, performance targets and budgets as outlined in the 10-Year Plan.
- **Asset:** A resource; Council's asset ownership extends over land, buildings, plant, equipment, forestry and infrastructure such as roads, bridges, footpaths, sewerage schemes, water supply and stormwater reticulation.
- **Capital Expenditure:** Money spent to build or buy a new asset, or to improve the standard of any existing asset.
- **Community:** A group of individuals and organisations that are linked together by some common factor, interest, identity or administrative boundary.
- **Community Outcomes:** The outcomes that a local authority aims to achieve for its community and district in the present and for the future.
- **Community Wellbeing:** The overall wellbeing (quality of life) of the community taking into account economic, cultural, social and environmental wellbeing.
- **Council Controlled Organisations:** A company or entity in which one or more local authority has a shareholding of 50% or more, voting rights of 50% or more, or the right to appoint 50% or more of the directors. Section 6(4) of the Local Government Act 2002 details entities which are exceptions.
- **Development Contributions:** Payment from developers to help fund new infrastructure required by growth (as set out in the Local Government Act 2002).
- **District Plan:** Required by the Resource Management Act 1991, it defines how resources and development will be managed by the district. The Plan is based on economic, cultural, social and environmental wellbeing.
- **Equity:** The market value of assets less any liabilities.
- **Funding Impact Statement:** A financial statement that discloses the revenue and financial mechanisms that Council proposes to use.
- **Future Proof:** The term used to refer to the growth strategy that is being prepared for the sub-region. Included in the sub-region are the following authorities – Waipa District Council, Waikato District Council, Waikato Regional Council and Hamilton City Council.
- **General Rate:** A charge calculated using the rateable value of property that is paid to Council to fund its general services but not services funded by targeted rate, fees or charges.
- **Governance:** Is how Council engages with the community, oversees the effective and responsible management of resources, delivers services and sets the strategic direction for the district.
- **Hapū:** A cluster of related whānau (extended family), descended from a single ancestor that has collective decision-making rights over its territory.
- **Indicator:** A measure or combination of measures, either qualitative or

quantitative, against which performance or progress can be assessed.

- **Interest:** Interest on bank accounts, overdrafts and debt.
- **Iwi:** Larger than the hapū - A cluster of related hapū, descended from a single ancestor, varying in size.
- **Levels of Service (LOS):** The extent of a service provided by Council.
- **Local Authority:** A regional, district or city council.
- **Local Government Act 2002:** The legislation that defines the powers and responsibilities of Local Government organisations (regional, city and district councils).
- **Long Term Plan (LTP):** Refer to 10-Year Plan.
- **Ngā Iwi Tōpū o Waipā:** A representative group of local tangata whenua, made up of mandated hapū representatives appointed by relevant Marae committees.
- **Operating Costs:** These are costs to run Council's services on a day-by-day basis

and range from maintenance of infrastructure to staff salaries.

- **Partnership:** This refers to the Council's relationship with groups within the community to achieve outcomes. This does not refer to a legal partnership.
- **Passenger Transport:** Can also be referred to as public transport – includes buses.
- **Rates:** Rates are what each property owner pays for the services provided by councils. The charge is set in accordance to the Local Government (Rating) Act 2002.
- **Renewals:** Activities required to upgrade, refurbish or replace current facilities or assets, with facilities or assets of equivalent capability or service potential.
- **Revenue:** Revenue received by Council to fund the services it provides. Revenue sources include – rates; fees and charges for using a particular service; penalties and fines; and grants and subsidies.
- **Shared service:** Waikato Mayoral Forum initiative to share costs across the region

where possible through Local Authority Shared Services Limited.

- **Strategy:** A plan of action designed to guide progress towards the long-term vision.
- **Tangata Whenua:** Māori people who belong to a particular area by ancestral connection.
- **Targeted Rate:** A rate that is levied to fund a particular service or facility.
- **Ward:** An administrative and electoral area of the district. There are five wards in our district – Cambridge; Te Awamutu; Pirongia; Maungatautari and Kakepuku.
- **Vested Assets:** An existing right to the immediate or future possession of property, resources, cash, stock and goodwill.
- **10-Year Plan:** A strategic plan, covering at least 10 years, that describes a local authorities activities and the community outcomes of the authority's district or region. A council's 10-Year Plan is the basis for its accountability to the community.

Abbreviations:

- **ETS:** Emissions Trading Scheme
- **GST:** Good and Services Taxation
- **LGA:** Local Government Act 2022
- **LGFA:** Local Government Funding Agency
- **NZ GAAP:** Generally accepted accounting practice in New Zealand
- **NZTA:** New Zealand Transport Agency
- **PBE:** Public benefit entity
- **PPE:** Property, plant and equipment
- **SVDS:** Shared Valuation Data Service
- **WLASS:** Waikato Local Authority Shared Services Limited
- **WRAL:** Waikato Regional Airport Limited
- **WRTM:** Waikato Regional Transportation Model



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