

South Waikato District Council

Annual Report 2021-22

Pūrongo ā-tau

Year 1 of the Long Term Plan 2021-31



SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.

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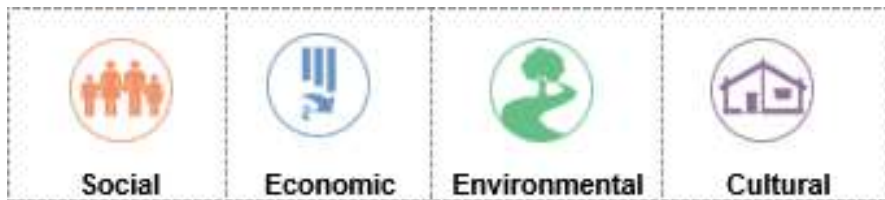
What you will find in this document

Every three years Council develops a Long Term Plan detailing budgets and work programmes for the following three years with a longer term view out to ten years. The current 2021-31 Long Term Plan was adopted in 2021.

We produce an Annual Report every year, which we use to report back to the community the progress we have made and our performance on the Long Term Plan targets. This Annual Report document presents our key achievements for the 2021-22 year (1 July 2021 to 30 June 2022) which is year one of the Long Term Plan. Additionally, an Annual Plan is produced in years two and three of the Long Term Plan to update the projects and budgets for those years.

What you'll find in this document:

- An introduction and overview, including a message from the Mayor and Chief Executive. Your 2021-22 elected members, our community outcomes and more
- Our reports on our achievements and objectives, funding and financial policies. Our financial statements and our notes to the financial statements
- An overview of each service we provide (our activities) and how we are progressing, including.
 - ✓ *What we do*
 - ✓ *Delivering on our Annual Plan 2021-22*
 - ✓ *Capital projects*
 - ✓ *Key performance indicators*
 - ✓ *Funding impact statements*
 - ✓ *The effects each activity has had on the four well-beings, social, economic, environmental, and cultural within our community*



The below diagram shows our planning cycle and where we are right now.



A lot more information can be found in our 2021-2031 Long Term Plan (LTP) which is available at each of our Council offices or Libraries, or you can download an electronic copy from our website.

<https://www.southwaikato.govt.nz/our-council/strategies-plans-policies-bylaws/plans/long-term-plan>

Annual Report 2021-22

Pūrongo ā-tau

Year 1 of the Long Term Plan 2021-31

PART 1



SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.

Message from the Mayor and Chief Executive

The 2021-22 year was an exciting year, dominated by challenges, change and opportunity for Council and our community.

The COVID-19 recovery period continued to impact our ability to deliver our wide range of activities and projects as we negotiated through supply shortages, staff absenteeism and contractor availability.

Amid the challenges of COVID, Central Government made progress on several significant proposed changes to local government that will heavily impact our organisation going forward – namely three waters, review of the Resource Management Act (RMA) and the future of local government.

Since the initial announcement on the three waters reform, there has been a lot of frustration from both Council and our community. We still have a lot of unanswered questions. The Government is proposing to establish four large entities to own and operate water supply, wastewater and stormwater across the country. Our Council joined Communities 4 Local Democracy (C4LD), along with 30 other councils. C4LD is trying to get the Government to slow down and look at some alternative models that may be a better fit for our country, and our District.

Three waters accounts for some 32% of our operating costs and 18% of our assets. Based on this, the impact on our Council and how we operate will be significant if three waters go ahead. Our most significant concerns remain losing our local voice, loss of control of our assets, risk of privatisation and that the current proposed model may not be the best or only suitable model.

If the reforms do go ahead, our waters infrastructure will be handed to the new entity in a good state to continue to serve South Waikato communities.

The review of the RMA is also underway. This will likely affect how much of a say Council and our community has in how we tackle critical national issues like land use, housing, biodiversity management, climate change and freshwater quality. It may also mean less community input into planning matters.

Council is focussed on promoting the South Waikato as a great place to live, work and invest through our Space to Grow business development programmes. We have worked hard with our partners and stakeholders to bring in new jobs and development to the District and attract Central Government funding. The OFI dairy factory getting underway, Toi Ohomai Trade Training Centre start of construction, Impact Hub South Waikato opening, Putāruru retirement village announced, to name just a few, are all putting the South Waikato on the map.

Council's collaboration with the South Waikato Investment Fund Trust (SWIFT) continues. We work together on a range of initiatives such as attracting new businesses, business training and positioning the South Waikato to attract business investment.

Growth cells identified in Putāruru are under development and on the market. Our residential stock is expanding to support both our community growth and attract new residents.

Over and above our day-to-day service delivery, we also completed a number of large or high interest projects, including:

- commissioning the \$9.6m Tokoroa wastewater digester
- successfully delivering over 18,000 wheelie bins to our urban properties
- completing the Tīrau Domain
- restoring our beloved Pineman
- upgrading the dog pound
- supporting our community through our digital partnership programme
- refurbishing the Tīrau i-SITE
- adopting our Annual Plan 2022-23
- launching our Discover Different marketing campaign
- and we successfully delivered 75 permanent placement positions for young people in the District as part of the WORKit project

It's been a big year, full of change and opportunity.

Council took the bull by the horns in 2021-22 by supporting, facilitating, attracting and seeking economic opportunities to grow and improve our District and respond to our growing population and towns. We can't slow down even in these uncertain times. We are rising to the challenge and 2022-23 looks set to be our biggest year yet.



Gary Petley
MAYOR



Susan Law
CHIEF EXECUTIVE

Report from the audit office

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF SOUTH WAIKATO DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

The Auditor-General is the auditor of South Waikato District Council (the 'District Council'). The Auditor-General has appointed me, Bruno Dente using the staff and resources of Deloitte Limited to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 15 March 2023. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by the Local Government Act 2022. This was due to the auditor shortage in New Zealand.

Opinion on the audited information

In our opinion:

- the financial statements on pages 86 to 134;
 - 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 90, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.
- the statement of service provision (referred to as 'Our Services') on pages 23 to 67
 - 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 included within pages 23 to 67 presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities included within pages 23 to 67 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 81 to 85, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Emphasis of matter - Uncertainty over the financial impact of three waters reform

Without modifying our opinion, we draw attention to note 35 on page 134 outlines that the Water Services Entities Act 2022 received royal assent on 14 December 2022. The Act establishes four publicly owned water services entities to take over responsibilities for three waters service delivery and infrastructure from local authorities from 1 July 2024, or earlier by Order in Council. In December 2022, the Government introduced two additional water services Bills, one

of which will enable the transfer of three waters related assets and liabilities to the water services entities. Until the Bills receive royal assent, the financial impact of the transfer on South Waikato District Council remains uncertain.

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 statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 3, 5 to 6, 9 to 21, 68 to 77 and 79 to 80, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out an assurance engagement on trustee reporting, which is compatible with those independence requirements. Other than this engagement we have no relationship with or interests in the District Council.

Bruno Dente

for Deloitte Limited

On behalf of the Auditor-General

Hamilton, New Zealand

Statement of compliance

The Council of the South Waikato District hereby confirms that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.



Gary Petley
MAYOR
Date 15 March 2023



Susan Law
CHIEF EXECUTIVE
Date 15 March 2023

Elected Members contact details

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Graham Singers		graham.singers@southwaikato.govt.nz
Jessica Wanden		jessica.wanden@southwaikato.govt.nz

Māori capacity to contribute to decision-making process

Council values and recognises the importance of the relationships it has with Raukawa, Māori and other iwi that have an interest in the activities that Council carries out.

Council works with Raukawa and iwi groups, guided by

- Acts
- Memorandums of Understanding, and
- Joint Management Agreements.

We collaborate with iwi groups on items of interest that require iwi input through the Resource Management Act 1991 and other legislation.

After discussions with Raukawa representatives, Council decided that there was good representation of its community members including those who are of Māori descent. Although Raukawa has no official representative on the Council, the engagement through the partnership documents and the processes in place provide the opportunity for iwi and Māori views to be heard.

Council continues to develop our relationship with iwi far beyond the statutory requirements and particularly so with the Raukawa Charitable Trust who is our primary iwi partner.

The highlights for 2021-22 are:

- Joint Management - implementation agreement in place with the Te Arawa River Iwi Trust (TARIT) and a new one for 22-23 agreed
- Council recognises the significance of Nga Wahi Tuturu, and
- Initiated and supported funding of the Raukawa consent strategy.






Our Strategic direction and Community Outcomes

Our Vision, community outcomes and Strategies were adopted as part of the 2021-31 Long Term plan and where in place for the 2021-22 year. To put it simply, everything that Council does aligns with its strategies, outcomes and vision.

Our Council Vision:

'Healthy people thriving in a safe, vibrant and sustainable community.'

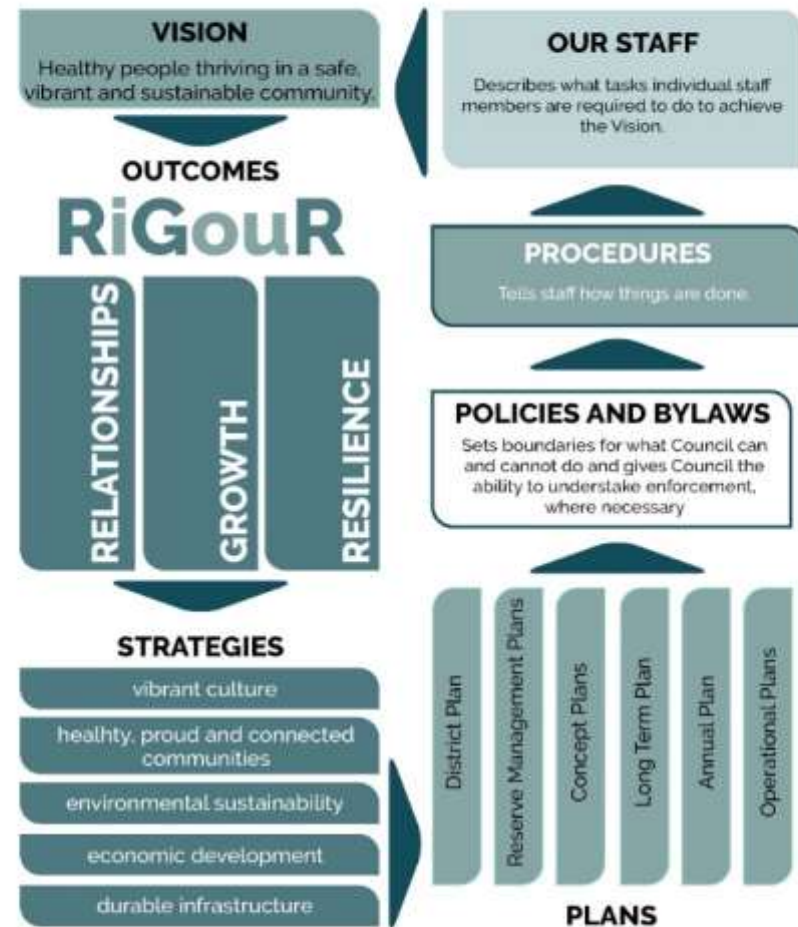
Aligning with our community outcomes, a high level set of goals that we aim to provide outputs and outcomes to provide a positive effect on our communities.

- Growth - to implement activities that facilitate sustainable economic growth to guide the activities, investments and projects undertaken by Council 
- Resilience - to anticipate, resist, respond to and recover from significant change or events. Including storm events, financial management, rates, affordability, asset replacement, environmental sustainability and climate change 
- Relationships - to continue building stronger relationships with Iwi, Māori, Pacifica, community and businesses to achieve growth, resilience and collaboration 


And aligning to our five key strategies of

- A vibrant culture
- A healthy, proud and connected community
- Environmental sustainability
- Economic development
- And durable infrastructure

And in turn providing outcomes contributing to the four Government Wellbeings.




The following Community outcomes table describes the activities Council has undertaken in 2021-22 year and the outcomes achieved.

Community outcomes	Inputs	Outputs – for activity specific outputs and KPI's please refer to each activity page	Outcomes / Impacts
 GROWTH Pages 38-45 2021-31 Long Term Plan	WHO DOES IT INVOLVE	WHAT HAS BEEN UNDERTAKEN IN 2021-22	OUR VISION AND IMPACTS
<p><u>Housing supply</u></p> <p>Facilitate the availability of safe, dry affordable housing solutions.</p> <p><i>Linked to our key strategic outcomes:</i></p> <ul style="list-style-type: none"> ✓ <i>Vibrant culture</i> ✓ <i>Healthy, proud and connected community</i> ✓ <i>Economic development</i> 	<ul style="list-style-type: none"> • Council staff and Governance • Kāinga Ora • Ministry of Housing and Urban Development (MHUD) • Central Government • Waikato Regional Council • Raukawa Iwi Development Ltd • Pacifica peoples • Ministry of Social Development (MSD) • Private sector stakeholders • Community Housing Providers (CHIPS) • Momentum Waikato 	<ul style="list-style-type: none"> • Tokoroa Transitional Housing report complete May 2022 • Development of 300 housing unit equivalents in Putāruru growth cell one has commenced • Confirmed development of a 200 unit retirement village in Putāruru to commence in 2023 • Significant levels of advocacy occurring with Kāinga Ora and MHUD for a planned increase for 89 social housing units for the District working towards being commissioned by 2025 • A significant amount of demand side marketing to promote the District to households, property/developers and investors • Applications submitted to the Kāinga Ora Infrastructure Acceleration Fund which were not successful • In June 2022 Council adopted the Tokoroa Housing and Business assessment and Tīrau Growth Report • The planning of infrastructure upgrades was undertaken to support housing development 	<p>Outcome <i>Safe, dry and affordable housing solutions are available for all of the South Waikato District community.</i></p> <p>Impacts:</p> <ul style="list-style-type: none"> ✓ <i>Improved health</i> ✓ <i>Reduced homelessness</i> ✓ <i>Social needs are met</i> ✓ <i>Affordable housing</i>

<p><u>Economic Development Strategy</u></p> <p>To focus on key demand, stimulating growth and working alongside key stakeholders to advocate for our District.</p> <p><i>Linked to our key strategic outcomes:</i></p> <ul style="list-style-type: none"> ✓ <i>Economic development</i> ✓ <i>Healthy, proud and connected community</i> ✓ <i>Environmental sustainability</i> ✓ <i>Vibrant culture</i> 	<ul style="list-style-type: none"> • Council staff and Governance • South Waikato Investment Trust (SWIFT) • Waikato Regional Council • New Zealand Trade & Enterprise • Te Waka • Raukawa Iwi Development Ltd • Central Government • Waikato councils (collaboration) • Education sector providers • Training providers • Labour market investors • Private sector developers 	<ul style="list-style-type: none"> • Town and District branding has progressed with next steps to be included in the 2024-34 Long Term Plan • Advocacy continues to Central Government for co-investment for the Maraetai Road Intermodal Business Park • Attracted a significant overseas investment from Singapore to build a new dairy processing plant in Tokoroa • Expanded the marketing platform for our Space to Grow brand • Significant collaboration on inbound investment attraction initiatives with SWIFT 	<p>Outcome</p> <p><i>Our District is growing, stimulated and key stakeholders are engaged with advocacy providing economic results.</i></p> <p>Impacts:</p> <ul style="list-style-type: none"> ✓ <i>Increased wellbeing</i> ✓ <i>Stimulated business activity</i> ✓ <i>Increased financial security</i> ✓ <i>Increased equal opportunity</i> ✓ <i>Economic benefits realised</i> ✓ <i>A vibrant culture</i>
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<p><u>Tokoroa CBD</u></p> <p>Engaging with community to re-think the Tokoroa wider central business District.</p> <p><i>Linked to our key strategic outcomes:</i></p> <ul style="list-style-type: none"> ✓ <i>Vibrant culture</i> ✓ <i>Healthy, proud and connected community</i> ✓ <i>Environmental sustainability</i> ✓ <i>Economic development</i> ✓ <i>Durable infrastructure</i> 	<ul style="list-style-type: none"> • Council staff and Governance • Community groups • Raukawa • Business sector • Regional collaboration 	<ul style="list-style-type: none"> • Supported the development of a business association and funded a service level agreement to employ a Town Centre Manager • Planning commenced to further the town concept plans into urban design and spatial plans 	<p>Outcome</p> <p><i>The South Waikato Community is actively engaged in designing the Tokoroa wider central business District.</i></p> <p>Impacts:</p> <ul style="list-style-type: none"> ✓ <i>Increased wellbeing</i> ✓ <i>Reduced crime</i> ✓ <i>Stimulated business activity</i> ✓ <i>Increased new business growth</i> ✓ <i>Increasing employment options</i> ✓ <i>Invigorated pride in community</i> ✓ <i>A vibrant culture</i>
<p><u>District plan review</u></p> <p>Reviewing the current District plan to enable sustainable growth and managed land use.</p> <p><i>Linked to our key strategic outcomes:</i></p> <ul style="list-style-type: none"> ✓ <i>A vibrant culture</i> ✓ <i>Environmental sustainability</i> ✓ <i>Economic development,</i> ✓ <i>Durable infrastructure and</i> ✓ <i>A healthy, proud and connected community</i> 	<ul style="list-style-type: none"> • Council staff and Governance • Kāinga Ora • Ministry of Housing and Urban Development (MHUD) • Central Government • Waikato Regional Council • Raukawa • Te Arawa River Iwi Trust (TARIT) 	<ul style="list-style-type: none"> • The review programme is underway • Commenced required workstreams to meet National Policy Statement on Urban Development (NPS-UD) • Assessment of National Planning Standards chapter priorities for change is underway • Working with the assets team to ensure infrastructure planning has occurred to support the District plan review 	<p>Outcome</p> <p><i>The South Waikato District Plan is reviewed and enables sustainable growth and fit for purpose land use.</i></p> <p>Impacts:</p> <ul style="list-style-type: none"> ✓ <i>Increased wellbeing</i> ✓ <i>Active connectivity increases wellness</i> ✓ <i>Increased business growth</i>

<p><u>Leisure and recreational services</u></p> <p>Make the District more attractive to live in and encourage people to be more active in quality recreation spaces.</p> <p><i>Linked to our key strategic outcomes:</i></p> <ul style="list-style-type: none"> ✓ <i>Healthy, proud and connected community</i> ✓ <i>Vibrant culture</i> 	<ul style="list-style-type: none"> • Council Staff and Governance • Community groups • Schools • Sport Waikato • Moving Waikato (Regional document) • Waikato Regional Active Spaces Plan (facilities tool across the region to support Councils investment making decisions) • South Waikato Sport and Events Centre (SWSEC) • South Waikato District Pools 	<ul style="list-style-type: none"> • New Leisure Service Manager commenced employment May 2022 • Learn to swim and water safety at pools. Began the planning phase for the next years' work to increase numbers attending • Continued to keep services going through the 2021-22 COVID 19 period • Holiday activities have been planned for at the South Waikato Sport and Events Centre promoting active wellbeing through play • The South Waikato District Council / Sport Waikato Play, Active Recreation and Sport Plan 2021-24 came into action in 2021 • The Putāruru Hub (community organisation to support active recreation) has an Inc society formed and further planning underway • Reviewed the public places bylaw to prohibit alcohol in sports based reserves • Planning began for the upgrades of the Tokoroa indoor pool • The Reserves Management Plan was adopted in 2021 and committed to the management, upgrading and instalment of facilities associated with reserves over the next ten years, such as barbeques, shelters, walkways, park furniture and play equipment • Planning began for implementing digital playgrounds using the Magical Parks mobile App 	<p>Outcome <i>The South Waikato District is an attractive environment which encourages a high level of activity in quality recreational spaces.</i></p> <p>Impacts:</p> <ul style="list-style-type: none"> ✓ <i>Achieving community outcomes</i> ✓ <i>Improved community health</i> ✓ <i>Active play and recreation needs are met</i> ✓ <i>A Vibrant culture</i>
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 RELATIONSHIPS	WHO DOES IT INVOLVE	WHAT HAS BEEN UNDERTAKEN IN 2021-22	OUR VISION AND IMPACTS
<p><u>Iwi</u></p> <p>A strengthened joint governance and engagement model for collaboration and a shared District view.</p> <p>Linked to our key strategic outcomes:</p> <ul style="list-style-type: none"> ✓ Vibrant culture ✓ Healthy, proud and connected community ✓ Environmental sustainability ✓ Economic development ✓ Durable infrastructure 	<ul style="list-style-type: none"> • Te Arawa River Iwi Trust (TARIT) • Raukawa Charitable Trust • Council staff and governance • Ngati Koroki Kahukura • Ngati Haua 	<ul style="list-style-type: none"> • A joint management and implementation agreement is in place with the Te Arawa River Iwi Trust (TARIT) and agreed on a new one for 2022-23 • Progressing District plan change Nga Wahi Tuturu (protection of culturally significant sites and one landscape) • Initiated and supported funding of the Raukawa consent strategy • Significant engagement and collaboration with Raukawa Iwi Development Ltd (RIDL) on investment initiatives • Continued to collaborate with Raukawa and other stakeholders in the management and care of the Te Waihou Walkway 	<p>Outcome</p> <p><i>Iwi and Council are working in close partnerships with a shared view of the future of the community and District.</i></p> <p>Impacts:</p> <ul style="list-style-type: none"> ✓ Achieving community outcomes ✓ Growing community pride ✓ Strengthened collaboration ✓ A vibrant culture ✓ Economic rewards ✓ Environmental sustainability ✓ Business investment growing
<p><u>Pacific Peoples</u></p> <p>Strengthening relationships with more formal agreements to create a planned clear pathway to work together.</p> <p>Linked to our key strategic outcomes:</p> <ul style="list-style-type: none"> ✓ Vibrant culture ✓ Healthy, proud and connected community ✓ Environmental sustainability ✓ Economic development ✓ Durable infrastructure 	<ul style="list-style-type: none"> • Ministry of Pacific Peoples • Council staff and Governance • Pacific Island community • South Waikato Pacific Islands Community Services (SWIPICS) 	<ul style="list-style-type: none"> • Consultation has started with key Pacific Island community groups regarding the development of a shared vision for the Pan Pacific hub/Vaka Village • COVID-19 delayed the start of this initiative 	<p>Outcome</p> <p><i>Pacifica and Council have achieved together a shared vision for the District and community.</i></p> <p>Impacts:</p> <ul style="list-style-type: none"> ✓ Community wellbeing ✓ Growing community pride ✓ Strengthened collaboration ✓ Vibrant culture

<p><u>Community and Business Partners</u></p> <p>A high degree of collaboration to achieve openness and shared goals.</p> <p><i>Linked to our key strategic outcomes:</i></p> <ul style="list-style-type: none"> ✓ <i>Vibrant culture</i> ✓ <i>Healthy, proud and connected community</i> ✓ <i>Environmental sustainability</i> ✓ <i>Economic development</i> 	<ul style="list-style-type: none"> • Council Staff and Governance • Waikato Regional Council • Department of Conservation • New Zealand Trade & Enterprise • South Waikato Investment Trust (SWIFT) • Raukawa Charitable Trust • Raukawa Iwi Development Ltd • Local Schools • Toi Ohomai • Te Wānanga o Aotearoa • Te Waka • Momentum Waikato • The Waikato Plan • The Waikato Wellbeing project • South Waikato Pacific Islands Community Services (SWIPICS) • Impact Hub • WORKit (Mayors Taskforce for Jobs) • Tokoroa Council of Social Services (TCOSS) • Ministry of Primary Industries • Oji Fibre • Business and Communities 	<ul style="list-style-type: none"> • Staff continue building collaborative relationships with key local regional and national stakeholders for the betterment of the District • Collaboration and ongoing engagement with key stakeholders and community to co-manage and care for the Te Waihou Walkway • Community partnerships continued to develop around environmental initiatives such as <ul style="list-style-type: none"> • (Mokaihaha Kōkako Trust) Supported the group to continue pest control and volunteer efforts • (Pokaiwhenua Catchment Group) South Waikato Environmental Initiatives committee in the last year where provided funding for riparian planting and wetland enhancement by Ministry of Primary Industries and Oji Fibre Solutions 	<p>Outcome <i>Community and business partners are working collaboratively and productively increasing customer satisfaction and community growth.</i></p> <p>Impacts:</p> <ul style="list-style-type: none"> ✓ <i>Achieving community outcomes</i> ✓ <i>Growing community pride</i> ✓ <i>Vibrant culture</i> ✓ <i>Environmental sustainability</i> ✓ <i>Economic rewards</i> ✓ <i>Engaged communities</i>
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<p><u>Local Government</u></p> <p>Continuing to build collaboration and information sharing between networks within the sector.</p> <p><i>Linked to our key strategic outcomes:</i></p> <ul style="list-style-type: none"> ✓ <i>Vibrant culture</i> ✓ <i>Healthy, proud and connected community</i> ✓ <i>Environmental sustainability</i> ✓ <i>Economic development</i> ✓ <i>Durable infrastructure</i> 	<ul style="list-style-type: none"> • Co-Lab (Waikato LASS) • Lakes Coast Cluster • Waikato Regional Council (WRC) • Council staff and Governance • Taituarā • Local Government NZ • Neighbouring Councils • The Waikato Plan • The Waikato Wellbeing project • Te Waka 	<ul style="list-style-type: none"> • Co-Lab (WLASS) procurement collaboration • Capitals Works programme shared with Co-LAB to enable the industry to plan for future resourcing • Co-LAB engaged to provide a regional water sampling, collection and testing (including laboratory work) service • Regional bridge inspection contracts placed with Co-LAB • Lakes Coast Cluster, building consent alignment underway • Collaborating with Waikato Regional Council for land use, air quality and water quality sustainability • Taituarā relationship building to utilise metrics 	<p>Outcome <i>Collaboration is functioning and thriving between parties in the local government sector.</i></p> <p>Impacts:</p> <ul style="list-style-type: none"> ✓ <i>Increased wellbeing</i> ✓ <i>Working collaboration</i> ✓ <i>Stronger community outcomes</i> ✓ <i>Environmental sustainability</i> ✓ <i>Vibrant cultures</i> ✓ <i>Long term visions achieved</i>
<p><u>Central Government sector</u></p> <p>Continuing to build relationships and partnering with government agencies.</p> <p><i>Linked to our key strategic outcomes:</i></p> <ul style="list-style-type: none"> ✓ <i>Vibrant culture</i> ✓ <i>Healthy, proud and connected community</i> ✓ <i>Environmental sustainability</i> ✓ <i>Economic development</i> ✓ <i>Durable infrastructure</i> 	<ul style="list-style-type: none"> • Council staff and Governance • Waka Kotahi • Kāinga Ora • Ministry of Housing and Urban Development (HUD) • Ministers • Other government departments • New Health boards • Three waters governance • Iwi departments 	<ul style="list-style-type: none"> • Advocacy and engagement with local MP's continuing • Planning in place for a significant road show event showcasing our District in Parliament in August 2022 • We worked collaboratively across the region with central government to address the RMA, Three Waters and Future of Local Government reforms 	<p>Outcome <i>Relationships and advocacy are achieving results and our communities are benefitting from government funding initiatives and partnering programmes.</i></p> <p>Impacts:</p> <ul style="list-style-type: none"> ✓ <i>Achieving community outcomes</i> ✓ <i>Better quality of life</i> ✓ <i>Environmental sustainability</i> ✓ <i>Engaged communities</i>

 RESILIENCE	WHO DOES IT INVOLVE	WHAT HAS BEEN UNDERTAKEN IN 2021-22	OUR VISION AND IMPACTS
<p><u>Strong infrastructure planning</u></p> <p>Providing strong infrastructure planning for the long-term view utilising the 30 year infrastructure strategy.</p> <p><i>Linked to our key strategic outcomes:</i></p> <ul style="list-style-type: none"> ✓ <i>Vibrant culture</i> ✓ <i>Healthy, proud and connected community</i> ✓ <i>Environmental sustainability</i> ✓ <i>Economic development</i> <i>Durable infrastructure</i> 	<ul style="list-style-type: none"> • Council Staff and Governance • 30 year infrastructure strategy • Land Transport Strategy • Asset Management plans • Waikato Regional Council • Central Government sector (reforms) • Local Government partnerships • Waka Kotahi • Raukawa • Iwi • New drinking water standards • District wide businesses • The spatial regional direction 	<ul style="list-style-type: none"> • Completed significant upgrades on the Tokoroa Wastewater Treatment Plant • Constructed the Tīrau wetlands • Completed the final capping and remediation of the closed Tokoroa landfill • Three water modelling for Tokoroa and Tīrau undertaken to highlight required upgrades to the water network, leading to updates to the Three Waters Asset Management Plans (AMPS). Includes potential new growth areas to enable infrastructure planning • Roding networks contracts have been successfully retendered 	<p>Outcome <i>Infrastructure is provided in an efficient and effective manner providing a sustainable agreed level of service for now and into the future.</i></p> <p>Impacts:</p> <ul style="list-style-type: none"> ✓ <i>Reduced environmental impacts</i> ✓ <i>Improved community wellbeing</i> ✓ <i>Increased financial benefits</i> ✓ <i>Infrastructure well planned for future generations</i>
<p><u>COVID-19 resurgence planning</u></p> <p>Aligning a coordinated approach to resurgence planning.</p> <p><i>Linked to our key strategic outcomes:</i></p> <ul style="list-style-type: none"> ✓ <i>Healthy, proud and connected community</i> 	<ul style="list-style-type: none"> • Waikato Caring for Communities • Raukawa Charitable Trust • Pacific Island Community Health Services • Tokoroa Council of Social Services • Waikato District Health Board • Local Welfare Groups 	<ul style="list-style-type: none"> • A co-ordinated approach is ongoing to respond to the COVID 19 pandemic • Waived and reduced some regulatory fees to support business due to the COVID-19 impact • Initiatives were put in place to support local businesses impacted by COVID-19 utilising the spend local campaign 	<p>Outcome <i>Our communities are well supported throughout the COVID-19 pandemic.</i></p> <p>Impacts:</p> <ul style="list-style-type: none"> ✓ <i>Increased wellbeing</i> ✓ <i>Strengthened communities</i> ✓ <i>Wider collaboration</i> ✓ <i>Reduced health impacts</i>

Financial strategy limits

Council recognises the financial constraints on our community, especially with the added pressures caused by the COVID-19 pandemic. Through these challenging times it is imperative that Council maintains and protects financial integrity.

Council has set limits on the amount of rates that it can collect and the amount of debt that it can accumulate. Whether we have achieved compliance with these limits is discussed below.

Financial Measure	Limit	Achieved?	Comment
Rates Increase	Rates revenue increases will not be larger than 9% for any year	Yes	Rates increase was 7.6%
External debt	External loans not to exceed 100% of total revenue	Yes	External loans at 30 June 2022 were \$39m. Total revenue for 2021-22 was \$47m

Annual Report 2021-22

Pūrongo ā-tau

Year 1 of the Long Term Plan 2021-31

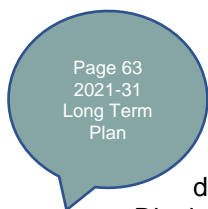
PART 2



SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.



Governance and corporate



The Governance and Corporate group of activities support all the other activities carried out by Council to ensure that they run smoothly by providing the necessary information systems and financial support to achieve community wellbeing. This includes our local democratic system which represents the residents of our District.

WHAT WE DO

- Manage the corporate component of Council’s business (which includes information services, legal services, human resources, health and safety, revenue, finance, communications, executive support and strategic planning and projects, procurement, risk management, elections and business improvement)
- Provide governance advice, training and democratic services to Elected Members, the public and staff
- Review our policies and processes
- Collaborate authentically with our treaty partners for Māori to participate in decision making
- Build our relationships with the Pacifica communities
- Develop Long Term Plans, Annual Plans and Annual Reports.

Community Outcomes

The Governance and corporate group of activities contributes to the Relationship and Resilience outcomes.

Effects on our community

GOVERNANCE & CORPORATE



Social



Economic



Environmental



Cultural

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

Advocacy and decision-making undertaken by Elected Members promotes the District and provides, direction for the everyday services that support Councils delivery and community and economic development.

The advocacy and promotional roles that the Mayor and Elected Members undertake at a regional and national level sometimes are not evident as far as reporting goes, but the work they do is instrumental in achieving wellbeing, quality of life, cultural diversity, environmental goals and increased welfare in our communities.

WHAT WE DELIVERED THIS YEAR

- Increased levels of engagement with community groups and the use of different online platforms to collect community insights
- Progressing a Climate Change Adaptation Plan for the District
- Migration of the phone system, asset management system, PC system and financial system to the Cloud
- Implementation of a new contact centre to improve customer service
- Increased focus on cyber-security to reduce risk of data loss or corruption
- Implementation of equipment and systems to enable more flexible working for staff
- Digitisation of 16,000 hard copy engineering records
- Development of an Information Management policy and framework
- 278 LIM reports provided to customers
- 71 Official information requests processed
- An internal audit of our project management system
- Several workplace health and safety procedures, guidelines and training programmes delivered
- A review of our monthly financial reporting
- Preparing for the financial changes associated with Three Waters Reform
- Valuation of our Three Waters and Roding assets.

CAPITAL PROJECTS

Governance and Corporate	Actual Spend 2022 \$000s	Budget Spend 2022 \$000s	Actual Spend 2021 \$000s
IT Expenditure and GIS upgrades	728	622	426
Security devices	-	-	2
Vehicle replacements	314	160	9
Furniture renewals	-	10	6
Asbestos management / asset management assessments	-	-	13
Total	1,042	792	456

KEY PERFORMANCE INDICATORS

GOVERNANCE AND CORPORATE			
Performance Measure	2020-2021 Outcome	2021-2022 Outcome	Commentary
Communications: That 90% of media queries are <u>resolved</u> within 5 working days.	Achieved	Achieved	Council received 76 media queries and of those, 75 requests were responded to within the required time frame. End result: 99%
Communications: That at least 60% of media statements submitted, feature in local media within 28 days of release.	Achieved	Achieved	Council submitted 39 media statements, 31 featured in local media within 28 days of release. End result: 79%
Communications: The level of community satisfaction with overall communication from Council is at least 75% satisfied.	Achieved	Achieved	Overall satisfaction for 2021-2022 was 76%
Privacy: All official information requests are responded to within the statutory timeframe (20 or 40 working days).	Not Achieved	Not Achieved	47 of 48 Official Information Requests (OIR) were responded to within the statutory time frame. OIRs are handled by individuals who can be based in any Group. Achieving the 20-day processing timeframe is the responsibility of individual staff. End result: 98%
Governance: The level of community satisfaction with participation in decision-making is at least 70%.	Not Achieved	Not Achieved	Overall satisfaction for 2021-2022 was 61%.
Strategic Planning and Projects: Annual Plans and Long-Term Plans will be adopted in compliance with the requirements and deadlines of the Local Government Act 2002.	Not Achieved	Achieved	The Long Term Plan 2021-2031 was adopted 30 June 2021. The 2020-2021 Annual Report was adopted September 2021.
Democracy: Council complies with all sections of the Local Government Act 2002 governing the functions of elected officials and consultation with our community on documents (including strategies, policies and bylaws).	Achieved	Achieved	Processes to follow legislation have been followed with no known breaches.
Elections: Council will conduct error-free local government elections (the election process is defined in the Local Electoral Act 2001).	Achieved	Achieved	No issues experienced to date with the 2022/2023 local government elections.
Finance: To ensure Council only collects enough rates to meet funding requirements, the total amount of general and targeted rates revenue budgeted will not be more than \$500,000 more or \$500,000 less than the rateable expenditure on those general and targeted activities for that year.	Achieved	Achieved	The net funding deficit after carryover is \$193,000
Revenue/Rates: The total amount of rate arrears is less than 7.5% of the current year's rates charged by Council.	Achieved	Achieved	The amount of rate arrears was less than 7.5% of the current year's total rates paid to Council. End result: 4.6%
Information Services: Council's information systems are available at least 99% of the time. System availability is defined as reliable access during business hours to supported applications. Availability is measured from offices over 24 hours 365 days of the year, excluding planned and agreed maintenance downtime.	Achieved	Achieved	Council achieved 99%. Throughout the year there were minor interruptions to the serves, email, internet access, Archive Manager, printing and Magiq

**FUNDING IMPACT STATEMENT –
GOVERNANCE AND CORPORATE**

Funding Impact Statement - Governance & Corporate	LTP 2021 \$000s	LTP 2022 \$000s	Actual 2022 \$000s
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	1,599	1,695	1,751
Targeted rates	21	20	20
Subsidies and grants for operating purposes	-	-	360
Fees and charges	118	49	54
Internal charges and overheads recovered	10,707	10,863	9,285
Local authorities fuel tax, fines, infringement fees, and other receipts	1,331	30	32
TOTAL SOURCES OF OPERATING FUNDING (A)	13,776	12,657	11,502
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	9,199	9,286	10,576
Finance costs	151	65	103
Internal charges and overheads applied	2,577	3,034	2,115
Other operating funding applications	48	45	42
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	11,975	12,430	12,836
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	1,801	227	(1,334)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(147)	28	(185)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(147)	28	(185)
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of services	-	446	1,042
- to replace existing assets	476	376	-
Increase (decrease) in reserves	802	(567)	(2,573)
Increase (decrease) in investments	376	-	12
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	1,654	255	(1,519)
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(1,801)	(227)	1,334
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Economic and community development

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This activity works to foster growth and build our economic resilience for the future while supporting and maintaining quality relationships with our communities and partners. Economic development activities drive employment opportunities, business growth, housing solutions and long term sustainability for our District. Community development engages with community, to support Councils planned outcomes and to increase the value of relationships with community and Māori.

WHAT WE DO

- Facilitate economic development
- Provide community grants
- Support youth initiatives
- Promote our Central Business Districts
- Organise community events
- Promote the District to those who live and work outside the South Waikato
- Undertake joint ventures with government agencies
- Undertake joint ventures with our key stakeholders
- Support skills training and business development
- Advocate for (and with) South Waikato communities
- Advocate to Government.

Community Outcomes

The Economic and Community group of activities contributes to the Relationship, Growth and Resilience outcomes

Effects on our community



Social



Economic



Environmental



Cultural

ECONOMY AND COMMUNITY

The Economy and Community group are primarily focused on delivering and supporting economic and social growth for our Districts communities.

Our economic development team promote our District to provide better employment options, education, business investment and housing. They deliver increased financial wellbeing, and participation and collaboration to guide our community's economic growth. They advocate for our community to have access to housing needs in an affordable way, working towards creating a positive impact on social, transitional and long term housing requirements.

Our community development team builds strong relationships to hear and support community initiatives for the improvement of social, environmental and the cultural wellbeing of our community. They provide an avenue for community and cultural visions to be forefront in decision making for now and the future.

WHAT WE DELIVERED THIS YEAR

- Warm Home Clean Air programme delivered a total of 91 clean heat replacements across the District. to improve air quality in the District
- Warm Home and Clean Air programme delivered the Healthy Home Expo to showcase different services that can improve the health of a home
- Delivery of Changing Waste Ways programme to reduce waste in our District
- Delivery of the Mayors Taskforce for Jobs WORKit programme to improve employability and to match people to working opportunities
- Allocation of Community Grants including the administration the Creative Community Scheme funds from Creative NZ
- Allocating multi-year grants to community groups to provide services and events in alignment with Council's strategic direction
- Working with regional partners to develop plans in Art and Sport and Recreation to increase the vibrancy of the District
- Delivery of community events such as Matariki, Christmas, Waitangi Day, and ANZAC events in Tokoroa, Putāruru and Tīrau
- Supporting the development of the Tokoroa Business Inc Society to work with property and business owners to plan and implement improvements to the Tokoroa central business District
- Town and District branding has progressed with next steps to be included in the 2024-34 Long Term Plan
- Advocacy continues to Central Government for co-investment for the Maraetai Road Intermodal Business Park
- Attracted a significant overseas investment from Singapore to build a new dairy processing plant in Tokoroa
- Expanded the marketing platform for our Space to Grow brand

CAPITAL PROJECTS

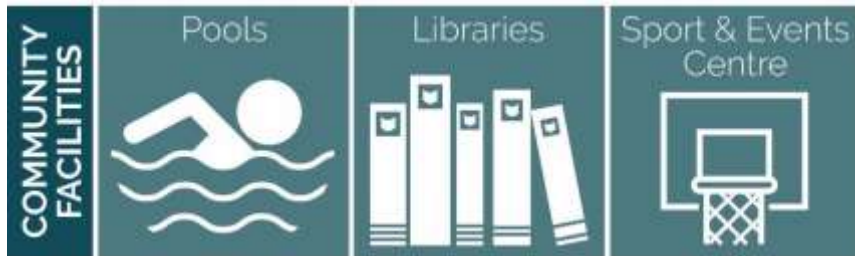
Economic and community development	Actual Spend 2022 \$000s	Budget Spend 2022 \$000s	Actual Spend 2021 \$000s
District branding - signs	95	319	56
CCTV/Security cameras	94	-	60
Tīrau - Wi-Fi	45	-	25
Maraetai Road Intermodal Business Park	115	3,241	-
Vaka Village Pacifica Community Centre	4	50	-
Strategic property projects	2,581	300	174
Total	2,934	3,910	315

KEY PERFORMANCE INDICATORS

COMMUNITY DEVELOPMENT & ECONOMIC DEVELOPMENT			
Performance Measure	2020-2021 Outcome	2021-2022 Outcome	Commentary
Community Development: Lead five civic events and co-lead five public events, with no less than two key stakeholders.	New	Achieved	Five (5) civic events and collaborative public events were lead. Three (3) ANZAC events, a Matariki and Waitangi Day.
Community Development: 90% of the key performance indicators within community contracts are satisfactorily met by individual contract holders annually.	Achieved	Not Achieved	Staff had 11 contracts for services split between four (4) staff members. Dynamo has removed itself as a contract for services for the 2022-24 year for various reasons. Despite this, they were able to deliver on this year's contract and hold two (2) cycling events and Tokoroa Mountain Bike Association's contract will start again in 2024, six (6) out of ten (10) contracts for services were able to achieve 90% and over. The overall performance stands at 88.9%. This past year was a transitional year for all Community Contracts as the new focus and framework had changed to the four (4) Community Wellbeings (Social, Economic, Environmental and Culture) which is outcomes driven as opposed to outputs. It created the opportunity for Contracts for services to reassess their KPIs to fit the new focus areas moving forward into 2022-2024.
Community Development: At least 80% of the customers, who engaged with our frontline customer services team, indicated that they received courteous and respectful service.	Achieved	Achieved	Overall satisfaction for 2021-2022 was 98%
Economic Development: Click through rate for display advertisements (how many people engage with our advertising) is at 0.15% *Industry standard (display ads) is 0.08%.	New	Achieved	Click through rate for display advertisements is 2.275%
Economic Development: Net media exposure score - number and reach of positive media exposures exceeds the number and reach of negative media exposures (print/radio/TV/digital).	New	Achieved	Net media exposure score is 68.
Economic Development: Three new businesses that engaged with Council's Economic Development staff will open in the district each year.	New	Achieved	Four (4) new businesses opened.

**FUNDING IMPACT STATEMENT
ECONOMY & COMMUNITY**

Funding Impact Statement - Economic and Community development	LTP 2021 \$000s	LTP 2022 \$000s	Actual 2022 \$000s
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	2,678	2,869	2,886
Targeted rates	280	313	315
Subsidies and grants for operating purposes	-	-	-
Fees and charges	7	6	23
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	38
TOTAL SOURCES OF OPERATING FUNDING (A)	2,965	3,188	3,262
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	644	1,119	1,037
Finance costs	73	46	4
Internal charges and overheads applied	549	437	348
Other operating funding applications	1,501	1,456	1,381
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	2,767	3,058	2,770
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	198	130	492
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	137	3,748	825
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	137	3,748	825
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	-	119
- to improve the level of services	52	3,291	2,815
- to replace existing assets	329	619	-
Increase (decrease) in reserves	(114)	(32)	(1,565)
Increase (decrease) in investments	68	-	(52)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	335	3,878	1,317
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(198)	(130)	(492)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Community facilities

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Long
Term Plan

The Community facilities activity operates and maintains facilities throughout the District to enhance its amenity value by providing facilities that contribute to the wellbeing of our communities. Council provides libraries, swimming pools and venues for the community to enjoy, benefit from and provide events.

WHAT WE DO

- The South Waikato Sport and Events Centre
- The South Waikato Heated Indoor Pools in Tokoroa
- The outdoor pools in Putāruru and Tīrau
- Tokoroa and Putāruru Libraries
- Community halls
- Tīrau I-SITE
- The South Waikato Performing Arts Centre (The Plaza)

Community Outcomes

The Community facilities group of activities contributes to the Relationship, Growth and Resilience outcomes

Effects on our community



Social



Economic



Environmental



Cultural

COMMUNITY FACILITIES

The community facilities group provide services and activities that primarily focuses on improving the social, cultural and wellbeing of the community.

Recreational facilities, the pools and the South Waikato Events Centre have a positive impact on the health of the community and relate to aspects of life that are important for a person's fitness, happiness and welfare.

Libraries provide educational, cultural, historical and electronic resources for all to access increasing social wellbeing across all age groups.

Pensioner housing gives our elderly access to basic housing needs in an affordable way, creating a positive impact on wellbeing for our elderly population.

The provision of facilities for public use such as halls, public toilets and the South Waikato Performing Arts centre (The Plaza), all provide a positive impact on the lives of our communities.

WHAT WE DELIVERED THIS YEAR

South Waikato Event Centre

- Internal and external repainting of centre
- Main floor in reception and extended area has been re-sealed
- Kiosk fitted out to stock function equipment
- Kitchen fitted with additional cupboards and bench space to make it more suitable for hire

Pools

- A new circulation pump was installed at the Putāruru Pool
- A BBQ and sunshade have been fitted at the Putāruru Pool
- Changing room quotes are being sought for the upgrade at Putāruru to create a fresh practical easy to clean and accessible area
- Tokoroa Indoor pool had the compressor and UV tubes replaced
- Indoor pool assessment to evaluate tasks and required before the refurbishment. Assessed both outdoor pools ready for the summer period

Libraries:

- Ongoing acquisitions for the District libraries collections, including e-magazines subscription to provide library borrowers with access to over 3,000 magazines
- Purchased a range of items to form the basis of a STEM kit (science, technology, engineering, mathematics) for public use in libraries
- Launched Lego Clubs at libraries across the District
- Stood up a Click and Collect service across the District libraries
- Launched an in-house summer reading programme for South Waikato tamariki
- Provided over 2,000 My Vaccine Pass support sessions for customers across the District
- Delivered Tautoko Mamati Digital Support, Plant Swap, Cuppa Korero and Guitar Tutor sessions across the District under the New Zealand Libraries Partnership Programme

CAPITAL PROJECTS

Community Facilities	Actual Spend 2022 \$000s	Budget Spend 2022 \$000s	Actual Spend 2021 \$000s
Events Centre - plant replacement and exterior waterproofing	19	35	8
Libraries	208	156	119
Pole installation	3	-	5
District Cultural Trail plan	-	26	
Pools - plant replacement	221	3,535	149
Total	451	3,752	281

KEY PERFORMANCE INDICATORS

Community Facilities			
Performance Measure	2020-2021 Outcome	2021-2022 Outcome	Commentary
South Waikato Sport and Events Centre: South Waikato Sport and Events Centre users rate their overall satisfaction level at an average of 95% or above <u>annually</u> .	New	Achieved	Overall satisfaction for 2021-2022 was 95%
South Waikato Sport and Events Centre: Annual usage of the South Waikato Sport and Events Centre will equate to an average of at least twice the district's population.	Achieved	Not Achieved	There were 18,995 visits to the SW Events Centre. COVID-19 has had a significant impact on both visitation and the events able to be provided by the South Waikato Sports and Events Centre.
Swimming Pools: South Waikato pool facility users (Tokoroa, Putāruru, Tīrau) rate their overall satisfaction level at an average of at least 90% or above annually.	Not Achieved	Achieved	Overall satisfaction for 2021-2022 was 90%
Swimming Pools: Annual usage of the South Waikato pool facilities will equate to an average of at least four times the district's population.	Not Achieved	Not Achieved	There were 47,143 visits to the Swimming Pools. COVID-19 has had a significant impact on both visitation and the events able to be provided by the South Waikato Pool facilities.
Swimming Pools: At least 90% of South Waikato pool water tests (Tokoroa, Putāruru and Tīrau) comply with the New Zealand Standard Pool Water Quality annually.	Achieved	Achieved	10,662 tests were undertaken at the pools in 2021-2022. 97.57% (10,403) of these tests were compliant.
Swimming Pools: One water safety education campaign is undertaken (across the district) every year.	New	Achieved	In February one (1) water safety education campaign was held in Putāruru.
Libraries: South Waikato Library services customers (Tokoroa, Putāruru and Tīrau) rate their overall satisfaction level at an average of 95% or above <u>annually</u> .	Achieved	Achieved	Overall satisfaction for 2021-2022 was 95%
Libraries: South Waikato Libraries visitor and online user numbers will increase by at least 2% of the last five-year average.	New	Not Achieved	Total physical and virtual visits was 107,670 Library visits continued to be impacted by COVID-19 in 2021-22.
Libraries: Ten or more community groups engage with the district libraries each month.	Achieved	Not Achieved	Average monthly contacts over 12 months were 6.9. Some community groups and organisations paused, or reduced library engagements due to COVID-19.
Libraries: Ten library led community-based learning programmes are undertaken annually.	New	Not Achieved	Eight (8) programmes were delivered across the year. The ability to deliver programmes has been impacted by level four lockdown, traffic light restrictions and community spread of COVID-19.

**FUNDING IMPACT STATEMENT
COMMUNITY FACILITIES**

Funding Impact Statement - Community Facilities	LTP 2021 \$000s	LTP 2022 \$000s	Actual 2022 \$000s
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	3,607	3,313	3,335
Targeted rates	-	-	-
Subsidies and grants for operating purposes	13	177	160
Fees and charges	395	378	244
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	22	-
TOTAL SOURCES OF OPERATING FUNDING (A)	4,015	3,890	3,739
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	1,998	2,304	2,185
Finance costs	284	46	42
Internal charges and overheads applied	1,128	934	851
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	3,410	3,284	3,078
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	605	606	661
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	2
Development and financial contributions	-	-	-
Increase (decrease) in debt	(119)	3,301	660
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(119)	3,301	662
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of services	-	51	337
- to replace existing assets	471	3,701	114
Increase (decrease) in reserves	(363)	155	914
Increase (decrease) in investments	378	-	(42)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	486	3,907	1,323
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(605)	(606)	(661)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Parks and reserves

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Our team oversees the operation, maintenance and development of approximately 285 hectares of parks, sportsgrounds, reserves, playgrounds cemeteries and gardens. It is important that these assets are maintained appropriately to prevent disrepair costs so residents have access to parks, reserves and sportsgrounds for recreational and sporting activities.

WHAT WE DO

- Administer contracts, and undertake health and safety auditing
- Issue interment warrants
- Plan development of and manage reserves and facilities
- Provides a contact for users and administers the bookings for parks and sportsgrounds
- Manage trees located within reserves, urban road reserves and street berms
- Manage approximately 285ha of urban and rural reserves, playgrounds, sportsgrounds and cemeteries
- Maintain cycleways and walkways
- Management of public toilets within reserves.

Community Outcomes

The Parks and Reserves group of activities contributes to the Relationship, Growth and Resilience outcomes

Effects on our community



Social



Economic



Environmental



Cultural

The parks and reserves group provide and maintain recreational areas that primarily focuses on improving the social, cultural, leisure and wellbeing of the community.

Access to green spaces and recreational facilities have a positive impact on communities and support aspects of life that are important for people's happiness, quality of life, enjoyment, health and welfare.

They also administer cycleways and walkways which provide active connectivity and in turn provide communities choices to participate in reducing climate change

The provision of facilities to meet public health needs, (public toilets and cemeteries) provide for social and cultural wellbeing.

PARKS AND RESERVES

WHAT WE DELIVERED THIS YEAR

- New and replacement signage installed in reserves
- Replacement picnic tables installed in Putāruru Timber Museum Reserve
- New walkways constructed in Butler Reserve and Glenshea Memorial Park
- New burial berms constructed in Tokoroa Cemetery
- Synthetic courts refurbished at Tokoroa War Memorial Sportsground
- Re-metalling of carparks and walkways in reserves
- Shower blocks, barbeques, tables, shelters and bins installed in Lake Whakamaru Reserve
- Carpark, paths, toilet block, signage, suspension bridge and pump track installed in Tīrau Domain
- Tokoroa Cemetery extension developed
- Stage one of the Putāruru Water Park redevelopment completed
- Putāruru Skate Park upgrade - geotechnical report completed, design layout approved and construction drawings produced

CAPITAL PROJECTS

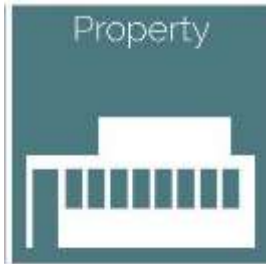
Parks and Reserves	Actual Spend 2022 \$000s	Budget Spend 2022 \$000s	Actual Spend 2021 \$000s
Cemeteries	719	836	378
Sportsgrounds - Memorial park	63	68	3
Sportsground - replacement sports equipment	-	-	66
Skatepark - upgrade	15	550	105
Reserves - walkway development	820	50	254
Playground - equipment renewals	-	-	49
Lake Moananui - infrastructure and silt removal	1	140	-
Tīrau Domain - development	548	545	-
Lake Whakamaru - reserve infrastructure	294		
Other - Parks and Reserves projects	584	101	135
Total	3,044	2,290	990

KEY PERFORMANCE INDICATORS

PARKS, RESERVES & CEMETERIES			
Performance Measure	2020-2021 Outcome	2021-2022 Outcome	Commentary
Parks & Reserves: 90% of non-urgent enquiries and service requests relating to parks and reserves are responded to within ten working days of notice.	Achieved	Achieved	Council received 508 non-urgent enquiries and service requests, of these 498 were responded to on time. End result: 98%
Parks & Reserves: 90% of urgent enquiries and service requests relating to parks and reserves are responded to within two working days of notice.	Achieved	Achieved	Council received 64 urgent enquiries and service requests, of these all 64 were responded to within the required time frame. End result: 100%
Parks & Reserves: Users of South Waikato Parks and Reserves rate their overall satisfaction level at an average of 90% or above annually.	New	Not Achieved	Overall satisfaction for 2021-2022 was 86%.
Cemeteries: 90% of non-urgent enquiries and service requests relating to cemeteries are responded to within ten working days of notice.	New	Achieved	Council received 83 non-urgent enquiries and service requests, of these 83 all were responded to within the required time frame. End result: 100%
Cemeteries: 90% of urgent enquiries and service requests relating to cemeteries are responded to within two working days of notice.	New	Achieved	Council received two (2) urgent enquiries and service requests, of these both were responded to within the required time frame. End result: 100%

**FUNDING IMPACT STATEMENT
PARKS AND RESERVES**

Funding Impact Statement - Parks and Reserves	LTP 2021 \$000s	LTP 2022 \$000s	Actual 2022 \$000s
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	3,826	3,984	4,000
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	186	189	154
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	13	-
TOTAL SOURCES OF OPERATING FUNDING (A)	4,012	4,186	4,154
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	2,447	2,606	2,781
Finance costs	143	55	73
Internal charges and overheads applied	892	1,027	947
Other operating funding applications	19	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	3,501	3,688	3,801
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	511	498	353
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	159
Development and financial contributions	24	41	85
Increase (decrease) in debt	613	1,699	3,009
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	637	1,740	3,253
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	836	719
- to improve the level of services	-	1,178	1,730
- to replace existing assets	913	276	595
Increase (decrease) in reserves	(597)	(52)	752
Increase (decrease) in investments	832	-	(190)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	1,148	2,238	3,606
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(511)	(498)	(353)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Property

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The Property activity maintains and manages all buildings owned and operated by Council. This involves day-to-day operations, the planning for and undertaking of major asset renewal work and the upkeep of Council's asset management system for the properties.

WHAT WE DO

- Maintain Council office buildings, depots and vacant land owned by Council Installing, cleaning and maintenance of the Tokoroa Talking Poles and other District artwork
- Tokoroa Airfield completing maintenance
- Undertakes graffiti removal and lease administration

Manages and maintains the below properties.

- Library buildings
- Public toilets (not on reserves)
- Council office buildings and fleet vehicles
- Pensioner housing

Community Outcomes

The Property group of activities contributes to the Relationship and Resilience outcomes

Effects on our community



Social



Economic



Environmental



Cultural

PROPERTY

The property group manages and maintains buildings and land owned by the council contributing to the financial wealth, pride and cultural wellbeing of the community.

Maintaining our buildings secures pensioner housing, libraries, council offices and public toilets for now and into the future for the benefits of all communities.

The provision of other services such as graffiti removal and the maintenance of art works across the District impact create a positive image ensuring we have a vibrant place to live and visit. Community pride is strengthened

WHAT WE DELIVERED THIS YEAR

- Public Toilets - Council continues to clean and maintain toilet facilities to a good standard
- Pensioner Housing - Council continues to be responsive to pensioner housing tenant queries
- Council has continued its programme of undertaking minor renovations of vacant units that require attention to maintain standards

CAPITAL PROJECTS

Property	Actual Spend 2022 \$000s	Budget Spend 2022 \$000s	Actual Spend 2021 \$000s
Council administration buildings and depots	318	186	115
Community halls	26	95	1
Pensioner housing	349	280	37
Total	693	561	153

KEY PERORMANCE INDICATORS

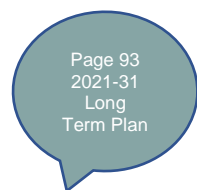
PROPERTY			
Performance Measure	2020-2021 Outcome	2021-2022 Outcome	Commentary
Public Toilets: 90% of enquiries and service requests relating to public toilets are responded to within two working days of notice.	Achieved	Achieved	Council received 147 enquiries and 143 were responded to within the required time frame. End result: 97%
Public Toilets: 90% of enquiries and service requests relating to public toilets are resolved within three working days of notice.	Achieved	Achieved	Council received 147 enquiries and 143 were resolved within the required time frame. End result: 97%
Pensioner Housing: The occupancy of Council's pensioner housing units is at least 95% on an annual basis.	Achieved	Not Achieved	The occupancy of Council's pensioner housing units was 93.40% During 2021-2022 there was an unexpectedly high turnover of pensioner units due to tenants passing away or moving into rest homes. Units were required to undergo refurbishment. Due to COVID-19 restrictions on non-emergency repairs, refurbishments did take longer than anticipated, hence falling just below KPI target.

**FUNDING IMPACT STATEMENT
PROPERTY**

Funding Impact Statement - Property	LTP 2021 \$000s	LTP 2022 \$000s	Actual 2022 \$000s
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	795	1,003	1,014
Targeted rates	49	53	54
Subsidies and grants for operating purposes	-	-	-
Fees and charges	496	630	620
Internal charges and overheads recovered	-	631	600
Local authorities fuel tax, fines, infringement fees, and other receipts	-	24	-
TOTAL SOURCES OF OPERATING FUNDING (A)	1,340	2,341	2,288
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	568	1,283	1,123
Finance costs	84	60	136
Internal charges and overheads applied	451	651	373
Other operating funding applications	1	1	1
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	1,104	1,995	1,633
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	236	346	655
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(119)	(157)	3,763
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(119)	(157)	3,763
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of services	-	245	103
- to replace existing assets	601	286	590
Increase (decrease) in reserves	(79)	(342)	3,962
Increase (decrease) in investments	(405)	-	(237)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	117	189	4,418
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(236)	(346)	(655)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Regulatory



The focus of the regulatory activity is to make sure that our residents and the environment are safe. By supporting our communities in planning and operating in a safe manner, we can build on a sustainable culture that will ensure a strong future for our District.

WHAT WE DO

The regulatory groups assist the community with the following activities:

- Planning guidance and compliance
- Building guidance
- Civil defence
- Animal control
- Sale and supply of alcohol licensing
- Auditing food premises
- Noise control
- Parking and bylaw enforcement
- Business management

Community Outcomes

The Regulatory group of activities contributes to the Relationship, Growth and Resilience outcomes

Effects on our community



Social



Economic



Environmental



Cultural

REGULATORY

The regulatory group assists the Council improving our local communities through the regulation of building control, environmental health, animal control and compliance and bylaws to protect our lifestyles and environment. Through the provision of these activities our District is a safer and more resilient place for all residents.

Many of the activities of this group are mandatory or legislatively required with the outcomes being the safety and the protection of our communities to increase social wellbeing.

They also contribute to cultural wellbeing as they continue to develop our relationship with iwi far beyond the statutory requirements to ensure Māori world views are represented through regulatory processes.

The group plans for the future, delivers plan changes and provides the platform for economic growth for the future financial viability of our communities.

WHAT WE DELIVERED THIS YEAR

- Completed the gambling policy review including hearing of public submissions
- Reviewed the public places bylaw to introduce prohibition of alcohol in sportsground related reserves
- District Plan review programme underway
- National Planning Standards priority chapters for District plan changes initiated
- Tokoroa Housing and Business assessment and growth report for Tīrau completed and adopted by Council
- Introduced community and social support flier to vulnerable persons through compliance activity
- Infringement Policy adopted
- Initiated resource consent strategy with Raukawa
- Progressed Nga Wahi Tuturu District Plan change with Raukawa (culturally significant sites and landscape)
- Agreed Joint Management Agreement implementation plan with Te Arawa River Iwi Trust
- Reported to building owners on potential earthquake prone buildings
- Engaged in mediation for Healthy Rivers Wai Ora Waikato Regional plan change appeal
- Undertook ground truthing on Significant Natural Areas (SNAs)

CAPITAL PROJECTS

Regulatory	Actual Spend 2022 \$000s	Budget Spend 2022 \$000s	Actual Spend 2021 \$000s
Emergency Management - equipment response trailer	-	30	-
Emergency Management - trailer mounted generator	40	42	-
Emergency Management - began satellite receiver	5	4	-
Electronic District Plan	-	50	-
Dog pound upgrade	83	-	81
Generator at Events Centre	9	-	28
Total	137	126	109

KEY PERFORMANCE INDICATORS

REGULATORY			
Performance Measure	2020-2021 Outcome	2021-2022 Outcome	Commentary
Animal Control: 100% of urgent requests are attended to within one hour on 24/7 basis.	Achieved	Achieved	There were 145 urgent requests received and 100% of these were responded to within one (1) hour.
Animal Control: 95% of known dogs in the South Waikato District are registered annually or infringements issued.	New	Achieved	Door to door and Infringement process for 2022 complete with all accounts not paid in full being Infringed under Section 42 of the Dog Control Act 1996.
Compliance: Not less than 200hrs per year spent on car parking patrols and complaints.	New	Achieved	Four (4) hours a week of CBD and parking patrols were completed weekly for 2021-2022. End result: 208 hours.
Building Control: Council will retain accreditation as a Building Consent Authority.	Achieved	Achieved	Accreditation retained. Reaccredited by IANZ in November 2021.
Building Control: The building team will meet with builders and designers at least twice per annum.	Not Achieved	Achieved	The building team facilitated two (2) meetings in June.
Building Control: At least 100% of building consents are processed within statutory timelines (20 working days).	New	Not Achieved	Council processed 525 building consents, 502 were processed on time. End result: 96%
Building Control: All swimming pools on the Council's pool register will be inspected at least once every three years (or 33% each year).	New	Achieved	73 of 178 were inspected. End result: 39%
Civil Defence: At least one Emergency Operations Centre or Managers exercise is run annually to measure the effectiveness of training delivery to meet the Group KPI.	Achieved	Not Achieved	One (1) functional manager's tabletop exercise was held in June. Early developing baseline level attributed to exercise held, Group KPI not met due to level of exercise (i.e. two tabletop or one functional exercise), however was considered fit for purpose for Council team.
Civil Defence: Civil Defence staff will engage with high hazard facilities at least twice per year.	New	Not Achieved	This KPI did not meet its target due to COVID-19 support priorities and the recent Emergency Manager vacancy.
Civil Defence: Council staff will participate in 20 or more activities with local organisations; of those, four must be collaborative meetings with the local welfare committee and/or emergency services coordinating committee	Not Achieved	Not Achieved	This KPI did not meet its target due to COVID-19 restrictions and the recent Emergency Manager vacancy. Council conducted 12 visits.

Environmental Health: 95% of premises registered pursuant to the Health Act 1956 will be inspected annually.	Achieved	Achieved	37 of 39 inspections were completed. One (1) premise closed and was unable to be inspected, one (1) premise was booked to be completed on 30 June but was rescheduled the day prior due to operator availability. End result: 95%
Environmental Health: Of the premises registered under the Food Act 2014 that have selected South Waikato District Council as their Verification Agency, 90% will be verified in accordance with legislative requirements.	Not Achieved	Achieved	80 of 86 verifications were completed within required timeframes. Six (6) outstanding verifications were rescheduled and subsequently verified. End result: 93%
Environmental Health: Alcohol licences/renewals and general manager certificates are issued within three months of application, providing there are no objections or oppositions from agencies, the chair or a hearing requested by Alcohol Regulatory and Licensing Authority (ARLA).	New	Not Achieved	40 of 61 applications were issued within the three-month timeframe. Several applications not issued within required timeframe were affected by reporting delays with agencies or the District Licensing Committee. KPI wording will be changed to consider this in future.
Environmental Health: 100% of urban complaints regarding excessive noise are responded to within one-hour.	New	Not Achieved	680 of 698 noise complaints were responded to within one-hour. End result: 97%
Alcohol Licensing: Three or more meetings per calendar year will be held with the South Waikato Alcohol Accord group.	Not Achieved	Not Achieved	Zero (0) meetings were held, due to COVID-19 and a lack of online attendance interest.
Alcohol Licensing: 100% of premises that hold either on, off or club licences will be inspected annually.	Achieved	Achieved	45 of 45 Alcohol inspections were completed. End result: 100%
Planning: Planning input into Building Consent applications is completed within five working days of online registration.	Achieved	Not Achieved	Planning input within five (5) working days was 92% completion. 270 of 293 Building Consent applications.
Resource Management Policy and monitoring, including environmental protection and monitoring: Not less than 80 hours per year is spent on monitoring land uses e.g. resource consents, certificates of compliance and existing situations.	Achieved	Achieved	Council staff spent 156.5 hours on monitoring land use.
Business Case Management: 90% of all potential business development projects that require an integrated regulatory approach (i.e. Business Case Management) are contacted within two working days.	Achieved	Achieved	There were 58 cases that required an integrated regulatory approach and 100% of these were contacted within 2 working days.
Planning: 100% of consents are processed within the Resource Management Act (RMA) 1991 timeframes.	New	Not Achieved	60 of 95 consents were processed within the RMA time frames. End result: 73%
Planning: 100% of decisions permitting Boundary Activity Certificates (BAC) are issued within statutory timeframes.	New	Achieved	Council received two (2) BACs and both were issued within statutory time frames.

FUNDING IMPACT STATEMENT REGULATORY

Funding Impact Statement - Regulatory	LTP 2021 \$000s	LTP 2022 \$000s	Actual 2022 \$000s
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	2,956	2,866	2,886
Targeted rates	-	-	-
Subsidies and grants for operating purposes	2	-	-
Fees and charges	1,364	1,428	1,660
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	72	69	56
TOTAL SOURCES OF OPERATING FUNDING (A)	4,394	4,363	4,602
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	2,839	2,702	2,811
Finance costs	16	3	3
Internal charges and overheads applied	1,361	1,498	1,531
Other operating funding applications	6	6	23
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	4,222	4,209	4,368
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	172	154	234
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(145)	(56)	30
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(145)	(56)	30
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of services	-	80	137
- to replace existing assets	-	46	-
Increase (decrease) in reserves	(26)	(28)	129
Increase (decrease) in investments	53	-	(2)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	27	98	264
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(172)	(154)	(234)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Solid waste and recycling

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Council provides solid waste and recycling services to the District and delivers the service under the of the Waste Minimisation Act 2008. The purpose of the Act is to encourage waste minimisation and decrease waste disposal to landfill. The Council prepares and regularly reviews a Waste management and Minimisation Plan (WMP). The current WMP was prepared in 2018 and is due for review in 2024.

WHAT WE DO

Council owns, operates (under contracts) and maintains the following assets and services:

- Weekly kerbside household rubbish collection and disposal
- Fortnightly kerbside household recycling collection and processing
- Greenwaste drop off and processing
- Maintains rubbish transfer stations in Tokoroa and Putāruru
- Maintains three recycling drop off centres
- Maintenance and aftercare of three closed landfills
- Behaviour change, community engagement and policy development for waste minimisation and reduction

Community Outcomes

The Solid waste and recycling group of activities contributes to the Resilience outcomes

Effects on our community



Social



Economic



Environmental



Cultural

SOLID WASTE AND RECYCLING

The Councils vision “healthy people thriving in a safe vibrant and sustainable community” is at the heart of the provision of waste management ensuring the sanitary and safe collection and disposal of our rubbish. This includes recycling and solid waste which helps protect the environmental and social wellbeing of our communities.

The Waste Minimisation Plan includes recycling initiatives to increase awareness of environmental sustainability to educate, engage with community and continually improve our waste diversion, enabling our communities to function in a healthy, clean and safe environment.

Culturally our natural world of Ranginui and Papatūānuku are acknowledged and cared for and increasing kaitiakitanga within our community

WHAT WE DELIVERED THIS YEAR

- Capital works to cap the closed Tokoroa landfill was undertaken and successfully completed within budget by local contractors
- Kerbside collection of rubbish and recycling in our four urban areas transitioned from bags and crates to wheelie bins in September 2021. The wheelie bin service has been well received by the public
- Problems with contamination at our three recycling drop-off facilities at Tokoroa, Putāruru and Tīrau were addressed through secure fencing, better supervision and reduced hours. This has improved the quality of the collected recycling and increased the aesthetics of the sites
- Year 1 of a three year waste awareness and education program, funded by the Ministry for the Environment through the Waste Minimisation Fund, was completed
- Successful application to CRRF (COVID-19 Response and Recovery Fund) for a second weighbridge at Putāruru Transfer Station has also allowed early planning for the upgrade work at the site over the next two years

CAPITAL PROJECTS

Solid waste and recycling	Actual Spend 2022 \$000s	Budget Spend 2022 \$000s	Actual Spend 2021 \$000s
Tokoroa - capital component of maintenance	-	-	2
Tokoroa - landfill projects	939	-	2,091
Putāruru - transfer station upgrades	25	5	-
Tīrau - recycling station relocation	-	-	2
District - recycling containers and upgrade works	21	-	-
Wheelie bins	538	-	350
Total	1,523	5	2,445

KEY PERORMANCE INDICATORS

SOLID WASTE AND RECYCLING			
Performance Measure	2020-2021 Outcome	2021-2022 Outcome	Commentary
90% of enquiries and service requests relating to <u>recycling</u> collection are responded to within 2 working days of notice.	Achieved	Achieved	Council received 108 service requests and 104 service requests were responded to on time. End result: 96%
90% of enquiries and service requests relating to <u>refuse</u> collection are responded to within 2 working days of notice.	Not Achieved	Not Achieved	Council received 298 service requests and 266 were responded to on time. End result: 89%
Recycling as a percentage of the waste disposed to landfill increase is greater than 12.5%.	New	Achieved	The percentage of waste recycled during this reporting period was 12.89%.
There will be no 'Formal Enforcement Actions' from the consenting Authority in regard to Council's compliance with resource consent conditions.	Achieved	Achieved	There were zero (0) Formal Enforcement Actions.
Two waste minimisation education campaigns are undertaken each year.	New	Not Achieved	Zero (0) waste minimisation education campaigns were held.
South Waikato kerbside collection service users rate overall satisfaction of 75% or above annually.	New	Achieved	Overall satisfaction for 2021-2022 was 92%.

**FUNDING IMPACT STATEMENT
SOLID WASTE AND RECYCLING**

Funding Impact Statement - Solid waste & recycling	LTP 2021 \$000s	LTP 2022 \$000s	Actual 2022 \$000s
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	1,379	698	703
Targeted rates	923	2,065	2,071
Subsidies and grants for operating purposes	136	-	-
Fees and charges	1,682	2,399	1,147
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	94	212	182
TOTAL SOURCES OF OPERATING FUNDING (A)	4,214	5,374	4,103
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	2,913	3,497	2,991
Finance costs	317	67	77
Internal charges and overheads applied	627	806	785
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	3,857	4,370	3,853
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	357	1,004	250
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(270)	(271)	1,268
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(270)	(271)	1,268
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of services	-	-	1,443
- to replace existing assets	378	5	80
Increase (decrease) in reserves	(512)	728	75
Increase (decrease) in investments	221	-	(80)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	87	733	1,518
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(357)	(1,004)	(250)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Transport, roading & footpaths

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Long
Term Plan

The transport and roading activity provide efficient, safe and secure transport links for our community operating and maintaining the land transport network (excluding State Highways). Through Council, local communities have representation for their transportation needs and the use of the regional road corridors.

WHAT WE DO

The transport roading and footpaths activity delivers the following activities:

- Resealing of roads and cycleways
- Road pavement rehabilitation
- Seal widening and extensions
- Road marking
- Maintenance of signs and streetlighting designated to Council
- Maintenance of footpaths
- Road maintenance which is carried out by contractors
- Road safety
- Drainage from roads
- Public transport via the Urban Connector

Community Outcomes

The Transport roading & footpaths group of activities contributes to the Growth and Resilience outcomes

Effects on our community



Social



Economic



Environmental



Cultural

TRANSPORT ROADING AND FOOTPATHS

The transport, roading and footpaths activity is public fronting and provides efficient, reliable and safe access to destinations to ensure the safety and wellbeing of our communities.

They promote road safety and have an increasing focus on how our residents can get around including children, the elderly, mobility impaired and students supporting their wellbeing needs.

The Urban Connector (public transport service) provides access to social, health and educational opportunities and provides an alternative option to assist in reducing environmental impacts.

Providing the appropriate roading and footpaths contributes to the economic viability and social wellbeing for all people

WHAT WE DELIVERED THIS YEAR

- The successful tendering and award of a package of five maintenance contracts to replace the existing maintenance and reseals contracts that have been in place since 2015 and had reached their maximum allowable term
- The resurfacing of 28.10 km of existing sealed road to improve waterproofing to protect the underlying pavement and improve skid resistance to reduce loss of control accidents
- The strengthening and rehabilitation of the pavement on five sections of road on, Okoroire Road (2 sections), Old Taupo Road (2 sections) and Kinleith Road totalling 2.16km in length
- Overall, a steady year maintaining the network in a good condition with most of the KPIs achieved

CAPITAL PROJECTS

Transport and roading	Actual Spend 2022 \$000s	Budget Spend 2022 \$000s	Actual Spend 2021 \$000s
Formation widening	26	360	349
Seal widening	49	80	154
Pavement rehabilitation	650	1,424	486
Drainage kerb and channel	24	160	123
Kerb and channel renewals	-	-	35
Christmas / feature Lighting	-	-	-
Maintenance chip seals and reseals	1,034	566	1,304
Traffic services renewals-signs	60	70	93
Traffic services renewals-street lights	29	185	97
Minor improvements	12	-	236
Footpath renewals	-	80	55
Leith Place	204	-	1,049
Minor events	-	-	274
Dumfries Link road	716	750	468
Buttermilk industrial site - Industrial development new road	-	242	-
Sundry other	49	328	38
Total	2,853	4,245	4,761

KEY PERORMANCE INDICATORS

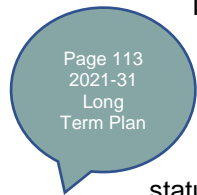
TRANSPORT AND ROADING			
Performance Measure	2020-2021 Outcome	2021-2022 Outcome	Commentary
Reseal: The three-year rolling average of annual resurfacing completed is no less than 6% of the networks total sealed area.	New	Achieved	4 % of the network was resurfaced in the 2019/20 year, 8% in 2020-21, and 6% in 2021-22 for a 3-year average of 6%
Rehab: The percentage of vehicle kilometres travelled on smooth sealed local roads is at least 80%.	New	Achieved	The roughness of all sealed roads was measured in November 2021 and the percentage of travel on roads categorised as "Smooth" was calculated as 87% using the standard Waka Kotahi (NZTA) methodology.
Road Safety: There are no fatalities or serious injury crashes on the local transport network that are directly contributable to road conditions.	Not Achieved	Achieved	There were zero (0) fatal and 13 serious injury accidents on the local road network in 2021-22. None were directly attributable to road factors
Capital Footpath Renewals: 90% of the footpath network that was audited should have a displacement of less than 15mm.	New	Achieved	A site audit of a random selection of 10% of the footpath network found 34 trip hazards with a length of 68m over the 18042m checked which is a percentage of 0.4%. Therefore 99.6% of the network has a displacement of less than 15mm.
Maintenance: That Council will respond to 90% of all urgent service requests within 2 working days of notice.	Achieved	Achieved	Council received ten (10) service requests and nine (9) were responded to on time. End result: 90%
Maintenance: That Council will respond to 90% of all non-urgent service requests within 10 working days of notice.	Achieved	Achieved	Council received 452 non-urgent service requests and 406 were responded to on time. End result: 90%
Maintenance: South Waikato Road users rate overall satisfaction with footpaths at 75% or above annually.	New	Not Achieved	Overall satisfaction for 2021-2022 was 69%.
Road Safety: Two South Waikato District Council road safety education campaigns are undertaken each year.	New	Achieved	Young Driver Expo Held June 28-29, 2022. This was a two-day expo involving the high schools in the South Waikato District. Students were taken through 6 workshops by members of Police, Fire, Ambulance and the Tokoroa Council of Social Services (TCOSS) each highlighting different aspects of road safety. 18 intersection observations carried out throughout South Waikato District. Data was collected on number of drivers failing to follow correct road rules (68%) as well as drivers carrying out activities not appropriate while driving. i.e., Cell phone usage (28%), eating.

**FUNDING IMPACT STATEMENT
TRANSPORT, ROADING & FOOTPATH.**

Funding Impact Statement - Transport and roading	LTP 2021 \$000s	LTP 2022 \$000s	Actual 2022 \$000s
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	5,099	4,292	4,338
Targeted rates	-	-	-
Subsidies and grants for operating purposes	1,875	2,922	2,595
Fees and charges	87	77	93
Internal charges and overheads recovered	1,084	54	5
Local authorities fuel tax, fines, infringement fees, and other receipts	162	188	167
TOTAL SOURCES OF OPERATING FUNDING (A)	8,307	7,533	7,198
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	3,864	4,708	4,257
Finance costs	191	53	56
Internal charges and overheads applied	2,383	938	844
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	6,438	5,699	5,157
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	1,869	1,834	2,041
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	2,440	1,654	1,222
Development and financial contributions	-	-	150
Increase (decrease) in debt	(284)	(191)	801
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	2,156	1,463	2,173
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	847	715
- to improve the level of services	181	1,110	218
- to replace existing assets	3,820	2,288	1,920
Increase (decrease) in reserves	(102)	(948)	1,413
Increase (decrease) in investments	126	-	(50)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	4,025	3,297	4,214
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(1,869)	(1,834)	(2,041)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Water supply



The water supply activity provides our District with a reliable supply of clean drinking water and the provision of adequate water supply to meet a minimum level of firefighting capability. The group provides a stable supply that is essential in supporting our District's growth and ensuring water supply is of high quality to meet statutory and environmental standards.

WHAT WE DO

The water supply activity delivers the following activities:

- Supply potable (drinkable) water to the urban areas of Tokoroa, Putāruru, Tīrau and Arapuni
- Supply potable water to the rural communities of Athol and Lichfield
- Operate and maintain water treatment plants in Tokoroa Putāruru, Tīrau, Arapuni and Lichfield
- Maintain ten reservoirs
- Maintain ten bore water pumps
- Maintain 228km of reticulation
- Meeting statutory and environmental standards

Community Outcomes

The Water supply group of activities contributes to the Resilience outcome.

Effects on our community



Social



Economic



Environmental



Cultural

WATER SUPPLY

Water is the source of life. A good quality and supply of water is essential to all the of the community wellbeings.

Our community benefits from having a high quality sustainable supply of safe, clean water to support health, a good quality of life and physical wellbeing.

A reliable water supply also supports economic growth as potential businesses look to our District to invest, building potential employment opportunities and financial stability.

WHAT WE DELIVERED THIS YEAR

- Successfully completed drilling of new water supply bore in Arapuni
- Successfully completed first year of watermain renewal contract

CAPITAL PROJECTS

Water supply	Actual Spend 2022 \$000s	Budget Spend 2022 \$000s	Actual Spend 2021 \$000s
Health & Safety	21	30	21
District - telemetry	372	-	139
Tokoroa - reticulation replacements	434	600	695
Tokoroa - capital component of maintenance	8	15	11
Tokoroa - water plant & equipment replacement	-	25	7
Putāruru - reticulation replacements	197	150	39
Putāruru - capital component of maintenance	13	15	22
Putāruru - zone District Plan change infrastructure requirements	-	-	184
Waihou - chlorine disinfection and Te Waihou screen	-	-	71
Pinedale - reservoir	-	-	12
Putāruru - water - design water supply upgrades	45	-	70
Putāruru - Reservoir Street upgrades	477	40	24
Putāruru - telemetry dataloggers	16	-	4
Putāruru - minor works	17	10	-
Tīrau - capital component of maintenance	7	12	6
Tīrau - Fairview development water pipe replacement	-	-	86
Tīrau - water plant and equipment replacement	16	15	7
Tīrau - reticulation replacements	153	152	82
Tīrau - resource consent renewal	30	30	-
Tīrau - minor new works	-	10	-
Arapuni - water plant and equipment replacement	8	5	8
Arapuni - reticulation renewal	44	-	12
Arapuni - bore replacement	372	195	-
Total	2,230	1,304	1,500

KEY PERFORMANCE INDICATORS

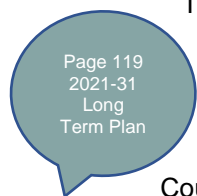
WATER SUPPLY			
Drinking water treatment and distribution			
Performance Measure	2020-2021 Outcome	2021-2022 Outcome	Commentary
All unsecure water sources, will have their water treated as prescribed in part 5 of the drinking-water standards to treat protozoa.	Achieved	Not Achieved	All water supplies within the district are treated as prescribed in Part 5 of the drinking water standards (protozoal compliance criteria). However due to loss of data via the scada/telemetry system only Te Waihou and Tirau supplies indicated compliance. An expert was engaged as per the standards.
At least 97% of tests for E-coli (bacteria compliance) carried out on treated reticulated water will indicate a level of E-Coli in the reticulated Council systems of less than one per 100ml.	Achieved	Partially Achieved	There were 1028 samples conducted during the 2021-22 reporting period. All samples taken from reticulated water were less than one per 100ml and complies with (a) part 4 of the drinking water standards (bacteria compliance criteria) An expert was engaged as per the standards.
The median response times for call-outs in response to a fault or interruption to the water reticulation system does not exceed one hour of notice.	Achieved	Achieved	The median response time was 28 minutes.
Drinking Water Treatment and Distribution – Total complaints received by Council regarding water supply for the following issues: clarity, taste, odour, pressure or flow, continuity of supply and response times to any of the above issues with its water supply system, does not exceed one complaint per 1,000 connections.	Achieved	Achieved	There were zero (0) complaints, normal callouts and domestic issues.
Council will ensure the water loss from Council's reticulation network will be no more than 20%.	Achieved	Achieved	The water loss from Council's water network was 15.4%. This number is greater than last years after a discovery that previous calculations were incorrect. A different methodology was used this year.
The average amount of water consumed per resident per day is 500 litres.	Not Achieved	Achieved	All below 500 litres per day. Total for the year 4,316 litres. Please (Note: There is no data for November 2021)
Where Council attends to water supply issues resulting from a fault or interruption in the Council's water supply system, the median resolve time measured: Resolve "urgent" callouts - 95% within 24 hours.	New	Achieved	94.94% within 24 hours to resolve.

FUNDING IMPACT STATEMENT- WATER SUPPLY

Funding Impact Statement - Water supply	LTP 2021 \$000s	LTP 2022 \$000s	Actual 2022 \$000s
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	3,115	3,294	3,299
Subsidies and grants for operating purposes	-	-	-
Fees and charges	389	323	364
Internal charges and overheads recovered	2,857	1,532	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	133	-
TOTAL SOURCES OF OPERATING FUNDING (A)	6,361	5,282	3,663
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	1,400	2,039	1,938
Finance costs	49	7	7
Internal charges and overheads applied	3,758	2,537	1,054
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	5,207	4,583	2,999
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	1,154	699	664
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	372
Development and financial contributions	-	96	48
Increase (decrease) in debt	(47)	6	179
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(47)	102	599
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	30	30
- to improve the level of services	-	242	1,065
- to replace existing assets	679	1,032	1,135
Increase (decrease) in reserves	(666)	(503)	(956)
Increase (decrease) in investments	1,094	-	(11)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	1,107	801	1,263
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(1,154)	(699)	(664)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Wastewater



The wastewater activity provides and maintains the wastewater collection networks and treatment plants throughout our District providing safe, reliable efficient disposal wastewater. It is a vital operation fundamental to the requirements for health and safety and controlled by resource consents issued by the Waikato Regional Council.

WHAT WE DO

The wastewater activity delivers the following activities:

- Operate wastewater networks in Tokoroa Putāruru, Tīrau and Arapuni
- Collect wastewater from homes and businesses via wastewater pipes and send it to the treatment plants, either by gravity or pumping
- Treat wastewater to a high quality then discharge it to water or land
- Manage trade waste (industrial, commercial business) discharges
- Protects and enhances our physical environment

Community Outcomes

The Wastewater group of activities contributes to the Resilience outcome.

Effects on our community



Social



Economic



Environmental



Cultural

WASTEWATER

The wastewater group ensures the collection, treatment and disposal of wastewater is operated in accordance with legislation to ensure our District is kept healthy and free from disease increasing the standard of living and better health outcomes for our communities.

The team continually ensures our environment is protected (especially our waterways) from pollution enhancing our District's clean green physical environment.

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

This activity builds resilience and supports cultural values to provide for future wellbeing

WHAT WE DELIVERED THIS YEAR

- Constructed and commissioned new pump station in Grey Street Putāruru
- Installed and commissioned new digester and associated plant and equipment at Tokoroa Wastewater Treatment Plant
- Constructed and commissioned new wetland at Tirau Wastewater Treatment Plant
- Installed and commissioned new inlet screen at Tokoroa Wastewater Treatment Plant

CAPITAL PROJECTS

Wastewater	Actual Spend	Budget Spend	Actual Spend
	2022 \$000s	2022 \$000s	2021 \$000s
Health & Safety	9	30	19
District - telemetry	-	219	-
District capacity upsizing project	-	15	-
Mobile devices	22	15	-
Wastewater design to support growth plan	-	-	177
Tokoroa - plant and equipment upgrade	291	115	489
Tokoroa - sludge upgrade including digester and sludge thickener	3,165	1,070	6,540
Tokoroa - Baird Road inlet screen	106	90	-
Tokoroa - Wastewater treatment plant - Telemetry	-	-	-
Tokoroa - Wastewater treatment plant - UV Lamps	48	40	44
Tokoroa - Wastewater treatment plant - Resource consent	12	-	45
Tokoroa - Wastewater treatment plant - De-nitrification	3,253	1,389	173
Putāruru - Wastewater treatment plant - Plant and equipment upgrade	99	88	70
Putāruru - filter pumps and UV	-	7	7
Putaruru - Overdale PS Storage	94	-	58
Putāruru - wetlands	48	-	40
Putāruru - Grey PS flow upgrade	211	-	30
Putāruru - Arapuni, Tirau Street Wastewater pipe upgrade	101	-	12
Putāruru - Overdale emergency sewer main	57	-	-
Putāruru - development contribution storage and flow upgrades	571	-	244
Putāruru - development contribution Arapuni Tirau Street WW pipe upgrade	47	-	22
Tirau - treatment plant auto start system	-	-	40
Tirau - plant and equipment upgrade	-	100	21
Tirau - Wastewater treatment plant Membranes	46	45	23
Tirau - wetlands	283	-	48
Arapuni - plant and equipment upgrade	1	3	-
Total	8,464	3,226	8,102

KEY PERFORMANCE INDICATORS

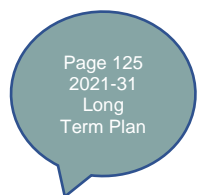
WASTEWATER			
Performance Measure	2020-2021 Outcome	2021-2022 Outcome	Commentary
There will be no "Formal Enforcement Actions" from the consenting authority (Waikato Regional Council) in regard to Council's compliance with resource consent conditions relating to wastewater per financial year.	Not Achieved	Achieved	There were no Formal Enforcement Actions undertaken.
The total number of complaints received by Council about wastewater issues (including sewage odour, sewerage system faults, sewerage system blockages and response times to issues with its sewerage system) does not exceed one complaint per 1,000 connections.	Achieved	Achieved	There are 7,675 connections to the wastewater network. Seven (7) complaints are allowed. Council received zero (0) complaints.
The median time to clear blockages or faults to Council's wastewater reticulation network will not exceed 24 hours from notification.	Achieved	Achieved	The annual median time to resolve was 3 hours and 13 minutes.
Where Council attends to wastewater overflow resulting from a blockage or other fault in the Council's wastewater system, the median resolve time measured: Resolved - 95% within 24 hours.	New	Achieved	100% of the overflows were resolved within 24 hours.
The median response times for callouts in response to a fault or interruption to Council's wastewater reticulation system does not exceed one hour of notice.	Achieved	Achieved	The annual median response time was 42 minutes.
Where Council attends to wastewater overflow resulting from a blockage or other fault in the Council's wastewater system, the median response times are measured: Respond - 95% within one hour.	New	Achieved	The annual median response time was 42 minutes.
The total number of dry weather overflows from the sewerage system shall not exceed three per 1,000 sewerage connections from the sewerage system. A dry weather overflow is when a blockage causes wastewater in the reticulated system to spill to the environment.	Achieved	Achieved	There are 7,675 connections to the wastewater system. Seven (7) overflows are allowed. There were zero (0) dry weather overflows for the year.
Community satisfaction with South Waikato wastewater treatment and disposal of water is at 90% or above annually.	New	Achieved	Overall satisfaction for 2021-2022 was 91%.

FUNDING IMPACT STATEMENT- WASTEWATER

Funding Impact Statement - Wastewater			
	LTP 2021 \$000s	LTP 2022 \$000s	Actual 2022 \$000s
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	4,117	4,385	4,434
Subsidies and grants for operating purposes	-	-	-
Fees and charges	18	79	105
Internal charges and overheads recovered	-	1,892	623
Local authorities fuel tax, fines, infringement fees, and other receipts	-	234	-
TOTAL SOURCES OF OPERATING FUNDING (A)	4,135	6,590	5,162
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	2,006	2,765	2,990
Finance costs	93	130	177
Internal charges and overheads applied	753	2,880	1,407
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	2,852	5,775	4,574
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	1,283	815	588
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	3,253
Development and financial contributions	-	91	49
Increase (decrease) in debt	2,500	(253)	4,649
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	2,500	(162)	7,951
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	15	60
- to improve the level of services	20	2,813	7,920
- to replace existing assets	2,939	398	484
Increase (decrease) in reserves	(387)	(2,573)	368
Increase (decrease) in investments	1,211	-	(293)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	3,783	653	8,539
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(1,283)	(815)	(588)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Stormwater



The stormwater activity maintains and operates our stormwater collection networks and disposal schemes throughout the District collecting stormwater via pipes, open drains and channels which discharge to surface water (streams and lakes).

WHAT WE DO

- Maintains 123km of stormwater collection networks and disposal schemes in Arapuni, Tīrau, Putāruru and Tokoroa
- Maintains a reticulated stormwater system of pipes and channels (primary network) sufficient to cope with frequent rainfall events
- Manages stormwater from land
- Ensures there are appropriate systems in place to deal with stormwater generated from future developments
- Provides planning and building input controls to restrict building in high flood risk areas
- Provides planning and policy initiatives to minimise stormwater quality and quantity effects at the source
- Provides a secondary stormwater system comprising swales, road, kerb and channel
- Maintains gross pollutant traps or similar treatment devices to reduce debris and contaminant levels in stormwater discharge

Community Outcomes

The Stormwater group of activities contributes to the Resilience outcome.

Effects on our community



Social



Economic



Environmental



Cultural

STORMWATER

The stormwater activity ensures runoff from rainfall is efficiently and effectively dealt with, increasing resilience and community safety.

Stormwater activities manage and assist in achieving commercial and social certainty avoiding the risk of flooding.

The protection of property and land is now more than ever essential as climate change increases the intensity of rain events, this activity supports that protection giving communities assurance that their wellbeing is well taken care of.

WHAT WE DELIVERED THIS YEAR

- Successfully replaced 100m of stormwater culvert Norrie Place Putāruru
- Installed a new stormwater treatment device at the Trade Training Centre site on Chambers Street Tokoroa

CAPITAL PROJECTS

Stormwater	Actual Spend 2022 \$000s	Budget Spend 2022 \$000s	Actual Spend 2021 \$000s
Tokoroa - minor new works projects	13	10	-
Tokoroa - upgrades	42	20	-
Stormwater design plan	-	-	162
Putāruru - minor new works projects	40	11	-
Putāruru - Reservoir Street upgrades	14	-	-
Putāruru - upgrades	372	140	150
Tīrau - minor new works projects and Hillcrest stormwater	6	6	3
Tīrau - upgrades	-	20	-
Arapuni - minor new works projects	-	6	-
Total	487	213	315

KEY PERORMANCE INDICATORS

STORMWATER			
Performance Measure	2020-2021 Outcome	2021-2022 Outcome	Commentary
No more than two flood events per year resulting in stormwater from Council's stormwater system entering a habitable floor in an urban area.	New	Achieved	There were no flood events.
The total number of complaints received does not exceed one complaint per 1,000 connections to Council's stormwater system. <i>Note: The total number of rateable properties within the stormwater area is 7686 which allows for a maximum of seven properties to be flooded before the KPI is exceeded. (KPI stormwater connections will be amended per year to account for changes in property numbers in the district).</i>	Achieved	Achieved	There are 7511 connections to the storm water network, Council allowed one (1) complaint. Council received one (1) complaint.
The median response times for callouts in response to a fault or interruption to Council's stormwater reticulation system does not exceed four hours of notice during a flood event. A flood event is defined as an occasion where buildings that are compliant with the Building Code and are serviced by Council's reticulated stormwater system experience flooding.	Achieved	Achieved	There were no callouts for the year in relation to a flooding event.
There will be no "Formal Enforcement Actions" from the consenting authority (Waikato Regional Council) in regard to Council's compliance with resource consent conditions relating to stormwater.	Achieved	Achieved	There were no Formal Enforcement Actions undertaken.

**FUNDING IMPACT STATEMENT-
STORMWATER**

Funding Impact Statement - Stormwater	LTP 2021 \$000s	LTP 2022 \$000s	Actual 2022 \$000s
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	815	560	563
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	203	-
TOTAL SOURCES OF OPERATING FUNDING (A)	815	763	563
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	157	401	482
Finance costs	7	-	-
Internal charges and overheads applied	165	242	257
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	329	643	739
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	486	120	(176)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(6)	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(6)	-	-
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of services	-	153	223
- to replace existing assets	80	60	264
Increase (decrease) in reserves	(80)	(93)	(663)
Increase (decrease) in investments	480	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	480	120	(176)
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(486)	(120)	176
FUNDING BALANCE ((A-B)+(C-D))	-	-	-

Customer satisfaction report

Introduction

Council employs Key Research Limited to undertake satisfaction reporting four times a year. The community satisfaction reports, provide Council with more timely understanding on the satisfaction levels of our residents with the services and facilities that Council delivers.

The 2021-22 report is the seventh annual report survey under this regime; except this report is the second time we have implemented a few refinements, such as two new methods of surveying, online and mail.

Sample sizes

The survey was designed to be demographically representative: with a total of 461 respondents.

- 62% of the representatives were from the Tokoroa ward
- 28% were from the Putāruru ward and
- 10% from the Tīrau ward.

Gender and ethnic diversity were accounted for, with respondents identifying as

- 49% male
- 51% female
- 71% Non-Māori and
- 29% Māori
- 75% of the respondents had resided within the South Waikato District for over 10 years
- 34% of respondents were between 18-39 years of age
- 43% were between 40-64 and
- 23% were 62 years and over

It is important to capture true satisfaction levels of actual users of specific services. Council has worked with researchers to ensure sample numbers for 'activity specific' questions, such as those associated with building consent processes, liquor licensing and the utility facilities.

The overall satisfaction figures include the categories:

- somewhat satisfied
- satisfied and
- very satisfied.

The overall dissatisfaction figures include:

- very dissatisfied and
- somewhat dissatisfied

Overall satisfaction

The overall results are presented in the table below. The table shows: Council Service / Facility / Activity, the year-to-date difference in percentage and respondent satisfaction percentages for 2019-2022.

Key findings

71% of residents are satisfied (scoring % 6-10) with Council's Overall performance. However, satisfaction with the overall key measures have declined compared with the results in 2021:

Overall Key measures - *Solid Waste, Roading, Water Management and Council Facilities.*

An analysis of the results shows that quality of services has the greatest impact on satisfaction with Council's Business Case Management seeing an increase of 19% against 2021.

In the last three months, just under four and ten residents (38%) have had contact with Council's customer services team. Almost all of those who had Council interaction (98%) received courteous and respectful service.

The most common subjects of request of complaint from residents were about the water supply, litter/rubbish and dogs.

Perceptions of How well Council handled enquiries in the last year has deteriorated (from 70% satisfied residents in 2021 to 66% satisfied residents in 2022).

**Trends in overall measures and reputation
(%6-10 excluding don't know)**

	OVERALL PERFORMANCE	% point increase / decrease (2022-2021)	Percentage of respondents satisfied, or very satisfied			
			2022	2021	2020	2019
OP1_1	Overall performance	3%	71%	68%	78%	83%
OP2_1	You're confident that Council's actions are taking the District in the right direction	-	69%	-	-	-

	WASTE AND RUBBISH DISPOSAL SERVICES	% point increase / decrease (2022-2021)	Percentage of respondents satisfied, or very satisfied			
			2022	2021	2020	2019
WR4_1	Overall solid waste services	11%	82%	71%	81%	85%
WR2_1	Kerbside rubbish collection	7%	92%	85%	88%	93%
WR3_1	The kerbside recycling services	14%	85%	71%	78%	85%
WR3_5	The services for managing general waste	10%	83%	73%	77%	82%
WR3_2	Putāruru, Tīrau, Waotu and Okoroire recycling points	9%	82%	73%	79%	82%
WR3_6	Management of loose litter and bins in and around the town	9%	77%	68%	79%	78%
WR3_4	The services for managing green waste	6%	73%	67%	76%	74%

	THREE WATERS: WATER SUPPLY, WASTEWATER AND STORMWATER	% point increase / decrease (2022-2021)	Percentage of respondents satisfied, or very satisfied			
			2022	2021	2020	2019
TW6_1	Overall water management	5%	82%	77%	80%	84%
TW2_1	The reliability of the water supply	2%	95%	93%	96%	95%
TW4_1	The reliability of the wastewater system	6%	95%	89%	98%	97%
TW4_2	How the South Waikato District Council treats and disposes of wastewater	5%	91%	86%	94%	96%
TW2_3	The clarity of the water	2%	86%	84%	85%	89%
TW2_5	The pressure of the water	3%	86%	83%	87%	90%
TW2_4	The odor of the water	2%	83%	81%	86%	88%
TW2_2	The taste of the water	2%	80%	78%	81%	84%
Q8_1	Ability to protect your property from flooding	-1%	78%	79%	79%	83%
Q8_3	How well the stormwater system is maintained	-	67%	67%	72%	73%
Q8_2	Keeping roads and footpaths free of flooding	1%	66%	65%	68%	71%

**Trends in overall measures and reputation
(%6-10 excluding don't know)**

	ROADS, FOOTPATHS AND CYCLE WAYS	% point increase / decrease (2022-2021)	Percentage of respondents satisfied, or very satisfied			
			2022	2021	2020	2019
RF2_1	Overall roads, cycleways etc	1%	65%	64%	71%	77%
RF1_7	The provision of dedicated walkways and other cycleways around the South Waikato	1%	72%	71%	74%	79%
RF1_4	The availability of footpaths and crossing points for mobility scooters and wheelchairs	3%	69%	66%	70%	76%
RF1_5	How well footpaths are maintained	6%	69%	63%	71%	75%
RF1_1	How well the urban roads are maintained	1%	66%	65%	71%	76%
RF1_3	The safety of the roads	1%	66%	65%	70%	72%
RF1_2	How well the rural roads are maintained	-2%	55%	57%	65%	66%
RF1_6	Adequacy of cycleways on our roads	5%	55%	50%	43%	54%

	PARKS, RESERVES AND OPEN SPACES	% point increase / decrease (2022-2021)	Percentage of respondents satisfied, or very satisfied			
			2022	2021	2020	2019
PR3_1	Overall satisfaction with council-maintained parks and reserves	2%	86%	84%	93%	93%
PR2_1	Sportsgrounds	2%	89%	87%	92%	95%
PR2_4	Cemeteries	4%	89%	85%	92%	96%
PR2_2	Other parks and reserves	3%	87%	84%	91%	92%
PR2_3	Playgrounds	-	85%	85%	91%	93%

**Trends in overall measures and reputation
(%6-10 excluding don't know)**

	COUNCIL FACILITIES	% point increase / decrease (2022-2021)	Percentage of respondents satisfied, or very satisfied			
			2022	2021	2020	2019
CF5_1	Overall satisfaction with council's public facilities	5%	85%	80%	90%	94%
CF3_4	The overall service delivered by the library	3%	96%	93%	97%	98%
CF3_1	Opening hours	3%	95%	92%	95%	96%
CF4_1	The libraries	3%	93%	90%	96%	96%
CF3_2	Range of books and other material available	-2%	92%	94%	97%	97%
CF3_5	The way that the library connects with local group	3%	92%	89%	96%	95%
CF4_5	South Waikato Sport and Events Centre	-1%	92%	93%	97%	95%
CF3_3	The library charges	-	90%	90%	95%	90%
CF4_2	Swimming pools	4%	87%	83%	86%	91%
CF4_4	Community halls	-2%	83%	85%	89%	86%
CF4_3	Public toilets	5%	69%	64%	62%	66%

	REGULATORY SERVICES	% point increase / decrease (2022-2021)	Percentage of respondents satisfied, or very satisfied			
			2022	2021	2020	2019
OS3_1	Overall regulatory services	6%	79%	73%	80%	83%
OS2_7	Preparing for civil defense emergencies	7%	78%	71%	73%	77%
OS2_5	Licensing premises such cafes, restaurants and hairdressers	11%	76%	65%	70%	80%
OS2_8	Business case management	19%	75%	56%	-	-
OS2_1	Providing dog and animal control	-8%	71%	79%	81%	83%
OS2_3	Managing and issuing resource consents	7%	69%	62%	61%	67%
OS2_4	Managing liquor licensing	11%	68%	57%	61%	75%
OS2_2	Managing and issuing building consents	3%	67%	64%	65%	68%

**Trends in overall measures and reputation
(%6-10 excluding don't know)**

	INTERACTION WITH REQUEST FOR A SERVICE OR A COMPLAINT	% point increase / decrease (2022-2021)	Percentage of respondents satisfied, or very satisfied			
			2022	2021	2020	2019
RS3_6	Overall, how well they handled your enquiry	-4%	66%	70%	65%	60%
RS3_1	How easy it was to make your enquiry or request	-4%	80%	84%	84%	83%
RS3_4	How well Council staff understood your request and how they communicated with you	-3%	76%	79%	73%	76%
RS3_3	The information provided being accurate	-1%	72%	73%	65%	71%
RS3_5	The resolution or outcome achieved	-6%	64%	70%	55%	55%
RS3_2	How long it took to resolve the matter	-3%	63%	66%	53%	50%

	COMMUNICATION & PARTICIPATION	% point increase / decrease (2022-2021)	Percentage of respondents satisfied, or very satisfied			
			2022	2021	2020	2019
CM2_1	Overall communication	8%	76%	68%	77%	74%
CM3_1	Participation in decision making	-1%	61%	62%	68%	69%

	VALUE FOR MONEY	% point increase / decrease (2022-2021)	Percentage of respondents satisfied, or very satisfied			
			2022	2021	2020	2019
VM2_1	Overall value for money	-4%	62%	66%	69%	75%
VM1_1	The ease of making payments	-1%	87%	88%	92%	93%
VM1_3	Fees for other services (like pool entry fees, dog registration fee, taking out a library book) being fair and reasonable	1%	71%	70%	79%	82%
VM1_2	Rates being fair and reasonable	2%	58%	56%	59%	64%

	REPUTATION	% point increase / decrease (2022-2021)	Percentage of respondents satisfied, or very satisfied			
			2022	2021	2020	2019
REP5_1	Overall reputation	2%	68%	66%	77%	78%
REP1_1	Leadership	7%	74%	67%	74%	75%
REP4_1	Financial management	4%	73%	69%	76%	78%
REP2_1	Trust	4%	64%	60%	71%	67%
REP3_1	Financial management	5%	55%	50%	62%	59%



CoLAB report

Council Controlled Organisations (CCOs)

We are required under the Local Government Act 2002 to include information in our annual report on Council-Controlled Organisations (CCOs) in which we are a shareholder.

The Council is a shareholder in one CCO being CoLAB which is the newly established trading name of the original Waikato Local Authority Shared Services Limited (LASS). CoLAB was established in 2005-06 and is a legal entity to help foster and develop shared service initiatives throughout the Waikato region.

Co-LAB is jointly owned by the local authorities of the region: Waikato Regional Council, Hamilton City Council, Hauraki, Matamata-Piako, Otorohanga, Rotorua, South Waikato, Thames-Coromandel, Waikato, Waipa and Waitomo District Councils.

Company objective

The objective of CoLAB is to provide local authorities of the Waikato Region with a vehicle to procure shared services.

The key purpose of CoLAB has evolved and it now drives collaboration between councils, and aims to improve customer service and performance, and to reduce costs.

The constitution of CoLAB sets out the principles of which the company will be operated and governed. This includes shareholders' rights and the appointment of directors.

The company's Annual Statement of Intent identifies its activities, intentions for the year and the objectives to which those activities will contribute.

Nature and scope of activities

The principal nature and scope of the activity for CoLAB is to:

- Provide shared services to all local authorities within the Waikato region, and to sell processes and systems as set up under individual agreements to local authorities outside the region.
- Pursue all opportunities to develop shared services that may benefit the community, either through enhanced services or reduced costs
- Give consideration to developing shared service products which a majority of local authorities of the region believe are of value. The objective is to provide the most effective access to regional information that may be of value to the community using modern technology and processes
- Explore all possible avenues to provide these services itself, or contract them from outside parties, each depending on a rigorous business case

Council policies and objectives relating to CCOs.

South Waikato District Council's policy on Appointment of Directors to CCOs states that, where Council is but one of a group of councils jointly controlling a CCO, then Council shall provide representatives (as appropriate) to consider the appointment and remuneration. CoLAB is governed by a board of directors made up of the chief executives of the local authority shareholders. Council's involvement in CoLAB is consistent with its Appointment of Directors to CCO's Policy. Council's involvement in CoLAB was confirmed, following public consultation through its Annual Plan 2005-06.

Council at present has no formal objectives other than to maintain its current shareholding.


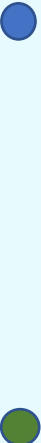


Performance measures



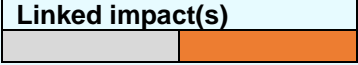

The following performance measures noted in the table below were included in the 2021 Statement of Intent. The company has assessed whether each target has, or has not, been achieved, and how these relate to our outcomes as an organisation.

Key:

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



Priority	Performance measure	Target	Outcome (progress toward 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> <div data-bbox="215 467 568 531" style="border: 1px solid black; padding: 2px;"> <p>Linked impact(s)</p>  </div>	<ul style="list-style-type: none"> ➤ Business cases will include measurable benefits linked to one or more of the outcomes sought ➤ Opportunity assessments are supported by councils (evidenced by Board minutes) 	<p>Projected savings to councils of \$300k+</p> <p>75% of councils</p>	<p>No business cases were presented to the Board during the last financial year but there were various Discovery reports for initiatives and expansive resourcing required to develop Co-Lab Learning.</p> <p>By their nature, some of these opportunities do not lend to readily quantifiable benefits. An example of this is the Community Needs Analysis: a project supporting eight of the councils by providing learnings grounded in stories of past successes and failures, that can be used by councils in their discussion with stakeholders relating to the Future for Local Government review.</p> <p>9 councils (out of 12 shareholding councils) have agreed to participate in Co-Lab Learning following proposals in May 2022. 8 councils chose to participate (and invest in) the Community Needs Analysis (CNA) project.</p>	
<p>Develop opportunities and deliver projects within agreed budgets and timelines.</p> <div data-bbox="215 1026 568 1090" style="border: 1px solid black; padding: 2px;"> <p>Linked impact(s)</p>  </div>	<ul style="list-style-type: none"> ➤ Opportunities / projects are developed / delivered within agreed timelines 	<p>80%</p>	<p>43%: Five of the eight projects under development that had a major milestone during the year, had some delays in their progress. The most significant of these was the completion of the development of Co-Lab Learning. Although Covid pressures in late 2021 contributed to the delays, the main cause was the length of time taken to reach agreement with key council stakeholders. It is easy to underestimate how long this will take.</p> <p>Completed on time were the Community Needs Analysis project, the Building consent Cadetship discovery project and the project to establish the Co-Lab Geospatial Services unit.</p>	

Priority	Performance measure	Target	Outcome (progress toward target)	
<p>Ensure existing services are meeting the needs of councils.</p> <p>Linked impact(s)</p> 	<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 	<p>80% of councils</p>	<p>A stakeholder survey was undertaken in May 2022 as noted above.</p> <p>80% of respondents said that the services they received either met or exceeded their expectations.</p>	
<p>Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice.</p> <p>Linked impact(s)</p> 	<p>➤ Across these groups, ideas for future consideration and/or initiatives are identified each year</p>	<p>Four per annum</p>	<p>Ideas for future consideration and/or initiatives identified include:</p> <ul style="list-style-type: none"> • Redesign of the WBCG Quality Manual – In progress • Cadet Project – In progress • New Build Waikato website delivered – Completed. • Water Data Quality dashboard • Fortnightly P&C response group for Covid-19 • The Insurance Advisory Group engaged Aon to undertake an assessment of potential losses to Waikato councils' three-waters reticulation networks and flood protection assets due to earthquake damage. • Procurement Managers have been involved in a few joint procurements. 	

Annual Report 2021-22

Pūrongo ā-tau

Year 1 of the Long Term Plan 2021-31

PART 3



SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.

Reports on achievement of objectives in funding and financial policies.

Rates remission and postponement policies report

Council has adopted policies in relation to the remission and postponement of rates. There are a number of circumstances in which applications are considered.

Remissions include:

- Community, sporting and other organisations
- Rates on land protected for natural, historical or cultural conservation purposes
- Uniform annual general charges and targeted rates on non-contiguous rural rating units in common ownership
- Penalties
- Māori freehold land
- Uncollectable rates
- Multiple dwellings with a common use on one rating unit
- Water rates due to leaks

Rating Information

As at 30 June 2022, the number and value of the rating units in the South Waikato District were:

Number of rating units	
Number of rating units	10,262
The total capital value of the rating units	8,652,597,100
The total land value of the rating units	4,738,258,600

REMISSION GRANTED	2021-22		2020-21	
	Number	Amount (\$) Including GST	Number	Amount (\$) Including GST
Community, sporting and other organisations	58	144,470	57	125,144
Rates on land protected for natural, historical or cultural conservation purposes	2	54	2	49
Uniform annual general charges and targeted rates on non-contiguous rural rating units in common ownership	24	13,681	24	17,097
Penalties	588	64,355	645	54,576
Māori freehold land	7	6,676	7	7,435
Uncollectable rates	0	0	0	0
Multiple dwellings with a common use on one rating unit	3	4,973	4	6,034
Water rates due to leaks	2	11,404	8	29,740

Revenue and financing policy report

Background

The Revenue and Finance Policy describes where Council will receive its funding from, including what sort of rating model, it will use.

Significant Activity	General Rates Target	General Rates Actual	Targeted Rates Target	Targeted Rates Actual	User Fees Target	User Fees Actual
Animal Control	55%	54%			45%	46%
Building Consents and Inspections	50%	44%			50%	56%
Business and CBD Promotion - Tokoroa and Putāruru	8%	9%	92%	91%		
Cemeteries	78%	77%			22%	23%
Community Advocacy, Grants and Support (including Visitor Centres)	100%	100%				
Community Governance (Tirau Community Board)			100%	100%		
Community Halls		4%	95%	96%	5%	5%
Compliance	95%	100%				
District Governance	100%	100%				
District Promotion	100%	100%				
Economic Development	100%	100%				
Emergency management	100%	100%				
Health	80%	75%			20%	25%
Libraries	92%	87%			8%	13%
Parks and Reserves (including Sportsgrounds)	95%	92%			5%	8%
Pensioner Housing					100%	100%
Property Management	90%	91%			10%	9%
Public toilets	100%	100%				
Resource Management (consent processing)	45%	40%			55%	60%
Resource Management (policy and monitoring, including environmental protection and monitoring)	100%	100%				
Roading (general roading activities)	100% (after subsidies)	91%				9%
Roading (CBD upgrade loan)	100%	100%				
South Waikato Performing Arts Centre (The Plaza and Tirau Hall)	100% (after hireage income)	100%				
South Waikato Sports and Events Centre	80%	90%			20%	10%
Stormwater			100%	100%		
Swimming Pools - Indoor (Tokoroa)	90%	90%			10%	10%
Swimming Pools - Seasonal (Putāruru and Tirau)	90%	94%			10%	6%
Talking Poles	100%	100%				
Te Waihou Walkway	100%	100%				
Tokoroa Airfield	50%	65%			50%	35%
Tokoroa Council of Social Services	93%	90%			7%	10%
Waste - Landfills and Refuse Disposal	20%	24%			80%	76%
Waste - Litter Collection	100%	100%				
Waste - Refuse Collection			100%	100%		
Waste - Recycling			100%	96%		4%
Wastewater			100%	57%		43%
Water Supply			100%	81%		19%

Annual report disclosure statement for the year ending 30 June 2022

What is the purpose of this statement?

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

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.

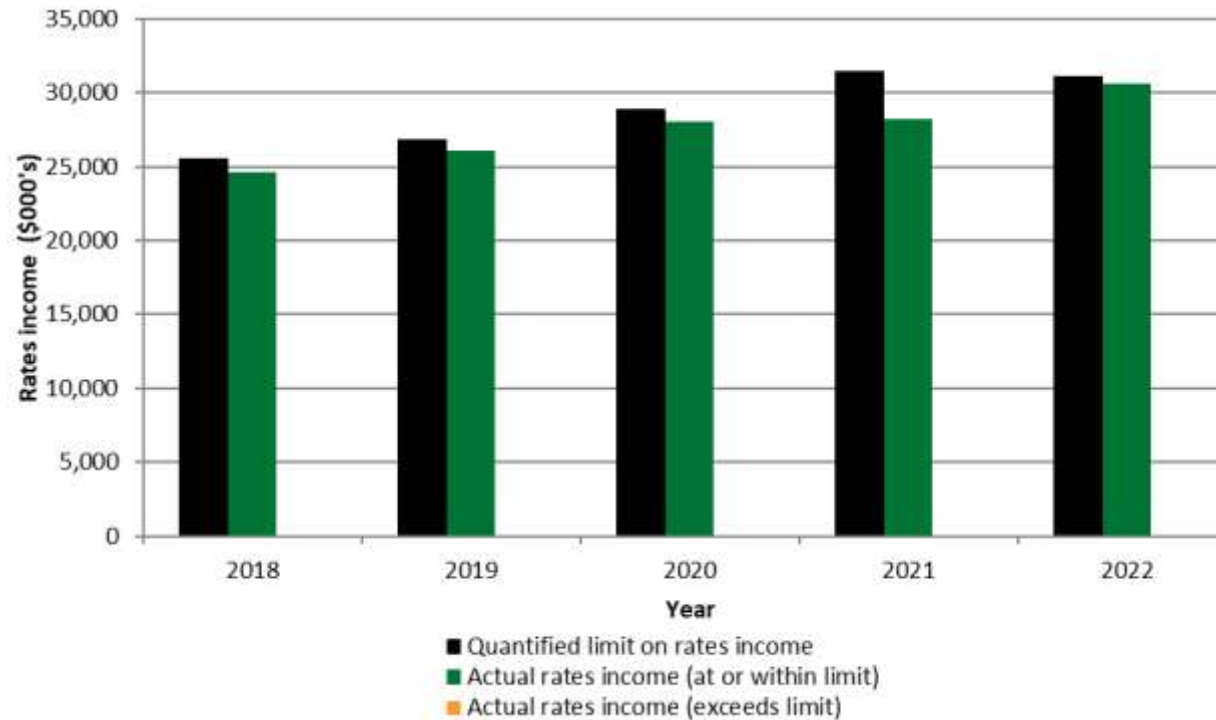
Rates affordability benchmark

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 increase equal or are less than each quantified limit on rates increases

Rate (income) affordability

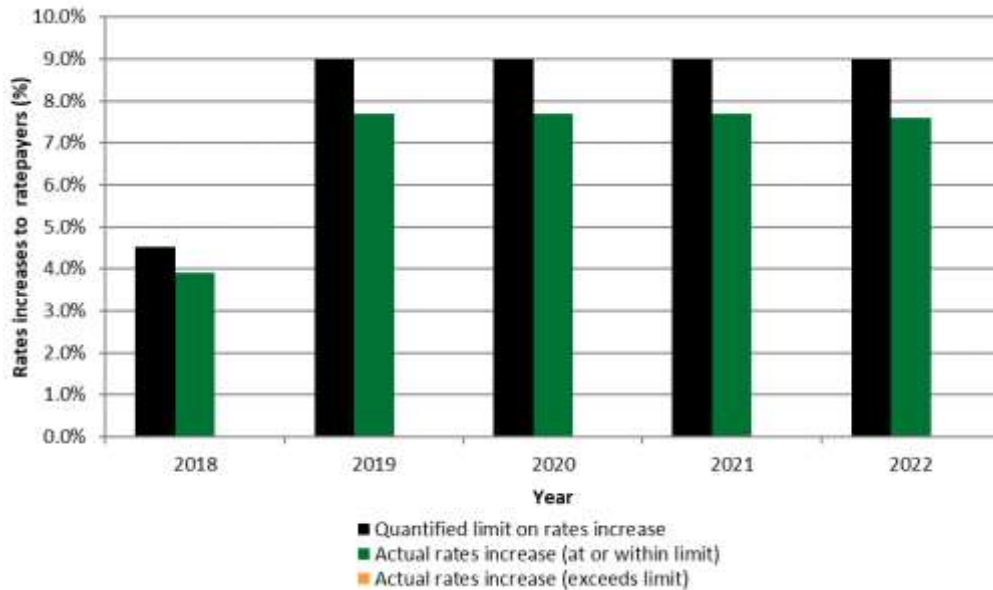
The following graph compares Council's actual rates income with a quantified limit on rates contained in the financial strategy included in Council's Long Term Plan.



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 included in the council's long-term plan.

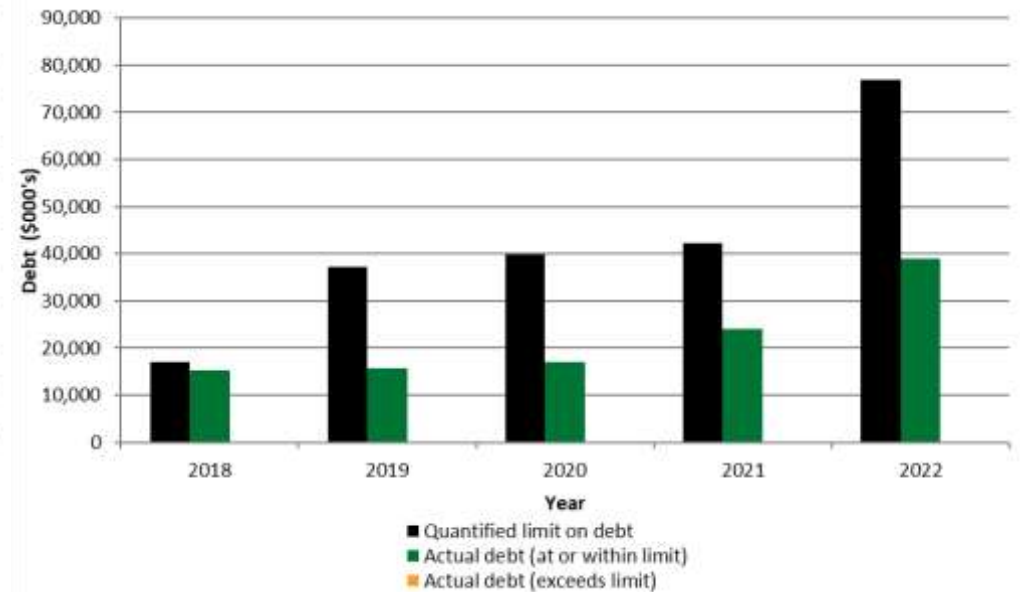
The quantified limit is rate increases will be no more than 9.0%



Debt affordability benchmark

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

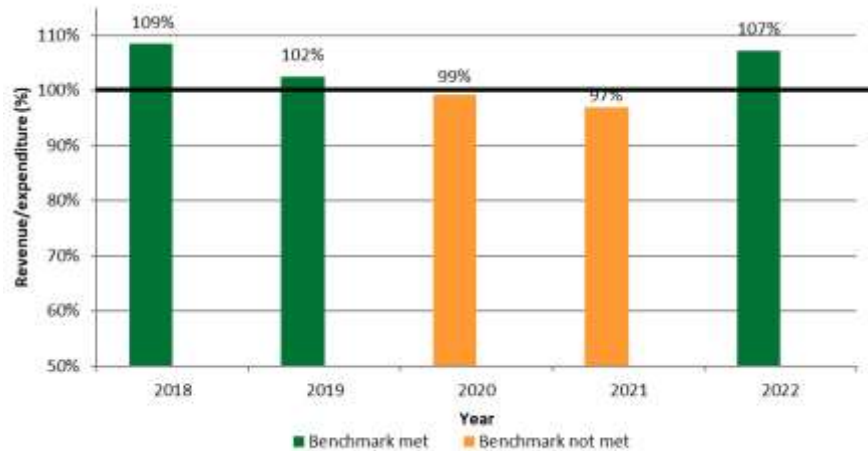
The following graph compares Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in Council's Long Term Plan.



Balanced budget benchmark

The following graph displays 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).

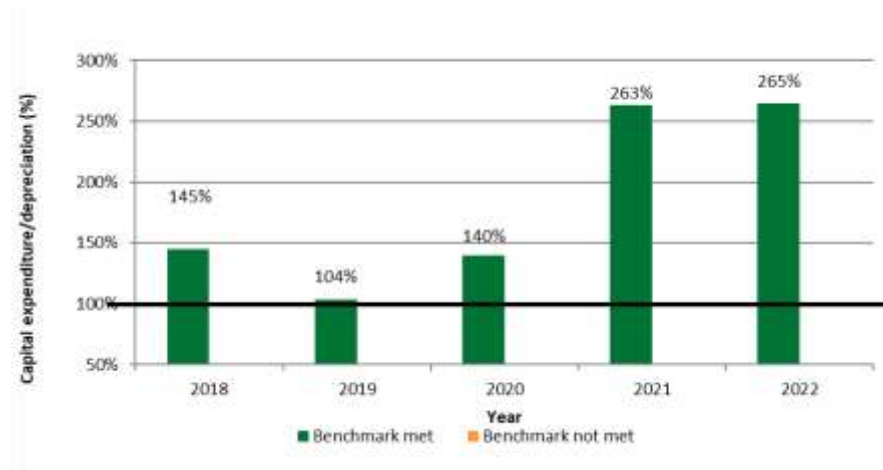
Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

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

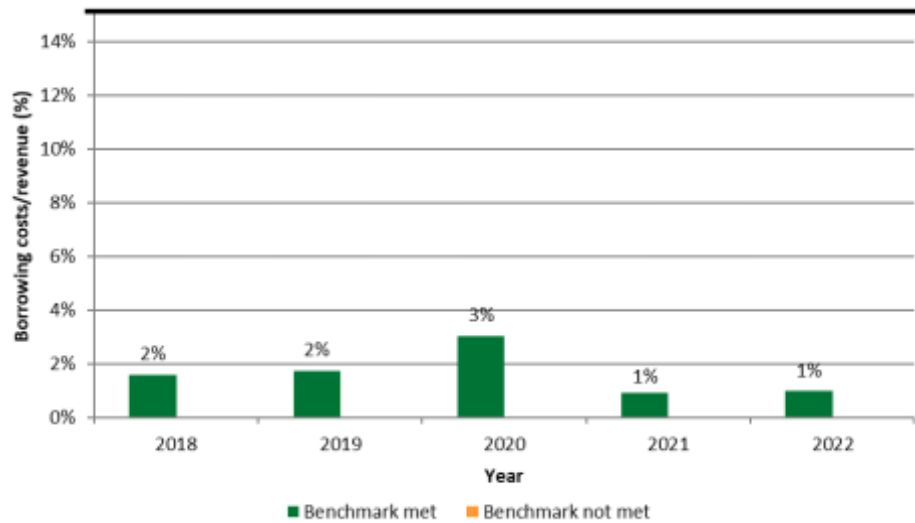
Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

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

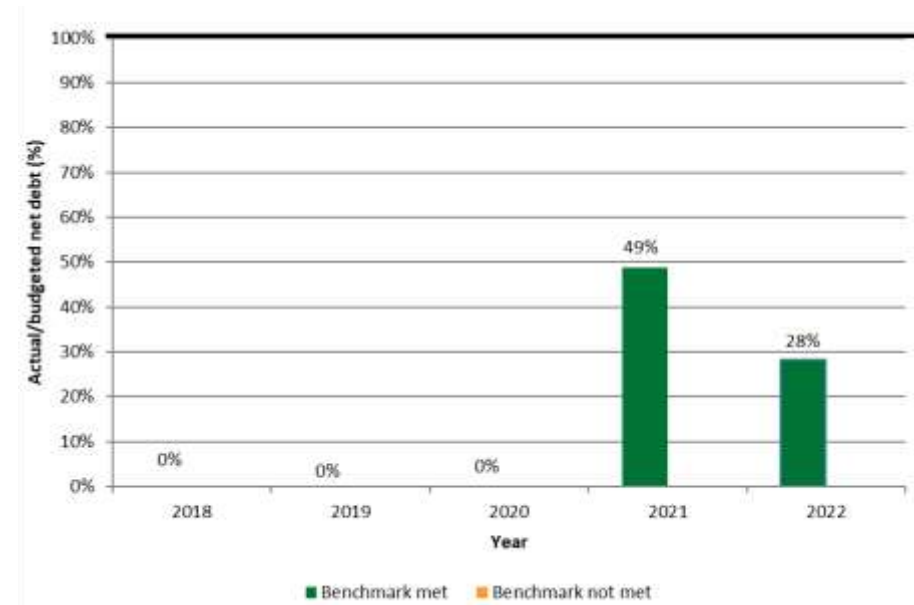
Because Statistics New Zealand projects the council's population will grow faster than the national population growth rate, it meets the debt- servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



Debt control benchmark

The following graph displays 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).

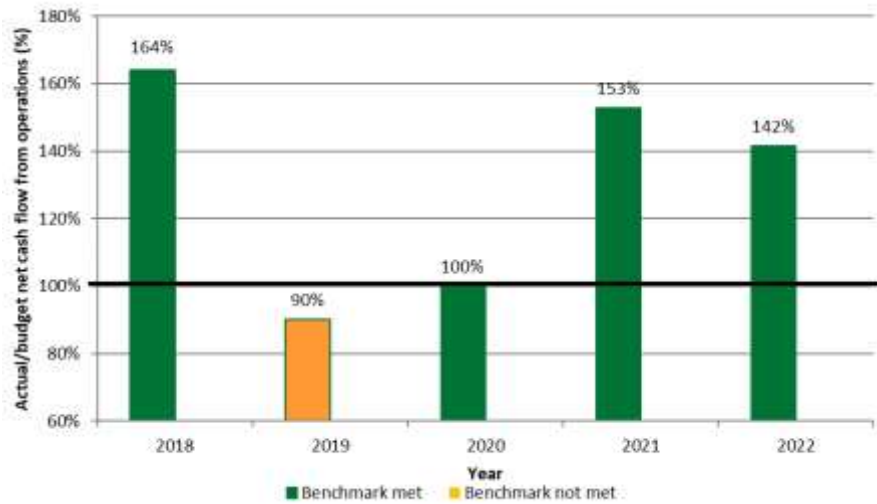
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

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

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



Financial statements

Statement of comprehensive revenue and expenses

For the year ended 30 June 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	Note No.	Actual 2022 \$000s	Budget 2022 \$000s	Actual 2021 \$000s
Revenue				
Rates, excluding targeted water supply rates	4	30,619	31,050	28,227
Fees, charges, and targeted rates for water supply		3,163	5,265	4,755
Development and financial contributions		333	227	188
Subsidies and grants	5	8,306	4,933	4,283
Finance income	6	1,942	376	716
Other revenue	7	2,608	2,099	2,119
Total revenue	3	46,971	43,950	40,288
Expenditure				
Employee benefits expense	8	11,899	11,756	10,953
Depreciation and amortisation expense	15/16	8,013	8,566	8,685
Finance costs	6	597	531	591
Other expenses	9	23,020	23,302	21,099
Total expenditure		43,529	44,155	41,328
Surplus/(Deficit)		3,442	(205)	(1,040)
Other comprehensive revenue and expense				
Gain/loss in Asset Revaluation Reserve	21	97,024	5,464	17,159
Gain/loss in Investment Revaluation Reserve	21	(2,471)	-	2,380
Total other comprehensive revenue and expense		94,553	5,464	19,539
Total comprehensive revenue and expense		97,995	5,259	18,499

Statement of changes in equity

For the year ended 30 June 2022							
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Note No.	Restricted Reserves \$000s	Council Created Reserves \$000s	Property Revaluation Reserves \$000s	Investment Revaluation Reserves \$000s	Retained Earnings \$000s	Total \$000s
Balance at 30 June 2020		21,897	529	278,570	3,416	151,817	456,229
Net profit/(deficit) for the year	21	-	-	-	-	(1,040)	(1,040)
Transfers to retained earnings on disposal		-	-	(257)	-	257	-
Transfers to General Equity		13,255	888	-	-	(14,143)	-
Transfers from General Equity		(13,038)	(987)	-	-	14,025	-
Other comprehensive revenue and expense							
Gain/(loss) in Asset Revaluation Reserve	21	-	-	17,159	-	-	17,159
Gain/(loss) in Investment Revaluation Reserve	21	-	-	-	2,380	-	2,380
Total comprehensive revenue and expense		217	(99)	16,902	2,380	(901)	18,499
Balance at 30 June 2021		22,114	430	295,472	5,796	150,916	474,728
Net profit/(deficit) for the year	21	-	-	-	-	3,442	3,442
Transfers to retained earnings on disposal		-	-	(188)	-	188	-
Transfers to General Equity		5,275	1,311	-	-	(6,586)	-
Transfers from General Equity		(10,475)	(2,700)	-	-	13,175	-
Other comprehensive revenue and expense							
Gain/loss in Asset Revaluation Reserve	21	-	-	97,024	-	-	97,024
Gain/loss in Investment Revaluation Reserve	21	-	-	-	(2,471)	-	(2,471)
Total comprehensive revenue and expense		(5,200)	(1,389)	96,836	(2,471)	10,219	97,995
Balance at 30 June 2022		16,914	(959)	392,308	3,325	161,135	572,723

Statement of financial position

As at 30 June 2022				
CONSOLIDATED BALANCE SHEET				
	Note	Actual	Budget	Actual
	No.	2022	2022	2021
		\$000s	\$000s	\$000s
Equity				
Retained earnings	21	161,135	166,791	150,916
Other reserves	21	411,588	311,503	323,812
Total equity		572,723	478,294	474,728
Assets				
Current assets				
Cash and cash equivalents	10	8,712	2,333	8,497
Receivables from non-exchange transactions	11	3,349	3,540	3,016
Receivables from exchange transactions	11	1,345	-	1,242
Inventories	12	105	171	141
Other financial assets	13	280	-	280
Non-current assets held for sale	14	1,760	-	904
Derivative Financial Instruments	28	534	-	-
Total current assets		16,085	6,044	14,080
Non-current assets				
Property, plant and equipment	15	584,424	499,100	474,625
Other financial assets	13	20,902	24,920	22,498
Derivative Financial Instruments	28	1,377	-	48
Intangible assets	16	17	328	33
Total non-current assets		606,720	524,348	497,204
Total assets		622,805	530,392	511,284
Liabilities				
Current liabilities				
Payables and deferred revenue from non-exchange transactions	17	1,805	6,965	1,517
Payables and deferred revenue from exchange transactions	17	6,935	-	7,634
Employee benefit obligations	19	1,388	859	1,255
Borrowings	20	5,000	2,248	9,000
Provision for landfill closure	18	38	948	1,052
Trust accounts	17	-	-	10
Total current liabilities		15,166	11,020	20,468
Non-current liabilities				
Provision for landfill closure	18	649	673	805
Borrowings	20	34,000	40,155	15,000
Derivative Financial Instruments	28	-	-	3
Employee benefit obligations	19	267	250	280
Total non-current liabilities		34,916	41,078	16,088
Total liabilities		50,082	52,098	36,556
Net assets		572,723	478,294	474,728

Statement of cashflows

For the year ended 30 June 2022				
CONSOLIDATED CASH FLOW STATEMENT				
	Note	Actual	Budget	Actual
	No.	2022	2022	2021
		\$000s	\$000s	\$000s
Cash flow from operating activities				
<i>Cash was provided from:</i>				
Rates		29,018	31,050	30,099
Subsidies and grants		7,917	4,933	4,695
Fees and charges		3,357	7,362	4,852
Other income		2,591	603	2,103
Dividends received		-	-	2
Interest received		1,942	-	716
		<u>44,825</u>	<u>43,948</u>	<u>42,467</u>
<i>Cash was applied to:</i>				
Interest paid		597	531	591
Net GST paid		11	-	797
Payment to suppliers and employees		33,188	35,058	29,488
		<u>33,796</u>	<u>35,589</u>	<u>30,876</u>
Net cash inflows/(outflows) from operating activities	22	11,029	8,359	11,591
Cash flow from investing activities				
<i>Cash provided from:</i>				
Proceeds from investments		-	693	1,240
Property, plant and equipment sales		60	-	63
		<u>60</u>	<u>693</u>	<u>1,303</u>
<i>Cash was applied to:</i>				
Purchase of investments		2,741	-	-
Purchase of property, plant and equipment		23,133	20,424	17,383
		<u>25,874</u>	<u>20,424</u>	<u>17,383</u>
Net cash inflows/(outflows) from investing activities		(25,814)	(19,731)	(16,080)
Cash flow from financing activities				
<i>Cash was provided from:</i>				
Loans raised		32,000	9,879	24,000
		<u>32,000</u>	<u>9,879</u>	<u>24,000</u>
<i>Cash was applied to:</i>				
Loans repaid		17,000	2,026	17,000
Net cash inflows/(outflows) from financing activities		15,000	7,853	7,000
Net increase/(decrease) in cash and cash equivalents		215	(3,519)	2,511
Cash and cash equivalents at the beginning of the year	10	8,497	5,852	5,986
		-	-	-
Cash and cash equivalents at the end of the year	10	8,712	2,333	8,497

Funding impact statement whole of council

Funding Impact Statement - Whole of Council	LTP	Actual	LTP	Actual
	2021	2021	2022	2022
	\$000s	\$000s	\$000s	\$000s
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	21,383	20,642	20,720	20,274
Targeted rates	9,320	8,616	9,990	10,755
Subsidies and grants for operating purposes	2,026	2,456	3,099	3,116
Fees and charges	4,742	5,574	5,558	4,464
Interest and dividends from investments	-	81	723	69
Local authorities fuel tax, fines, infringement fees, and other receipts	1,659	328	404	406
TOTAL SOURCES OF OPERATING FUNDING (A)	39,130	37,697	40,494	39,084
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	28,034	28,116	32,020	32,531
Finance costs	1,408	557	531	678
Other operating funding applications	1,575	1,313	1,508	1,447
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	31,017	29,986	34,059	34,656
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	8,113	7,711	6,435	4,428
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	2,439	1,764	1,654	5,009
Development and financial contributions	24	187	227	333
Increase (decrease) in debt	2,113	8,437	7,853	15,000
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	4,576	10,388	9,734	20,342
APPLICATION OF CAPITAL FUNDING				
Capital expenditure:				
- to meet additional demand	-	361	5,019	1,644
- to improve the level of services	254	11,581	6,937	17,032
- to replace existing assets	10,685	7,485	8,468	5,183
Increase (decrease) in reserves	(2,124)	1,726	(4,255)	1,856
Increase (decrease) in investments	3,874	(3,054)	-	(945)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	12,689	18,099	16,169	24,770
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(8,113)	(7,711)	(6,435)	(4,428)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-	-

Notes to the financial statements

1: STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The South Waikato District Council (the 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 Council's operations includes the LGA and the Local Government (Rating) Act 2002. The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice. The financial statements of the Council are for the year ended 30 June 2022. The financial statements were authorised for issue by Council on 15 March 2023.

BASIS OF PREPARATION

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

Statement of compliance

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

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

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Changes in accounting policies

There have been no changes in accounting policies.

Standards and amendments issued, not yet effective and not early adopted.

FINANCIAL INSTRUMENTS

PBE IPSAS 41 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Financial Instruments and is effective for financial years beginning on or after 1 January 2022, with earlier adoption permitted.

The main changes compared to PBE IPSAS 29 that are relevant to the Council are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in earlier recognition.

The Council has not assessed the effect of the new standard, but it does not expect any significant changes as the requirements are similar to PBE IFRS 9 and PBE IPSAS 41.

SIGNIFICANT ACCOUNTING POLICIES

Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into New Zealand dollars (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Goods and services tax (GST)

Items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to the 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, including the GST relating to investing and financing activities, is classified as an operating.

cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2021-22 annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations 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 interest rate swap yield curves
- Estimating the fair value of land, buildings and infrastructure assets
- Estimating retiring gratuity and long service leave obligations
- Estimating the landfill aftercare provision
- Estimating the provision for collectability of receivables

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Council and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods or services in the normal course of business, net of discounts and sales related taxes.

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

Rates

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable. Rates charged to Council properties are excluded from rates income in the profit or loss. Revenue from metered water rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Government grants

Government grants are recognised when claimed for work completed on previously approved programmes or when eligibility has been established by the grantor. Council receives government grants from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. These subsidies are recognised upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Provision of services

Revenue from the provision of services (fees and charges) are recognised as income when the obligation to pay, by reference to the stage of completion of the transaction at balance date, arises.

Interest and dividends

Interest income is recognised as it accrues using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial instrument.

Dividends are recognised as revenue when the right to receive payment has been established.

Vested or donated 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 the Council are recognised as income when control over the asset is obtained.

Financial contributions

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

Expenditure

Finance costs

Costs of borrowing are recognised as an expense in the financial year in which they are incurred.

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

Cost allocation

Direct costs are those that are directly attributable, and charged, to a specific significant activity.

Indirect costs are all other costs and are charged to significant activities based on cost drivers and related activity/usage information.

Non-current assets held for sale.

Non-current assets are classified as held for sale if the carrying amount will be recovered through a sale rather than continuing use. This condition is met only when the sale is highly probable and the asset is available for sale in its present condition. Council must be committed to the sale, and a completed sale is expected within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of the asset's 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 profit or loss.

Any increase in fair value, less costs to sell, are recognised in profit or loss up to the level of any impairment losses that have been previously recognised.

Non-current assets held for sale are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Critical accounting estimates and assumptions

Operational assets

These are tangible assets and include land, buildings and improvements, motor vehicles, the South Waikato Indoor Pools and associated equipment, and the library collection.

Infrastructural assets

These are fixed utility systems that provide a continuing service to the community and are not generally regarded as tradeable.

They include:

- all property, plant and equipment associated with water supply, wastewater, stormwater and waste disposal, including the land that they are located upon
- all roads, service lanes, footpaths, streetlights, car parks and associated street furniture
- all public toilets and restrooms, public halls and the land they are situated on.

Restricted assets

These assets cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

They include:

- all property (excluding South Waikato Indoor Pools) associated with recreation, scenic, historic purposes, esplanade and local purpose reserves, including the reserve land
- all cemeteries
- all land contained within road reserves

Measurement at recognition

All items of property, plant and equipment that qualify for recognition as assets are initially measured at cost. An item of property, plant and equipment is recognised as an asset only if it is probable that any future economic benefits or service potential associated with them will flow to Council and the cost of the item can be measured reliably. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Measurement after recognition

Property, plant and equipment are shown at cost or revalued amount, less accumulated depreciation and impairment losses. Those asset classes that are revalued are generally valued on a three-year rotational basis, or sooner, to ensure revalued assets are carried at a value that is not materially different from fair value. All revaluations are either performed by independent and qualified valuers, or in-house and peer-reviewed by independent and qualified valuers. All other asset classes are carried at depreciated historical cost.

Library collection

Valuation is at cost less accumulated depreciation and any accumulated impairment losses.

Motor vehicles, plant and equipment, furniture and fittings

Valuation is at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings

Land and buildings including land underneath roads were revalued effective 30 June 2021 by Telfer Young, Registered Valuers and Property Consultants, Rotorua, at current market value.

Land

Land has been valued based on its current zoning, making allowance for any recent changes and designations effective from the new Operative Plan effective from 2015. Comparable sales have been analysed from a wide range of land sales and applied dependent on the location, use and zoning of the property. Adjustments have been made for contour, size and other factors.

Where a property is designated, adjustment for the lifting of the designation has been made.

Where a property is zoned Reserve, these assets have been valued on an underlying zoning basis. From this has been deducted the base valued as Rural, and to the difference applied, a change which is added back to the base value to arrive at the Reserve value. This is the normally accepted method for the valuation of Reserve land.

Specialised Buildings

Where there is no reliable market data available for such specialised buildings, the valuations have been prepared on an optimised depreciated replacement cost approach. The replacement cost of the assets is adjusted, where required, for optimisation due to over-design or surplus capacity. The replacement cost is derived from analysis of costing information held on the valuer's files, costing information derived from the marketplace, and costing information provided by Quantity Surveyors and other building experts. Construction costs vary dramatically dependent on the building.

Non-Specialised Buildings

Non-specialised buildings are those where there are known and active markets e.g., residential houses, office buildings, industrial workshops, warehouses and residential flats. These have been valued at fair value using market-based sales evidence.

Parks and Reserves

Parks and reserves assets were revalued effective 30 June 2021 at optimised depreciated replacement value. The revaluation was undertaken using an external consultant, Robert Berghuis, Senior Valuer from Beca Projects NZ Limited. The external consultant has an extensive knowledge base and background in parks and reserves asset management.

The external consultant reviewed the useful lives and replacement cost unit values on Council's fixed assets register.

The replacement cost unit values were updated to current market values by using either:

- available current contract-supplier unit rates for equivalent asset types (giving the highest level of confidence) or
- the 2018 asset values/purchase cost adjusted for industry-specific inflation indices to represent estimated replacement costs for modern equivalent asset (MEA) components as at 30 June 2021 (giving a high level of confidence)

As part of the revaluation process, where assets that continue to be in commission are found to have a remaining life of nil (on Council's fixed assets register), an adjusted remaining useful life of 2.5% of the original base life has been made.

Land under roads

The valuation methodology used for land underneath roads is the assessment of the value based upon an indicated value of the land adjoining the roads. Rural and urban roads have been separated and the average land value for adjoining land for each separate division applies. In some cases, a discount has been applied to the land value.

Landfill

Landfill cell development, pipes and pumps are valued at cost less accumulated depreciation and any impairment costs.

Street furniture

Street furniture is valued at cost less accumulated depreciation and any impairment costs.

Roads, footpaths, streetlights, large culverts and bridges

Roads, footpaths, streetlights, large culverts and bridges were revalued effective 30 June 2022 by professionally qualified appointed RATA specialist Cameron Senior, and peer reviewed by Beca Projects NZ Limited, Auckland at optimised depreciated replacement value. Each asset component was valued considering its remaining useful life.

The valuation was performed in accordance with the International Accountancy Standard (IAS 16) modified to New Zealand requirements (IPSAS 17), and with New Zealand Local Authority Asset Management Practice, New Zealand Infrastructure Asset Management Manual (NZIAMM) and Valuations/Depreciation Guidelines. The RAMM valuation module has been used to complete the valuation.

Replacement cost is the cost of building the existing infrastructure using present day technology, but maintaining the originally designed level of service, assuming current technology ensures that no value results from the additional cost of outdated and expensive methods of construction. Maintaining the original level of service ensures that the existing asset with all its faults is valued, not the currently desirable alternative.

Replacement cost was calculated by multiplying asset quantities by unit cost rates factored to allow for other direct costs such as professional fees. Unit rates are obtained from a variety of sources, including the following:

- Recent maintenance contracts for SWDC
- Recent capital works undertaken for SWDC

Costs have been used which reflect the increased difficulties and constraints of undertaking construction, maintenance and renewal work simultaneously with continued operation of the infrastructure networks. Operational constraints include access, delivery, safety, security, material handling and storage, traffic control and hours available for construction work. The unit cost rates used for valuing the SWDC assets reflect an average cost rate for local construction. Paper roads with a total length of 151.378km are recorded at land value.

Wastewater, stormwater and water

Wastewater, stormwater disposal and water supply property, plant and equipment were revalued on 30 June 2022 by professionally qualified in-house staff, and peer reviewed by Beca Projects NZ Limited at optimised depreciated replacement value.

The underground reticulation pipework was also revalued on 30 June 2022 by professionally qualified in-house staff, and peer reviewed by Beca Projects NZ Limited, at optimised depreciated replacement value.

These assets have been valued by the optimised depreciated replacement cost approach reflecting factors such as technical obsolescence, over engineering and surplus capacity where these have been specifically identified by the asset manager. Assets that have reached the end of their base life (design life) have been inspected, a condition-based assessment carried out and a decision to replace an asset or defer replacement made based on the condition assessment. Allowance has been made for the costs of bringing the asset into working condition for its intended use and these costs include engineering fees and resource consent costs.

These assets were revalued in the Assetfinda database using replacement unit costs based on actual costs from recent contracts and where required an inflation adjustment has been applied. Costs incurred in obtaining any resource consents are capitalised as part of the asset to which they relate. If a resource consent application is declined all capitalised costs are written off.

Accounting for revaluations

Council accounts for revaluations on property, plant and equipment on a class of asset basis.

The results of revaluing are recognised in other comprehensive income and accumulated as a separate component of equity in the asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve it is expensed through profit or loss. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in profit or loss will be recognised first in profit or loss up to the amount previously expensed and then credited to other comprehensive income.

Depreciation

Property, plant and equipment are depreciated on a straight-line basis at rates that reflect their estimated useful lives.

Depreciation is charged to write off the cost or valuation of assets, other than land and properties under construction and road formation cost, over their estimated useful lives. The depreciation rates are applied at a component level and are dependent on the remaining useful life of each component. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Operational and restricted assets

Heritage assets	Not depreciated.
Land	Not depreciated.
Buildings	40 - 100 years
Plant and equipment	5 - 30 years
Swimming pools	40 - 100 years
Motor vehicles	5 years
Computer equipment and furniture	3 - 10 years
Library equipment	5 - 10 years

Infrastructural assets

Roading Network

Top surface - rural	1 - 18 years
Top surface – urban	1 - 22 years
Pavement – rural	40 - 70 years
Pavement - urban	40 - 99 years

Culverts	25 - 80 years
Footpaths	10 - 80 years
Kerbs	80 years
Signs	6 - 9 years
Streetlights and poles	25 - 70 years
Bridges	78 - 118 years
Land (including land under roads)	Not depreciated.

Waste

Landfills, pipes and pumps	7 - 100 years
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Wastewater Systems

Manholes	80 years
Treatment plant	5 - 80 years

Stormwater Systems

Reticulated pipework	50 - 90 years
Manholes and cesspits	90 years
Detention dams	60 years

Water Supply

Reticulated pipework	55 - 95 years
Valves and hydrants	80 years
Pump stations	Up to 100 years
(dependent on componentry)	
Storage tanks	25 - 80 years

Other

Infrastructural buildings	40 - 100 years
Street furniture	3 - 10 years

Impairment

All assets, current and non-current, are tested annually for indicators of impairment and whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is the depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where an entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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 in other comprehensive income. Where that results in a debit balance in other comprehensive income, the balance is recognised in profit or loss.

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

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for the class of asset was previously recognised in profit or loss, a reversal of the impairment loss is also recognised in profit or loss.

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in profit or loss. When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to general equity.

Subsequent cost

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

Assets under construction

Capital works under construction are valued at cost. The total cost of the project is transferred to the relevant asset class on its completion and then depreciated.

Vested assets.

Certain infrastructure assets have been vested in Council and are recognised in profit or loss at fair value. These assets have been valued based on the actual quantities of infrastructure components vested and the current 'in the ground' cost of providing identical services. On initial recognition the fair value of vested assets is recognised in profit or loss. Subsequently vested assets are revalued together with other property, plant and equipment, and surpluses or deficits arising on revaluation are treated in the same way as other property, plant and equipment.

Rental property

Rental property is included in property, plant and equipment as the rental property is held to provide a social service rather than for rental income, capital appreciation or both.

Intangible assets

Computer software

Acquired computer software is capitalised on the basis of the cost incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as expense when incurred.

Carbon credits

Purchased carbon credits are recognised at cost on acquisition. They are not amortised but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Easements

No value is attached to easements due to the difficulty in establishing their original cost or fair value.

Amortisation of intangible assets

The carrying amount 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 profit or loss. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- Computer software 3 – 7 years

Financial instruments

Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. Investments are initially measured at fair value plus transaction costs except for those financial assets classified as fair value through profit or loss which are initially measured at fair value. Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value

Financial assets in this category are either financial assets held for trading or financial assets designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Council manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or

loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 13.

These consist of forward foreign exchange contracts that are assets. Council uses these derivative financial instruments to hedge exposure to foreign exchange fluctuations. However, as permitted by PBE IPSAS 29, Council does not employ hedge accounting techniques in its accounting for derivative financial instruments. After initial measurement these assets are measured at fair value. Any gain or loss arising from a change in the fair value is recognised in profit or loss. Council does not currently hold any of these investments.

Financial assets at fair value through profit or loss

These consist of forward foreign exchange contracts that are assets. Council uses these derivative financial instruments to hedge exposure to foreign exchange fluctuations. However, as permitted by PBE IPSAS 29, Council does not employ hedge accounting techniques in its accounting for derivative financial instruments. After initial measurement these assets are measured at fair value. Any gain or loss arising from a change in the fair value is recognised in profit or loss.

Held to maturity investments.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that Council's management has the positive intention and ability to hold to maturity. These investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective interest basis. Currently Council does not hold any assets in this category.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Loans and receivables are classified as trade and other receivables in the balance sheet and include rates receivable, accrued income and Waka Kotahi New Zealand Transport Agency subsidies receivable.

Available for sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Certain shares held by Council are classified as being available-for-sale and are stated at fair value.

Fair value is determined in the manner described in Note 13. Gains and losses arising from changes in fair value are recognised directly in the investment revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the Investment revaluation reserve is included in profit or loss for the period. Council is aware of the amendments made to PBE IPSAS 30 around the application of interest rate benchmark reforms regarding financial instruments which has not had a significant impact on the presentation of financial instruments.

Dividends on available-for-sale equity instruments are recognised separately in profit or loss in the statement of comprehensive income when Council's right to receive payment is established.

These include bonds and shares, the investment in Waikato Local Authority Shared Services Limited and Local Government Civic Assurance. If these assets are traded in an active market, they are measured at their fair value using quoted market prices at the balance sheet date. The quoted market price used is the current bid price. If the financial assets are not traded in an active market, their fair value is determined using valuation techniques. Council uses a variety of valuation methods and makes assumptions based on market conditions existing at each balance date. Of the remaining financial assets, if quoted market prices of similar financial assets in the market are not available, other techniques such as discounted expected cash flows are utilized to determine their fair value, or otherwise cost is used.

Impairment of financial assets

At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the profit or loss.

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For unlisted shares classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as available for sale and financial lease receivables, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty or
- Default or delinquency in interest or principal payments

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities

Financial liabilities including debt instruments issued by Council are classified according to the substance of the contractual arrangements entered into.

The accounting policies adopted for specific financial liabilities are as follows:

- *Bank borrowings*
- Interest bearing bank loans are initially measured at fair value net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method
- *Debt instruments*
- Council issues bonds from time to time to raise funds. These are initially measured at fair value net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.
- *Trade payables*
- Trade payables are initially measured at fair value and are subsequently measured at amortised cost

Derivative financial instruments

Council activities expose it primarily to the financial risks of changes in interest rates and foreign exchange rates. Council uses interest rate swap and forward foreign exchange contracts to mitigate its risks.

The use of financial derivatives is governed by Council's policies as approved by Council resolution and provide written principles on the use of financial derivatives consistent with Council's risk management strategy. Council does not use derivative financial instruments for speculative purposes.

Investments in Council controlled organisations.

Council has an interest (2.17%) in Waikato Local Authority Shared Services Limited. Council has no significant influence on operational or financial policies.

This investment is not traded on an active market and quoted market prices of similar financial assets are not available. The investment is therefore measured at cost as the fair value cannot be measured reliably.

Inventories

Inventories held for distribution or consumption in the provision of services are measured at the lower cost or current replacement cost. The cost to these inventories is assigned by using the weighted average cost formula. The write down from cost to current replacement cost is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition.

Employee benefits

Short-term employee entitlements

Employee benefits expected to be settled within 12 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, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

A liability for sick leave is recognised to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlement 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 will be used by staff to cover those future absences.

Long-term entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on an actuarial basis using the service of professional actuaries. The actuarial calculations are based on an assumed salary increase of 2% (2021: 2%) per annum and a discount rate between 3.34% and 4.30% (2021: 0.38% - 4.30%) per annum. The discount rate is derived from the forward rates on NZ Government Bonds over recent periods. It's also assumed that all employees will retire at the age of 65 and will resign in accordance with the withdrawal rate assumption taken from the Treasury Circular 1998/15. Any actuarial gain or loss resulting from re-measurement of these liabilities is recognised in profit or loss.

Employees appointed to staff prior to 31 December 1989 who retire from Council with not less than ten years continuous service are eligible for retirement leave. Employees appointed to staff prior to 1 April 1992 are eligible for long service leave unless excluded under individual employment contracts.

Presentation of employee entitlements

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

Superannuation schemes

Defined contribution scheme.

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in profit or loss.

Public equity

Public equity is the community's interest in the Council, as measured by the value of total assets less total liabilities. Public equity is disaggregated and classified into several reserves to enable clearer identification of the specific uses Council makes of its accumulated surpluses.

The components of equity are:

- General equity (retained earnings)
- Restricted reserves
- Council-created reserves
- Property revaluation reserves
- Investment revaluation reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned.

General equity (retained earnings)

General equity refers to reserves that do not fall into any of the four categories below.

Restricted reserves

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specific purposes or if certain specified conditions are met. The reserves represent balances held from the collection of targeted rates and charges on activities that are funded from targeted rating or those same activities funding depreciation.

Council created reserves.

Council-created reserves are a part of the accumulated balance and are established at the will of Council. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

Property revaluation reserves

Revaluation reserves arise from certain asset classes being revalued.

Investment revaluation reserve

The investment revaluation reserve contains cumulative unrealised gains and losses in investments classified as 'available for sale' in accordance with PBE IPSAS 29.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating leases

Council as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Council as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Provisions

Council recognises a provision for future expenditure of uncertain amount when there is a present obligation (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 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 the time at 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.

Landfill closure and post-closure provision

Council, as operator of the Tokoroa landfill, has a legal obligation under its resource consent, to provide on-going maintenance and monitoring services at the landfill site after closure. A provision for closure and post-closure costs is recognised as a liability when the obligation for closure and post-closure expenses arises.

A calculation of these future costs has been discounted and is measured based on the present value of future cash flows expected to be incurred, taking into account future events, including new legal requirements and known improvements in technology. The discount rate used is a pre-tax rate that reflects current market assessments of the time, value of money and the risks specific to Council. Amounts provided for landfill closure and post-closure are capitalised in the landfill asset where they give rise to future economic benefit to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

Assumptions about the future have been made in the calculation of the landfill closure and post closure cost provisions. These are disclosed in the notes to the financial report.

Financial guarantee contracts

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are disclosed as contingent liabilities. The amount of these contingent liabilities is equal to the loan balances guaranteed.

2 Cost of Services

REVENUE	Actual 2022 \$000s	Budget 2022 \$000s	Actual 2021 \$000s
REVENUE			
Revenue From Significant Activities			
Community Facilities	3,707	3,862	3,668
Economic & community development	3,293	3,213	3,182
Governance & Corporate	4,464	2,220	451
Parks and Reserves	4,331	4,225	4,046
Property	1,393	1,707	1,205
Regulatory	4,602	4,363	4,607
Solid Waste & Recycling	4,088	5,373	3,826
Stormwater	515	763	1,191
Transport & Roading	8,821	9,436	9,439
Wastewater	7,799	4,940	4,880
Water Supply	3,958	3,848	3,793
Total Service Statement Revenue	46,971	43,950	40,288
EXPENDITURE			
Expenditure From Significant Activities			
Community Facilities	3,624	2,761	3,347
Economic & community development	2,806	2,702	2,621
Governance & Corporate	2,278	9,705	3,364
Parks and Reserves	4,149	3,543	3,785
Property	1,290	1,797	888
Regulatory	4,407	3,037	4,237
Solid Waste & Recycling	3,990	3,761	4,349
Stormwater	1,949	898	1,051
Transport & Roading	9,232	8,642	9,151
Wastewater	5,549	4,362	6,290
Water Supply	4,255	2,947	2,245
Total Service Statement Expenditure	43,529	44,155	41,328
NET DEFICIT BEFORE TAX	3,442	(205)	(1,040)

3 Exchange/non-exchange revenue

3 Revenue reclassified as exchange or non-exchange transactions	Actual 2022 \$000s	Budget 2022 \$000s	Actual 2021 \$000s
Revenue from exchange transactions			
Fees and user charges including targeted rates for water supply	3,163	5,265	4,755
Total revenue from exchange transactions	3,163	5,265	4,755
Revenue from non-exchange transactions			
Development contributions	333	227	188
Subsidies and grants	8,306	4,933	4,283
Interest revenue	1,942	376	716
Other revenue	2,591	2,099	2,105
Rates	30,619	31,050	28,227
Vested assets	17	-	14
Total revenue from non-exchange transactions	43,808	38,685	35,533
Total revenue	46,971	43,950	40,288

4 Rates revenue

Councils' rates policy allows Council to remit rates on churches, marae, play centres, schools and other community or sporting organisations. There are also remissions on protected land or in certain cases where land is being commercial developed.

In accordance with the local Government (Rating) Act 2002, certain properties cannot be rated for in general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of wastewater, water and refuse. Non-rateable land does not constitute a remission under council rates remission policy.

The amount of rates written off for the financial year ending 30 June 2022 was \$17,291.01.

4. Rates Revenue	Actual 2022 \$000s	Actual 2021 \$000s
General Rates	20,504	20,248
Targeted rates attributable to activities		
Water	3,299	2,997
Wastewater	4,434	3,624
Stormwater	563	526
Solid waste	2,071	1,197
Business Promotion	314	198
Public Halls	54	54
District Governance	20	21
Less rates charged to Council Properties	(640)	(638)
Total rates, excluding targeted water supply rates	30,619	28,227

5 Subsidies and grants

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

5 - GRANTS AND SUBSIDIES	Actual 2022 \$000s	Actual 2021 \$000s
New Zealand Transport Agency roading subsidies	3,817	4,217
Grants and donations for the SW Sport and Events Centre	-	-
National Waste Levy	182	64
Sundry other	4,307	2
Total subsidies and grants	8,306	4,283

6 Finance income and finance costs

6 - FINANCE INCOME AND FINANCE COSTS	Actual 2022 \$000s	Actual 2021 \$000s
Finance Income		
Interest Income		
- Call account	69	79
- Available for Sale bonds	1,873	637
Total Finance Income	1,942	716
Finance Cost		
- Interest on bank borrowings	597	226
- Other finance expenses	-	365
Total Finance Costs	597	591

7 Other revenue

7 - OTHER REVENUE	Actual 2022 \$000s	Actual 2021 \$000s
Dividends revenue	-	2
Petrol tax	167	203
Vested assets	17	14
Rates penalties	410	395
Other	2,014	1,505
Total other revenue	2,608	2,119

8 Employee benefit expenses

Defined benefit retirement leave provision.

At the time of retirement from the Council, including early retirement on medical grounds, every employee who has completed not less than ten years current continuous service will be entitled to retirement leave.

The amount of the leave entitlement payable will be calculated at the rate of one weeks leave for each year of current continuous service, with a maximum of 26 weeks.

Any employee who was appointed to the staff of Council after December 31, 1989, will not be entitled to any retirement leave.

If any eligible employee dies whilst in the service of the Council, the Council will pay in lieu to his or her estate.

No retirement leave entitlement will accrue to an employee who resigns, is dismissed or made redundant.

8 - EMPLOYEE BENEFIT EXPENSES	Actual 2022 \$000s	Actual 2021 \$000s
The principal assumptions used for the purpose of the actuarial valuations were as follows:		
Discount rate	3.34%-4.30%	0.38%-4.30%
Expected rate of salary increase	2.0%	2.0%
Retirement age for all employees	65	65
Amounts recognised in the balance sheet in respect of the defined benefit retirement plan are as follows:		
Present value of unfunded obligation	121	136
Net liability recognised in the balance sheet	121	136
Comprising:		
Current	3	3
Non-current	118	133
Total employee benefit obligations	121	136
Amounts recognised in the income statement in respect of the defined benefit retirement plan are as follows:		
Current service cost	4	4
Interest cost	3	3
Actuarial gains/(losses)	(55)	(55)
Total	(48)	(48)
The charge for the year is included in the employee benefits expense in the income statement.		
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	(83)	(34)
Current service cost	4	4
Interest cost	3	3
Actuarial gains/(losses)	(55)	(55)
Less: benefits paid	-	-
Closing defined benefit obligation	(131)	(83)

Long service compensated leave.

Every employee who has completed a period of 15, 20, and 25 years current continuous service who was employed prior to 1 April 1992 is entitled to a special holiday of two weeks, three weeks and four weeks respectively.

Every employee who was employed on or after 1 July 2003 who is under coverage of the Officers (Public Service Association) Collective Employment Agreement and who has completed a period of 10, 15 and 20 years current continuous service will be entitled to a special holiday of one week at each of those anniversaries. This clause will not apply to employees who have, or will, become entitled in terms of the previous clause.

Severance Payments

During the year to 30 June 2022 there were one severance payment made to an employee of the South Waikato District Council of \$59,860 (2021: nil)

Need to update this note WC.

8 - EMPLOYEE BENEFIT EXPENSES		
Defined Benefit Long Service Leave Provision	Actual 2022 \$000s	Actual 2021 \$000s
The present value of long service compensated leave	49	49
Comprising:		
Current	2	2
Non-current	47	47
Total employee benefit obligations	49	49
Amounts recognised in the profit or loss in respect of Council's long service compensated leave and salaries are as follows:		
Salaries	11,908	10,962
Current service cost	2	2
Interest cost	1	1
Actuarial (gains)/ losses	(12)	(12)
Past service cost	-	-
Total	11,899	10,953
The charge for the year is included in the employee benefits expense in the profit or loss.		
Changes in the present value of long service compensated leave are as follows:		
Opening long service compensated leave obligation	(26)	(17)
Current service cost	2	2
Interest cost	1	1
Past service cost	-	-
Less: benefits paid	-	-
Actuarial (gains)/losses	(12)	(12)
Closing long service compensated leave obligation	(35)	(26)
Total employee benefits expense recognised in the profit or loss	11,899	10,953
Current portion of employee benefit obligations recognised in the balance sheet.	1,388	1,255
Non-current portion of employee benefit obligations recognised in the balance sheet.	267	280

9 Other expenses

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

9 -OTHER EXPENSES	Actual 2022 \$000s	Actual 2021 \$000s
Audit Fees-audit of financial statements	158	153
Audit Fees-audit of Long Term Plan	-	88
Audit Fees - Trustee reporting	8	5
Impairment of receivables	10	(1)
Rates Remissions	203	135
Councillors Remuneration (including meeting allowances)	551	532
Insurance	516	379
Subscriptions, fees and contribution to other organisations	332	189
Legal and settlement fees	182	38
Donations and grants	400	226
Economic and Community fund grants	902	819
Community contracts	2	-
Inventories consumed	-	3
Losses on disposal of property, plant and equipment	292	190
Repairs and maintenance	5,255	4,517
Energy	997	1,079
Other operating expenses	13,212	12,747
Total other expenses	23,020	21,099

10 Cash and cash equivalents

The carrying amount of short-term deposits with maturity dates of three month or less approximates their fair value. The weighted average effective interest rate for cash and cash equivalents is 1% (2021 0.05%).

Cash investments in restricted reserves represents the cash portion of the value of the Asset Replacement Reserves invested by the BNZ Private Bank.

10 - CASH AND CASH EQUIVALENTS	Actual 2022 \$000s	Actual 2021 \$000s
Cash at bank and in hand	4	5
Cash investments in Restricted reserves	1,312	3,806
Call account balances	7,396	4,686
Total cash and cash equivalents	8,712	8,497

11 Trade and other receivables

The carrying amount of trade and other receivables approximates their fair value. A provision for receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted using the effective interest rate method. This provision has been determined by reference to past default experience. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

11 - TRADE AND OTHER RECEIVABLES	Actual 2022 \$000s	Actual 2021 \$000s
Rates receivable	2,334	2,098
Metered water	92	46
Sundry debtors	1,664	1,571
Prepayments	86	405
Accrued revenue	667	278
	4,843	4,399
Less: Provision for Impairment of receivables	149	140
Total trade and other receivables	4,694	4,259
Receivables from non-exchange transactions include outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	3,349	3,016
Receivables from exchange transactions include outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	1,345	1,242
	Actual	Actual
The age of rates receivables overdue but not impaired are as follows:	2022	2021
	\$000s	\$000s
Arrears (> 1 year)	1,088	891
Current (< 1 year)	971	951
Penalties	275	256
Carrying amount	2,334	2,098
Movements in the provision for impairment of receivables are as follows:		
At 1 July	140	143
Increase/(decrease) in provisions made during the year	9	(3)
Receivables written off during the year	-	-
At 30 June	149	140

12 Inventories

12 - INVENTORIES	Actual 2022 \$000s	Actual 2021 \$000s
Reticulation repairs stock	105	130
Other stock	-	11
Total	105	141

13 Other financial assets

Fair value

The fair value of loans and receivables has been determined using cash flows discounted at a rate based on the South Waikato District Council's borrowing rates –2022 Nil (2021: Nil). The fair value approximates the carry amount stated above.

The shares in Civic Financial Services Limited, and Shared Valuation Database Systems are unlisted. The fair value of these unlisted shares has not been disclosed for these instruments because their fair value cannot be measured reliably. It cannot be reliably measured due to a lack of an active market and a lack of appropriate cashflow projection information for Civic Financial Services Limited. Shared Valuation Database Systems shares cannot be reliably measured due to the lack of an active market and reliable revenue stream information. Council does not intend to dispose of the unlisted shares.

Impairment

No impairment provisions were made for other financial assets.

13 Other Financial Assets

13 - OTHER FINANCIAL ASSETS	Actual 2022 \$000s	Actual 2021 \$000s
Current portion		
<i>Loans and receivables</i>		
Heat Swap paying providers	280	280
Total current portion	280	280
Non-Current portion		
<i>Available for Sale Financial Assets:</i>		
Corporate bonds, deposits and other fixed interests	8,255	8,016
Overseas share portfolio	11,345	13,142
Shared Valuation Database Systems	43	42
Civic Financial Services Limited	42	41
<i>Loans and receivables</i>		
Heat Swap paying providers	1,217	1,257
Total non-current portion	20,902	22,498

14 Non-current assets held for sale.

Council has approved the sale of these properties and they are currently available for sale and being actively marketed. The completion date of the properties listed under current is expected to be by 30 June 2023.

The accumulated property revaluation reserve recognised in equity for these properties at 30 June 2022 is \$109,809 (2021: \$697,624).

14 - Non-Current assets held for sale	Actual 2022 \$000s	Actual 2021 \$000s
Non-current		
42-52 Logan Street Tokoroa	928	-
21 Croad Place Tokoroa	832	-
Depot – Patetere Street – Tīrau	-	848
Putāruru Smallbore Rifle Club land only	-	56
Total assets held for sale	1,760	904

15a Property, plant and equipment

15. PROPERTY, PLANT AND EQUIPMENT	Cost/Revaluati on 1 July 2021	Accumulated Depreciation and Impairment Charges	Carrying Amount 1 July 2021	Current Year Additions	Vested Assets	Current Year Disposals	Revaluation Surplus	Current Year Depreciation	Depreciation Write offs on Disposals	Cost/Revaluati on 30 June 2022	Accumulated Depreciation and Impairment Charges	Carrying Amount 30 June 2022
Asset Class	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Operational assets												
<i>Heritage assets</i>	145	-	145	-	-	-	-	-	-	145	-	145
Library collection	1,498	(1,097)	401	99	-	(865)	-	(111)	872	732	(336)	396
Buildings	27,138	(1,132)	26,006	1,804	-	(666)	-	(489)	-	28,276	(1,621)	26,655
Furniture & fittings	2,771	(1,595)	1,176	292	-	(1)	-	(194)	1	3,062	(1,788)	1,274
Equipment	6,221	(5,253)	968	13	-	-	-	(423)	-	6,234	(5,676)	558
Land	8,115	(6)	8,109	1,187	-	(278)	-	-	-	9,024	(6)	9,018
Motor vehicles	1,306	(883)	423	335	-	(60)	-	(68)	51	1,581	(900)	681
Other major plant	681	(386)	295	841	-	-	-	(114)	-	1,522	(500)	1,022
Total operational assets	47,875	(10,352)	37,523	4,571	-	(1,870)	-	(1,399)	924	50,576	(10,827)	39,749
Infrastructural assets												
Bridges	9,054	(839)	8,215	-	-	-	1,438	(210)	-	10,492	(1,049)	9,443
Culverts	8,339	(634)	7,705	123	-	(7)	5,515	(218)	4	13,970	(848)	13,122
Buildings	5,001	(266)	4,735	131	-	(476)	-	(89)	-	4,656	(355)	4,301
Land	7,048	-	7,048	-	-	(366)	-	-	-	6,682	-	6,682
Landfill	4,238	(2,721)	1,517	-	-	-	-	(90)	-	4,238	(2,811)	1,427
Pipes	13	(3)	10	-	-	-	-	-	-	13	(3)	10
Pumps	267	(267)	-	-	-	-	-	-	-	267	(267)	-
Roads and footpaths	264,420	(10,855)	253,565	4,005	-	(2,347)	50,485	(3,072)	1,873	316,563	(12,054)	304,509
Sewerage Treatment plant and facilities	15,309	(2,347)	12,962	10,577	-	(64)	1,359	(734)	9	27,181	(3,072)	24,109
Sewerage Other (includes reticulation)	18,512	(3,271)	15,241	8	-	(8)	12,582	(144)	1	31,094	(3,414)	27,680
Street furniture	636	(558)	78	-	-	-	18	(30)	-	654	(588)	66
Streetlights	6,081	(802)	5,279	121	-	-	(288)	(193)	-	5,914	(995)	4,919
Stormwater system	26,077	(2,599)	23,478	32	-	(99)	16,843	(463)	81	42,853	(2,981)	39,872
Water Treatment plant and facilities	7,670	(1,534)	6,136	80	-	(65)	709	(247)	-	8,394	(1,781)	6,613
Water Other (includes reticulation)	21,816	(3,102)	18,714	86	-	(66)	8,384	(658)	3	30,220	(3,757)	26,463
Total infrastructural assets	394,481	(29,798)	364,683	15,163	-	(3,498)	97,045	(6,148)	1,971	503,191	(33,975)	469,216
Restricted assets												
Parks & reserves	6,408	(1,076)	5,332	627	17	(15)	-	(366)	4	7,037	(1,438)	5,599
Restricted buildings	3,174	(175)	2,999	306	-	-	-	(61)	-	3,480	(236)	3,244
Restricted land	38,550	(5)	38,545	266	-	-	-	-	-	38,816	(5)	38,811
Total restricted assets	48,132	(1,256)	46,876	1,199	17	(15)	-	(427)	4	49,333	(1,679)	47,654
Capital work in progress	25,543	-	25,543	14,128	-	(11,866)	-	-	-	27,805	-	27,805
Total All Assets	516,031	(41,406)	474,625	35,061	17	(17,249)	97,045	(7,974)	2,899	630,905	(46,481)	584,424

15a continued

15. PROPERTY, PLANT AND EQUIPMENT	Cost/Revaluation 1 July 2020	Accumulated Depreciation and Impairment Charges	Carrying Amount 1 July 2020	Current Year Additions	Vested Assets	Current Year Disposals	Revaluation Surplus	Current Year Depreciation	Depreciation Write offs on Disposals	Cost/Revaluation 30 June 2021	Accumulated Depreciation and Impairment Charges 30 June 2021	Carrying Amount 30 June 2021
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Asset Class												
Operational assets												
<i>Heritage assets</i>	145	-	145	-	-	-	-	-	-	145	-	145
Library collection	1,461	(1,055)	406	113	-	(76)	-	(103)	61	1,498	(1,097)	401
Buildings	20,330	(742)	19,588	52	-	-	6,756	(390)	-	27,138	(1,132)	26,006
Furniture & fittings	2,690	(1,432)	1,258	89	-	(8)	-	(171)	8	2,771	(1,595)	1,176
Equipment	5,934	(4,856)	1,078	308	-	(21)	-	(418)	21	6,221	(5,253)	968
Land	5,049	(6)	5,043	-	-	-	3,066	-	-	8,115	(6)	8,109
Motor vehicles	1,360	(850)	510	9	-	(63)	-	(73)	40	1,306	(883)	423
Other major plant	653	(350)	303	31	-	(3)	-	(39)	3	681	(386)	295
Total operational assets	37,622	(9,291)	28,331	602	-	(171)	9,822	(1,194)	133	47,875	(10,352)	37,523
Infrastructural assets												
Bridges	9,054	(629)	8,425	-	-	-	-	(210)	-	9,054	(839)	8,215
Culverts	8,313	(417)	7,896	31	-	(5)	-	(217)	-	8,339	(634)	7,705
Buildings	4,484	(181)	4,303	13	-	(195)	699	(91)	6	5,001	(266)	4,735
Land	5,338	-	5,338	-	-	-	1,710	-	-	7,048	-	7,048
Landfill	4,238	(2,623)	1,615	-	-	-	-	(98)	-	4,238	(2,721)	1,517
Pipes	13	(3)	10	-	-	-	-	-	-	13	(3)	10
Pumps	267	(267)	-	-	-	-	-	-	-	267	(267)	-
Roads and footpaths	261,601	(7,782)	253,819	2,886	-	(67)	-	(3,077)	4	264,420	(10,855)	253,565
Sewerage Treatment plant and facilities	15,101	(1,828)	13,273	209	-	(1)	-	(519)	-	15,309	(2,347)	12,962
Sewerage Other (includes reticulation)	18,514	(2,244)	16,270	-	-	(2)	-	(1,027)	-	18,512	(3,271)	15,241
Street furniture	573	(544)	29	63	-	-	-	(14)	-	636	(558)	78
Streetlights	5,904	(611)	5,293	177	-	-	-	(191)	-	6,081	(802)	5,279
Stormwater system	26,031	(2,027)	24,004	46	-	-	-	(572)	-	26,077	(2,599)	23,478
Water Treatment plant and facilities	7,585	(1,173)	6,412	93	-	(8)	-	(361)	-	7,670	(1,534)	6,136
Water Other (includes reticulation)	21,668	(2,441)	19,227	149	14	(15)	-	(661)	-	21,816	(3,102)	18,714
Total infrastructural assets	388,684	(22,770)	365,914	3,667	14	(293)	2,409	(7,038)	10	394,481	(29,798)	364,683
Restricted assets												
Parks & reserves	5,774	(704)	5,070	181	-	(2)	455	(372)	-	6,408	(1,076)	5,332
Restricted buildings	2,857	(117)	2,740	6	-	(9)	320	(58)	-	3,174	(175)	2,999
Restricted land	34,573	(5)	34,568	-	-	(80)	4,057	-	-	38,550	(5)	38,545
Total restricted assets	43,204	(826)	42,378	187	-	(91)	4,832	(430)	-	48,132	(1,256)	46,876
Capital work in progress	11,668	-	11,668	17,826	-	(3,951)	-	-	-	25,543	-	25,543
Total All Assets	481,178	(32,887)	448,291	22,282	14	(4,506)	17,063	(8,662)	143	516,031	(41,406)	474,625

15b Depreciation by group of activity

The net carrying amount of property, plant and equipment held under a finance lease is \$Nil; (2021 \$Nil). No impairment losses have been recognised in infrastructural assets due to damage or rapid wear and tear. No compensation has been received from insurance claims for damage to motor vehicles and equipment (2021 \$Nil).

The closing balance of the revaluation reserve is \$392,308,000 (2021 \$95,472,000).

	Actual 2022 \$000s	Actual 2021 \$000s
Transport and roading	3,723	3,712
Recreation and facilities	1,499	1,361
Water supply	905	1,023
Stormwater	463	572
Wastewater	893	1,555
Solid waste and recycling	169	110
Regulatory	5	5
Environment - emergency management	31	24
Governance and corporate	325	323
Total	8,013	8,685

Depreciation and amortisation expense by group of activity

Network infrastructure	Most recent estimate of replacement cost \$000s	Date of estimate
Roads and Footpaths	474,710	30/06/2022
Wastewater		
Treatment plant and facilities	37,863	30/06/2022
Other	87,104	30/06/2022
Water systems		
Treatment plant and facilities	14,981	30/06/2022
Other	74,542	30/06/2022
Stormwater system	83,242	30/06/2022

16 Intangible assets

The intangible assets included above have finite useful lives of between 3-4 years, over which the assets are amortised. These assets are amortised on a straight-line basis. The amortisation charge for the year is included in the depreciation and amortisation expense line of the Statement of Comprehensive Revenue and Expense.

Carbon credits

Council has previously acquired carbon credits for the purpose of meeting its obligations under the Emissions Trading Scheme for carbon emissions from its landfill operations. Council forfeited all carbon credits by 30 June 2021

16 - INTANGIBLE ASSETS	Actual 2022 \$000s	Actual 2021 \$000s
Computer Software		
Cost	2,645	2,617
Accumulated amortisation and impairment	(2,612)	(2,589)
Opening carrying amount	33	28
Additions/(disposals)	-	28
Additional assets classified as intangible assets	-	-
Accumulated amortisation charge on additional assets	-	-
Amortisation charge	(16)	(23)
Closing carrying amount	17	33
Carbon credits		
Cost	-	300
Accumulated amortisation and impairment	-	-
Opening carrying amount	-	300
Additions/(disposals)	-	(300)
Amortisation charge	-	-
Closing carrying amount	-	-
Total closing carrying amounts	17	33

17 Trade and other payables

Trade and other payables are non-interest bearing and are normally settled on the 20th of the following month basis. Therefore, the carrying amount of trade and other payables approximates their fair value. Furthermore, the carrying amount of trust accounts approximates their fair value.

17 - TRADE AND OTHER PAYABLES	Actual 2022 \$000s	Actual 2021 \$000s
Sundry Creditors	4,515	5,361
Accrued expenses	2,195	386
Income received in advance	2,030	3,404
Total	8,740	9,151
Payables and deferred revenue under non-exchange transactions	1,805	1,517
Payables and deferred revenue under exchange transactions	6,935	7,634
Trust Accounts	-	10

18. Landfill provisions

Council is responsible for three closed landfill sites – Tīrau, Putāruru and Tokoroa.

The cash outflows for landfill post-closure costs are expected to occur until 2054. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The future cash outflows have been estimated, taking into account, existing technology and known changes to legal requirements.

An annual inflation factor ranging from 1.76% to 3.87% (2021: 1.88% to 2.00%) has been applied in estimating the future cash outflows

Discount rates ranging from 3.34% to 4.47% (2021: 0.38% to 4.3%) have been used to discount the estimated future cash outflows.

The gross provision before discounting is \$889,000 (2021: \$1,914,000).

18 LANDFILL PROVISIONS	Actual 2022 \$000s	Actual 2021 \$000s
Opening balance	1,857	1,609
Additional provision made during the year	-	38
Amounts used during the year	(933)	(39)
Unused amount reversed during the year	(237)	-
Discount unwinding	-	249
Total landfill provision	687	1,857
Presented by:		
Current provision	38	1,052
Non-current provision	649	805
Total landfill provision	687	1,857

19 Employee benefit liabilities

19 EMPLOYEE BENEFIT LIABILITIES	Actual 2022 \$000s	Actual 2021 \$000s
Accrued pay	461	378
Annual Leave	971	911
Long service leave	49	49
Retirement gratuities	121	136
Sick leave	53	61
Total employee benefit liabilities	1,655	1,535
Comprising		
Current	1,388	1,255
Non-current	267	280
Total employee benefit liabilities	1,655	1,535

20 Borrowings

INTEREST TERMS FOR SECURED LOANS

Council has \$10 million of its total debt of \$39 million issued at fixed rates of interest (2021 \$9 million of \$24million). The remainder of Council's secured loans are issued at floating rates of interest. For floating rate "debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk."

SECURITY

Council's secured loans have been issued in accordance with the Local Government Act 2002. The loans are secured through the debenture trust deed over all rates.

FAIR VALUES

The carrying amounts of borrowings repayable within one year approximate their fair value as the effect of discounting is not significant. Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of the majority of secured loans approximates their fair value.

20 BORROWINGS	Actual 2022 \$000s	Actual 2021 \$000s
Current portion	5,000	9,000
Non-current portion	34,000	15,000
Total borrowings	39,000	24,000

21 Equity

21 - EQUITY	Actual 2022 \$000s	Actual 2021 \$000s
Retained earnings		
Opening Balance	150,916	151,817
Net surplus/(deficit) for the year	3,442	(1,040)
<i>Transfers (to)/from:</i>	-	-
Property Revaluation Reserves	188	257
Restricted Reserves	5,200	(217)
Council Created Reserves	1,389	99
Closing balance	161,135	150,916
Other Reserves		
Asset Replacement and Restricted Reserves		
Opening Balance	22,114	21,897
Transfers to General Equity	5,275	13,255
Transfers from General Equity	(10,475)	(13,038)
Closing balance	16,914	22,114
Council Created Reserves		
Opening Balance	430	529
Transfers to General Equity	1,311	888
Transfers from General Equity	(2,700)	(987)
Closing balance	(959)	430
Property Revaluation Reserves		
Opening Balance as previously reported	295,472	278,570
Increase/(decrease) in revaluation	97,024	17,159
Transfers to retained earnings on disposal	(188)	(257)
Closing balance	392,308	295,472
<i>Represented by:</i>		
Land (Restricted)	30,026	29,678
Land (Operational)	6,006	6,357
Buildings (Infrastructural)	1,025	1,354
Buildings (Operational)	13,193	12,863
Building (Restricted)	894	895
Parks and Reserves	3,005	3,011
Roading	254,463	197,488
Sewerage	28,560	14,619
Stormwater	28,463	11,620
Water	26,673	17,587
	392,308	295,472
Investment Revaluation Reserve		
Opening Balance	5,796	3,416
Valuation gains/(losses) taken to equity	(2,471)	2,380
Closing balance	3,325	5,796
Total other reserves	411,588	323,812

21A

Reserve movements

Purpose of reserves

Pensioner housing: Manage the surpluses and deficits from the pensioner housing activity, when more or less rental is collected than is required to fund the annual expenditure of the pensioner houses.

SWDC asset purchase: Hold the proceeds from the sale of assets until they are applied to purchase other assets.

South Waikato Economic Development Fund: Council expressed in its Long Term Plan 2006-2016 that Council would take a leadership decision to establish a South Waikato Development Fund of \$4.5 million. The fund would support developments that the community considered are needed across the district. It was specifically established to develop facilities and amenities of strategic value to the district that would otherwise require financing through rate funding; enhance local employment opportunities and economic growth; and attract and retain residents by making the district a more desirable place to live.

Roading reserve extra NZTA Subsidy: This reserve was created from additional subsidy provided from NZTA as a result of the change in the subsidy rates. The reserve will be used to fund part of the roading programme in future years.

21a - RESERVE MOVEMENTS	Actual	Transfers in \$000s	Transfers out \$000s	Actual
	1 July 2021 \$000s			30 June 2022 \$000s
Council Created Reserves				
Pensioner Housing	(81)	-	(542)	(623)
SWDC asset purchase	(58)	58	-	-
South Waikato Economic Development Fund	169	2	(16)	155
Roading reserve extra NZTA subsidy	378	400	(378)	400
SW Economic Develop Trust	18	-	(18)	-
Riverside access	421	7	-	428
Financial contributions - reserves	104	50	(83)	71
Financial contributions - roading	280	156	-	436
National waste levy	28	84	-	112
Financial contributions - stormwater	2	-	-	2
Financial contributions - water	1	-	-	1
Financial contributions - wastewater	-	16	-	16
Mayoral grants reserve	10	-	(7)	3
Forestry/Airport reserve	620	9	-	629
Land purchase reserve	(767)	-	(1,459)	(2,226)
Whakamaru Forestry Reseve	184	-	(137)	47
Solidwaste ringfencing	(1,039)	520	-	(519)
Murray Kivell Scholarship	10	-	(1)	9
Digital Hub Reserve	150	-	(59)	91
Cougar Park Grants	-	9	-	9
Total Council Created Reserves	430	1,311	(2,700)	(959)
Restricted Reserves				
Water	(140)	1,090	-	950
Wastewater	(460)	1,595	-	1,135
Stormwater	(174)	-	(175)	(349)
Refuse collection	(181)	-	(106)	(287)
Upper Atiamuri Hall	(20)	3	-	(17)
Puketurua Hall	15	-	(4)	11
Waotu Hall	(2)	2	-	-
Lichfield Hall	7	-	-	7
Arapuni Hall	13	10	-	23
Tapapa Hall	17	2	-	19
Piarere Hall	-	-	-	-
Tirau Community Board	7	-	-	7
Tokoroa CBD	140	45	-	185
Putāruru Promotion (CCTV)	50	8	-	58
Putāruru CBD	18	-	-	18
District Recycling	(594)	231	-	(363)
Tirau CCTV	16	-	(2)	14
Total Restricted Reserves	(1,288)	2,986	(287)	1,411

SW Economic Development Trust: This reserve is committed to fund trade training initiatives.

Riverside access: Manage sale of proceeds from certain stopped roads. This is to be used for opening up areas to public access in the South Waikato district.

Financial contributions: To manage financial contributions levied from the development of subdivisions until this funding is used for the development of related activities.

National waste levy: Manage the funds received from government relating to the national waste levy levied.

Mayoral grants reserve: If the mayoral and community development grants are not spent, they will be transferred to this reserve to be available in the following year at the Mayor's discretion.

Forestry / Airport reserve: To ring fence the proceeds of the sale of harvested logs near the airport to be used in the future to fund the replacement of the runway and maintenance of the planted forest.

Land purchase reserve: To ring fence the loan costs from the purchase of strategic land. When this land is sold, the proceeds will be applied against this reserve.

Whakamaru Forestry reserve: To ring fence the proceeds of the sale of trees from the Whakamaru reserve to be used in the future at the reserve.

21a - RESERVE MOVEMENTS	Actual	Transfers in \$000s	Transfers out \$000s	Actual
	1 July 2021 \$000s			30 June 2022 \$000s
Asset Replacement Reserves				
General	543	137	(469)	211
Water	4,398	497	(1,765)	3,130
Wastewater	7,312	497	(3,399)	4,410
Stormwater	6,589	-	(505)	6,084
Refuse disposal	512	67	(746)	(167)
The Plaza	28	-	(1)	27
Vehicles	462	49	(315)	196
Toilets	(79)	2	-	(77)
Sport and events centre	967	82	(191)	858
Sportsgrounds	259	45	(283)	21
Parks and reserves	(243)	279	(396)	(360)
Cemeteries	37	7	(60)	(16)
Libraries	(42)	-	-	(42)
Pools	(238)	89	(8)	(157)
Bridges	1,011	170	(472)	709
General properties	507	339	(930)	(84)
Trade training centre	94	-	(94)	-
Putāruru CCTV	35	11	-	46
Tokoroa CCTV	2	18	(1)	19
Information Services	1,072	-	(552)	520
District Recycling	176	-	(1)	175
Total Asset Replacement Reserves	23,402	2,289	(10,188)	15,503
Total Asset Replacement and Restricted Reserves	22,114	5,275	(10,475)	16,914

Solid Waste ringfencing: The Tokoroa landfill was closed in October 2020. The increased fees which were applied from 1 March 2019 were to fund additional operating costs from 1 March to its closure. This reserve is being used to ring fence the costs associated with the costs and revenues of the closed Tokoroa landfill and Tokoroa Transfer Station over the next 3 financial years.

Murray Kivell scholarship: This reserve is to recognise the gift of \$10,000 from Murray Kivell, who was a nationally respected and sought after resource management planner that worked with the South Waikato District Council for over 25 years. This reserve will be used for staff training purposes to further environmental sustainability knowledge, sustainable management practices and environmental management in the South Waikato.

Digital Hub reserve: This reserve is as a result of funds received from the South Waikato Investment Funds Trust as their contribution towards the Digital Hub project. This reserve will be used to co-fund the project that the South Waikato District Council is managing.

Restricted (targeted rate) reserves: Targeted rate reserves are used to manage the surpluses and deficits of specific targeted activities such as water, stormwater, wastewater and halls that arise when more or less rates revenue is collected to fund the annual expenditure of that activity.

This ensures that rates collected from a certain group of targeted rate payers can only be used for the benefit of that group.

Asset replacement reserves: These accumulate funds from rates and are used for the future capital funding for the replacement of assets. Each major activity group e.g., water, roading, wastewater, storm water, solid waste, has their own depreciation reserve so that the funds from each can be applied to the appropriate activity's capital expenditure.

Asset replacement reserve – general rating activities: This reserve accumulates funded depreciation and is used to fund replacement capital expenditure for general rated activities.

22 Reconciliation of net cashflows from operating activities to net surplus.

22 Reconciliation of net cash flows from operating activities to net surplus	Actual	Actual
	2022	2021
	\$000s	\$000s
Net surplus / (deficit)	3,442	(1,040)
<i>Add /(deduct) non-cash items</i>		
Depreciation and amortisation of plant, property and equipment	8,013	8,685
Assets vested in Council	(17)	(15)
Loss on sale of property, plant and equipment	292	3
<i>Add /(deduct) movements in working capital items</i>		
Trade and other receivables	(436)	205
Trade and other payables	(411)	3,558
Inventories	36	30
Trust accounts	(10)	(7)
Employee benefits	120	172
Net cash inflow/(outflow) from operating activities	11,029	11,591

23 Capital commitments and contingencies

Capital commitment represents capital expenditure contracted for at balance date but not yet spent.

There is \$1.8m of capital commitments as at 30 June 2022 (2021: \$6.1m). This relates to numerous projects across the district with the majority of the work in the Tokoroa Wastewater Treatment Plant, Putaruru Waterpark, Tirau Domain and Tokoroa Solid Waste activity. This work is currently contracted as at 30 June 2022 for the acquisition of property, plant and equipment

Responsibility for shortfall for mutual liability

Up until 30 June 2012, the South Waikato District Council was a member of the New Zealand Mutual Liability RiskPool.

The New Zealand Mutual Liability RiskPool had been the key mechanism for the sector to protect itself against public liability and professional indemnity claims over the past fifteen years.

In 2012 Council received advice from RiskPool that payments of weather tightness claims on behalf of members were at a level that had resulted in deficits for the fund. These deficits would require calls on members under the mutual fund rules to meet the funding shortfalls. The mutual fund's rules also require the South Waikato District Council to share in the funding of shortfalls, for those years the Council has been a member of RiskPool (even after it has exited the mutual fund). There remains the potential for further currently unquantified obligations/calls on Council. There is considerable uncertainty about any future claims and Council is uncertain if there will be additional obligations.

New Zealand Local Government Funding Agency Limited- Council is a guarantor of the New Zealand Local Government Funding Agency (NZLGFA). NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has

a local currency rating from Fitch Ratings of AA+ (stable outlook) and AAA from Standard and Poor's (stable outlook). The foreign currency rating from

Fitch Ratings of AA (positive outlook) and AA+ (stable outlook) from Standard and Poor's.

NZLGFA had borrowings of \$16.8b (2021 \$13.61b) for which Council is one of 68 guarantors along with other local government shareholders and guarantors.

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

- Council is not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligation if further funds were required; and
- NZLGFA has a credit rating of AAA from Standard and Poor's, and AA+ from Fitch Ratings.

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- Council is not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligation if further funds were required; and
- NZLGFA has a credit rating of AAA from Standard and Poor's, and AA+ from Fitch Ratings. Y

24 Remuneration

Chief Executive

During the year ended 30 June 2022 Council had one Chief Executive who was remunerated as follows:

CHIEF EXECUTIVE	Actual 2022 \$000s	Actual 2021 \$000s
Susan Law (1 June 2022 - 30 June 2022)		
Base Salary	25	-
Vehicle (market value plus FBT)	1	-
Kiwisaver Employer's Contribution	1	-
Total	27	-
Ben Smit (1 July 2021 - 11 February 2022)		
Base Salary	234	265
Vehicle (market value plus FBT)	7	12
Kiwisaver Employer's Contribution	7	8
Total	248	285

For the year ended 30 June 2022, the total annual cost including fringe benefit tax to the South Waikato District Council of the remuneration package being received by the Chief Executive is calculated at \$275,000 (2021: \$285,000).

Key Management Personnel

Key management personnel include the Mayor, Councillors, the Chief Executive and other senior management of Council.

KEY MANAGEMENT PERSONNEL	Actual 2022 \$000s	Actual 2021 \$000s
Salaries and other short term employee benefits	1,870	1,826
Post employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Total	1,870	1,826

Council Employees

The total annual remuneration by band for employees as at 30 June are:

COUNCIL EMPLOYEES	Actual 2022 \$000s	Actual 2021 \$000s
<\$60,000	102	86
\$60,000 - \$79,999	38	36
\$80,000 - \$99,999	20	18
\$100,000 - \$119,999	9	8
\$120,000 - \$239,000	8	7
\$240,000+	1	1
Total employees	178	156

Total remuneration includes non-financial benefits provided to employees. At balance date, the Council employed 115 full-time employees (2021: 124), with the balance of staff representing 29.67 (2021: 16.83) full-time equivalent employees.

A full-time employee is determined on the basis of a 37.5-hour working week or a 40 hour working week depending on their start date.

25 Elected members remuneration

Elected Representatives

The following monetary and non-monetary remuneration was paid to Councillors and Community Board representatives during the year. Monetary remuneration excludes payment of non-taxable allowances which are considered reimbursement of actual expenses incurred.

25 ELECTED MEMBERS REMUNERATION	Actual 2022 \$000s	Actual 2021 \$000s
Mayor and Councillors		
Jenny Shattock (Mayor)	121	119
William Machen	49	47
Marin Glucina	35	33
Thomas Lee	39	37
Peter Schulte	35	35
Arama Ngapo-Lipscombe	42	41
Sandra Wallace	35	33
Stephen Petley	35	33
Alex Jansen	35	33
Johannes Nelis	35	33
Hamish Daine	35	33
Total Councillors	496	477
Community Board Members		
Sharon Burling - Claridge	3	3
Kerry Purdy	7	7
Kevin Slater	3	6
Christine Brasell	3	3
Total Community Board members	16	19

26 Related parties

Related party transactions should be disclosed when they are other than that which would occur within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the entity would have adopted if dealing with that individual or entity at arm's length in the same circumstances.

As at 30 June 2022 Mayor Jenny Shattock was a non-voting advising Trustee on the South Waikato Investment Fund Trust (SWIF Trust), representing the Council. There is only one transaction for \$1,500 between the SWIF Trust and the Council this year.

27 Financial instruments

Table A

	Note	Actual 2022 \$000s	Actual 2021 \$000s
Financial assets			
Fair value through surplus or deficit			
Derivative financial instrument assets	28	1,911	48
Total fair value through surplus or deficit		1,911	48
Loans and receivables			
Cash and cash equivalents	10	8,712	8,497
Trade and other receivables	11	3,941	3,575
Other financial assets:			
Sundry loans	13	1,497	1,537
Total loans and receivables		14,150	13,609
Available for sale financial assets			
Other financial assets:			
Bonds, deposits and other fixed interests	13	8,255	8,016
Unlisted shares	13	85	83
Listed shares	13	11,345	13,142
Total available for sale financial assets		19,685	21,241
Financial liabilities			
Fair value through surplus or deficit			
Derivative financial instrument liabilities	28	-	3
Total fair value through surplus or deficit		-	3
Financial liabilities at amortised cost			
Trade and other payables	17	4,515	5,361
Trust Accounts	17	-	10
Secured loans	20	39,000	24,000
Total financial liabilities at amortised cost		43,515	29,371

Fair values hierarchy disclosures

For those instruments recognised at fair value in the balance sheet, 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 active 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 observables.

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

Table B

	Total \$000s	Quoted Market Price \$000s Level 1	Observable inputs \$000s Level 2	Significant non- observable inputs \$000s Level 3
30 June 2022				
<i>Financial assets</i>				
General Funds				
Bank security bonds (AA-)	385	385	-	-
Corporate bonds (BBB+ to AA-)	4,125	4,125	-	-
Local Government bonds (A to AA)	115	115	-	-
NZ Government Bonds (AA+)	1,054	1,054	-	-
International bonds (not rated)	13,071	13,071	-	-
30 June 2021				
<i>Financial assets</i>				
General Funds				
Bank security bonds (AA-)	345	345	-	-
Corporate bonds (BBB+ to AA-)	4,672	4,672	-	-
Local Government bonds (A to AA)	96	96	-	-
NZ Government Bonds (AA+)	903	903	-	-
International bonds (not rated)	14,768	14,768	-	-

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

Financial instrument risks

Council has a series of policies to manage the risks associated with financial instruments. The South Waikato District Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Liability Management and Investment policies which have been adopted by Council.

These policies do not allow any transactions that are speculative in nature to be entered into.

Market Risk

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to price risk on its equity and bond investments, which are classified as available for-sale-financial assets.

The price risk is managed by diversification of Council investment portfolio in accordance with the limits set out in Council Investment policy.

Currency Risk

Currency risk is the risk that cash flows relating to certain forecast transactions or firm commitments will fluctuate.

Council is managing this risk through forward foreign exchange contracts.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates. Borrowing and investment at fixed interest rates expose Council to fair value interest rate risk. Council manages its interest rate exposure by restricting the gross interest of all external borrowing to 10% of total revenues and to 15% of Council's operating revenue. Council can also use interest rate derivatives, such as interest rate swaps and options to manage interest rate risks when the need arises. Interest rates on borrowings are subject to quarterly repricing.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of financial instruments will fluctuate because of changes in floating interest rates and borrowings. Council is exposed to cash flow interest rate risk on cash and cash equivalents.

Sensitivity analysis

The table below illustrates the potential profit or loss and equity (excluding retained earnings) impact for reasonably possible market movement, with all other variables held constant, based on Council's financial instruments exposures at the balance date. The particular sensitivities chosen for the analysis reflect the actual movements that occurred in the relevant immediately preceding financial year.

Table C

Financial Instruments Table C		2022 \$000s				2021 \$000s			
	Note	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
Interest Rate Risk									
Financial assets									
NZ fixed interest bonds	a		0.5%		-0.5%		0.5%		-0.5%
			11		(11)		9		(9)
Financial liabilities									
Borrowings	b	0.3%		-0.3%		0.25%		-0.25%	
		98		(98)		60		(60)	
Foreign Exchange Risk									
Financial assets									
International fixed interest bonds	c	0.5%		-0.5%		0.5%		-0.5%	
International equity	d				(26)				(29)
Australian equity	e				(19)				(21)
International Cash									
US dollar denominated cash	f	10.0%		-10.0%		10.0%		-10.0%	
		-		-		-		-	
Equity Price Risk									
Financial assets									
NZ Equity investments	g		5.0%		-5.0%		5.0%		-5.0%
NZ Property investments	h								
International Equity investments	i				(379)		442		(442)
Australian Equity investments	j				(188)		215		(215)

Explanation of sensitivity analysis

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonably possible movement in interest rates, with all other variables held constant, measured as a percentage movement in interest rate. We have used the following sensitivity measures for the categories exposed to this risk:

- Financial assets +/- 0.50%
- Financial liabilities +/- 0.25%

Explanation of foreign exchange risk sensitivity

The foreign exchange rate sensitivity is based on a reasonably possible movement in foreign exchange rates, with all other variables held constant, measured as a percentage movement in foreign exchange rate. We have used the following sensitivity measures for the categories exposed to this risk:

- Financial assets +/- 0.50%

Explanation of equity price risk sensitivity

The equity price sensitivity is based on a reasonably possible movement in listed equity prices, with all other variables held constant, measured as a percentage movement in listed equity prices. We have used the following sensitivity measures for the categories exposed to this risk:

- Financial assets +/- 5.00%

Credit risk

Credit risk is the risk that a third party will default on its obligations to Council, causing Council to incur a loss. Council has no significant concentration of credit risk, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers. Investments are also well diversified across a wide range of companies and industries. Accordingly, Council does not require any collateral or security to support these financial instruments. The maximum exposure to credit risk is equal to the carrying amount of all financial assets subject to credit risk.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired are assessed by reference to Standard and Poor's or other recognised credit ratings, or historical information about counterparty default rates:

Table D

	Actual 2022 \$000s	Actual 2021 \$000s
Cash and cash equivalents:		
Cash and short term deposits (AA to BBB)	8,712	8,497
Total cash and cash equivalents	8,712	8,497
General Funds:		
Sundry corporate and government securities (AA- to AA)	4,125	4,672
Bank security bonds (AA+ to AAA)	385	345
Local Government Bonds (A to AA)	115	96
NZ Government Bonds (AA+)	1,054	903
International Bonds (Not rated)	13,071	14,768
Total general fund bonds	18,750	20,784

Trade and other receivables mainly arise from Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of trade and other receivables with reference to internal or external credit ratings.

Council has no significant concentration of credit risk in relation to trade and other receivables, as it has a large number of credit customers (mainly ratepayers) and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising funds to meet commitments as they fall due. Prudent liquidity management implies maintaining sufficient cash, the ability to close out market positions and having committed credit facilities.

The Council measures its liquidity requirements in accordance with its Liability Management Policy and Treasury Management Policy. In meeting its liquidity requirements, Council maintains access to sufficient cash reserves to meet the minimum policy covenants and also is able to close out equity investments if required. The Local Government Funding Agency also provides ready access to funding.

Fair Value

Contractual maturity analysis of financial liabilities:

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

Table E

	Carrying amount \$000s	Contractual cash flows \$000s	Less than 1 year \$000s	2-5 years \$000s	>5 years \$000s
30 June 2022					
Trade and other payables	4,515	4,515	4,515	-	-
Borrowings	39,000	44,079	6,214	27,508	10,357
Total	43,515	48,594	10,729	27,508	10,357
30 June 2021					
Trust Accounts					
Trade and other payables	5,361	5,361	5,361	-	-
Borrowings	24,000	25,305	9,340	15,965	-
Total	29,361	30,667	14,702	15,965	-

Contractual maturity analysis of financial assets

The table below analyses 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.

Table F

	Contractual cash flows \$000s	Less than 1 year \$000s	2 - 5 years \$000s	More than 5 years \$000s
30 June 2022				
Cash and cash equivalents	8,712	8,712	-	-
Trade and other receivables	3,941	3,941	-	-
Net settled derivative assets	1,911	534	1,349	28
Sundry loans	1,497	1,497	-	-
Bonds, deposits and other fixed interest	8,255	8,255	-	-
Unlisted shares	85	-	-	85
Listed shares	11,345	-	-	11,345
Total	35,746	22,939	1,349	11,458
30 June 2021				
Cash and cash equivalents	8,497	8,497	-	-
Trade and other receivables	3,575	3,575	-	-
Net settled derivative assets	45	13	32	-
Sundry loans	1,537	1,537	-	-
Bonds, deposits and other fixed interest	8,016	8,016	-	-
Unlisted shares	83	-	-	83
Listed shares	13,142	-	-	13,142
Total	34,895	21,638	32	13,225

28 Derivative Financial instruments

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$21 million (2021 \$21 million).

This includes \$nil (2021 \$5 million), of forward start swaps, leaving \$21 million (2021 \$16 million,) in committed swaps at 30 June 2022.

At 30 June 2022 the fixed interest rates of fair value interest rate swaps ranged from 0.83% to 1.58% (2021 0.83% to 1.58%).

The Council has no fair value hedges.

28 DERIVATIVE FINANCIAL INSTRUMENTS	Actual 2022 \$000s	Actual 2021 \$000s
Current asset portion		
Interest rate swaps	534	-
Total Current asset portion	534	-
Non current asset portion		
Interest rate swaps	1,377	48
Total non-current asset portion	1,377	48
Total derivative financial instrument assets	1,911	48
Non-Current liability portion		
Interest rate swaps	-	3
Total non-current liability portion	-	3
Total derivative financial instrument liabilities	-	3

29 Operating lease as lessor

Council leases its operational properties under operating leases. The great majority of these leases have a non-cancellable term that ranges between one and thirty years. The future aggregate minimum lease payments to be collected under non-cancellable leases are as follows:

No contingent rents have been recognised in the profit and loss during the period (2021: \$nil).

29 OPERATING LEASE AS LESSOR	Actual 2022 \$000s	Actual 2021 \$000s
Not later than one year	99	78
Later than one year and not later than five years	206	225
Later than five years	338	269
Total non-cancellable operating leases	643	572

30 Insurance contracts

South Waikato District Council is part of a Regional collective of local authorities for insurance purposes. Through the collective economies of scale Council has access to the best process and cover.

As at the end of the financial year, Council had the following insurance cover in place:

Material damage excluding fire - \$150,000,000
Material damage fire only - \$30,000,000

Council's Material Damage cover is based on a Maximum Probable Loss model (MPL) which means that its assets are insured for the value of the largest probable loss that could result from a disaster in the South Waikato. Council is insured within a \$150 million primary layer which is shared between the Regional collective. A separate policy is in place which is shared by the Regional collective which provides cover for damage that is caused by fire, or fire following a natural disaster, with SWDC limit being \$30 million.

Commercial motor vehicles \$932,603
Motor insurance up to the market value of each individual vehicle.

Infrastructure \$126,587,371

Based on risk engineering and loss modelling for the Waikato hazard scape a \$300 million shared loss limit is in place with the Regional collective. Each council then has its own sublimit in place based on their individual exposures. SWDC loss limit is \$25m. Insurance is to the level of 40% in anticipation of 60% contribution from central government in the event of a disaster. In addition to this SWDC have access to a second cover for the 60% up to a shared loss limit of \$10 million.

Business interruption

A shared \$10 million Additional Increased Cost of Working limit with the Regional collective and provides cover for consequential loss through the physical damage to any property used by Council. There is also an

additional \$2.5 million claim preparation costs cover associated with this contract.

Professional indemnity \$15,000,000 Primary layer individual to Council and an \$145,000,000 excess layer obtained through London shared across 45 councils.

Public liability \$15,000,000 Primary layer individual to Council and an \$145,000,000 excess layer obtained through London share across 45 councils.

Employers Liability \$1,000,000

Statutory Liability \$1,000,000

Crime \$2,000,000

Cyber \$1,000,000

Airport Owners and Operators \$10,000,000

31 Major budget variations

Statement of comprehensive revenue and expense

Subsidies and grants received for the year include unbudgeted funding from the Department of Internal Affairs for Three Waters capital projects.

Finance revenue includes unrealised gains on revaluation of interest rate swaps where no budget allowance is made due to unpredictability of interest rate movements.

Statement of Financial Position

Total equity is \$94.4m greater than budget due to asset revaluations being completed for Roading and Three Waters asset classes during a period of very rapid price increases for infrastructure assets.

Property, Plant and Equipment shows the equivalent effect of the revaluation outcome noted above, tempered by the capital expenditure programme lagging budgeted spend which also means our debt is lower than budget and cash held is greater than budget.

Statement of Cashflows

Purchase of property plant and equipment is greater than budget due to catching up on some of the previous year's capital expenditure programme. Loans raised and repaid are significantly different from budget due to the rolling over (repaying on due date and contracting to new loans) of short-term debt instruments.

32 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 the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently, and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today's rate payers 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 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 Council's LTP.

The South Waikato District Council has the following reserves:

- reserves for different areas of benefit
- self-insurance reserves
- trust reserves
- other reserves

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

Trust reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust reserves where applicable and deductions are made where funds have been used for the purpose they were donated. Other reserves are created to set aside funding from general rates for future expenditure on specific projects or activities as approved by Council. Council categorises self-insurance reserves and other reserves as "Council Created Reserves", while the others are categorised as "Restricted Reserves" (refer Note 21).

33 COVID-19 impact.

New Zealand has been impacted by the COVID-19 pandemic but the effect on revenue for Council has not been significant. The impact of the changes in alert levels has been relative to the facilities not being able to be used by the public, resulting in a reduced number of pool attendees and library patrons. The use of the South Waikato Sports and Events Centre for events such as weddings and significant birthdays was impacted by regional lockdowns, travel restrictions and level changes because family was unable to travel to attend. -The most significant effect that the COVID-19 pandemic has had is the delay in the sourcing of materials and resources for the completion of capital projects. A lot of the budgeted funds for the projects have been committed through various contracts This has resulted in a need to carryover budgets from the 2022-22 year to the 2022-23 to complete the projects.

34 Events after balance date

The significant event of the local elections took place after balance date which has impacted on the signing of the financial statements. We are fortunate that the new Mayor was a Councillor during the 2021-2022 year so understands the content of this report so can therefore sign these financial statements without any issues.

The Select Committee's report on the Water Services Entities Bill has been released, this is the first step in a suite of legislation to enact the three waters reforms. This bill establishes four publicly owned water services entities that will come into effect from 1 July 2024.

35 Three Waters Service Delivery Reforms

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the three waters service delivery reforms using a legislated "all in" approach Council continues to recognise its three waters assets at 30 June 2022 in accordance the accounting policies set out on pages 91 to 102 of the full annual report.. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity.

In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The Water Services Entities Act 2022 received royal assent from the Governor-General on 14 December 2022. The Act establishes four publicly owned water services entities to take over responsibilities for three waters service delivery and infrastructure from local authorities from 1 July 2024, or earlier by Order in Council. In December 2022, the Government introduced two additional water services Bills, one of which will enable the transfer of three waters related assets and liabilities to the water services entities. Until the Bills receive royal assent, the financial impact of the transfer on South Waikato District Council remains uncertain.

36 Breach of statutory reporting deadline

South Waikato District was required under the Local Government Act 2002 to complete its audited financial statements and service performance information by 31 December 2022. This timeframe was not met due to the late completion of the audit.

How to obtain a copy of the 2021-22 Annual Report

The full Annual Report is Council's key accountability document.

Full copies of the Annual Report can be obtained by:

- Visiting our website: www.southwaikato.govt.nz to download a copy
- Calling our Customer Services staff on (07) 885 0340 during normal business hours
- Emailing us at: info@southwaikato.govt.nz
- Writing to us at: South Waikato District Council, Private Bag 7, Tokoroa 3444
- Viewing a hard copy at our Council offices and library sites (located in Tokoroa, Putāruru or Tīrau)