



Te kaunihera ā-rohe o
matamata-piako
district council



PŪRONGO Ā-TAU ANNUAL REPORT 2022/23

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SECTION 1 HE KUPU WHAKATAKI | INTRODUCTION

1.1 HE MIHI - MAI I TŌ KOUTOU MANUHUIA

WELCOME - MESSAGE FROM THE MAYOR

Kia ora koutou

I am pleased to present to you the Matamata-Piako District Council Annual Report for 2022/23.

It has been a tough year and our District has faced its fair share of challenges in this difficult economic climate with the impacts of rising inflation, ongoing staff shortages, supply chain issues and the fallout from the Covid pandemic. The prolonged wet weather events experienced particularly during January and February 2023, also impacted Council's day to day operations with flooding, fallen trees and damage to infrastructure. We were very fortunate to escape the most extreme weather that other districts endured.

Our Annual Report is a chance to reflect on how we managed these challenges, celebrate the progress we have made on some new and ongoing projects and acknowledge the work we have ahead of us.

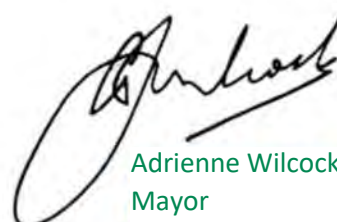
A highlight for myself and my fellow elected members has been the significant strides we have taken in our ongoing projects. Morrinsville's additional water supply is right on track. This will allow us to treat and supply additional water to support the growing community and make the town's water supply more resilient. This is timely as the experts are predicting a long dry summer.

We were excited to secure government funding toward fast-tracking a number of projects to make it safer and easier to walk, bike and use public transport in our district. A particular highlight is the planning of the perimeter path at Morrinsville Recreation Ground. This is a direct outcome from the community's involvement in developing the Morrinsville Recreation Master Plan last year, and we expect to see this complete in the coming months.

We also completed smaller projects to enhance the wellbeing of those living in and visiting our district. Upgrades to the Te Aroha boat ramp saw improved dump station facilities, surfacing of the formerly gravel car park and realigning the Hauraki Rail Trail for safer movement through the reserve. Our Pride of Place initiative is gradually making headway to create more vibrant and welcoming town centres. In Matamata, we installed bike racks throughout the town centre and Council collaborated with local groups to host the community event, Bike Day Out.














Another memorable highlight was the opening of the new Thomas Park playground in Morrinsville – a collaborative effort from Council, an anonymous donor, local Iwi and our community. It has been wonderful seeing locals from across our district and visitors enjoying these wonderful facilities.

Looking ahead, we find ourselves entering a crucial phase as we embark on shaping our Long Term Plan. We will have to make some tough decisions on investing in our infrastructure. That is going to mean some big conversations with the community about what is affordable and what services may need to change. We're prepared to face these challenges head on, but will need your input to ensure our decisions are reflecting the wants and needs of the community.



Adrienne Wilcock
Mayor

1.2 TE KAUNIHERA | COUNCIL

Councillors and Mayor				
				
ADRIENNE WILCOCK Koromatua I Mayor	CALEB J ANSELL Matamata Ward	KEVIN TAPPIN Matamata Ward	JAMES SAINSBURY Matamata Ward	SUE WHITING Matamata Ward
				
BRUCE DEWHURST Morrinsville Ward	SHARON DEAN Morrinsville Ward	DAYNE HORNE Morrinsville Ward	JAMES THOMAS Koromatua Tautoko I Deputy Mayor Morrinsville Ward	
				
SARAH-JANE BOURNE Te Aroha Ward	PETER JAGER Te Aroha Ward	RUSSELL SMITH Te Aroha Ward	GARY THOMPSON Te Toa Horopū ā Matamata Piako	

Council Committees	Chairperson
Te Manawhenua Forum Mo Matamata Piako	Te Ao Marama Maaka
Risk and Assurance Committee	Jaydene Kana
District Licensing Committee	Sue Whiting
Waharoa (Matamata) Aerodrome Committee	Mokoro Gillett, Mayor Adrienne Wilcock
Hearing Commission	Coordinator: Kevin Tapping (no chairperson)
Chief Executive Officer Performance Committee	No chairperson

1.3 TE TAKE KA MAHI HE PŪRONGO Ā-TAU

WHY WE PRODUCE AN ANNUAL REPORT

The 2022/23 Annual Report is how we tell the community about how well we did on delivering on the 2021-2031 Long Term Plan and our relevant Annual Plan (in this case, for 2022/23).

The Annual Report lets our community know each year:

How well Council delivered the level of services we said we would to the community (as set out in the Long Term Plan performance measures)

How well Council delivered on the capital projects we said we would do

How well Council adhered to the operating budget we set.

The Local Government Act 2002 (LGA) require us as to produce an Annual Report so we can publicly disclose our operating and financial activities over the past year.

Sharing this information is also our chance to celebrate the successes of the year and highlight the amazing work that has been undertaken by our teams.

What does the 2022/23 Annual Report's financial statements tell us?

Each year, Council's Annual Report contains a set of audited financial statements for the relevant year. The financial statements include four primary statements:

The Statement of Comprehensive Revenue and Expense

This summarises the Council's financial performance for the year, listing all income and expenses. It also records other comprehensive income, such as changes in the fair values of the Council's infrastructure and property, plant and equipment.

The Statement of Changes in Equity

It details the overall change for the year in relation to the Council's net worth.

The Statement of Financial Position

This is a '30 June' snapshot of the Council's financial position at the end of the relevant financial year, which indicates its assets, liabilities and net worth at that point.

The Statement of Cashflows

This statement indicates where the Council's cash came from and where it was spent in the relevant financial year.

These four statements also display Council's budget. This is the previous budget adopted by Council at the end of the year before the current one which is being reviewed. This allows comparison between what was projected for the year under review against what actually occurred.

The Financial Notes

The 'notes' to the financial statements give greater detail and more information on the four primary financial statements. The content of the four financial statements and their notes are prepared using Public Benefit Entity accounting standards.

Who checks the Annual Report?

The Council's external auditor, Audit New Zealand, is required to audit the Annual Report. The Annual Report is then adopted by Council on the recommendation of Council staff and the Risk and Assurance Committee. This ensures that both the management and governance functions across Council share the responsibility for the report's accuracy and accountability.

How does the Annual Report fit into Council's planning cycle?

The Annual Report is a key step in Council's three-yearly planning process.



1.4 NGĀ HUA Ā-HAPORI | COMMUNITY OUTCOMES

Our community outcomes describe what we aim to achieve for our community and what you can expect us to work towards.

These outcomes have helped shape the development of the 2021-2031 Long Term Plan. All the activities we carry out contribute to the overall achievement of our community outcomes. If we achieve all the expectations we have set for our service delivery, we will be making progress on achieving all of the outcomes.

Our Vision and Community Outcomes

In 2017, we reviewed our community outcomes, which form the basis of Council's vision for our community. These were confirmed for the Long Term Plan 2021-2031.

Connected Infrastructure	Economic Opportunities	Healthy Communities	Environmental Sustainability	Vibrant Cultural Values
Infrastructure and services are fit for purpose and affordable, now and in the future.	We are a business friendly Council.	Our community is safe, healthy and connected.	We support environmentally friendly practices and technologies.	We promote and protect our arts, culture, historic, and natural resources.
Quality infrastructure is provided to support community wellbeing.	Our future planning enables sustainable growth in our District	We encourage the use and development of our facilities.	Development occurs in a sustainable and respectful manner considering kawa/protocol and tikanga/customs.	We value and encourage strong relationships with Iwi and other cultures, recognising wāhi tapu and taonga/significant and treasured sites and whakapapa/ancestral heritage.
We have positive partnerships with external providers of infrastructure to our communities.	We provide leadership and advocacy is provided to enable our communities to grow.	We encourage community engagement and provide sound and visionary decision making.	We engage with our regional and national partners to ensure positive environmental outcomes for our community.	Tangata Whenua with Mana whenua status (those with authority over land under Māori lore) have meaningful involvement in decision making.

1.5 TE WHAI WĀHI A TE IWI KI NGĀ WHAKATAUNGA A TE KAUNIHERA

MĀORI ENGAGEMENT IN DECISION MAKING

Under the Local Government Act 2002, we need to establish and maintain processes to provide opportunities for Māori to contribute to our decision making processes. Part of Council's vision is to support the vibrant cultural values of our district. A 'vibrant community' will mean different things to different people – but is generally about positivity and the presence of something alive and wonderful.

Our cultural values are generally common standards of what is acceptable or unacceptable, important or unimportant, right or wrong, workable or unworkable – and these standards help shape a vibrant community. We have identified that we will cultivate these values through promoting and protecting our arts, culture, historic and natural resources, encouraging strong relationships with Iwi and other cultures and ensuring Tangata Whenua with Manawhenua status (those with authority over the land) have meaningful involvement in decision making.

Te Manawhenua Forum Mo Matamata-Piako

Te Manawhenua Forum Mo Matamata-Piako (the Forum) is a committee of Council that has been developed under a Heads of Agreement with the Forum. The purpose of the Forum is to facilitate Manawhenua contribution to our decision making. Several Iwi have rohe (ancestral lands) or interests in our district, including Ngāti Hauā, Ngāti Rāhiri Tumutumu, Raukawa, Ngāti Maru, Ngāti Whanaunga, Ngāti Paoa, Ngāti Tamaterā and Ngāti Hinerangi.

Resource Management Act 1991 (RMA)

We are currently undertaking a rolling review of the District Plan in which we provide updates and seek feedback from Te Manawhenua Forum as well as RMA mandated representatives from each of the Iwi within our rohe. Moving forward, changes to the RMA provide for the development of Mana Whakahono ā Rohe (Iwi participation arrangements). The purpose of a Mana Whakahono ā Rohe is to provide a mechanism for Councils and Iwi to come to agreement on ways Tangata Whenua may participate in RMA decision making, and to assist Councils with their statutory obligations to Tangata Whenua under the RMA. We expect these agreements to be developed in the near future. In regards to resource consents, a list of all the resource consents that are lodged are sent weekly to a number of Iwi representatives

Treaty of Waitangi Settlements

Treaty of Waitangi claims and settlements have been a significant feature of New Zealand race relations and politics since 1975. Over the last 30 years, New Zealand Governments have provided formal, legal and political opportunities for Māori to seek redress for breaches by the Crown of the guarantees set out in the Treaty of Waitangi.

Iwi in and around the Matamata-Piako District are currently negotiating with the Crown and are at various stages of settling Treaty of Waitangi claims. While these agreements are between the Crown and Iwi, we will be affected by the outcome of these settlements, particularly where Iwi are seeking co-governance of natural resources.

Hauraki Treaty of Waitangi Settlements

In 2009, the 12 Iwi of Hauraki formed the Pare Hauraki Collective for the purpose of negotiating a Treaty settlement. The 12 iwi are Hako, Ngāi Tai ki Tāmaki, Ngāti Hei, Ngāti Maru, Ngāti Paoa, Ngāti Porou ki Hauraki, Ngāti Pūkengā, Ngāti Rāhiri Tumutumu, Ngāti Tamaterā, Ngāti Tara Tokanui, Ngāti Whanaungā and Te Patukirikiri. The areas of interest of the Iwi of Hauraki extend from the Mahurangi coast in the north to the Western Bay of Plenty and include the islands of the Hauraki Gulf/Tikapa Moana. On 1 October 2010, the Crown and the Pare Hauraki Collective signed a Framework Agreement which outlined the process for ongoing negotiations towards settlement of shared claims and included the potential elements of a collective settlement.

On 22 July 2011, the Iwi of Hauraki all signed Iwi-specific Agreement in Principle Equivalents which expanded upon the framework agreement and included Iwi specific offers to negotiate further redress. On 22 December 2016, the Crown and the Pare Hauraki Collective initialled the Pare Hauraki Collective Redress Deed (the Deed). The Deed has been ratified by the members of the Iwi of Hauraki. The Deed includes both cultural redress and commercial redress. It does not include financial redress, which each of the 12 Iwi of Hauraki will receive through their Iwi-specific settlements. The full and final settlement of historical Treaty of Waitangi claims of the Iwi of Hauraki will be made through Iwi-specific settlements

Ngāti Hinerangi Treaty of Waitangi Settlements

Ngāti Hinerangi are an Iwi based in Matamata with an area of interest extending from the eastern Waikato to Taurangā including part of the Kaimai Range. In 2014, the Crown recognised the mandate of the Ngāti Hinerangi Trust to represent Ngāti Hinerangi in negotiating a comprehensive historical treaty settlement. The Crown signed Terms of Negotiation with the Ngāti Hinerangi Trust in February 2014.

In December 2015, the Crown and Ngāti Hinerangi signed an agreement in principle which formed the basis for this settlement. On 14 December 2018, Ngāti Hinerangi and the Crown initialled a Deed of Settlement. On 4 May 2019, Ngāti Hinerangi and the Crown signed a Deed of Settlement. On 21 July 2020 the Ngāti Hinerangi Claims Settlement Bill had its second reading and on 12 April 2021 the Ngāti Hinerangi Claims Settlement Act was passed into law.

Raukawa Treaty of Waitangi Settlements

The Crown has settled the claims of the Raukawa Iwi with legislation to give effect to the Deed of Settlement signed on 2 June 2012 in which the Crown and Raukawa agreed to the final settlement of the historical claims of Raukawa.

The Raukawa Claims Settlement Act 2014 passed into law in March 2014. There were no specific arrangements between Council and Raukawa, such as those in the Ngāti Hauā Claims Settlement Act 2014. As with other settlement processes, Raukawa may now be in a position to consider developing documents such as Iwi Management Plans for the areas of their rohe (ancestral lands) that fall within the Matamata-Piako District. Raukawa have also released Te Rautaki Taiao a Raukawa (Raukawa Environmental Management Plan) 2015. Council has been required to include statutory acknowledgements of the Crown in its District Plan.

The purpose of the statutory acknowledgement is to:

Require relevant consent authorities including Council, the Environment Court and Heritage New Zealand Pouhere Taongā to have regard to the statutory acknowledgement

Require relevant consent authorities to record the statutory acknowledgement on statutory plans that relate to the statutory areas. Also for a period of 20 years from the effective date

To provide the trustees with summaries of resource consent applications or copies of notices of applications for activities within, adjacent to or directly affecting the areas listed below

Enable the trustees and any member of Raukawa to cite the statutory acknowledgment as evidence of the association of Raukawa with a statutory area

The statutory acknowledgements for Raukawa in the Matamata-Piako District cover:

- Part of the Kaimai-Mamaku Conservation Park
- The Okauia and Taihoa geothermal fields
- Parts of the Waihou River and its tributaries
- Part of Lake Karapiro

More information on the statutory acknowledgements for Raukawa can be found in the Raukawa Claims Settlement Act 2014 (legislation.govt.nz) and Appendix 10 of the Matamata-Piako Operative District Plan (mpdc.govt.nz)

Ngāti Hauā Treaty of Waitangi Settlements

Council was engaged in the Ngāti Hauā Treaty of Waitangi settlement negotiations. The Ngāti Hauā Claims Settlement Act 2014 was passed into law in December 2014. The Act gives effect to the Deed of Settlement signed on 18 July 2013 in which the Crown and Ngāti Hauā agreed to the final settlement of the non-raupata historical Treaty of Waitangi claims. The settlement package includes recognition of breaches of the Treaty of Waitangi, cultural and spiritual redress in the return of significant sites and financial redress. One site of significance to Ngāti Hauā is the Waharoa (Matamata) Aerodrome.

As part of settlement, the Council, the Crown and Ngāti Hauā agreed that a co-governance committee called the Waharoa (Matamata) Aerodrome Committee comprising of Ngāti Hauā and Council representatives (the Committee) would be established for the Waharoa Aerodrome. The Committee was created in 2015 by legislation under the Ngāti Hauā Claims Settlement Act 2014.

The Committee includes the Mayor, Deputy Mayor, one Council appointed member and three members appointed by the Ngāti Hauā Iwi Trust Board.

The functions of the Committee, as set out in the Ngāti Hauā Claims Settlement Act 2014 are to:

- Make recommendations to Council in relation to any aspect of the administration of Waharoa Aerodrome land
- Make final decisions on access and parking arrangements for the Raungāiti Marae land that affects the Waharoa Aerodrome
- Perform the functions of the administering body under section 41 of the Reserves Act 1977 in relation to any review of the reserve management plan that has been authorised by Council
- Perform any other function delegated to the committee by Council.

Te Toa Horopū ā Matamata Piako I Māori Ward

In February 2021, Local Government Minister, Hon. Nanaia Mahuta announced a law change to increase Māori representation to ensure Māori have a voice in local decision making. The requirement to carry out a binding public poll if demanded was removed. A Māori ward councillor was elected for the first time in Matamata-Piako in the October 2022 election.

1.6 TE RĀPOPOTONGA Ā-PŪTEA

FINANCIAL SUMMARY

Actual 2021/22 \$000		Budget 2022/23 \$000	Actual 2022/23 \$000
Summary statement of comprehensive revenue and expense for the year ended 30 June			
74,149	Revenue	64,070	88,189
(66,837)	Expenses	(61,896)	(74,074)
(1,168)	Finance costs	(1,372)	(2,183)
6,144	Net surplus/(deficit)	802	11,932
Other comprehensive revenue and expense			
9,843	Financial assets at fair value through other comprehensive revenue and expense	-	3,656
89,860	Property, plant and equipment revaluation	23,869	59,796
99,703	Total other comprehensive revenue and expense	23,869	63,452
Summary statement of changes in equity for the year ended 30 June			
770,219	Adjusted balance at 1 July	719,134	876,338
105,847	Total comprehensive revenue and expense	24,671	75,384
876,066	Balance at 30 June	743,805	951,722

Statement of comprehensive revenue and expense

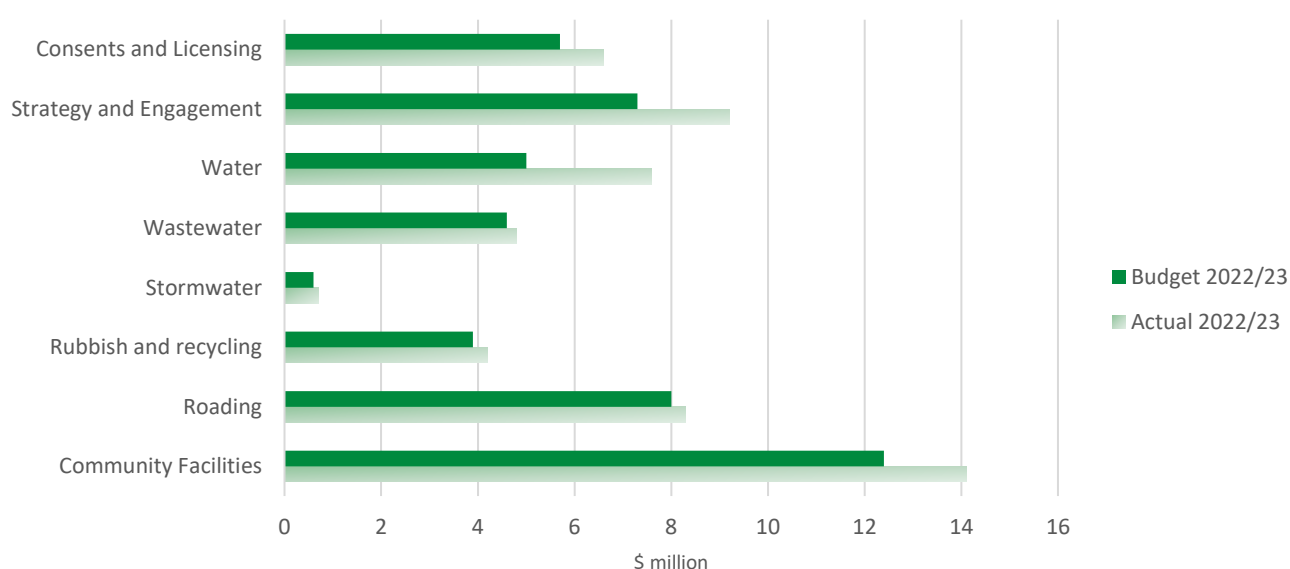
Explanations for major variations between the actual results for the year and the budget in Council's Annual Plan for 2022/23 are as follows:

The financial statements show a surplus of \$11.9 million compared to a budgeted surplus of \$802,000. There are a four key factors that have had a significant impact on this result, both positively and negatively, being, growth, regulation, inflation, and Mother Nature.

- Over the past four years, our district has been through a period of unprecedented growth. The financial impact in the 2022/23 year has been the most significant to date, including assets vested in Council through the subdivision process of \$14.3 million, and development contributions received of \$8.3 million (with both items reflected as income in Council's books). In response to this level of development, Council incurred additional net costs of \$945,000 in 2022/23 to keep up with the huge demand for processing of building and resource consents, while at the same time the income from new building consents dropped off towards the end of the year as economic conditions declined. Notably, assets vested in Council over the past four years have totalled almost \$30 million, which then become assets that Council must maintain and fund the replacement of over time, adding to costs and rate requirements over time.
- Continuing from last year, Council is seeing significantly increasing costs of complying with stricter water quality and monitoring standards since the establishment of the new national Water Regulator, Taumata Arowai in 2021. While some of these costs were one-off in nature, we expect the costs of supplying water generally will continue to grow as more regulations are rolled out.

- Council has experienced significant inflationary cost increases across all activities - particularly power (\$708,000 increase on the prior year), insurance, chemicals, fuel, salary and minimum/living wage increases. The biggest impact on Council's bottom line is the inflationary increases to construction costs that have pushed up the replacement cost of Council's infrastructure assets significantly, increasing our depreciation expense for the year by \$5.1 million compared to budget. Interest rate increases have also pushed up borrowing costs.
- While our district sustained only minor damage compared to other districts when Cyclone Gabrielle passed through in February 2023, the clean-up and repairs cost approximately \$558,000 across our Roothing, 3 Waters, Parks and Reserves and other activities of Council.

2022/23 OPERATING EXPENDITURE (excludes depreciation)



Actual 2021/22		Budget 2022/23	Actual 2022/23
\$000		\$000	\$000
Summary statement of financial position as at 30 June			
22,421	Current assets	9,584	22,749
905,420	Non-current assets	805,825	990,995
927,841	Total assets	815,409	1,013,744
16,982	Current liabilities	16,637	23,274
34,793	Non-current liabilities	54,967	38,748
51,775	Total liabilities	71,604	62,022
439,243	Accumulated funds	440,060	473,709
436,823	Other reserves	303,745	478,013
876,066	Equity	743,805	951,722
Summary statement of cash flows for the year ended 30 June			
15,782	Net from operating activities	17,173	20,826
(20,330)	Net from investing activities	(39,670)	(33,532)
11,500	Net from financing activities	23,227	7,000
6,952	Net increase/decrease in cash held	730	(5,706)
3,186	Opening cash balance	622	10,138
10,138	Closing cash balance	1,352	4,432

Statement of financial position

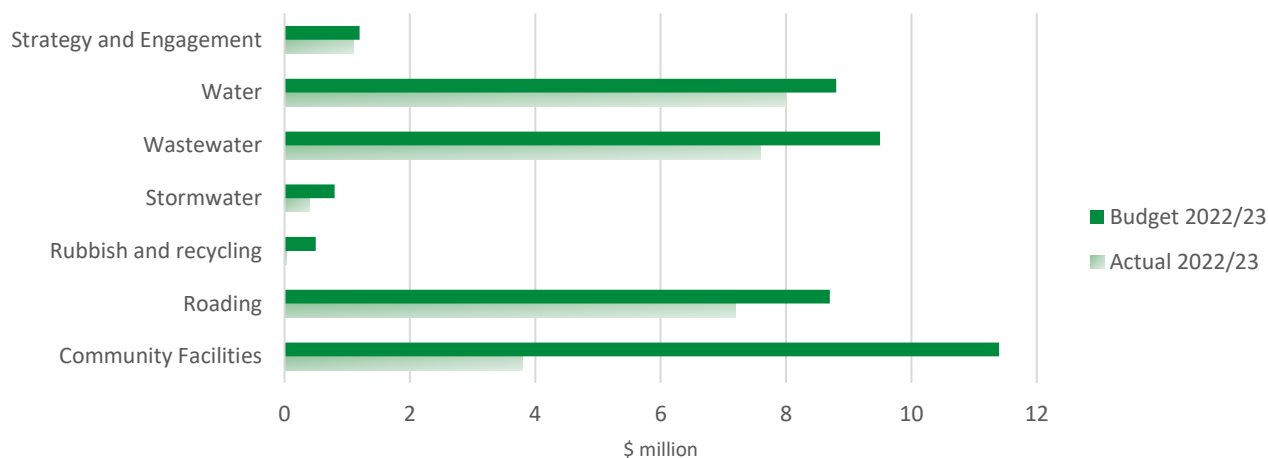
Explanations for major variations between the actual results for the year and the budget in Council's Long Term Plan for 2022/23 are as follows:

Council's statement of financial position continues to show a healthy financial footing, despite some of the increasing pressures on our operations.

Current assets at 30 June 2023 were higher than budgeted, largely due to more cash and term deposits being held at year end and higher receivables and accrued income, particularly due to development contribution invoices issued in June. Non-current assets were significantly higher than budget due to a few major factors. Firstly, inflationary pressures and market conditions have pushed up the replacement cost and valuation of Council's roading, three water and building assets significantly over the year. In addition we've had a higher level of assets being vested in Council than budgeted over this and previous years as well. And the value of Council's investment in the Waikato Regional Airport has increased significantly since the budget was adopted.

Current liabilities were slightly higher than budgeted, particularly payables due to the timing of projects and contract payments falling due. Non-current liabilities were lower than budgeted, with external borrowing down both due to higher than anticipated cashflows from development contributions which offset capital borrowing requirements, and the capital programme not progressing as quickly as budgeted. In addition, Council's interest rate swap portfolio was budgeted as a liability but with increased interest rates it now has a positive value, and is recognised as an asset in Council's books.

2022/23 CAPITAL EXPENDITURE



Tō rohe | Your District

Area 175,477 hectares	2020/21	2021/22	2022/23
Number of electors (enrolled)*	25,088	23,767	24,407
Number of rating units**	15,396	15,699	15,995
Value of improvements**	\$5,698,777,200	\$5,887,261,200	\$7,325,667,796
Net land value**	\$10,164,322,400	\$10,257,434,400	\$12,344,004,651
Total capital value**	\$15,863,099,600	\$16,114,695,600	\$19,669,672,450
Total rates***	\$34,963,000	\$39,035,000	\$41,210,000
Average total rates per rating unit	\$2,271	\$2,486	\$2,576

*Electoral enrolment centre.

** At the end of the preceding financial year.

*** Excludes metered water rates, targeted rates from industries, lump-sum contributions and penalties.

1.7 TE RĀPOPOTANGA INENGA MAHI

PERFORMANCE SUMMARY

Council's full service performance information for the 2022/23 year is contained in Section 3 of the Annual Report. The service performance section describes the range of services that Council provides for the community, and reports on how effectively Council has delivered on those services over the last financial year, 1 July 2022 to 30 June 2023.

Our delivery of services to the community takes place within the overall context of Council's purpose as set in the Local Government Act 2002, namely to promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future. Our reporting on the delivery of services, contained within this Annual Report, is one of the responsibilities mandated under the same act.

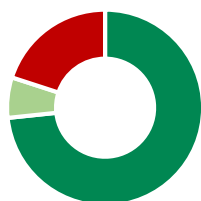
Our delivery of services is guided by the broad picture of what we seek to achieve as a Council, as encapsulated in our Community Outcomes and detailed in our Long Term Plan. These five key goals are Connected Infrastructure, Economic Opportunities, Healthy Communities, Environmental Sustainability and Vibrant Cultural Values.

Council's services are organised into eight activity groups.



In the Long Term Plan a number of measures and targets are set for each activity. In the Annual Report Council's performance against these measures is reported on. In 2022/23 we reported against 57 measures across the eight activity groups. Of these we achieved our target on 33 measures, partially achieved the target on two, did not achieve our target on 21, and did not report against one measure.

Performance Reporting Summary



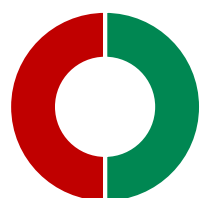
Community Facilities and Property service reporting is about how effectively Council has provided a range of cultural, recreation, health and housing services for the community.

15 measures - **11** achieved, **1** partially, **3** not achieved.



Stormwater service reporting is about how effectively Council has provided our District with stormwater services that protect people and properties from flooding and that manage the quality of our environment.

4 measures – **3** achieved, **1** not achieved.



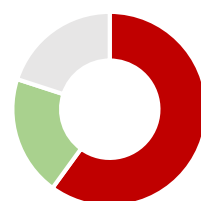
Strategy and Engagement service reporting is about how effectively Council has engaged with our community around events, decision making, and emergency preparedness.

10 measures – **5** achieved, **5** not achieved.



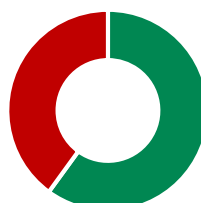
Wastewater service reporting is about how effectively Council has planned for and provided wastewater services that protect the health of the people and waterways in our District.

4 measures – **4** achieved.



Roading service reporting is about how effectively Council has maintained the network of local roads and footpaths so that they provide a safe and efficient manner of travel for all users.

5 measures – **1** partially achieved, **3** not achieved, **1** not reported on this year.



Water service reporting is about how effectively Council has supplied our residents with clean, safe drinking water, and how well we have managed this resource sustainably.

5 measures – **3** achieved, **2** not achieved.



Rubbish and Recycling service reporting is about how effectively Council has provided kerbside and transfer station services and encouraged diversion of waste from landfill.

4 measures – **1** achieved, **3** not achieved.



Consents and Licensing service reporting is about how effectively Council has carried out its regulatory functions in order to safeguard the health and wellbeing of people and the environment.

10 measures – **6** achieved, **4** not achieved.



SECTION 2 TE PŪTEA | FINANCIALS

2.1 NGĀ PĀNUI A-PŪTEA | FINANCIAL STATEMENTS

Statement of Comprehensive Revenue and Expense

For year ended 30 June 2023

Actual 2021/22 \$000		Notes	Annual Plan 2022/23 \$000	Actual 2022/23 \$000
	Revenue			
42,045	Rates	2	44,709	45,152
8,944	Subsidies and grants	2	6,355	7,553
9,571	Fees and charges	2	10,592	11,044
3,638	Development and financial contributions		1,758	8,271
153	Interest revenue	2	162	723
9,798	Other revenue	2	494	15,446
74,149	Total revenue		64,070	88,189
	Expenses			
19,507	Personnel costs	3	22,099	21,808
19,117	Depreciation and amortisation	14	16,523	21,670
1,168	Finance costs	4	1,372	2,183
28,213	Other expenses	5	23,274	30,596
68,005	Total expenses		63,268	76,257
6,144	Surplus/(deficit)		802	11,932
	Other comprehensive revenue and expense			
9,843	Financial assets at fair value through other comprehensive revenue and expense	20	-	3,656
89,860	Property, plant and equipment revaluations	20	23,869	59,796
99,703	Total other comprehensive revenue and expense		23,869	63,452
105,847	Total comprehensive revenue and expense		24,671	75,384

Explanations of major variances against budget are provided in Note 24. The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For year ended 30 June 2023

Actual 2021/22 \$000		Notes	Annual Plan 2022/23 \$000	Actual 2022/23 \$000
770,219	Balance at 1 July		719,134	876,066
-	Adjustment on adoption of PBE IPSAS 41	25	-	272
770,219	Adjusted balance at 1 July		719,134	876,338
105,847	Total comprehensive revenue and expense for the year		24,671	75,384
876,066	Balance at 30 June		743,805	951,722

Explanations of major variances against budget are provided in Note 24. The accompanying notes form part of these financial statements.



Statement of Financial Position

As at 30 June 2023

Actual 2021/22		Notes	Annual Plan 2022/23	Actual 2022/23
\$000			\$000	\$000
	Assets			
	Current assets			
10,138	Cash and cash equivalents	6	1,352	4,432
4,000	Receivables	7	1,706	6,400
1,888	Prepayments		300	717
879	Inventory	8	791	868
-	Non-current assets held for sale	9	-	1,400
18	Derivative financial instruments	10	-	-
	Other financial assets			
5,400	-Term Deposits	11	5,400	8,900
64	-Investments in CCOs and other similar entities	11	-	32
34	-Investments in other entities	11	35	-
22,421	Total current assets		9,584	22,749
	Non-current assets			
815	Derivative financial instruments	10	-	1,589
	Other financial assets			
33,632	-Investments in CCOs and other similar entities	11	23,687	37,542
122	-Investments in other entities	11	-	111
870,177	Property, plant and equipment	12	781,659	951,242
674	Intangible assets	13	479	511
905,420	Total non-current assets		805,825	990,995
927,841	Total assets		815,409	1,013,744
	Liabilities			
	Current liabilities			
10,359	Payables and deferred revenue	15	7,308	13,470
2	Derivative financial instruments	10	-	-
4,000	Borrowings	16	7,000	7,000
2,405	Employee entitlements	17	2,209	2,613
216	Provisions	18	120	191
16,982	Total current liabilities		16,637	23,274
	Non-current liabilities			
9	Derivative financial instruments	10	2,000	-
34,000	Borrowings	16	52,239	38,000
342	Employee entitlements	17	377	362
442	Provisions	18	351	386
34,793	Total non-current liabilities		54,967	38,748
51,775	Total liabilities		71,604	62,022
876,066	Net assets (assets minus liabilities)		743,805	951,722
	Equity			
439,243	Accumulated funds	20	440,060	473,709
436,823	Other reserves	20	303,745	478,013
876,066	Total equity		743,805	951,722

Explanations of major variances against budget are provided in Note 24. The accompanying notes form part of these financial statements.

Statement of Cash Flows

For year ended 30 June 2023

Actual 2021/22		Notes	Annual Plan 2022/23	Actual 2022/23
\$000			\$000	\$000
	Cash flows from operating activities			
42,342	Receipts from rates revenue		44,516	44,986
8,991	Subsidies and grants received		6,540	7,154
8,855	Fees and charges received		10,385	10,189
3,472	Development and financial contributions received		1,759	8,271
45	Interest received		162	641
830	Receipts from other revenue		288	256
(27,954)	Payments to suppliers		(23,293)	(26,458)
(19,346)	Payments to employees		(21,830)	(21,681)
(1,213)	Interest paid		(1,354)	(2,228)
(240)	GST (net)		-	(304)
15,782	Net cash flows from operating activities		17,173	20,826
	Cash flows from investing activities			
520	Proceeds from the sale of property, plant and equipment		-	-
-	Proceeds from sale/maturity of investments		-	32
332	Proceeds from sale of own your own properties		-	-
(20,676)	Purchase of property, plant and equipment		(39,531)	(29,730)
(218)	Purchase of intangible assets		(139)	(90)
(288)	Purchase of investments		-	(3,744)
(20,330)	Net cash flows from investing activities		(39,670)	(33,532)
	Cash flows from financing activities			
11,500	Proceeds from borrowings		27,227	11,000
-	Repayment of borrowings		(4,000)	(4,000)
11,500	Net cash flows from financing activities		23,227	7,000
6,952	Net (decrease)/increase in cash and cash equivalents		730	(5,706)
3,186	Cash and cash equivalents at the beginning of the year		622	10,138
10,138	Cash and cash equivalents at the end of the year	6	1,352	4,432

Explanations of major variances against budget are provided in Note 24. The accompanying notes form part of these financial statements.

Statement of Cash Flows

For year ended 30 June 2023

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

Actual 2021/22		Actual 2022/23
\$000		\$000
6,144	Surplus/(deficit)	11,932
	Add/(less) non-cash items	
19,117	Depreciation and amortisation expense	21,670
(6,038)	Vested and found assets revenue	(14,317)
(3,012)	(Gains)/losses on derivative financial instruments	(767)
136	Assets under construction reclassified as operating expenditure	135
(180)	Other non-cash operating items	312
10,023	Total non-cash items	7,033
	Add/(less) items classified as investing or financing activities	
119	(Gains)/losses on disposal of property, plant and equipment	(28)
119	Total items classified as investing or financing activities	(28)
	Add/(less) movements in working capital items	
(280)	(Increase)/decrease in receivables	(2,400)
(1,420)	(Increase)/decrease in prepayments	1,171
(88)	(Increase)/decrease in inventory	11
(288)	(Increase)/decrease in borrower notes	(211)
332	(Increase)/decrease in non-current assets held for sale	-
1,163	Increase/(decrease) in payables	3,171
161	Increase/(decrease) in employee entitlements	228
(84)	Increase/(decrease) in provisions	(81)
(504)	Net movement in working capital items	1,889
15,782	Net cash inflow/(outflow) from operating activities	20,826

2.2 TE RĀPOPOTONGA Ā-PŪTEA

FINANCIAL STATEMENT NOTES

1. Ngā whakamārama o ngā kaupapahere ā-pūtea | Statement of Accounting Policies

Reporting Entity

Matamata-Piako District Council (the Council) is a local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. Council has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

The financial statements of the Council are for the year ended 30 June 2023. The financial statements were authorised for issue by Council on 25 October 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 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). The financial statements have been prepared in accordance with and comply with PBE Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than the remuneration and the severance payment disclosures in Note 3, and the related party transaction disclosures in Note 21. The remuneration, severance payment, and related party transaction disclosures are rounded to the nearest dollar.

Standards issued and not yet effective that have been early adopted

There has been no early adoption of standards and amendments issued but not yet effective.

Changes in accounting policies

PBE IPSAS 41 Financial Instruments

The Council have adopted PBE IPSAS 41 Financial Instruments for the year ending 30 June 2023. Information about the impact of adopting PBE IPSAS 41 is disclosed in Note 25. In accordance with the transitional provisions in PBE IPSAS 41, the Council have elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 July 2022 (the date of initial application). The

accounting policies for the year ended 30 June 2023 have been updated to comply with PBE IPSAS 41. The main changes are:

- Receivables (Note 7) – This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified expected credit loss model.
- Other financial assets (Note 11) – This policy has been updated to reflect:
 - the new classification categories;
 - the measurement and recognition of loss allowances based on the new expected credit loss model; and
 - the removal of impairment loss considerations for equity investments as PBE IPSAS 41 no longer requires identification of impairment for equity investments measured at fair value through other comprehensive revenue and expense. Also, on disposal, the accumulated gains/losses are no longer transferred to surplus/(deficit) but are transferred to general reserve.
- The derivatives accounting policies (Note 10) – Derivatives remain unchanged as Council has no hedged instruments and therefore do not need to apply the hedging requirements of PBE IPSAS 41.

PBE FRS 48 Service Performance Reporting

The Council have adopted PBE FRS 48 Performance Reporting for the year ending 30 June 2023. The main impact of the new standard is that additional information has been disclosed on those judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information.

There have been no other changes to accounting policies during the financial year.

Standards issued and not yet effective, and not early adopted

There are no standards or amendments, issued but not yet effective that have not been early adopted of relevance to Council.

Summary of significant accounting policies

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

Goods and services tax (GST)

Items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including 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.

Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ\$ (the functional currency) using the spot exchange rate at the dates of the transactions.

Foreign exchange gains and losses resulting for 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.

Budget figures

The budget figures are those approved by the Council for 2022/23 in its Annual Plan for the year ended 30 June 2023. 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.

Cost allocation

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity. Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area. The allocation of indirect costs to the activities of Council has also been benchmarked against neighbouring local authorities for moderation.

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 land, buildings, and infrastructural assets – see Note 12.
- Estimating the fair value of the equity investment in Waikato Regional Airport Limited – see Note 11.

Critical judgements in applying accounting policies

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

- Classification of property – see Note 12.
- Fair value of investment in Waikato Regional Airport Limited – see Note 11.

2. Revenue

Accounting policy

Revenue is measured at fair value.

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

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised as it is invoiced.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Waka Kotahi NZ Transport Agency roading subsidies

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

Other grants received

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

Fees and Charges

Fees and charges are recognised as revenue when the obligation to pay arises or, in the case of license fees, upon renewal of the licence.

Private works

The revenue from private works is recognised as revenue by reference to the stage of completion of the work at balance date.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised when received or invoiced.

Infringement fees and fines

Infringement fees and fines related to animal control are recognised when the payment of the fee or fine is received.

Lease and rental revenue

Lease and rental revenue arising on property owned by us is accounted for on a straight line basis over the lease term.

Development and financial contributions

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

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset. The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer. An exception to this is land under roads which is valued using the average land values for the urban and rural areas of the whole district as at 1 July 2001. For long-lived assets that must be used for a specific use (for example, land that must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as

revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

Found assets

Found asset revenue recognises the value of assets that we own, or where we have full control and management of the asset (and that asset is not recorded as such by any other entity), and these assets have not been previously accounted for. These assets are recognised at their fair value from the time that they are identified.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (for example, as the funds are spent for the nominated purpose).

Interest and dividends

Interest revenue is recognised using the effective interest method. Dividends are recognised when the right to receive the payment has been established.

(i) Breakdown of rates and further information

2021/22		2022/23
\$000		\$000
27,344	General rates	28,884
	Targeted rates attributable to activities:	
2,189	- Metered water supply	2,765
3,497	- Other water rates	4,487
7,075	- Wastewater	7,020
1,001	- Stormwater	1,044
1,161	- Refuse	1,133
100	- Halls	103
173	Rates penalties	199
(495)	Rates remissions	(483)
42,045	Total rates	45,152

The Council is required by the Local Government Funding Agency (LGFA) Guarantee and Indemnity Deed to disclose in its financial statements (or notes), our annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates income of the Council for the year ended 30 June 2023 for the purposed of the LGFA Guarantee and Indemnity Deed disclosure is shown above.

(ii) *Breakdown of subsidies and grants*

2021/22		2022/23
\$000		\$000
	Subsidies and grants for operating purposes	
3,141	Waka Kotahi NZ Transport Agency roading subsidies	3,284
1,928	Three Waters reform funding	338
223	Other government subsidies and grants	467
5,292	Total subsidies and grants for operating expenditure	4,089
	Subsidies and grants for capital expenditure	
2,729	Waka Kotahi NZ Transport Agency roading subsidies	3,146
878	Three Waters reform funding	-
45	Other government subsidies and grants	318
3,652	Total subsidies and grants for capital expenditure	3,464
8,944	Total subsidies and grants	7,553

(iii) *Breakdown of fees and charges*

2021/22		2022/23
\$000		\$000
160	Property lease revenue	180
1,287	Property rental charges	1,401
938	Trade waste charges	1,056
1,808	Building consent charges	1,530
1,262	Resource consent charges	1,623
172	Liquor and health licensing fees	204
1,369	Rubbish and recycling charges	1,474
1,137	Aquatic facilities revenue	1,558
44	Library charges	46
252	Cemetery fees and charges	265
224	Community facilities charges	325
918	Other user charges	1,382
9,571	Total fees and charges	11,044

(iv) *Breakdown of interest revenue*

2021/22		2022/23
\$000		\$000
146	Term and on-call deposits	631
7	Listed bonds and borrower notes	92
153	Total interest revenue	723

(v) *Breakdown of other revenue*

2021/22		2022/23
\$000		\$000
6,038	Vested land and infrastructure from property development	14,317
-	Found assets	-
28	Fines and infringement fees	32
220	Petrol tax	224
500	Bequests and other donations	-
-	Dividend revenue	78
3,012	Unrealised gain on interest rate swaps	767
-	Net gain on disposal of property, plant and equipment	28
9,798	Total other revenue	15,446

Operating leases as a lessor

Council leases its property under operating leases. The majority of these leases have cancellable terms of 36 months. No contingent rents have been recognised during the year (2022:Nil).

3. Personnel costs

Accounting policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Defined contribution superannuation scheme

Employer contributions to Kiwisaver, the Government Superannuation Fund, are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Breakdown of personnel costs and further information

2021/22		2022/23
\$000		\$000
18,918	Salaries and wages	21,060
429	Defined contribution plan employer contributions	520
160	Increase/(decrease) in employee entitlements	228
19,507	Total personnel costs	21,808

Chief Executive remuneration

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$374,997 (2022: \$351,087).

Elected representatives' remuneration

Elected representatives received the following remuneration:

2021/22		2022/23
\$0		\$0
35,988	Mayor Adrienne Wilcock	119,474
34,768	Deputy Mayor James Thomas	42,123
34,768	Councillor James Sainsbury	37,293
40,035	Councillor Kevin Tappin	38,752
34,768	Councillor Bruce Dewhurst	37,293
35,988	Councillor Sue Whiting	38,573
34,768	Councillor Russell Smith	37,293
-	Councillor Caleb J Ansell	27,224
-	Councillor Sarah-Jane Bourne	27,224
-	Councillor Sharon Dean	27,224
-	Councillor Dayne Horne	27,224
-	Councillor Peter Jager	27,224
-	Councillor Gary Thompson	27,224
132,270	Ex-Mayor Ashley Tanner	39,999
39,983	Ex-Deputy Mayor Neil Goodger	11,580
34,768	Ex-Councillor Donna Arnold	11,349
34,768	Ex-Councillor Teena Cornes	10,069
34,768	Ex-Councillor Caitlin Casey	10,069
527,640	Total elected representatives' remuneration	597,211

The amounts shown include the base salary paid to the elected representatives as well as any hearing fees. In respect of the Mayor, it also includes non-financial benefits, being the use of a motor vehicle, and the Fringe Benefit Tax paid to the Inland Revenue Department in respect of that vehicle.

Council employee remuneration by band

2021/22 Number of employees	Total annual remuneration by band for employees (including the Chief Executive) as at 30 June:	2022/23 Number of employees
138	<\$60,000	128
66	\$60,000 - \$79,999	82
44	\$80,000 - \$99,999	48
20	\$100,000 - \$119,999	30
6	\$120,000 - \$139,999	8
6	\$140,000 - \$179,999	8
4	\$180,000 - \$359,999	4
284	Total employees	308

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 206 (2022:182) full-time employees, with the balance of staff representing 56 (2022:63) full-time equivalent employees. A full-term employee is determined on the basis of a 40-hour working week.

Severance payments

Council did not make any severance payments during the year ended 30 June 2023 (2022: Nil).

4. Finance Costs

Accounting policy

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

Breakdown of finance costs

2021/22		2022/23
\$000		\$000
	Interest expense:	
597	Interest on borrowings	2,242
23	Discount unwind on provisions (note 18)	32
	Interest derivatives (presented net):	
548	Held for trading interest rate swaps	(91)
1,168	Total finance costs	2,183

5. Other expenses

Accounting policy

Grant expenditure

The Council's grants awarded have no substantive conditions attached. Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

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

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Breakdown of other expenses and further information

2021/22		2022/23
\$000		\$000
	Fees to auditors:	
141	- fees to Audit New Zealand for audit of financial statements	176
6	- fees to Audit New Zealand for the Debenture Trust Deed audit	8
-	- fees to Audit New Zealand for recoveries on 2022 audit of financial statements	78
52	- fees to Audit New Zealand for independent assurance reviews ¹	4
467	Donations and grants	714
725	Insurance premiums	871
23	Movement in allowance for expected credit losses on receivables (note 7)	21
57	Operating lease expense	217
(98)	Review of provisions (note 18)	(83)
119	Net loss on disposal of property, plant and equipment	-
26,721	Other operating expenses	28,590
28,213	Total other expenses	30,596

¹ Audit New Zealand undertook independent assurance reviews of the tender process for the 10 year kerbside collection contract at a cost of \$4,010 for 2022/23 (2021/22: \$47,792), and in 2021/22, a review of Council's Wastewater Treatment Plant consent renewal procurement plans at a cost of \$3,960.

6. Cash and Cash Equivalents

Accounting policy

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

Breakdown of cash and cash equivalents and further information

2021/22		2022/23
\$000		\$000
5,138	Cash at bank and on hand	4,432
5,000	Term deposits with maturities of less than three months at acquisition	-
10,138	Total cash and cash equivalents	4,432

Assets recognised in a non-exchange transaction that are subject to restrictions

The Council hold unspent funds, included in cash at bank and investments of \$1,806,000 (2022: \$966,000) that are subject to restrictions. These unspent funds relate to endowment land sales, reserves development and bequests and trust funds (see note 20), where the spending of funds is separately monitored. The restrictions generally specify how the funds are required to be spent.

7. Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for Expected Credit Losses (ECL). The Council applies the simplified ECL model of recognising lifetime ECL for short-term receivables. In measuring ECLs, receivables have been grouped into rates and metered water rates receivables, and other general receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are 'written-off':

- When remitted in accordance with the Council's rates remission policy; and
- In accordance with the write off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002 (LG(R)A 2002).

Other general receivables are written off when there is no reasonable expectation of recovery.

Previous accounting policy

In the previous year, short-term receivables were recorded at the amount due, less any provision for uncollectability. The receivable was considered to be uncollectable when there was evidence that the amount due would not be fully collected. The uncollectable amount was the difference between the amount due and the present value of the amount expected to be collected. The provision for uncollectability was calculated based on a review of specific overdue receivables and a collective assessment. The collective assessment was based on an analysis of past collection history and debt write-offs.

Breakdown of receivables and further information

2021/22		2022/23
\$000		\$000
937	Rates receivables	1,138
476	Metered water receivables	693
730	Waka Kotahi NZ Transport Agency subsidy	756
1,483	Other general receivables	2,863
-	GST receivable	306
653	Accrued income	671
4,279	Receivables (gross)	6,427
(279)	Less allowance for credit losses	(27)
4,000	Total receivables	6,400
	Total receivables comprise:	
3,653	Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	5,876

2021/22		2022/23
\$000		\$000
346	Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	524

The Waka Kotahi NZ Transport Agency subsidy receivable at 30 June includes GST of \$7,396. (2022: \$25,703)

Rates and metered water rates receivable

The Council does not provide for ECL on rates receivable, with the exception of Māori land arrears, as it has various powers under the LG(R)A 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four (4) months after the due date for payment. If payment has not been made within three (3) months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the impact of discounting is material.

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

- Section 90A: Nil (2022: Nil)
- Section 90B: Nil (2022: Nil)

Other receivables

The ECL rates for other receivables at 30 June 2023 and 1 July 2022 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

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

Gross 2021/22	Expected credit loss rate	Lifetime ECL 2022		Gross 2022/23	Expected credit loss rate	Lifetime ECL 2022/23
\$000	2021/22	\$000		\$000	2022/23	\$000
933	0.0%	-	Not past due	1,793	0.0%	-
238	0.0%	-	Past due 1 – 60 days	394	0.0%	-
29	0.0%	-	Past due 61 – 90 days	56	0.0%	-
281	2.38%	7	Past due > 90 days	620	4.33%	27
1,482		7	Total	2,863		27

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

Movements in the allowance for credit losses are as follows:

2021/22		2022/23
\$000		\$000
256	Balance at 1 July measured under PBE IPSAS 29	279
-	ECL adjustment due to adoption of PBE IPSAS 41*	(272)
256	Opening balance for credit losses at 1 July	7
71	Additional provisions made during the year	34
-	Provisions reversed during the year	-
(48)	Other general receivables written off during the year	(13)
279	Balance at 30 June	27

*Remeasurements as a result of the Council's adoption of PBE IPSAS 41 have been recognised directly in accumulated funds – for more details refer to Note 20.

8. Inventory

Accounting policy

Inventory

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

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

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first. Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Any write down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

When land held for development and future resale is transferred from property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost. Costs directly attributable to the developed land are capitalised to inventory with the exception of infrastructural asset costs, which are capitalised to property, plant and equipment.

Breakdown of inventory and further information

2021/22		2022/23
\$000		\$000
	Non-commercial inventory:	
329	Inventory held for distribution	318
550	Wastewater treatment plant parts	550
879	Total inventory	868

There was no write-down of inventory during the year (2022: Nil). There have been no reversals of write-downs (2022: Nil). Equipment remaining from the Morrinsville wastewater treatment plant upgrade is classified as inventory as the equipment will be used as spare parts for the plant. No inventory is pledged as security for liabilities, or is subject to retention of title clauses (2022: Nil).

9. Non-current assets held for sale

Accounting policy

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

Any impairment losses for write-downs are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).

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

2021/22		2022/23
\$000		\$000
-	Land	1,400
-	Total non-current assets held for sale	1,400

Land previously acquired under the Public Works Act for the purpose of future roading requirements in Matamata has since been declared surplus and offered for sale to the previous owner as required under legislation. The sale is expected to be finalised within 12 months of balance date.

10. Derivative financial instruments

Accounting policy

Council uses derivative financial instruments to manage exposure to interest rate risk arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date with the resulting gain or loss recognised in the surplus or deficit. Council's derivative financial instruments are not designated as hedging instruments for accounting purposes. Accordingly, derivative financial instruments are reported as financial instruments at fair value through surplus or deficit.

The fair value of the derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise derivatives are classified as non-current.

Breakdown of derivative financial instruments and further information

2021/22		2022/23
\$000		\$000
	Interest rate swaps – held for trading, comprising:	
18	Current assets	-
815	Non-current assets	1,589
833	Total derivative financial instrument assets	1,589
2	Current liabilities	-
9	Non-current liabilities	-
11	Total derivative financial instrument liabilities	-

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$44 million (2022: \$35 million). At 30 June 2023, the fixed interest rates of the interest rate swaps ranged from 1.84% to 4.30% (2022: 1.84% to 4.30%).

Fair value

The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

11. Other financial assets

Accounting policy

PBE Standards classify financial assets into three categories: financial assets mandatorily measured at fair value through surplus or deficit, amortised cost and financial assets at fair value through other comprehensive revenue. The classification depends on the Council's management model for the financial asset and the contractual cash flow characteristics of the financial asset. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date. Financial assets are initially measured at fair value plus transaction costs unless they are measured at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

Short term investments

Short term investments are initially measured at the amount invested. Interest is subsequently accrued and added to the investment and loan balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Equity investments

Equity investments are irrevocably designated at fair value through other comprehensive revenue and expense at initial recognition. After initial recognition, the shares are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to general funds.

Breakdown of other financial assets and further information

2021/22		2022/23
\$000		\$000
	Current	
	Term deposits	
5,400	Term Deposits with maturities of more than three months at acquisition	8,900
5,400	Total term deposits	8,900
	Investment in CCOs and similar entities	
64	New Zealand Local Government Funding Agency – borrower notes	32
64	Total current investment in CCOs and similar entities	32
	Investments in other entities	
34	Community loans	-
34	Total current investment in other entities	-
	Non-current	
	Investment in CCOs and similar entities	
711	New Zealand Local Government funding agency – borrower notes	954
32,873	Waikato Regional Airport Limited	36,540
28	Waikato Local Authority Shared Services limited	28
20	Hauraki Rail Trail Charitable Trust	20
33,632	Total non-current investment in CCOs and similar entities	37,542
	Investments in other entities	
122	Civic Financial Services Limited	111
122	Total non-current investment in other entities	111

Fair value

Term deposits

The carrying amount of term deposits approximates their fair value.

New Zealand Local Government Funding Agency borrower notes

At year-end Council has \$985,500 in borrowing notes invested with the Local Government Funding Agency at floating rates of interest (2022: \$775,000). These will mature between April 2024 and May 2028.

Waikato Regional Airport Limited

The investment in Waikato Regional Airport Limited (WRAL) is measured at fair value through other comprehensive revenue and expenditure. The fair value for the investment in WRAL has been determined based on Council's proportion of ownership of the WRAL's net assets (15.625%). Net assets is considered to provide an appropriate estimate of the WRAL's fair value, this is because WRAL's fair value derives mainly from the underlying fair value of its assets net of liabilities.

The table below provides a reconciliation from the opening balance to the closing balance:

2021/22		2022/23
\$000		\$000
23,036	Balance at 1 July	32,873
9,837	Investment gain – recognised in other comprehensive revenue and expense	3,667
32,873	Balance at 30 June	36,540

Other unlisted shares

The fair value of unlisted shares is measured at cost because there is no active market for these assets. These investments are held for strategic purposes, and there are no plans to dispose of these investments.

Impairment

No impairment or provisions for other financial assets was required for 2023. At balance date, none of these financial assets are either past due or impaired.

12. Property, Plant and Equipment

Accounting policy

Property, plant and equipment consist of:

Operational assets - These include land, buildings, plant and machinery, furniture and equipment, computer equipment, and library collections.

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

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

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

Revaluations

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

Buildings (operational and restricted) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every five years.

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

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

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

Depreciation

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

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

	Useful life	Depreciation rate
Operational assets		
Buildings	2 to 100 years	1% - 50%
Restricted assets (buildings)	2 to 100 years	1% - 50%
Restricted assets (cycleways)	2 to 50 years	2% - 50%
Restricted assets (walkways)	2 to 50 years	2% - 50%
Plant and machinery	2 to 15 years	6% - 50%
Furniture and equipment	2 to 20 years	5% - 50%
Computer equipment	3 to 10 years	10% - 33%
Server hard drives	1 year	100%
Library collection	2 to 9 years	11% - 50%
Infrastructural assets		
Roading network		
Street lighting	10 to 25 years	4% - 10%
Formation carriageway	100 years	1%
Pavement surfacing	5 to 50 years	2% - 20%
Pavement structure	60 to 90 years	1% - 2%
Footpaths	5 to 50 years	2% - 20%
Drainage	60 to 80 years	1% - 2%
Bridges	60 to 90 years	1% - 2%
All other	1 to 70 years	1% - 100%
Utility assets		
Buildings	2 to 100 years	1% - 50%
Wastewater mains	50 to 100 years	1% - 2%
Wastewater other	80 to 100 years	1% - 2%
Wastewater pump station equipment	1 to 120 years	1% - 100%
Wastewater service lines	50 to 100 years	1% - 2%
Water mains	40 to 88 years	1% - 3%
Water valves	35 to 80 years	1% - 3%
Water hydrants	80 years	1%
Water nodes	80 years	1%
Water pump station equipment	3 to 100 years	1% - 33%
Water service lines	40 to 88 years	1% - 3%
Stormwater mains	51 to 100 years	1% - 2%
Stormwater manholes	100 years	1%
Stormwater pumps	15 years	7%
Stormwater service lines	60 to 100 years	1% - 2%
Swale drains	Indefinite	0%

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

Impairment of property, plant and equipment

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount.

For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

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

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

Value in use for non-cash generating assets

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

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

Value in use for cash generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets is the present value of expected future cash-flows.

Critical accounting estimates and assumptions

Land (operational, restricted and infrastructure)

The most recent valuation of land was performed by independent registered valuers, Curnow Tizard Limited. The valuation is effective as at 1 July 2020. A fair value assessment was performed in-house as at 30 June 2023.

Land is valued at fair value using market based evidence based on its highest and best use with reference to comparable land values. Where this is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which are based on the valuer's judgement. Restrictions on the Council's ability to sell land would normally not impair the value

of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings (operational, restricted and infrastructure)

The most recent valuation of buildings was performed by Beca Projects NZ Limited. The valuation was effective as at 30 June 2023.

Because the valuation of Council's buildings this year has been undertaken separately from the valuation of the land on which the buildings are situated, it was considered that buildings should be valued at their depreciated replacement cost (DRC), as this is the most accurate way to denote their fair value without considering land values. This is a change in approach since the last valuation where we had a mix of DRC and valuations based on market-based evidence.

DRC is determined using a number of significant assumptions. Significant assumptions used in the 30 June 2023 valuation include:

- The DRC approach method uses the assessment of replacement cost of a new modern equivalent asset as the starting point and applies optimisation and depreciation to adjust for age, condition, performance and remaining useful life. There has been no optimisation adjustments for the most recent valuations.
- The replacement cost is derived from recent construction contracts of modern equivalent assets and compared with published sources, Beca's internal Cost Management team, and information available to Beca based on involvement with previous projects.
- The reduction in large contractors able to undertake significant projects in New Zealand, particularly the wider Auckland and Hamilton areas, has led to a significant uplift in construction costs which is reflected in the adopted rates. These construction costs also account for regional variations which often lead to time delays due to geographical distances that often lead to higher costs.
- Effective lives of assets have been assessed based on several sources. These include QV Cost Builder and Rawlinson Construction Book, industry standard manuals such as New Zealand Infrastructure Asset Valuation and Depreciation Guidelines, and taxation tables as released by the Inland Revenue Department. Beca have then arrived at assessments for each building or infrastructure item based on their experience, the observed condition of the asset and planned future use in consultation with Council.
- To the base construction rate, professional fees and regional industry standards are added.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

A comparison of the carrying value of the buildings valued using depreciated replacement cost and buildings valued using market-based evidence is as follows:

2021/22		2022/23
\$000		\$000
	Operational buildings	
-	Depreciated replacement cost	10,619
11,246	Market-based evidence	-
11,246	Total carrying value of operational buildings	10,619
	Restricted buildings	
25,102	Depreciated replacement cost	47,176
5,904	Market-based evidence	-
31,006	Total carrying value of restricted buildings	47,176

Infrastructural asset classes: roading, water, wastewater and stormwater networks

The most recent valuation of roading infrastructural assets was performed by WSP and the valuation is effective as at 30 June 2023.

The most recent valuation for water, wastewater and stormwater infrastructural assets was performed by Beca Projects NZ Limited and the valuation is effective as at 30 June 2023.

Roading, water, wastewater and stormwater infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location. If recent contract cost information is considered out of date, it is indexed using Statistics New Zealand's capital Goods Price Index (based on a forecasted June 2023 quarter index) for civil constructions or the Waka Kotahi Index for road and bridge construction to convert them to current dollar value at the valuation date.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over the useful life estimates.

Critical judgments in applying accounting policies

Classification of property

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



Breakdown of property, plant and equipment and further information

Movements in the carrying value for each class of property, plant and equipment are as follows:

	Cost/Valuation 1 July 2022	Accumulated depreciation and impairment charges 1 July 2022	Carrying value 1 July 2022	Current year additions	Current year vested and found assets	Current year disposals	Work in progress transferred into assets	Current year impairment charges	Current year depreciation	Write back of accumulated depreciation	Revaluation Surplus/(deficit)	Cost/Valuation 30 June 2023	Accumulated depreciation and impairment charges 30 June 2023	Carrying value 30 June 2023
2022/23														
Operational assets														
Land	28,614	-	28,614	988	-	(1,400)	-	-	-	-	-	28,202	-	28,202
Buildings	15,333	(4,087)	11,246	150	-	-	315	-	(795)	4,882	(297)	10,619	-	10,619
Plant and machinery	6,506	(3,409)	3,097	854	-	(97)	-	-	(642)	-	-	7,263	(4,051)	3,212
Furniture and equipment	4,260	(2,527)	1,733	997	-	-	645	-	(275)	-	-	5,902	(2,802)	3,100
Computer equipment	4,848	(3,958)	890	289	-	-	-	-	(375)	-	-	5,137	(4,333)	804
Library collections	1,781	(1,383)	398	138	-	-	-	-	(165)	-	-	1,919	(1,548)	371
Assets under construction	984	-	984	796	-	(11)	(960)	-	-	-	-	809	-	809
Total operational assets	62,326	(15,364)	46,962	4,212	-	(1,508)	-	-	(2,252)	4,882	(297)	59,851	(12,734)	47,117
Restricted assets														
Land	25,908	-	25,908	4	-	-	465	-	-	-	-	26,377	-	26,377
Buildings	37,214	(6,208)	31,006	659	-	-	373	-	(1,419)	7,627	16,557	47,176	-	47,176
Cycleway	6,076	(383)	5,693	-	-	-	-	-	(150)	-	-	6,076	(533)	5,543
Walkways	770	-	770	22	-	-	2	-	(39)	-	-	794	(39)	755
Assets under construction	2,528	-	2,528	1,300	-	-	(840)	-	-	-	-	2,988	-	2,988
Total restricted assets	72,496	(6,591)	65,905	1,985	-	-	-	-	(1,608)	7,627	16,557	83,411	(572)	82,839

	Cost/Valuation 1 July 2022	Accumulated depreciation and impairment charges 1 July 2022	Carrying value 1 July 2022	Current year additions	Current year vested and found assets	Current year disposals	Work in progress transferred into assets	Current year impairment charges	Current year depreciation	Write back of accumulated depreciation	Revaluation Surplus/(deficit)	Cost/Valuation 30 June 2023	Accumulated depreciation and impairment charges 30 June 2023	Carrying value 30 June 2023
2022/23														
Infrastructural assets														
Roads	455,864	-	455,864	6,873	5,099	(23)	105	-	(10,298)	10,298	22,615	480,235	-	480,235
Land under roads	68,868	-	68,868	9	1,776	(3)	-	-	-	-	-	70,650	-	70,650
Water supply – treatment plants and facilities	24,319	-	24,319	205	-	-	400	-	(1,613)	1,613	1,222	24,533	-	24,533
Water supply – other assets (including reticulation systems)	59,937	-	59,937	2,333	1,064	(9)	571	-	(1,534)	1,534	4,069	66,431	-	66,431
Stormwater system	55,101	-	55,101	-	4,100	-	-	-	(912)	912	4,995	63,284	-	63,284
Wastewater – treatment plants and facilities	27,967	-	27,967	440	-	-	939	-	(1,873)	1,873	2,134	29,607	-	29,607
Wastewater – other assets (including reticulation systems)	48,548	-	48,548	1,589	2,278	-	967	-	(1,207)	1,207	3,885	56,060	-	56,060
Land	4,802	-	4,802	-	-	-	-	-	-	-	-	4,802	-	4,802
Buildings	1,786	(203)	1,583	-	-	-	-	-	(82)	285	4,615	6,116	-	6,116
Assets under construction	10,321	-	10,321	12,353	-	(124)	(2,982)	-	-	-	-	19,568	-	19,568
Total infrastructural assets	757,513	(203)	757,310	23,802	14,317	(159)	-	-	(17,519)	17,722	43,535	821,286	-	821,286
Total property, plant and equipment	892,335	(22,158)	870,177	29,999	14,317	(1,667)	-	-	(21,379)	30,231	59,795	964,548	(13,306)	951,242

The “write back of accumulated depreciation” column shown in the table above reflects accumulated depreciation being written back on the disposal of assets or following revaluation of the assets. Note that disposals in these tables are reported net of accumulated depreciation and include property, plant and equipment classified as held for sale during the year. No items of property, plant and equipment are pledged as security for liabilities.

	Cost/Valuation 1 July 2021	Accumulated depreciation and impairment charges 1 July 2021	Carrying value 1 July 2021	Current year additions	Current year vested and found assets	Current year disposals	Work in progress transferred into assets	Current year impairment charges	Current year depreciation	Write back of accumulated depreciation	Revaluation Surplus/(deficit)	Cost/Valuation 30 June 2022	Accumulated depreciation and impairment charges 30 June 2022	Carrying value 30 June 2022
2021/22														
Operational assets														
Land	28,718	-	28,718	-	-	(104)	-	-	-	-	-	28,614	-	28,614
Buildings	15,311	(3,283)	12,028	98	-	(76)	-	-	(804)	-	-	15,333	(4,087)	11,246
Plant and machinery	5,665	(2,923)	2,742	872	-	(31)	-	-	(486)	-	-	6,506	(3,409)	3,097
Furniture and equipment	4,190	(2,242)	1,948	68	-	-	2	-	(285)	-	-	4,260	(2,527)	1,733
Computer equipment	4,722	(3,550)	1,172	126	-	-	-	-	(408)	-	-	4,848	(3,958)	890
Library collections	1,622	(1,219)	403	159	-	-	-	-	(164)	-	-	1,781	(1,383)	398
Assets under construction	355	-	355	631	-	-	(2)	-	-	-	-	984	-	984
Total operational Assets	60,583	(13,217)	47,366	1,954	-	(211)	-	-	(2,147)	-	-	62,326	(15,364)	46,962
Restricted assets														
Land	25,561	-	25,561	347	-	-	-	-	-	-	-	25,908	-	25,908
Buildings	33,659	(4,921)	28,738	285	-	-	3,270	-	(1,287)	-	-	37,214	(6,208)	31,006
Cycleway	5,383	(81)	5,302	80	-	-	613	-	(302)	-	-	6,076	(383)	5,693
Walkways	-	-	-	625	-	-	144	-	-	-	-	770	-	770
Assets under construction	4,989	-	4,989	1,567	-	-	(4,028)	-	-	-	-	2,528	-	2,528
Total restricted assets	69,592	(5,002)	64,590	2,904	-	-	-	-	(1,589)	-	-	72,496	(6,591)	65,905

	Cost/Valuation 1 July 2021	Accumulated depreciation and impairment charges 1 July 2021	Carrying value 1 July 2021	Current year additions	Current year vested and found assets	Current year disposals	Work in progress transferred into assets	Current year impairment charges	Current year depreciation	Write back of accumulated depreciation	Revaluation Surplus/(deficit)	Cost/Valuation 30 June 2022	Accumulated depreciation and impairment charges 30 June 2022	Carrying value 30 June 2022
2021/22														
Infrastructural assets														
Roads	395,130	-	395,130	5,455	2,843	(182)	689	-	(8,573)	8,573	60,502	455,864	-	455,864
Land under roads	68,234	-	68,234	-	634	-	-	-	-	-	-	68,868	-	68,868
Water supply – treatment plants and facilities	18,847	(1,024)	17,823	1,860	-	(194)	2,775	-	(1,553)	2,577	3,608	24,319	-	24,319
Water supply – other assets (including reticulation systems)	49,089	(1,082)	48,007	234	561	(103)	349	-	(1,317)	2,399	12,206	59,937	-	59,937
Stormwater system	55,175	(799)	54,376	-	1,061	(2)	-	-	(766)	1,565	432	55,101	-	55,101
Wastewater – treatment plants and facilities	26,126	(1,636)	24,490	972	-	(145)	503	-	(1,834)	3,470	3,981	27,967	-	27,967
Wastewater – other assets (including reticulation systems)	40,056	(857)	39,199	-	940	(6)	81	-	(1,001)	1,858	9,335	48,548	-	48,548
Land	4,802	-	4,802	-	-	-	-	-	-	-	-	4,802	-	4,802
Buildings	1,781	(121)	1,660	5	-	-	-	-	(82)	-	-	1,786	(203)	1,583
Assets under construction	7,423	-	7,423	7,295	-	-	(4,397)	-	-	-	-	10,321	-	10,321
Total infrastructural assets	666,663	(5,519)	661,144	15,821	6,039	(632)	-	-	(15,126)	20,442	90,064	757,513	(203)	757,310
Total property, plant and equipment	796,838	(23,738)	773,100	20,679	6,039	(843)	-	-	(18,862)	20,442	90,064	892,335	(22,158)	870,177

Core infrastructure asset disclosures

Included within the Council infrastructure assets above are the following core Council assets:

2022/23	Closing book value	Additions constructed by Council	Additions transferred to Council	Most recent replacement cost estimate for revalued assets
	\$000	\$000	\$000	\$000
Roading (excluding land under roads)	480,235	6,978	5,099	679,804
Water supply – treatment plants and facilities	24,533	605	-	40,834
Water supply – other assets (including reticulation systems)	66,431	2,904	1,064	124,339
Stormwater system	63,284	-	4,100	93,150
Wastewater – treatment plants and facilities	29,607	1,379	-	51,043
Wastewater – other assets (including reticulation systems)	56,060	2,556	2,278	104,685

2021/22	Closing book value	Additions constructed by Council	Additions transferred to Council	Most recent replacement cost estimate for revalued assets
	\$000	\$000	\$000	\$000
Roading (excluding land under roads)	455,864	6,144	2,843	652,995
Water supply – treatment plants and facilities	24,319	4,635	-	38,945
Water supply – other assets (including reticulation systems)	59,937	583	561	114,624
Stormwater system	55,101	-	1,061	81,970
Wastewater – treatment plants and facilities	27,967	1,475	-	48,542
Wastewater – other assets (including reticulation systems)	48,548	81	940	91,956

Land under roads

Land under roads was valued using the average land values for the urban and rural areas of the whole district as at 1 July 2001. This is considered to be the fair value of the land. On transition to NZ IFRS Council elected to use the fair value of land under roads as at 1 July 2001 as deemed cost. Subsequent additions are recorded at cost or fair value where cost does not equate to fair value. Land under roads is no longer revalued.

Disposals

The net gain on disposal of property, plant and equipment (\$28,000) has been recognised in the statement of comprehensive revenue and expense (2022: Net loss of \$119,000).

Impairment

There was no impairment of property, plant and equipment in 2023 (2022: Nil).

Self-insured

During the current and prior years, the Council did not maintain a fund for the purpose of self-insurance. The Council holds a \$5.4m investment in term deposit that Council have identified in the Financial Strategy as potentially being available.

Assets under construction

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

Balance as at 30 June 2022		Balance as at 30 June 2023
\$000		\$000
984	Operational assets	809
2,528	Restricted assets	2,988
231	Roading	857
4,537	Water supply	8,610
211	Stormwater system	623
4,648	Wastewater	8,804
694	Infrastructural buildings	674
13,833	Total assets under construction	23,365

Restrictions

Land and buildings in the “Restricted Asset” category are subject to restrictions on either use or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings acquired under a bequest or donation that restricts the purpose for which the asset can be used).

Capital commitments

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

2021/22		2022/23
\$000		\$000
707	Roading	667
366	Water	4,691
3,076	Wastewater	1,385
389	Community Facilities	-
4,538	Total capital commitments	6,743

13. Intangible assets

Accounting policy

Computer software

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with staff training and maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit. Computer software is estimated to have a useful life of 1 to 15 years and is amortised at a rate of 6.67% to 100%.

Impairment

Refer to the policy for impairment of property, plant and equipment in Note 12. The same approach applies to the impairment of intangible assets.

Breakdown of intangible assets and further information

Movements in the carrying value for computer software is as follows:

	Opening cost	Opening accumulated amortisation and impairment charges	Opening carrying amount	Current year additions	Current year disposals	Current year impairment charges	Current year amortisation	Closing cost	Closing accumulated amortisation and impairment charges	Closing carrying amount
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Computer software										
2022/23	2,979	(2,305)	674	128	-	-	(291)	3,106	(2,595)	511
2021/22	2,763	(2,050)	713	216	-	-	(255)	2,979	(2,305)	674

Note that disposals in these tables are reported net of amortisation.

Restrictions

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

Capital commitments

There are no capital commitments for intangible assets (2022: Nil).

Impairment

There were no assets considered to be impaired (2022: Nil).

14. Depreciation and amortisation expense by group of activity

2021/22		2022/23
\$000		\$000
	Directly attributable depreciation and amortisation expense by group of activity	
2,520	Community Facilities	2,800
8,875	Roading	10,448
35	Rubbish and Recycling	36
766	Stormwater	912
2,855	Wastewater	3,101
2,905	Water	3,182
2	Strategy and Engagement	2
11	Consents and Licensing	11
17,969	Total directly attributable depreciation and amortisation expense by group of activity	20,492
1,148	Depreciation and amortisation not directly related to groups of activities	1,178
19,117	Total depreciation and amortisation expense	21,670

15. Payables and deferred revenue

Accounting policy

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

Breakdown of payables and further information

2021/22		2022/23
\$000		\$000
5,277	Trade payables	7,665
174	GST payable	-
2,276	Accrued expenses	1,892
793	Deposits and bonds	1,235
412	Contract retentions	909
1,427	Revenue in advance	1,554
-	Grants received subject to substantive conditions not yet met	215
10,359	Total payables and deferred revenue	13,470
	Total payables and deferred revenue comprise:	
2,692	Payables from non-exchange transactions – includes bonds and deposits for planning, rates and licenses received in advance, and taxes and grants payable	3,789
7,667	Payables from exchange transactions – this includes amounts owing for commercial purchases of goods and services	9,681

Grants received subject to substantive conditions not yet met

In June 2023, Council received advanced funding from the Ministry for the Environment of \$215,000 to assist with aspects of Council's new kerbside organics collection service that is being rolled out in September 2023. Council must report to the Ministry on how the funding is subsequently spent against the agreed milestones, and any underspend is to be repaid.

Payables are generally non-interest bearing and are normally settled on 30-day terms. Therefore the carrying value of payables approximates their fair value.

16. Borrowings

Accounting policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and recognised in accrued expenses (Note 15). Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Breakdown of borrowings and further information

2021/22		2022/23
\$000		\$000
4,000	Current loans	7,000
34,000	Non-current loans	38,000
38,000	Total borrowings	45,000

Interest terms for secured loans

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

Credit facilities

Council has a multi-option credit line facility with Westpac Corporate Business. This provides Council with the ability to fund short term revolving requirements. The facility has a limit of \$6 million (2022: \$6 million) and there is \$6 million available to be drawn at 30 June (2022: \$6 million).

Security

Council has an unsecured overdraft. The maximum amount that can be drawn down against the facility is \$500,000 (2022: \$500,000). There are no restrictions on the use of this facility. Council's loans are secured over either separate or general rates of the Council.

Internal borrowings

Information about internal borrowings is provided in the 'Other Legislative disclosures' section of this Annual Report. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Fair values

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

17. Employee entitlements

Accounting policy

Short term employee entitlements

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

Long term employee entitlements

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

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

Presentation of employee entitlements

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

2021/22		2022/23
\$000		\$000
	Current employee entitlements	
546	Accrued pay	699
1,651	Annual leave	1,741
62	Sick leave	46
120	Long service leave	127
26	Retirement gratuities	-
2,405	Current employee entitlements	2,613
	Non-current employee entitlements	
219	Long service leave	211
123	Retirement gratuities	151
342	Total non-current employee entitlements	362

18. Provisions

Accounting policy

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

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs' (see note 4).

Breakdown of provisions and further information

2021/22		2022/23
\$000		\$000
	Current provisions	
191	Landfill aftercare	191
25	Tui Mine site monitoring	-
216	Total current provisions	191
	Non-current provisions	
298	Landfill aftercare	247
74	Tui Mine site monitoring	69
70	Other claims	70
442	Total non-current provisions	386

Landfill aftercare provision

Council has resource consents for the following landfills, each of which are now closed:

- Morrinsville Landfill, closed 31 May 2000
- Matamata Landfill, closed 8 December 2001
- Te Aroha Landfill, closed 9 December 1998

Council has responsibility under the resource consents to provide ongoing maintenance and monitoring of these closed landfills sites.

The cash outflows for landfill post closure costs are expected to occur over the next 12 years (to 2036). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and known changes to legal requirements.

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

- Obligations for the post closure work are for 30 years after landfill closure
- Discount rates ranging from 4.62% to 5.43% have been used to discount the estimated future cash overflows. The rates used this year have been determined using New Zealand Government bond yield information and extrapolated beyond the available market data (2022: 3.34% to 4.13%).

Tui Mine site monitoring

Resource consent monitoring conditions require detailed biological and chemical testing of the former Tui Mine site at five yearly intervals for the next 30 years (at an estimated cost of \$25,000 each time). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and discounted using a discount rate ranging from 4.62% to 5.43% as above (2022: 3.34% to 4.13%).

Other claims

There are no claims lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2023 (2023: Nil). Provision for other minor claims against Council has been made based on estimated costs and/or insurance excesses of \$70,000 (2022:\$70,000).

Movements for each class of provision are as follows:

2022/23	Landfill aftercare costs	Other claims	Tui Mine Site	Total
	\$000	\$000	\$000	\$000
Balance at 1 July 2022	489	70	99	658
Additional provisions made	-	-	-	-
Amounts used	(14)	-	(16)	(30)
Unused amounts reversed	(64)	-	(19)	(83)
Discount unwind	27	-	5	32
Balance at 30 June 2023	438	70	69	577

2021/22	Landfill aftercare costs	Other claims	Tui Mine Site	Total
	\$000	\$000	\$000	\$000
Balance at 1 July 2021	570	60	112	742
Additional provisions made	-	30	-	30
Amounts used	(9)	-	-	(9)
Unused amounts reversed	(91)	(20)	(17)	(128)
Discount unwind	19	-	4	23
Balance at 30 June 2022	489	70	99	658

19. Contingencies

Breakdown of contingent liabilities and further information

2021/22		2022/23
\$000		\$000
15	Te Aroha Wastewater resource consent	15
	Uncalled share capital:	
1	- Waikato Local Authority Shared Services Limited	1
5	- Waikato Regional Aerial Photography Service	5
21	Total contingent liabilities	21

There are no contingent assets (2022: Nil).

Te Aroha wastewater resource consent

Under the resource consent issued by Waikato Regional Council for the Te Aroha Wastewater Treatment Plant during 2016, if Council fails to meet annual nitrate discharge conditions as per the consent, then an annual sum of \$15,000 will be payable to the local Wetlands Trust.

New Zealand Mutual Liability Riskpool scheme

Matamata-Piako District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

Local Government Funding Agency

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a local currency rating from Fitch Ratings of AA+ and from Standard and Poor's of AAA, and a foreign currency rating from both agencies of AA+.

As at 30 June 2023, LGFA has 30 local authority shareholders and Matamata-Piako District Council is one of 70 local authority guarantors of the LGFA. Together with the other shareholders and guarantors, Council is a guarantor of all of LGFA's borrowings. At 30 June 2023, LGFA had borrowings totalling \$17.7 billion (2022: \$15.8 billion).

The LGFA's borrowing of \$17.7 billion is made up of the following:

	\$000
Fair value of bonds on issue	16,678,000
Accrued interest on bonds on issue	83,656
Bills on issue	792,000
Treasury stock lent to counterparts under bond repurchase agreements	130,043

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

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

20. Equity

Accounting policy

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

- Accumulated funds
- Other reserves - other reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Other reserves include:

Council created reserves - reserves established by Council decision. Council may alter them without reference to any third party or the Courts.

Transfers to and from these reserves are at Council's discretion.

Restricted reserves - those reserves subject to specific conditions accepted as binding by Council and which may not be revised without reference to the Courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain conditions are met.

Asset revaluation reserves - represent unrealised gains on assets owned by Council. The gains are held in the reserve until such time as the gain is realised and a transfer can be made to retained earnings.

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

Breakdown of equity and further information

Accumulated funds

2021/22		2022/23
\$000		\$000
	Accumulated funds	
437,181	Balance at 1 July	439,243
-	Adjustment on adoption of PBE IPSAS 41	272
437,181	Adjusted balance at 1 July	439,515
(19,395)	Transfers to Council created reserves	(5,768)
(2,424)	Transfer to restricted reserves	(1,147)
15,762	Transfer from Council created reserves	28,870
1,975	Transfer from restricted reserves	307
-	Transfer from revaluation reserves	-
6,144	Surplus/(deficit) for the year	11,932
439,243	Balance at 30 June	473,709

Other reserves

2021/22		2022/23
\$000		\$000
	Council created reserves	
51,660	Balance at 1 July	55,293
(15,762)	Transfers to accumulated funds	(28,870)
19,395	Transfer from accumulated funds	5,768
55,293	Balance at 30 June	32,191
	Restricted reserves	
517	Balance at 1 July	966
(1,975)	Transfers to accumulated funds	(307)
2,424	Transfer from accumulated funds	1,147
966	Balance at 30 June	1,806
	Asset revaluation reserves	
260,403	Balance at 1 July	350,263
90,064	Transfers to accumulated funds	59,823
(204)	Transfer from accumulated funds	(27)
350,263	Balance at 30 June	410,059
	Fair value through other comprehensive revenue and expense reserve	
20,458	Balance at 1 July	30,301
9,843	Net revaluation gains	3,656
30,301	Balance at 30 June	33,957
436,823	Total other reserves	478,013

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

Council created reserves

Balance 1 July 2021	Transfers in	Transfers out	Balance 30 June 2022	Reserve fund	Purpose	Activities related to	Balance 1 July 2022	Transfers in	Transfers out	Balance 30 June 2023
2,801	979	(1,237)	2,543	Community purposes reserve	Funds received and set aside for use on community facilities or for community purposes e.g. grants	All Council activities	2,543	2,078	(842)	3,779
1,756	-	(556)	1,200	COVID-19 recovery reserve	Funds set aside to aid in the economic recovery of the district to support hardship of qualifying community groups following the impact of COVID-19.	All Council activities	1,200	-	(1,200)	-
23,428	541	(1,566)	22,403	Power New Zealand reserve fund	Funds received and set aside on behalf of the community from the dissolution of the local power board co-operative for internal borrowing or external investment, with returns used to subsidise rates.	All Council activities	22,403	818	(686)	22,535
1,715	668	(352)	2,031	Wastewater capital contribution reserve	Capital contribution funds received from industry and set aside to offset future depreciation.	Wastewater	2,031	662	(319)	2,374
21,358	15,319	(11,935)	24,742	Depreciation reserves	Funds set aside for the replacement of assets and used to fund internal borrowing.	All Council activities	24,742	-	(24,742)	-
-	-	-	-	Stormwater funding reserve	Surplus funds (mainly depreciation) set aside for application to future capital needs.	Stormwater	-	2,210	-	2,210
203	50	-	253	Stormwater improvement reserve	Funds set aside to fund stormwater projects.	Stormwater	253	-	(144)	109
399	-	-	399	Te Aroha Wastewater desludging	Funds set aside for the desludging of the Te Aroha wastewater ponds	Wastewater	399	-	(340)	59
-	1,038	(8)	1,030	Te Aroha Spa development reserve	Funds set aside for the investigative stages of the Te Aroha Spa development project	Strategy & Engagement	1,030	-	(544)	486
-	800	(108)	692	Town Centre revitalisation reserve	Funds set aside for the district Town Centre revitalisation (POP) project	Community facilities	692	-	(53)	639
51,660	19,395	(15,762)	55,293	Total Council created reserves			55,293	5,768	(28,870)	32,191

Restricted reserves

Balance 1 July 2021	Transfers in	Transfers out	Balance 30 June 2022	Reserve fund	Purpose	Activities related to	Balance 1 July 2022	Transfers in	Transfers out	Balance 30 June 2023
110	203	-	313	Endowment land sales reserves	Funds set aside in respect of the sale of endowment land in Te Aroha. The proceeds must be used for the improvement of services and public amenities for the benefit of the inhabitants of Te Aroha	Community Facilities	313	-	-	313
112	1,904	(1,835)	181	Reserves development	Funds set aside from reserves contributions to be used for parks and reserves	Developments of parks and reserves	181	743	(136)	788
9	10	(10)	9	Youth Ambassadors	Funds set aside for initiatives that empower the youth of our district	Nominated purposes	9	10	(10)	9
26	-	-	26	Bequests and trust funds	Funds set aside to be used for the nominated purpose of the bequest or trust fund	Nominated purposes	26	-	-	26
268	209	(130)	347	Waste minimisation	Funds set aside for the purpose of initiatives encouraging the minimisation of waste	Nominated purposes	347	394	(136)	605
90	-	-	90	Civil Defence fund	Funds set aside for the purpose of Civil Defence activities	Nominated purposes	90	-	(25)	65
(98)	98	-	-	Te Aroha Tourism Precinct Feasibility project	Council funds set aside to be used for the Te Aroha Tourism Precinct Feasibility Project	Economic Development	-	-	-	-
517	2,424	(1,975)	966	Total restricted reserves			966	1,147	(307)	1,806

Asset revaluation reserves

Asset revaluation reserves		
2021/22		2022/23
\$000		\$000
	Operational assets	
22,514	Land	22,514
8,354	Buildings	8,057
	Restricted assets	
13,909	Restricted land	13,909
7,179	Restricted buildings	23,736
	Infrastructural assets	
183,452	Roading	206,067
43,070	Water	48,361
35,036	Stormwater	40,031
34,456	Wastewater	40,476
1,698	Land	1,698
595	Buildings	5,210
350,263	Total asset revaluations reserves	410,059

Capital management

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

Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

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 ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans.

The Act further 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.

Council has the following Council created reserves:

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

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from payers of general rates.

Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves. Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

21. Related party transactions

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

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

Further transactions with associated entities (such as funding and financing flows), where transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such transactions.

Key management personnel compensation

2021/22		2022/23
	Mayor and Councillors	
12	Full-time equivalent members	13
\$527,640	Remuneration	\$597,211
	Executive Management Team, including the Chief Executive	
4	Full-time equivalent members	4
\$1,118,638	Remuneration	\$1,147,843
16	Total full-time equivalent personnel	17
\$1,646,278	Total key management personnel remuneration	\$1,745,054

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors. An additional Maori Ward Councillor was added following the October 2022 election. An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in note 3.

22. Events after balance date

Water services reform programme

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

Council has been given indication that the Waikato Water Service Entity is intended to go live from 1 July 2025. Once this is confirmed by Cabinet, the go-live date will be set through an Order in Council process.

Council continues to recognise its three waters assets in accordance the accounting policies set out in note 12 to the financial statements. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement.



23. Financial instruments

23A Financial instruments categories

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

2021/22		2022/23
\$000		\$000
	Financial assets	
	Amortised cost	
10,138	Cash and cash equivalents	4,432
3,347	Receivables	5,423
	Other financial assets:	
5,400	Term deposits	8,900
34	Community loans	-
775	New Zealand Local Government Funding Agency – borrower notes	986
19,694	Total at amortised cost	19,741
	Fair value through other comprehensive revenue and expense	
32,873	Waikato Regional Airport Limited	36,540
28	Waikato Local Authority Shared Services Limited	28
20	Hauraki Rail Trail Charitable Trust	20
122	Civic Financial Services Limited	111
33,043	Total at fair value through other comprehensive revenue and expense	36,699
	Fair value through surplus or deficit	
833	Derivative financial instrument assets	1,589
833	Total at fair value through surplus or deficit	1,589
	Financial liabilities	
	Fair value through surplus or deficit	
11	Derivative financial instrument liabilities	-
11	Total at fair value through surplus or deficit	-
	Amortised cost	
8,758	Payables	11,701
38,000	Borrowings	45,000
46,758	Total at amortised cost	56,701

23B Fair value hierarchy disclosures

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

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

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

2022/23				
Valuation techniques				
	Total	Quoted Market Price	Observable inputs	Significant non-observable inputs
	\$000	\$000	\$000	\$000
Financial assets				
Investments in Council controlled organisations and other entities	37,685	-	986	36,699
Derivative financial instruments assets	1,589	-	1,589	-
Financial liabilities				
Derivative financial instruments liabilities	-	-	-	-

2021/22				
Valuation techniques				
	Total	Quoted Market Price	Observable inputs	Significant non-observable inputs
	\$000	\$000	\$000	\$000
Financial assets				
Investments in Council controlled organisations and other entities	33,818	-	775	33,043
Derivative financial instruments assets	833	-	833	-
Financial liabilities				
Derivative financial instruments liabilities	11	-	11	-

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

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

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

2021/22		2022/23
\$000		\$000
23,200	Balance at 1 July	33,043
9,843	Gain/(loss) recognised in the surplus or deficit	3,656
-	Purchases	-
-	Sales	-
33,043	Balance at 30 June	36,699

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

23C Financial instrument risks

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

Market risk

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is not exposed to any significant price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Council is not exposed to any significant currency risk.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose Council to fair value interest rate risk. Council's Liability Management Policy is to maintain total borrowings in fixed rate instruments between a range of minimum (20% to 40%) and maximum (25% to 90%) risk control limits over the term of the forecast debt. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where the Council has borrowed at fixed rates outside of these limits.

Cash flow interest rate risk

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

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

Credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, the Council invests surplus cash into term deposits and local authority stock which gives rise to credit risk.

Council invests funds only in deposits with registered banks and local authority stock and Council's Investment Policy limits the amount of credit exposure to any one institution or organisation. Investments in other local authorities are secured by charges over rates. Other than other local authorities, Council invests funds only with entities that have a Standard and Poor's credit rating of at least A1 for short term and A for long term investments. Council holds no collateral or credit enhancements for financial instruments that give rise to credit risk.

Maximum exposure to credit risk

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

2021/22		2022/23
\$000		\$000
10,138	Cash and cash equivalents	4,432
3,347	Receivables	5,423
	Other financial assets:	
5,400	- Term deposits	8,900
34	- Community loans	-
18,919	Total credit risk	18,755

The Council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 19.

Credit quality of financial assets

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

2022/23 Credit rating						
	AA-	AA	A	A-	Not rated	Total
Cash and cash equivalents	4,432	-	-	-	-	4,432
Term deposits	8,900	-	-	-	-	8,900
Community loans	-	-	-	-	-	-

2021/22 Credit rating						
	AA-	AA	A	A-	Not rated	Total
Cash and cash equivalents	6,138	4,000	-	-	-	10,138
Term deposits	5,400	-	-	-	-	5,400
Community loans	-	-	-	-	34	34

The counterparties that are not rated for credit quality (as shown in the tables on the left) have no history of defaults in the past. Receivables mainly arise from Council statutory functions. Therefore there are no procedures in place to monitor or report the credit quality of receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to receivables, as it has a large number of credit customers, mainly ratepayers, and 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 liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.

Council manages its liquidity by:

- Appropriate cash flow management to ensure that sufficient funds are available to meet all of its obligations as and when they fall due.
- Maintaining appropriate short-term borrowing facilities.
- Maintaining a prudent debt maturity profile.

Contractual maturity analysis of financial liabilities

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

	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
2022/23	\$000	\$000	\$000	\$000	\$000
Payables	11,701	11,701	-	-	-
Net settled derivative liabilities	-	-	-	-	-
Borrowings	45,000	52,647	9,750	42,897	-
Total	56,701	64,348	9,750	42,897	-

	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
2021/22	\$000	\$000	\$000	\$000	\$000
Payables	8,758	8,758	8,758	-	-
Net settled derivative liabilities	11	9	9	-	-
Borrowings	38,000	41,483	5,014	32,369	4,100
Total	46,769	50,250	13,781	32,369	4,100

The Council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 19.

Contractual maturity analysis of financial assets

The table below analyses Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
2022/23	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	4,432	4,432	4,432	-	-
Receivables	5,423	5,423	5,423	-	-
Other financial assets:					
- Community loans	-	-	-	-	-
- Term deposits	8,900	9,318	9,318	-	-
Net settled derivative assets	1,589	119	119	-	-
Total	20,344	19,292	19,292	-	-

	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
2021/22	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	10,138	10,155	10,155	-	-
Receivables	3,347	3,347	3,347	-	-
Other financial assets:					
- Community loans	34	34	34	-	-
- Term deposits	5,400	5,513	5,513	-	-
Net settled derivative assets	833	49	49	-	-
Total	19,752	19,098	19,098	-	-

Sensitivity analysis

The following table illustrates the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on Council's financial instrument market risk exposures at balance date.

2022/23	-100bps		+100bps	
	Surplus	Other equity	Surplus	Other equity
	\$000	\$000	\$000	\$000
Interest rate risk				
Financial assets				
Cash and cash equivalents	(44)	-	44	-
Derivative financial instruments assets	462	-	2,655	-
Financial liabilities				
Derivative financial instruments liabilities	-	-	-	-
Borrowings	255	-	(255)	-
Total sensitivity	674	-	2,453	-

2021/22	-100bps		+100bps	
	Surplus	Other equity	Surplus	Other equity
	\$000	\$000	\$000	\$000
Interest rate risk				
Financial assets				
Cash and cash equivalents	(101)	-	101	-
Derivative financial instruments assets	(154)	-	1,760	-
Financial liabilities				
Derivative financial instruments liabilities	(39)	-	16	-
Borrowings	155	-	(155)	-
Total sensitivity	(139)	-	1,722	-

*bps = basis points. Decrease by 100 basis point = 1% interest rate decrease.

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps.

24. Major variances to budget

Major variances to budget	Annual Plan 2022/23 \$000	Actual 2022/23 \$000	Explanation for major variances to budget
Statement of Comprehensive Revenue and Expense			
Rates	44,709	45,152	Growth in the number and value of rating units across the district was slightly more than budgeted for at the time the rates were set for 2022/23, resulting in more revenue from rates. Revenue from metered water was \$72,000 lower than budgeted.
Subsidies and grants	6,355	7,553	Unbudgeted Government grants were received in 2023 including Affordable Waters transition funding grants of \$337,000, grant funding in relation to Freedom Camping policy \$65,000, capital funding for upgrade of the Matamata Transfer Station weighbridge \$100,000, and Waka Kotahi funding increased \$364,000 from what was initially budgeted for 2022/23.
Fees and charges	10,592	11,044	Overall fees and charges were largely in line with budget. Building consent income dropped by \$471,000 compared to budget as development slowed towards the end of the year, while Resource consent income exceeded budget by \$381,000.
Development and financial contributions	1,758	8,271	Revenue from contributions significantly exceeded budget with major developments in the district, particularly in Morrinsville and Matamata.
Interest revenue	162	723	Increasing interest rates over the year and larger cash inflows than budgeted resulted in greater interest revenue than budgeted. Council also held an additional \$4m cash during the year for the purposes of pre-funding debt maturing in April 2023.
Other revenue	494	15,446	Infrastructural assets and land vested to Council through the subdivision process this year amounted to \$14.3 million. In addition, increasing interest rates have seen a continued positive movement in the book valuation of Council's interest rate swap portfolio which increased by \$767,000 over the year.
Personnel costs	22,099	21,808	Staff vacancies carried throughout the year resulted in personnel costs being slightly lower than budgeted.
Depreciation and amortisation	16,523	21,670	The budget for depreciation was set based on estimated increases in the replacement cost of assets, however final revaluations resulted in higher

Major variances to budget	Annual Plan 2022/23 \$000	Actual 2022/23 \$000	Explanation for major variances to budget
			replacement costs than estimated and therefore much higher depreciation.
Finance costs	1,372	2,183	Interest rates have increased beyond the level budgeted.
Other expenses	23,274	30,596	<p>Council has incurred some significant unplanned overruns in operating costs compared to budget over 2022/23. Significant areas include;</p> <p>Water – We incurred significant additional costs of complying with stricter water quality and monitoring standards coming in since the establishment of the new Water Regulator, Taumata Arowai. While some of these costs were one-off in nature, we expect the costs of supplying water generally will continue to grow as more regulations are rolled out. Additionally, power, chemical and electrical maintenance costs have increased significantly, affecting the water and wastewater activities.</p> <p>Consents and Licensing – due to the huge ongoing development activity within the district, external contractors were required to keep up with demand and to fill staff vacancies. Some of this additional cost was partially offset by higher resource consent fee income.</p> <p>Community Facilities – Power, chemical and insurance costs increased significantly above the level budgeted for 2022/23.</p> <p>Strategy and Engagement – Subsequent to the budget, Council approved work funded from reserve funds to continue investigation into the Te Aroha Spa development project, and the Matamata stadium projects.</p> <p>Clean-up following Cyclone Gabrielle in February cost approximately \$558,000 across Roothing, 3 Waters and Community Facilities.</p>
Financial assets at fair value through other comprehensive revenue and expense	-	3,656	The carrying value of Council's investment in the Waikato Regional Airport increased compared to budget.

Major variances to budget	Annual Plan 2022/23 \$000	Actual 2022/23 \$000	Explanation for major variances to budget
Property, plant and equipment revaluations	23,869	59,796	Inflationary pressures and market conditions have pushed up the replacement cost and valuation of Council's Rooding, three water and building assets significantly over the year.

Major variances to budget	Annual Plan 2022/23 \$000	Actual 2022/23 \$000	Explanation for major variances to budget
Statement of Financial Position			
Current assets	9,584	22,749	Term deposits and cash held at year end was higher than budgeted. Receivables and accrued income at 30 June was significantly higher than budgeted, particularly due to development contribution invoices issued in June. A Matamata property sale due to be finalised in August 2023 was recognised at its book value of \$1.4m as held for sale in current assets at year end.
Non-current assets	805,825	990,995	The revaluation of our infrastructural and building assets resulted in a closing balance of property, plant and equipment that is significantly higher than budget due to continued increases in the replacement cost of Council's assets. The book value of Council's investment in the Waikato Regional Airport increased significantly since the budget was adopted.
Current liabilities	16,637	23,274	Accounts payable at 30 June 2023 were higher than budgeted due to the timing of projects and contract payments falling due. We also had an increase in bonds held at year end related to development.
Non-current liabilities	54,967	37,748	External borrowing was lower than budgeted, both due to higher than anticipated cashflows from development contributions which offset capital borrowing requirements, and the capital programme not progressing as quickly as budgeted. In addition, Council's interest rate swap portfolio was budgeted as a liability but with increased interest rates it now has a positive value, and is recognised as an asset in Council's books.

25. Adoption of PBE IPSAS 41 Financial Instruments

On the date of initial application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the tables below:

Financial Assets	PBE IPSAS 29	PBE IPSAS 41	30 June 2022 PBE IPSAS 29	Adoption of PBE IPSAS 41 Adjustment	1 July 2022 PBE IPSAS 41
			\$000	\$000	\$000
Cash and cash equivalents	Loans and receivables	Amortised cost	10,138	-	10,138
Receivables	Loans and receivables	Amortised cost	3,347	272	3,619
Derivative financial instruments	FVTSD - Held for trading	FVTSD	833	-	833
Other financial assets:					
- Term deposits	Loans and receivables	Amortised cost	5,400	-	5,400
- Community Loans	Loans and receivables	Amortised cost	34	-	34
Investment in CCOs and other entities:					
- NZLGFA borrower notes	FVTOCRE	FVTSD	775	-	775
- Waikato Regional Airport Ltd	FVTOCRE	FVTOCRE	32,873	-	32,873
- Waikato Local Authority Shared Services Ltd	FVTOCRE	FVTOCRE	28	-	28
- Hauraki Rail Trail Charitable Trust	FVTOCRE	FVTOCRE	20	-	20
- Civic Financial Services Ltd	FVTOCRE	FVTOCRE	122	-	122

FVTOCRE = Fair value through other comprehensive revenue and expense

FVTSD = Fair value through surplus or deficit

The measurement categories and carrying amounts for financial liabilities have not changed on adoption of PBE IPSAS 41.

2.3 ĒTAHI ATU WHĀKINGA Ā-TURE

OTHER LEGISLATIVE DISCLOSURES

1.Te pānui o te pānga o te pūtea|Funding Impact Statement

For the year ended 30 June 2023 for the whole of Council

Long Term Plan 2021/22	Actual 2021/22		Annual Plan 2022/23	Actual 2022/23
\$000	\$000		\$000	\$000
		Sources of operating funding		
27,381	27,486	General rates, uniform annual general charges, rates penalties	28,818	29,048
15,013	14,559	Targeted rates	15,891	16,104
4,695	5,337	Subsidies and grants for operating purposes	3,172	4,200
7,956	9,099	Fees and charges	10,173	10,396
79	153	Interest and dividends from investments	162	838
286	248	Local authorities fuel tax, fines, infringement fees, and other receipts	291	256
55,410	56,882	Total operating funding (A)	58,507	60,842
		Applications of operating funding		
42,163	47,133	Payments to staff and suppliers	44,957	51,816
1,150	1,168	Finance costs	1,372	2,175
-	-	Other operating funding applications	-	-
43,313	48,301	Total applications of operating funding (B)	46,329	53,991
12,097	8,581	Surplus (deficit) of operating funding (A – B)	12,178	6,851
		Sources of capital funding		
3,879	3,607	Subsidies and grants for capital expenditure	3,183	3,353
1,766	3,637	Development and financial contributions	1,758	8,271
7,699	11,500	Increase (decrease) in debt	23,227	8,343
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	500	Other dedicated capital funding	-	-
13,344	19,244	Total sources of capital funding (C)	28,168	19,967
		Applications of capital funding		
		Capital expenditure		
3,613	551	—to meet additional demand	3,811	-
7,172	8,092	—to improve the level of service	21,009	12,830
14,651	12,248	—to replace existing assets	16,144	15,389
5	1,746	Increase (decrease) in reserves	(618)	594

-	5,188	Increase (decrease) of investments	-	(1,995)
25,441	27,825	Total applications of capital funding (D)	40,346	26,818
(12,097)	(8,581)	Surplus (deficit) of capital funding (C – D)	(12,178)	(6,851)
-	-	Funding balance ((A – B) + (C – D))	-	-

The funding impact statements for each group of activities and the overall Council funding impact statement are prepared in compliance with the requirements of clauses 26 and 30, part 3, schedule 10 of the Local Government Act 2002. Unlike the statement of comprehensive income (in the Financial Statements section), the funding impact statements are not compliant with generally accepted accounting standards (GAAP).

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

2. Reconciliation between Council’s overall funding impact statement and the statement of comprehensive revenue and expense

Actual 2021/22		Annual Plan 2022/23	Actual 2022/23
\$000		\$000	\$000
	Funding sources as shown in the overall Council funding impact statement		
56,882	Total operating funding	58,507	60,843
19,244	Total capital funding	28,168	19,967
	Less capital movements		
(11,500)	Increase/(decrease) in debt	(23,227)	(8,343)
-	Gross proceeds from sale of assets	-	-
	Add non-funded income		
6,038	Vested land and infrastructure from property development	206	14,317
3,017	Other gains	-	845
468	Income from support activities	416	560
74,149	Total funding sources	64,070	88,189
74,149	Total income as shown in the statement of comprehensive revenue and expense	64,070	88,189
	Application of funding as shown in the overall Council funding impact statements		
48,301	Total applications of operating funding	46,329	53,992

27,825	Total applications of capital funding	40,346	26,818
	Less capital movements		
(20,891)	Capital expenditure	(40,964)	(28,219)
(1,746)	Increase/(decrease) in reserves	618	(594)
(5,188)	Increase/(decrease) in investments	-	1,995
	Add non-funded expenditure		
19,117	Depreciation and amortisation	16,523	21,670
119	Other losses	-	35
468	Expenses from support activities	416	560
68,005	Total funding application	63,268	76,257
68,005	Total expenditure as shown in the statement of comprehensive revenue and expense	63,268	76,257

3. Internal borrowing

Internal borrowings are utilised to fund capital projects for various activities instead of obtaining funding from external sources. Interest is charged to the various activities for their internal borrowing at a rate equal the mid-way point between our average borrowing and average investment rates obtained in the prior year. For the year ended 30 June 2023, this rate was 3.69% (2022: 2.65%). Internal borrowings are eliminated on consolidation of activities in the financial statements.

Groups of activities	Opening balance 1 July 2022	Additional funds borrowed 2022/23	Funds repaid 2022/23	Closing balance 30 June 2023	Interest paid 2022/23
	\$000	\$000	\$000	\$000	\$000
Community Facilities	13,583	329	-	13,912	488
Roading	9,284	519	-	9,803	352
Rubbish and Recycling	1,167	42	-	1,209	44
Stormwater	-	-	-	-	-
Wastewater	-	2	-	2	2
Water	10,855	1,133	-	11,988	421
Strategy and Engagement	2,657	845	-	3,502	131
Total internal borrowing	37,546	2,870	-	40,416	1,438

4. Insurance of assets

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

June 2022		June 2023
\$000		\$000
186,738	The total value of all Council assets covered by insurance contracts	211,279
	The maximum amount to which insures assets are insured:	
15,000	Fire	15,000
150,000	Other natural disasters	150,000
292,716	The total value of all Council assets covered by financial risk sharing arrangements	304,102
50,000	Maximum amount available to the Council under financial risk sharing arrangements	50,000

In the event of natural disaster, central government may contribute up to 60% towards the restoration of water, stormwater and wastewater assets, and provide a subsidy towards the restoration of roads.



2.4 TE PĀNUI WHĀKINGA MŌ TE TAU MUTUNGA O 30 HUNE 2023 | ANNUAL REPORT DISCLOSURE STATEMENT FOR YEAR ENDING 30 JUNE 2023

Te kaupapa o tēnei whakamārama | What is the purpose of this statement?

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The Council is required to include this statement in its Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information including definitions of some of the terms used in this statement.

Te Pou Taraawaho o te Whai Pūtea ki te Rēti | Rates affordability benchmark

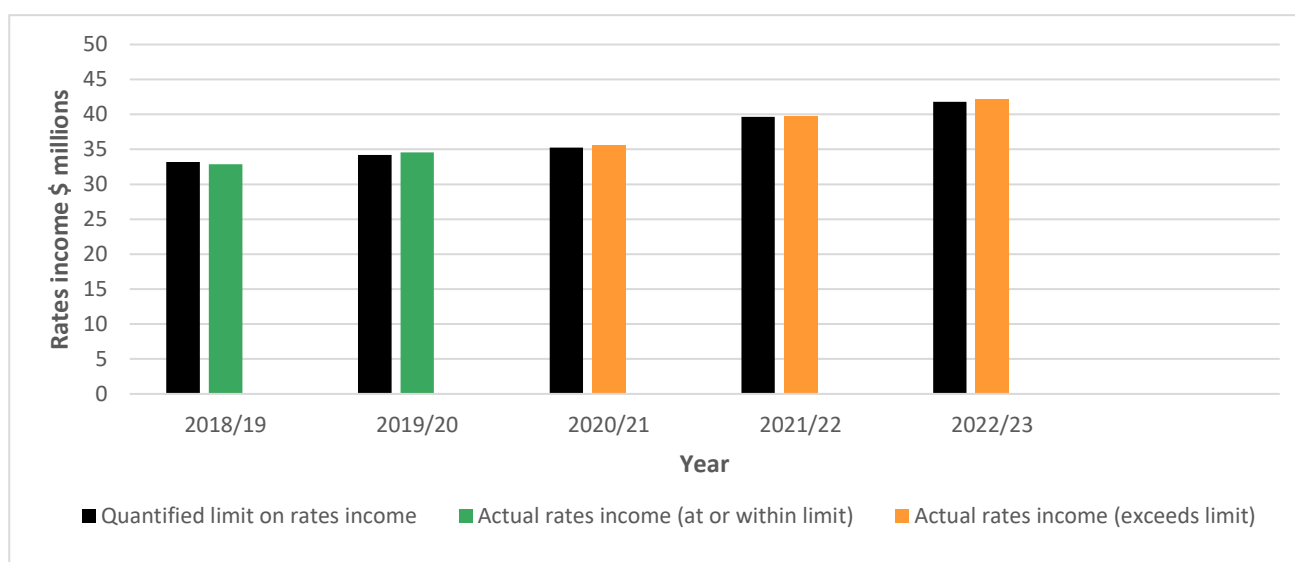
The Council meets the rates affordability benchmark if:

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

Rates (income) affordability

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

The quantified limit from the financial strategy included in the 2021-2031 LTP is: Annual rates income¹ will not increase by more than 6%, other than for year 1 (2021/22) and year 3 (2023/24) where the forecast increases are 11.73% and 11.81% respectively.



¹ For the purposes of this calculation, rates revenue excludes penalties (which are not budgeted for) and the rate revenue from metered water supplies (the majority of which came from a few large industrial users). These items are excluded as the level of revenue received is not within Councils' direct control.

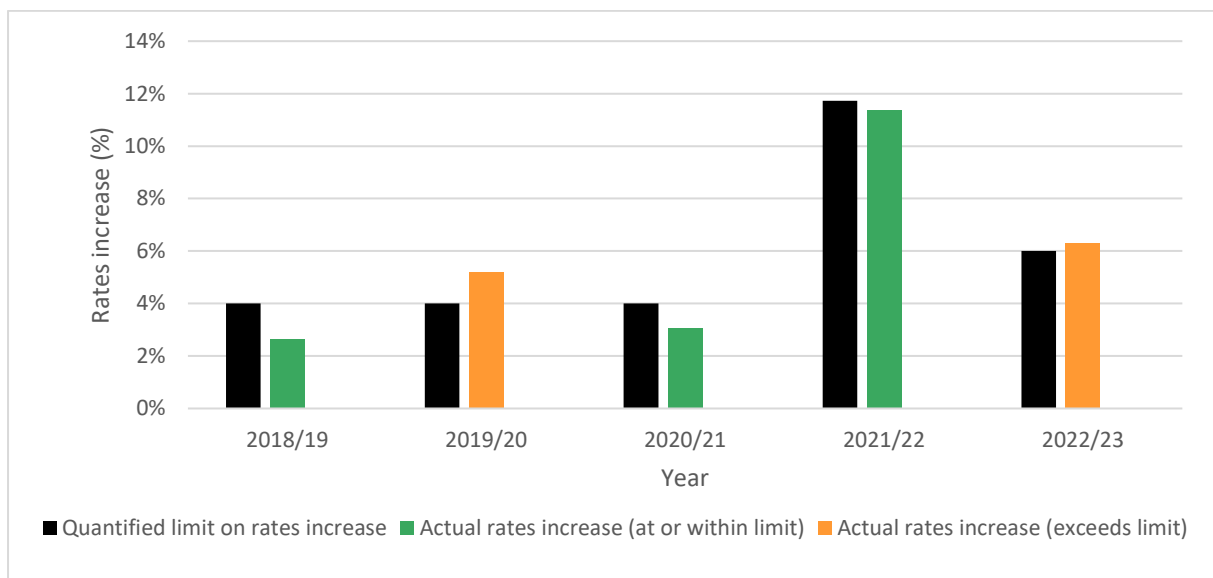
Comment:

The limit on rates income for 2022/23 was set at \$41.8 million. Actual rates income (excluding penalties and metered water revenue) was \$42.2 million. In the process of preparing the annual budget, Council makes an assumption for the additional value expected to be added to the rating base (ie due to subdivisions or new builds/improvements) that will be captured in time for the calculation of the rates strike at 1 July the following financial year. It is very difficult to estimate with any certainty. The amount of growth in the rating base at 1 July 2022 exceeded the level expected, resulting in slightly more rates income than budgeted. The same happened in the previous years.

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 in the Council's Long Term Plan.

The quantified limit from the financial strategy included in the 2021-2031 LTP is: Annual rates increases² will not be more than 6%, other than year 1 and 3 where the limits are set at 11.73% and 11.81% respectively.



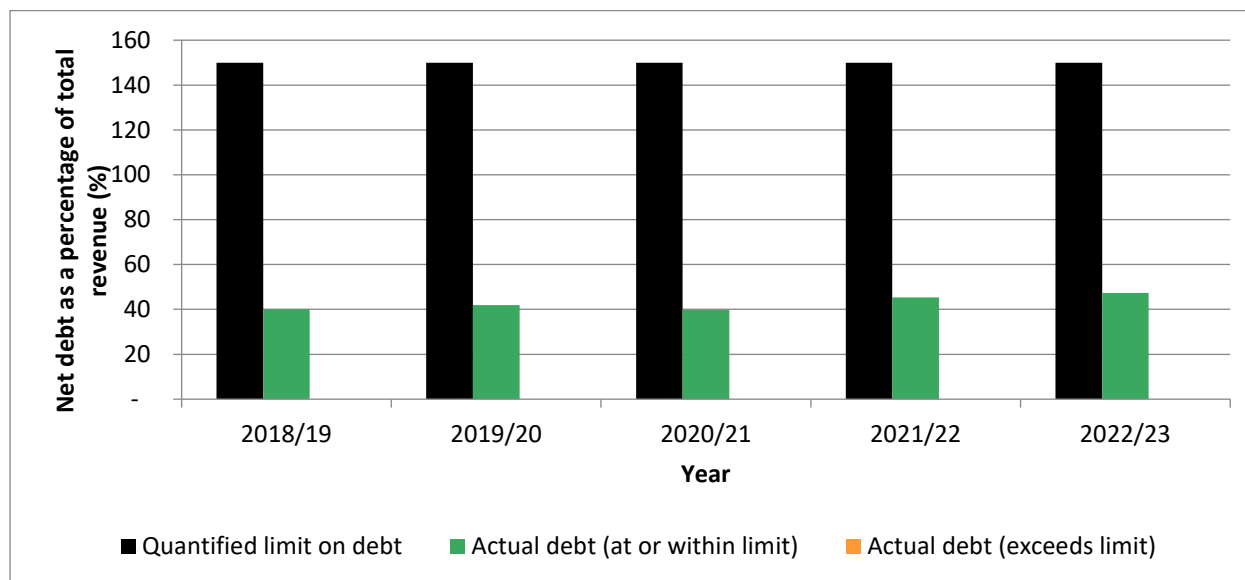
Comment:

The actual rates increase (excluding penalties and metered water revenue) for 2022/23 was 6.3%, compared to the Financial Strategy limit of 6%, due to growth in the rating base at 1 July 2021 exceeding the level expected, resulting in rates increasing more than budgeted. For 2021/22, total rates increased 11.37% on the prior financial year, so within the limit set out in the Financial Strategy for 2021/22 of 11.73%.

² For the purposes of this calculation, rates revenue excludes penalties (which are not budgeted for) and the rate revenue from metered water supplies (the majority of which came from a few large industrial users). These items are excluded as the level of revenue received is not within Councils' direct control.

Te Pou Taraawaho o te Whai Pūtea ki te Nama | Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within the quantified limit on borrowing. The following graph compares the Council's actual borrowing with the quantified limit on borrowing stated in the Financial Strategy included in the Council's Long Term Plan. The quantified limit is: Net debt as a percentage of total revenue will not exceed 150%³.



Comment:

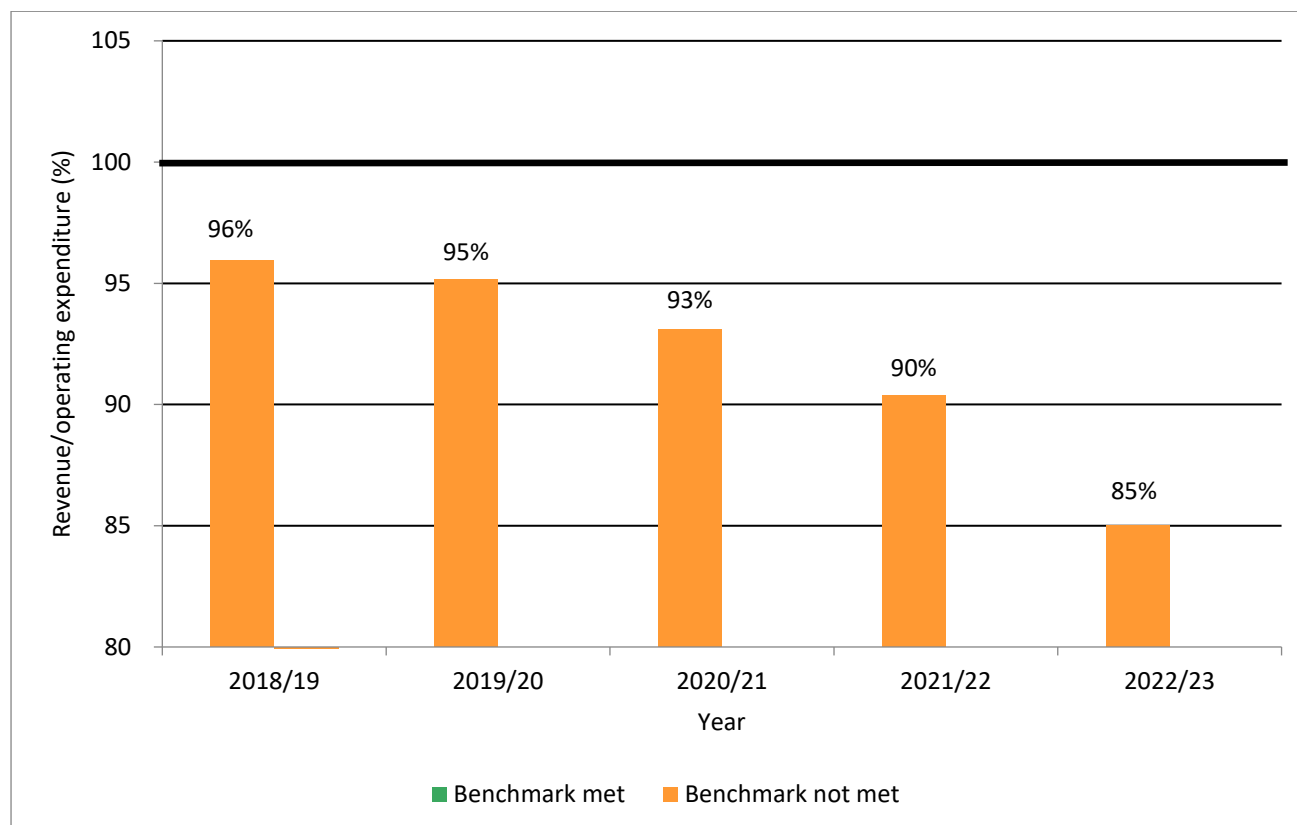
Council's net debt as a percentage of total revenue sits at 47% at 30 June 2023 and has remained well below the limit of 150% for the last five years. The limit of 150% is considered (by independent professionals) to be a prudent limit for a council of our size and nature.

³ Consistent with our Liability Management Policy;

- Net debt is calculated as external debt less cash, bank deposits and investments realisable in the short term
- Total revenue excludes development and financial contributions, vested and found assets and other gains.

Te Pou Taraawaho o te Whakataurite i te Tahua | Balanced budget benchmark

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

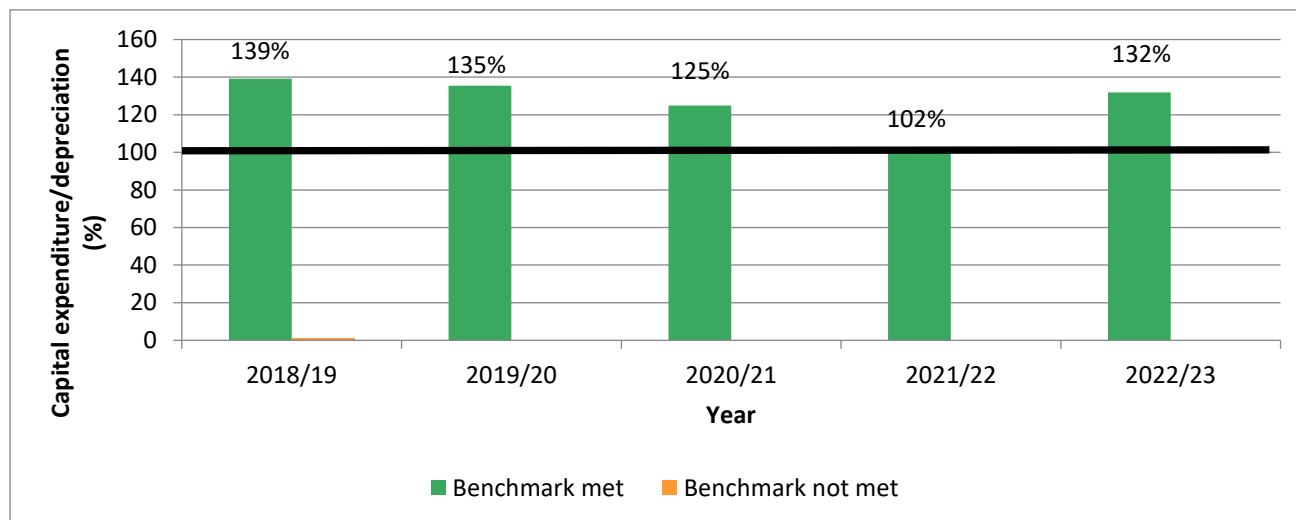


Comment:

When budgeting, Council aims for operating expenses to be covered by operating revenue - to "break even". For accounting purposes, when we replace assets like pipes and reseal roads, the old replaced assets are "disposed of" and the "loss" from doing so is recorded as "operating expenses". Council does not rate to cover this. At the same time, operating revenue also includes subsidies that Council receives to maintain and replace roading in the district. This revenue is included in operating, however the cost is not reflected as an operating expense - it is capital expenditure.

Te Pou Taraawaho o ngā Whakaratonga whai take nui | Essential services benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

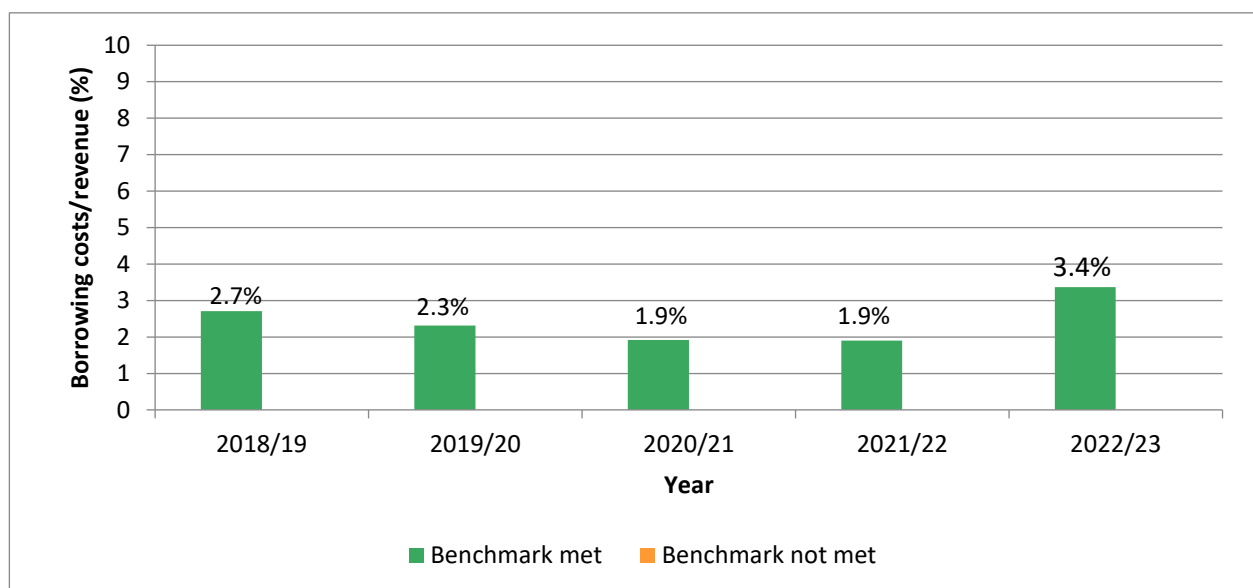


Comment:

Council's capital spending is not programmed on a straight-line basis consistent with depreciation. Over the five years shown, the capital spend averages 127% of depreciation.

Te Pou Taraawaho o te tiaki nama | Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

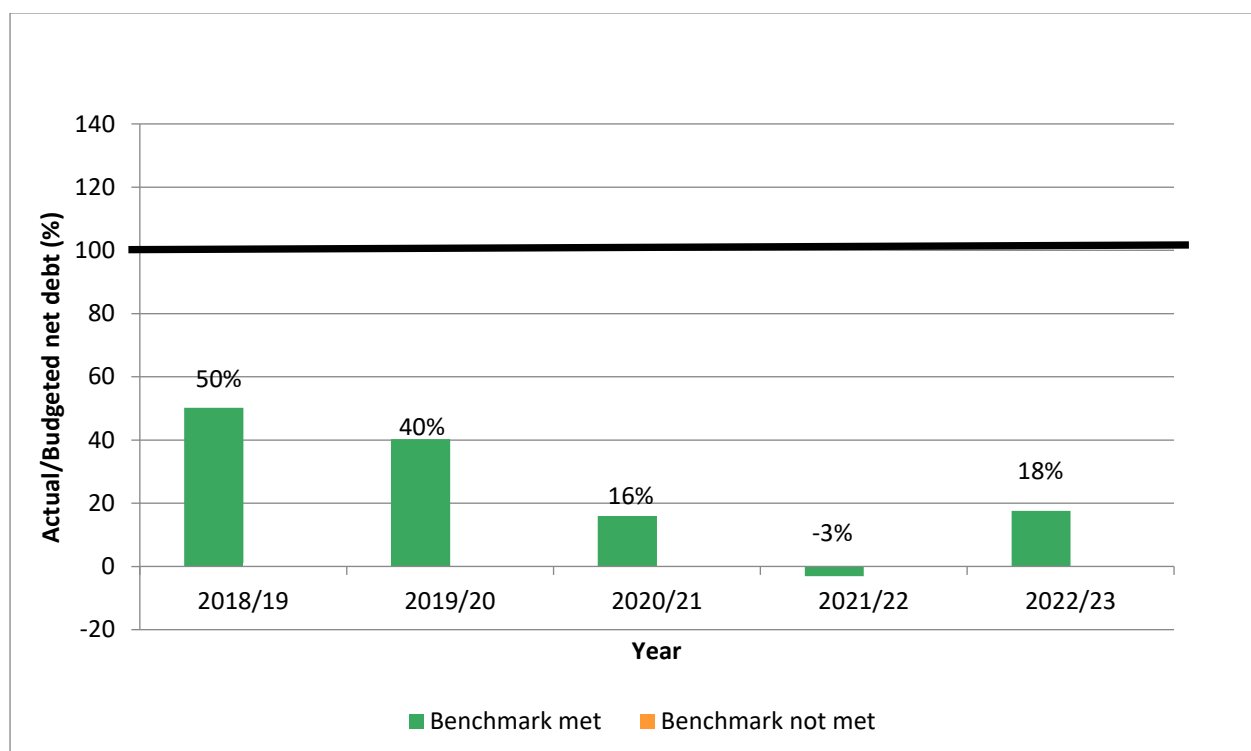


Comment:

Council's borrowing costs are sustainable and well under the 10% limit.

Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

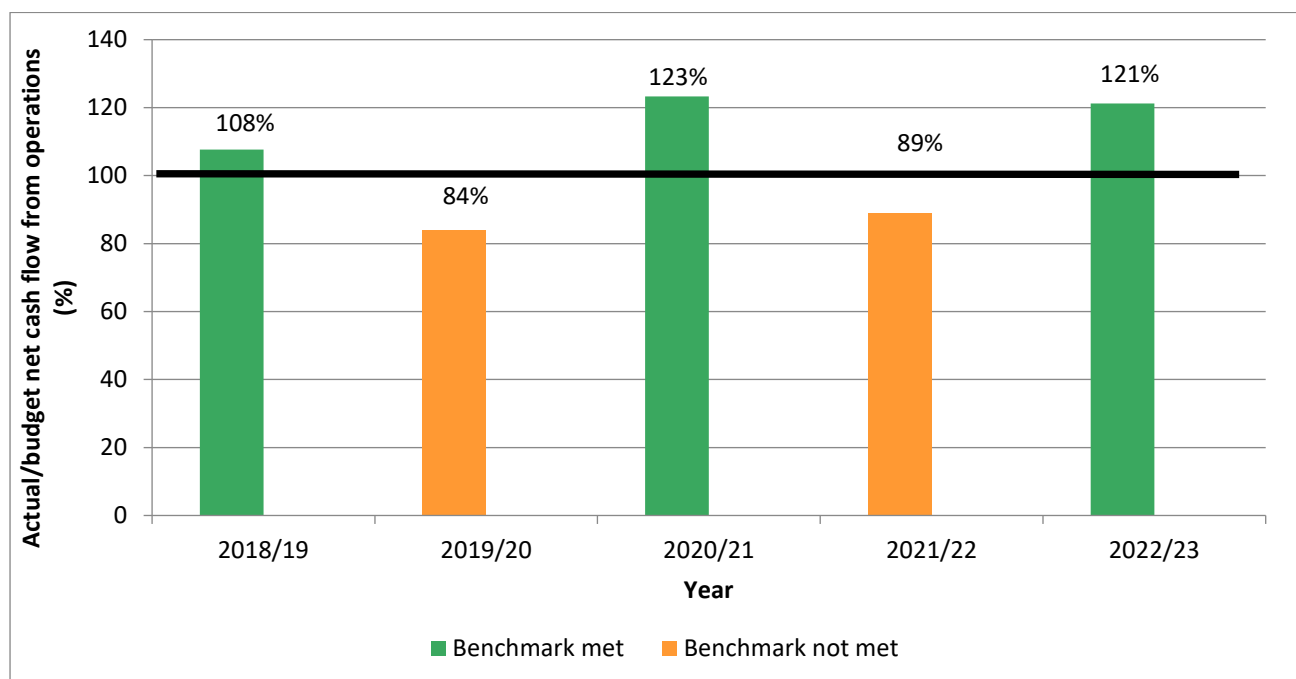


Comment:

Debt over the last five years has been lower than budgeted due to delayed capital spending, and maturing investments/surplus cash have been used to repay debt or internally fund capital work. Council's investment in the Waikato Regional Airport has also increased significantly since the planned net debt was set out in the adopted LTP.

Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Comment:

Council's actual cashflow from operations has exceeded our budgeted cashflow from operations in three of the last five years.



2.5 TE WHAI WĀHI KI NGĀ RŌPŪ O RARO O TE KAUNIHERA ME NGĀ RŌPŪ O TE KAUNIHERA | INVOLVEMENT IN COUNCIL CONTROLLED ORGANISATIONS AND COUNCIL ORGANISATIONS

Waikato Regional Airport Limited (WRAL)

WRAL is a Council Controlled Organisation, jointly owned by five local authorities: Hamilton City, Waikato District, Waipa District, Otorohanga District and Matamata-Piako District Councils. Matamata-Piako's shareholding is 15.625%.

Waikato Regional Airport Limited replaced the Airport Authority in 1989, which previously ran the airport. We consider that the airport is a significant infrastructural asset for the region and important for economic growth and development. The Local Government Act 2002 defines shareholding in an airport as a strategic asset.

The objective of the Waikato Regional Airport Limited is

- Operate an efficient, compliant and resilient airport
- Enhance the traveller experience
- Maintain a viable aeronautical business
- Maximise revenue diversification through its non-aeronautical business opportunities
- Develop and optimise the land holdings of the Group to generate a long-term property income from a diversified portfolio
- Operate the airport hotel to recover from the effects of Covid-19 and achieve revised financial targets. Maintain pre-Covid customer satisfaction targets
- Marketing the Hamilton & Waikato region as a visitor destination to domestic visitors
- Grow the visitor economy through tourism development and destination management.

WRAL Performance Reporting

Performance target	Comments	Met	
		2023	2022
Non-financial performance targets			
Zero WorkSafe notifiable accidents/injuries.	There were no notifiable incidents in either 2022 or 2023.	✓	✓
Independently review and audit the health and safety system each year.	An independent audit of the Group's health and safety framework was undertaken and all recommendations were implemented.	✓	✓
To achieve airport certification standards required by the Civil Aviation	The airport continues to meet all relevant CAA certification standards	✓	✓

Performance target	Comments	Met	
		2023	2022
Authority (CAA) as evidenced by CAA audit reports.			
Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).	There have been no incidences of scheduled flights being operationally impacted by controllable events	✓	✓
Facilitate noise management meetings every 4 months in accordance with the noise management plan.	Regular meetings were facilitated every 4 months however have reduced frequency to 6 months during the 2022 year due to reduced air movements.	n/a	×
Facilitate health & safety meetings every 2 months with representatives from each company department.	Health & Safety committee meetings are undertaken on a monthly basis	n/a	✓
Titanium Park Limited Complete construction of airport infrastructure to support private aeronautical property development and land sales	Settlement of land sales were completed however purchasers did not require aeronautical infrastructure to be completed in the 2023 year	×	n/a
Complete construction of the 5th Stage of Titanium Park's Central Precinct.	Plans were finalised and construction had commenced during the year however it was not completed by year end due to COVID19-related construction delays.	n/a	×
Develop a masterplan for Titanium Park's Northern Precinct and prepare a private plan change submission to Waipa District Council	The masterplan was completed in 2021, and the plan change submitted during 2022.	n/a	✓
Jet Park Hotel Hamilton Airport (Waikato Regional Airport Hotel Limited) Implement a recovery plan to enable a steady return to pre-COVID key metrics such as occupancy, room rates and customer satisfaction in line with the expectations	The hotel resumed trading to the public in the 2023 financial year after two years as a MIQ Hotel. The Hotel maintained its Qualmark 4 Star rating and exceeded trading budget	✓	×

Performance target	Comments	Met	
		2023	2022
underlying the achievement of a Qualmark 4 Star rating.			
Hamilton & Waikato Tourism Limited Successfully deliver the first year of the \$3.75m Regional Events fund for Waikato, Rotorua, Ruapehu and Taupo	Due to COVID19 travel and event restrictions a number of events did not take place during the year (cancelled or postponed) meaning the investment plan was not fully delivered.	n/a	×
Climate Change Response Reduce Group electricity consumption by 3% on 2022 levels (measured in kWh used) and maintain water consumption level on 2022 levels (measured in litres used).			n/a

Performance target	2023			2022		
	Actual	Target	Met	Actual	Target	Met
Financial performance targets						
Net surplus/(deficit) before tax no less than	\$10,763,000	\$6,000,000	✓	\$2,123,000	\$1,200,000	✓
Earnings before tax, interest, depreciation & amortisation (EBITDA) excl Land Sales of at least	\$5,674,000	\$4,300,000	✓	\$5,996,000	\$5,200,000	✓
Earnings before tax, interest, depreciation & amortisation (EBITDA) incl Land Sales of at least	\$15,764,000	\$11,100,000	✓	\$6,383,000	\$5,700,000	✓
Percentage of non-landing charges to total revenue of at least	70%	60%	✓	82%	60%	✓
Land Sales of at least	\$14,723,000	\$14,000,000	✓	\$2,020,000	\$2,000,000	✓

Performance target	2023			2022		
	Actual	Target	Met	Actual	Target	Met
Interest coverage ratio of at least	9.7	4.0	✓	13.2	4.0	✓
Net operating cash flow excl Land sales of at least	\$2,656,000	\$3,500,000	×	\$4,471,000	\$3,600,000	✓
Net debt a maximum of	\$20,149,000	\$30,000,000	✓	\$16,774,000	\$29,000,000	✓
Shareholder funds to total assets of at least	86%	75%	✓	85%	75%	✓

All earnings and profitability financial performance targets exclude the effect of other gains and losses recognised in net surplus/(deficit) unless otherwise stated.

Waikato Local Authority Shared Services Limited (WLASS) now Co-Lab

WLASS is a CCO solely owned by the 12 Waikato local authorities – Waikato Region, Hamilton City, Hauraki District, Matamata-Piako District, Otorohanga District, Rotorua District, South Waikato District, Taupo District, Thames-Coromandel District, Waikato District, Waipa District and Waitomo District.

The WLASS Board has 12 Directors; each Director being the Chief Executive, or nominee, of one of the local authorities representing the shareholding Councils. The Directors do not receive any fees or expenses for the work undertaken on behalf of WLASS.

Matamata-Piako's shareholding is 8.33%.

The company was established in 2005 to promote shared services between local authorities across the Waikato region. By encouraging and enabling the councils to work together, WLASS helps councils to reduce costs, achieves effectiveness and efficiency gains, reduces duplication of effort, eliminates waste through repetition, promotes and contributes to the development of best practice, and helps to improve customers' experiences.

Council became a shareholder following public consultation during the 2005/06 Annual Plan.

Much of the work of WLASS is undertaken by Working Parties or Advisory Groups made up of staff from the shareholding councils, with expertise and interest in particular services. WLASS provides a legal entity representing all of the shareholding councils, and can enter into contracts and agreements with external suppliers. The WLASS CEO facilitates and co-ordinates the various Working Parties.

Member councils pay a small annual levy, depending on their size, to run the WLASS. Services obtained by members are funded on a user pays basis, whereby each council pays for and receives the financial benefit of its share of any particular service. The decisions about potential projects or services are made by the Directors, who make up the WLASS Board.

Co-Lab Performance Reporting

Key:

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

Priority	Performance measure	Target	Outcome (progress toward target)	2022 Outcome	
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives	➤ Business cases will include measurable benefits linked to one or more of the outcomes sought	Projected savings to councils of \$300k*	<p>Seven significant projects monitored during the year. However, each of these projects – which were largely guided by feedback from councils – were principally focused on valuation creation (rather than cost savings) and/or are at an early stage where potential costs savings are yet to be quantified. The Customer Digital Enablement (CDE) project has the potential to save¹ significant amounts by pooling council investment. For example, market feedback suggested a ten-fold increase in the number of councils involved only bore a 16% increase in investment. Unfortunately, as noted earlier, most councils did not support progressing to RFP and product build. For these reasons, the target has not been met.</p> <p>The <i>Strategic Case</i> for the 'Right People, Right Place' project (see page 9) was approved by the Board in June 2023.</p> <p>A paper covering the 'People Post 3 Waters' project (see page 9) was presented to council Chief Executives in November 2022, with an update to the Board in March 2023. While we</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>	●

¹ When compared to making the investment on a standalone basis

30 June 2023

Priority	Performance measure	Target	Outcome (progress toward target)	2022 Outcome	
			<p>await feedback from councils on what resource might become available to redeploy, we are investigating a project management shared service to address one area where many councils are resource constrained.</p> <p>Neither of these investigations can yet claim to give projected savings to councils, although both have the potential to reduce costs and create value in the future.</p>		
	➤ Opportunity assessments are supported by councils (evidenced by Board minutes)	75% of councils	<p>We can't reasonably measure performance against this target because no opportunity assessments have been presented to the Board during the period. Having said that, as noted above, CDE is not expected to progress to this point, because of the lack of support to progress the opportunity. To that extent, it is an opportunity that, while initially supported by councils, has not ultimately been.</p> <p>Last year we reported that 9 of 12 councils agreed to participate in Co-Lab Learning. A 10th confirmed their involvement in the current period.</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>	●

30 June 2023

Priority	Performance measure	Target	Outcome (progress toward target)	2022 Outcome	
			<p>Some opportunities have been capitalised on without a formal business case. An example of this in the current period is Co-Lab Procurement Support. That shared service came about from discussions with councils who had a need for procurement skills, but only on a part-time basis, or only as and when required to supplement their current resources.</p> <p>In July 2023 and August 2023, councils were presented with proposals to participate in a Building Consent Cadetship and in the RATA Spaces and Places Rōpū. Decisions are pending in early FY24.</p>		
Develop opportunities and deliver projects within agreed budgets and timelines	➤ Opportunities / projects are developed / delivered within agreed timelines	80%	<p>14%: (1/7 projects)</p> <p>The low proportion of projects delivered within agreed timelines is disappointing. However, this should be considered in the context that most Co-Lab investigations commence with significant uncertainty, including council staff's capacity to get involved in the projects, which makes reliably estimating the time to complete challenging. While capacity is the most</p>	<p>38%: 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</p>	

30 June 2023

Priority	Performance measure	Target	Outcome (progress toward target)	2022 Outcome	
			<p>prominent unknown when setting timelines, the LIDAR project has been delayed by vendor performance issues.</p> <p>We acknowledge that we must be more realistic when estimating timelines.</p> <p>It is important to note that none of the delays have caused costs to escalate (i.e., the anticipated work is simply spread over a longer period, or the contract protects against cost escalation).</p>	<p>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>	
	➤ Opportunities / projects are developed / delivered, within approved budget	90%	<p>80%: Four of the five projects were completed within budget. The exception was the Co-Lab Learning Implementation where the cost of the project team went over project budget. The remaining of two projects have not started in the current year.</p>	<p>86%: Six of the seven projects were completed within budget. The exception was the Learning & Development Shared Service project where the cost of the project team went slightly over budget. This was a result of the delays, and therefore extension of effort that is explained above.</p>	

30 June 2023

Priority	Performance measure	Target	Outcome (progress toward target)		2022 Outcome	
	➤ Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has board pre-approval		Actual Company Management & Support expenditure exceeded budget, mainly because the LAPP insurance cost, which is recovered from councils, was not included in the budget.	●		
Ensure projects realise their expected benefits	➤ Measurable benefits are actively monitored and reported against	Six-monthly	<p>During the current financial year, management reported to the Audit & Risk Committee on:</p> <ul style="list-style-type: none"> Shared Valuation Data Service (SVDS): All benefits in the business case have been met Co-Lab Water Services: The assessment considered benefits realised since the services inception. Of the 10 KPIs in the business case, only 1 (relating to service expectations) was determined to be 'not met' and action is already underway to remedy that. 	●	During the last financial year, we presented the following to the Audit & Risk Committee: PSP Waters Collaboration Insurance	●

30 June 2023

Priority	Performance measure	Target	Outcome (progress toward target)		2022 Outcome	
	➤ Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)	<p>For \$200k+ Projects (based on cost of opportunity development and ongoing investment) Within 15 months</p> <p>90% of projected quantifiable benefits are realised</p>		●		●
Ensure existing services are meeting the needs of councils	➤ The services we provide are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey).	80% of councils	Based on our annual survey of councils, the target of 80% has not been met. 79.8% of respondents (0.2% less than the target) said that the services met or exceeded expectations. The survey response rate was 45% (200 were surveyed with 91 responses received).	●	<p>A stakeholder survey was undertaken in May 2022 as noted above.</p> <p>84% of respondents said that the services they received either met or exceeded their expectations.</p>	●

30 June 2023

Priority	Performance measure	Target	Outcome (progress toward target)	2022 Outcome
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice	➤ Across these groups, ideas for future consideration and/or initiatives are identified each year	Four per annum	Ideas received and triaged in FY23: <ul style="list-style-type: none"> • One digital library book database • Common LGOIMA manager tool • Councillor Induction Programme • Common staff induction content • Shared resources for election years • Parking enforcement app • Joint Procurement for contracted resources 	Ideas for future consideration and/or initiatives identified include: <ul style="list-style-type: none"> • Redesign of the WBCG Quality Manual – In progress • Cadet Project – In progress • New Build Waikato website delivered – Completed • Water Data Quality dashboard • Fortnightly P&C response group for Covid-19 • The Insurance Advisory Group engaged Aon to undertake an assessment of potential losses to Waikato councils' three-waters reticulation networks and flood protection assets due to earthquake damage. • Procurement Managers have been involved in a few joint procurements.

Hauraki Rail Trail Charitable Trust

The Hauraki Rail Trail Charitable Trust is a Council Controlled Organisation, created by Hauraki, Thames-Coromandel and Matamata-Piako District Councils, who each can appoint three trustees. Iwi in the three Districts can also appoint three trustees to the Trust. The Trust falls within the definition of a council controlled organisation, however on 8 November 2017 we exempted the Trust from council controlled organisation reporting requirements under the Local Government Act 2002. The exemption must be reviewed every three years and was last reviewed September 2023.

The Trust's purpose is generally to operate and facilitate the use and enjoyment of the Hauraki Rail Trail. The defined purposes of the Trust include the specific objectives of expanding the Hauraki Rail Trail where possible and maintaining the Hauraki Rail Trail to appropriate standards. The trust will oversee the operation and maintenance of the Hauraki Rail Trail by a commercial operator. It will also seek funding from charitable organisations (such as gambling trusts) to fund the extension of the Hauraki Rail Trail.



SECTION 3 TE PĀNUI O NGĀ WHAKARATONGA INENGA MAHI | STATEMENT OF SERVICE PERFORMANCE



3.1 TĪRONGA WHĀNUI O NGĀ WHAKARATONGA INENGA MAHI | OVERVIEW OF SERVICE PERFORMANCE

Council's service performance information for the 2022/23 year, is contained in this section *Section 3: Statement of Service Performance*, pp 98-216.

The other sections of the Annual Report, *Section 1: Introduction* and *Section 2: Financials* provide the governance framework and financial context within which Council's service delivery is achieved.

This service performance section describes the range of services that Council provides for the community, and reports on how effectively Council has delivered on those services over the last financial year, 1 July 2022 to 30 June 2023.

Statement of compliance

The service performance information in Section 3 is compliant with New Zealand generally accepted accounting practice (NZ GAAP). Refer also to the Statement of Compliance and Responsibility on pp 218.

Council's Role

Our delivery of services to the community takes place within the overall context of Council's purpose as set out in the Local Government Act 2002:

The purpose of local government is -

- (a) To enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) To promote the social, economic, environmental and cultural well-being of communities in the present and for the future.

Local Government Act 2002, Section 10 (1)

Our reporting on the delivery of services, contained within this Annual Report, is one of the responsibilities mandated under the same Act, which also includes:

To separate policy setting from operational functions as far as possible

To prepare Long Term Plans, Annual Plans and Budgets in consultation with communities

To report annually on performance in relation to Council Plans

To prepare long term financial strategies including funding, financial management and investment policies

Ref: *Council's Roles and Functions*, DIA Website [link](#)

Council's Goals

Our delivery of services is guided by the broad picture of what we seek to achieve as a Council, as encapsulated in our Community Outcomes.

In consultation with the community in 2017, Council set five core Community Outcomes, each with three key goals. You can read more about the Community Outcomes on page 9 in this Annual Report.

Connected Infrastructure	Economic Opportunities	Healthy Communities	Environmental Sustainability	Vibrant Cultural Values
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To deliver on these Community Outcomes, Council develops a Long Term Plan every three years. Updates to the Long Term Plan are made in subsequent years in the Annual Plan, and reporting on what has been achieved is done yearly through the Annual Report. The 2022/23 year is the second year of the three year cycle of the 2021-2031 Long Term Plan.

The services Council provides

Our 2021-2031 Long Term Plan divides Council's services into eight activity groups that contribute to the delivery of our Community Outcomes. Each activity has performance measures that show how well Council is performing in terms of delivering those services to the community.



An Activity Group is one or more related activities provided by, or on behalf of, the Council, which contribute to our Community Outcomes and align with the Long Term Plan 2021-2031. There are eight Activity Groups with their statements of service provision and the funding impact statements which are contained in *Section*

3. The reconciliation which bridges the difference between the funding impact statement and the statement of comprehensive revenue and expenditure is included in *Section 2*. In this section we will outline key activities and projects, and report against our performance measures for each of the Activity Groups.

Some Activity Groups contain a range of services, for example the Strategy and Engagement Activity Group, contains the services of Civil Defence, Community Leadership, Communications and Events, and Strategies and Plans. Other Activity Groups contain just one service, for example Roothing.

Taken together, the Roothing, Rubbish and Recycling, Stormwater, Wastewater and Water Activity Groups fall under the umbrella of Infrastructure. Council's Infrastructure Strategy, in the Long Term Plan, more fully describes each of these Activities and Council's plans for them over the next thirty year period.

Activity Groups contribute to Community Wellbeing

Each Activity Group helps Council to deliver on its core function of contributing to the current and future wellbeing – social, economic, environmental and cultural – of its community. Under each Activity Group section in the Annual Report, the specific ways in which each group of activities contributes to the well-beings is outlined.

In the Long Term Plan, we also consider any negative effects of our activities on community wellbeings and describe how we plan to mitigate those.

Activity Groups contribute to Council's Community Outcomes

Each group of activities contributes to achieving Council's vision and Community Outcomes. Under each Activity Group section in the Annual Report, the specific ways in which the Group contributes to the Community Outcomes is outlined.

How Council services are funded

Council's Revenue and Financing Policy in the Long Term Plan, outlines how each of Council's Activity Groups are funded. You can read more about what Council takes into consideration when making these allocations by reading the Policies document available on the Long Term Plan page of our website.

Council's Service Performance Reporting

Each year in the Annual Report, Council reports on how well it has delivered its services to the community over the last financial year. The aim is to clearly communicate to our community how well we have delivered on the targets we set ourselves across the range of our services in the Long Term Plan.

Judgements on selection of performance measures

The performance measures that Council reports against are a mix of mandatory and non-mandatory measures.

The mandatory measures are set by the Department of Internal Affairs and cover the activity groups of Roothing, Water, Wastewater and Stormwater.

Under the Local Government Act 2002, we are mandated to provide standard performance measures so that the public may compare the level of service provided in relation to the following group of activities: water supply, sewerage and the treatment and disposal of sewage, stormwater, and the provision of roads and footpaths (Council does not report on performance measures relating to flood protection as it does not have

any major flood protection and control works as per the Department of Internal Affairs (DIA definition). DIA guidance has been followed in measuring performance against all mandatory performance measures.

Non-mandatory measures are determined by Council and cover the Activity Groups of Community Facilities and Property, Strategy and Engagement, Rubbish and Recycling and Consents and Licensing. The performance measures and targets for this Annual Report were set by Council in the Long Term Plan 2021-2031. Every three years, when the Long Term Plan is reviewed and updated, the performance measures and targets are also reviewed.

When Council prepared the forecast Statement of Service Performance in the 2021-2031 Long Term Plan, Council made the following judgments in the selection of our service performance measures found in the Introduction, Financials and Statement of Service Performance sections:

- Council has reflected on the extent to which the levels of service provided to the community were best captured by the performance measures used.
- Consideration has been given to the views expressed by our residents and ratepayers. This includes feedback from our previous resident surveys and submissions received through the Long Term Plan consultation process.
- Council aims for the performance measures to inform progress towards delivering the Level of Service set out in the Long Term Plan.

Relevant measurement judgements have been included within each Group of Activity section to which the judgement relates. This information applies throughout the service performance reporting in *Section 3*.

Council has also set performance measures to measure regulatory compliance for statutory measures (such as percentage of both building consents and resource consents applications processed within statutory timeframes). Further to the above judgements being made in the selection of performance measures, we also apply judgements in the measurement, aggregation, and presentation of service performance information.

To determine the number of performance measures to monitor and report on and the level of aggregation (for example, whether to report on customer satisfaction for each library facility in Te Aroha, Morrinsville and Matamata or one combined result across all three library facilities), we have considered the information needs of our communities, the costs and benefits of these, practical feasibility, and the requirement to provide performance information across the full breadth of services that the council provides.

There are no significant judgements applied to the measurement, aggregation, and presentation of service performance information unless specified within the relevant activity section below. As part of setting funding levels the Council considered the impact on services and their related performance measures.

Performance measures are selected to report on Council's activities. They measure and communicate Council's performance in a quantitative way that is comparable over time, with additional qualitative commentary used to make the reporting more accessible to the general public.

The measures indicate Council's success in achieving its five strategic goals as outlined in the Community Outcomes. The ways in which each activity group contribute to these goals is described at the top of each activity group section. In addition, judgements related to measurement aggregation and presentation of service performance information are included within each activity group.





Data and Trend Analysis

The results and trends reflect the data and information available at the time of writing this report. To identify trends, data has been analysed as far back as possible and there is variation in the time series of each measure. Some measures assess progress against a baseline as it was a new measure in the Long Term Plan 2021-2031.

Where changes in percentages from year to year are reported as having increased or decreased, it should be noted that these are not necessarily statistically significant and require further time series to determine a real trend.

Scale for reporting activity group summary results

The following scale has been used to report results in the summary graphs at the beginning of each activity group:

	Achieved
	Partially achieved
	Not achieved
	Not reported in current year

Achieved – result or results for a measure have reached or exceeded the target

Partially Achieved – for measures that contain more than one measurement, at least one result has reached or exceeded the target, and at least one result has not reached the target

Not Achieved – result or results for a measure have not reached the target

Not reported in current year – for measures which are scheduled to be reported on less frequently than yearly, as determined in the Long Term Plan

External implications for service performance statements

There are conditions that affect the service performance results and may result in a variation from the targeted results. These are ones which are outside the control of the Council. Examples of this are, but not limited to, changes in government policy in New Zealand, changes in international travel restrictions, global and domestic economic conditions and international policy that may impact areas such as staff recruitment.

Data sources

The key data sources used to report on these measures are:

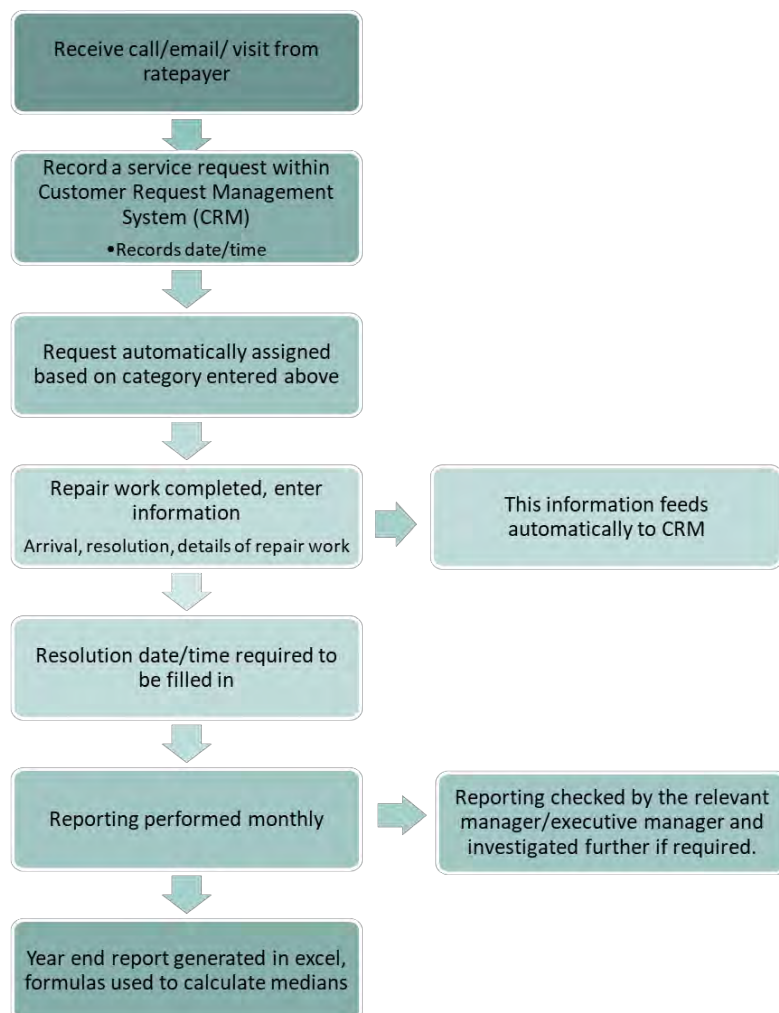
- Council's internal Customer request management system
- An annual Community Views survey of residents administered by an external party (detail below)

Customer request management system

Requests are received from members of the public through a number of different channels – phone call, email, Antenno (smartphone app) and in person at Council offices.

Requests are received, responded to, analysed and reported on through our Customer Request Management System.

The diagram below illustrates the workflow for requests.



Annual Community Views Survey

Council uses an external agency to conduct our Annual Community Views Survey which gauges residents' perceptions of and attitudes toward various Council services and facilities.

The survey identifies various satisfaction levels amongst the community, and in so doing, helps Council to improve the delivery of the corresponding services and activities. Council's specific research objectives are to:

- Determine residents' usage and satisfaction with core Council activities, in comparison to previous measures, but also against Key Performance Measures (KPMs) outlined in its Long Term Plan (LTP);
- Determine awareness and impressions of Council's communications and consultation processes;
- Highlight any issues as to where Council can make the greatest gains in resident satisfaction via future development.

Responses for the Community Views Survey were collected on a monthly basis from July 2022 to June 2023 using a mixed method approach: computer aided telephone interviewing (CATI) and online interviewing.

A total of n=400 responses made up the final sample size (total number of residents interviewed), with n=240 from CATI (of which around 20% were collected via mobile numbers) and n=160 from online. A total sample size of n=400 yields a maximum Margin of Error (MoE) of +/- 4.90%. Statistical testing is used to determine the probability that an observed difference occurred as a result of chance. Significance testing has been applied to year on year findings and is indicated where applicable.

Area quotas were applied to each ward in the District to ensure the final sample is a true, proportionate representation of the District overall, and is consistent year-on-year. Age and gender weights have been applied to the final data set. Weighting ensures specific demographic groups are neither under or over represented in the final data set, and each group is represented as it would be in the population.

The survey allows Council to measure changes in customer satisfaction across service delivery over time. Questions are written so they are clearly understood by participants and neutral in tone; and response options are designed so they are balanced, do not lead participants to respond in a certain way and cover a variety of responses a participant may wish to provide. For example, if a respondent is dissatisfied with a particular service or activity, the reasons for this are recorded.

Results from these surveys are used to improve our processes and informs future service level improvements. We balance our measure of service delivery with supplemented direct measures of the quality of our service, which measures the direct observation of the service delivery, this type of measurement is more objective and easily quantifiable.



3.2 NGĀ WĀHI MĀNA ME NGĀ RAWA Ā-HAPORI (HUI KATOĀ)

COMMUNITY FACILITIES AND PROPERTY ACTIVITY GROUP

Community Facilities and Property levels of service reporting is about how effectively Council has provided a range of cultural, recreation, health and housing services for the community.

Why we provide the Community Facilities and Property Activity Group

Community Facilities and Property supports community wellbeing by providing facilities to promote healthy communities, social connections and economic opportunities. Parks and Open Spaces also support environmental wellbeing through protecting and enhancing biodiversity. The Activity also looks after some of the cultural heritage of the District such as the various Heritage Trails, historic sites like Te Aroha Domain and Firth Tower, and provides facilities that support arts and crafts. These activities all help make Matamata-Piako District *The Place of Choice*.

What the Community Facilities and Property Activity Group consists of

Community Facilities and Property is about providing facilities for sport, recreation and cultural activities, affordable housing for elderly people, and buildings and facilities that enable us to provide a range of services to the community. The activities responsible for this are:

- Carparks and Street Furniture
- Cemeteries
- Housing and Property Management
- Libraries
- Parks and Tracks
- Pools and Spas
- Public Toilets
- Recreation Facilities and Heritage

How the Community Facilities and Property Activity Group contributes to Community Wellbeing

Social wellbeing

Carparks and Street Furniture provide public amenities that improve the health and wellbeing of the community.

Cemeteries provide public amenities that improve health and wellbeing through the provision of appropriate facilities for burial and interment of ashes.

Social wellbeing

Housing and Property Management provides the benefits of social housing to elderly in the District.

Libraries provide venues for activities as well as improving equality and promoting social inclusion, improving literacy and offering education and lifelong learning opportunities.

Parks and Tracks provide our communities with opportunities for sport, recreation, relaxation and social activities.

Pools and Spas provide recreation and wellbeing services for the community.

Public Toilet ensure that communities and visitors to the District have convenient access to these facilities, protecting their health.

Recreation Facilities and Heritage such as the Silver Ferns Farms Event Centre and Matamata-Piako Civic and Memorial Centre provide spaces for the community to use for hosting a variety of events including indoor sports, meetings, social and cultural events.

Economic wellbeing

Libraries support learning and development and help overcome socioeconomic differences. This support includes supporting jobseekers creating CVs and applying for jobs, providing places to work or study, providing the tools and support for life administration, such as applying for economic support, and support participation in the democratic process by contributing to the accessibility of national and local elections, as well as the census.

Parks and Tracks provide a range of areas that attract tourists and events which can generate revenue. They also provide opportunities for local businesses in the tourism and hospitality sector.

Pools and Spas attract both domestic and international visitors, which can generate local revenue.

Recreation Facilities and Heritage provide drawcards and allow for sporting opportunities and events which can increase spending within the District.

Environmental wellbeing

Parks and Tracks protect areas of environmental value. They can also protect areas of natural beauty, provide wildlife habitat, preserve native flora and fauna, increase aesthetic values through landscaping, protect residential areas from flooding and mitigate urban heat effects.

Cultural wellbeing

Libraries provide a diverse range of programmes and events, and information in multiple formats for pleasure and learning, as well as displaying community exhibits and collections. They promote inclusiveness and diversity, and aim to be good Treaty partners by supporting initiatives such as Te Wiki o Te Reo Māori.

Recreation Facilities and Heritage assist with preserving and maintaining access to local and national history and culture.

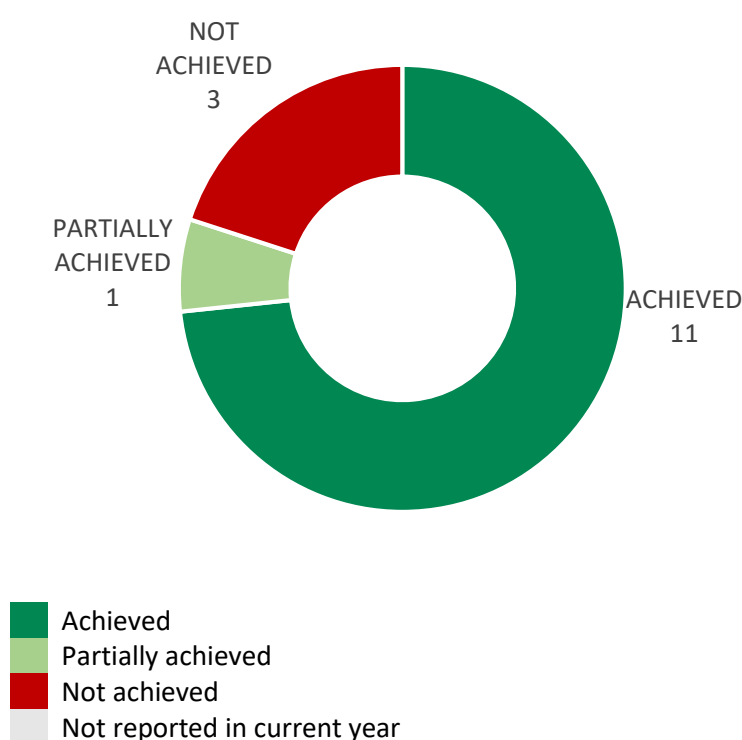
How the Community Facilities and Property Activity Group contributes to our Community Outcomes

<i>Connected Infrastructure</i>	<ul style="list-style-type: none"> ✓ Infrastructure and services are fit for purpose and affordable now and in the future ✓ Quality infrastructure is provided to support community wellbeing ✓ We have positive partnerships with external providers of infrastructure to our communities
<i>Economic Opportunities</i>	<ul style="list-style-type: none"> ✓ Our future planning enables sustainable growth in our District
<i>Healthy Communities</i>	<ul style="list-style-type: none"> ✓ Our community is safe, health and connected ✓ We encourage the use and development of our facilities
<i>Environmental Sustainability</i>	<ul style="list-style-type: none"> ✓ We support environmentally friendly practices and technologies
<i>Vibrant Cultural Values</i>	<ul style="list-style-type: none"> ✓ We promote and protect our arts, culture, historic and natural resources

Community Facilities and Property levels of service reporting - Overview

Summary of Community Facilities and Property performance reporting

There are 15 measures in the Community Facilities and Property activity group. In 2022/23 Council achieved 11 measures, partially achieved one measure and did not achieve three measures.



Council funding of Community Facilities and Property

The Revenue and Finance Policy in the Long Term Plan 2021-2031 set the funding sources for Community Facilities and Property activities as follows:

<i>Funding Sources for Community Facilities and Property activities</i>	
<i>Carparks and Street Furniture</i>	General Rates 100%
<i>Cemeteries</i>	General Rates 30-60% Fees and Charges 40-70%
<i>Housing and Property Management</i>	<i>Housing</i> User charges 100% <i>Rural Halls</i> Targeted hall rates on varying bases for each of the rating areas 80% Fees and Charges on varying bases for each of the rating areas <i>Corporate / General</i> General Rates 80-90% Fees and Charges 10-20%
<i>Libraries</i>	General Rate 90-99% Fees and Charges 1-10%
<i>Parks and Tracks</i>	General Rates 90-100% Fees and Charges 0-10%
<i>Pools and Spas</i>	General Rates 50-70% Fees and Charges 30-50%
<i>Public Toilets</i>	General Rates 100%
<i>Recreation Facilities and Heritage</i>	General Rates 85-90% Fees and Charges 10-15%



3.21 NGĀ TŪNGA MOTUKĀ ME NGĀ RAWA O TE TIRITI

CARPARKS AND STREET FURNITURE

Carparks and Street Furniture – key projects in 2022/23

Carparks and Street Furniture Projects 2022/23	Budget \$000	Actual \$000	Commentary
Town centre revitalisations	600	24	Spending in 2023 was limited to Council's contribution towards the Matamata Horse statue installation.
Street furniture renewal	40	-	There was no renewal spending on street furniture in 2023.
Internal roads and carparks	35	21	The access and carpark at the boat ramp was the priority.
Bulk funds	30	-	There was no spending from the bulk fund in 2023.
Te Aroha boat ramp reserve	-	261	Council received Government subsidy to fund this project with some additional budget from the Internal roads and carparks being used.
Matamata bike rack installation	-	23	These are projects undertaken that were funded through Waka Kotahi's Transport Choices programme.
Matamata temporary traffic management	-	78	
Total Key Capital Projects	705	407	

Carparks and Street Furniture performance reporting

KEY: Target achieved | Target not achieved

Carparks and Street Furniture Service Performance Reporting 2022/23					
<u>Level of service:</u> We provide well maintained carparks and street furniture and respond to vandalism and graffiti in a timely manner.					
How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
90% or more of damage, vandalism and graffiti complaints regarding Council carparks and street furniture responded to within the assigned timeframe.*	90%	66.7%	Target	Target	Target
			90%	90%	90%
			Actual	Actual	Actual
			38%	100%	72.2%
What’s behind the results?					

Carparks and Street Furniture Service Performance Reporting 2022/23

What this measure tells our community

This measure shows whether Council responds in a timely manner to complaints about vandalism and graffiti and gives an indication of how effectively Council is maintaining public amenities that are in good order and pleasant for both residents and visitors to use.

Source data

The data source for this measure is our Customer Request Management System (see page 103-105 for more information). For reporting purposes the Carparks and Street Furniture includes Council owned and managed carparks (not on street parking), street furniture and park furniture (excluding play equipment), gates, bollards and park fences.

The target response time frames are based on whether the request is safety related:

Safety related: an immediate risk to safety, likely to cause harm to users e.g. broken glass, discarded needles, severe structural damage:

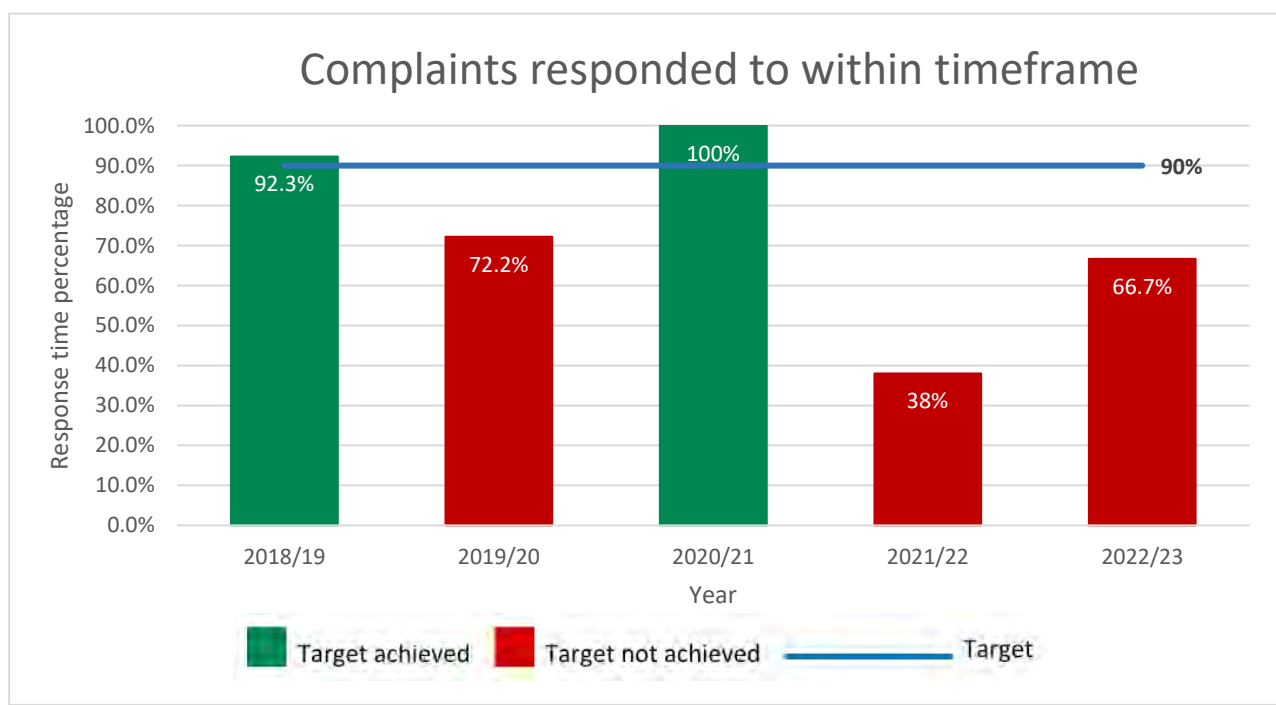
- During work hours: 2 work hours or less
- After Hours: 2 work hours or less counted from the start of the next working day

Non safety related: e.g. graffiti, blown light bulb, other minor maintenance issue:

- During Work Hours: 2 working days or less
- After Hours: 2 working days or less counted from the start of the next working day

Our result in 2022/23

In total we received six complaints none of which posed a safety risk. Four of the complaints were responded to within the target timeframe for non-safety related complaints. The two complaints where the timeframe was not met concerned graffiti at Swimzone Matamata and Thomas Park Playground. Both were assessed as inoffensive and added to the monthly Graffiti Busters program and so were not completed in the 2 day target timeframe.



3.22 NGĀ URUPĀ | CEMETERIES

Cemeteries – key projects in 2022/23

Cemeteries Projects 2022/23	Budget \$000	Actual \$000	Commentary
Elderly Person Housing <i>Refurbishment of existing</i>	-	63	This work was budgeted in the prior year.
Total Key Capital Projects	-	63	

Cemeteries performance reporting

KEY: Target achieved | Target not achieved

Cemeteries Service Performance Reporting 2022/23					
<u>Level of service:</u> Cemeteries are maintained to a high standard.					
How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of people who have visited a Council cemetery in the last year who are satisfied/very satisfied with the cemeteries.	80%	89%	Target	Target	Target
			80%	80%	80%
			Actual	Actual	Actual
			85%	83%	87%
What’s behind the results?					
<u>What this measure tells our community</u> This measure indicates whether Council is maintaining cemeteries to a standard with which the community is satisfied.					
<u>Source data</u> The data source for this measure is our annual Community Views survey of residents. (see page 103-105 for more information).					
<u>Our result in 2022/23</u> In 2022/23, our annual Community Views survey showed that 89% of cemetery users were satisfied (48%) or very satisfied (41%) with the condition of cemeteries in the District. This means we achieved our target of 80% and this result was consistent with results over the last five years. Overall, 37% of those surveyed had used a cemetery in the past year. Of the 1% of residents who expressed dissatisfaction, their reasons included dogs exercising in the cemeteries, uneven ground, and cemetery upkeep. See page 103 for more information on the survey. The results over the last four years indicate to the community that Council is consistently maintaining cemeteries in the District to a standard with which users are satisfied.					

3.23 TE WHAKAHAERE I TE WHARE ME NGĀ RAWA

HOUSING AND PROPERTY

Housing and Property - key projects in 2022/23

Housing and Property Projects 2022/23	Budget \$000	Actual \$000	Commentary
Elderly Person Housing <i>Refurbishment of existing</i>	133	157	Units have been refurbished as planned as part of the renewal programme or between tenants.
Elderly Person Housing <i>Develop and implement a plan for more elderly person housing</i>	600	-	This project is on hold given competing priorities.
Total Key Capital Projects	733	157	

Housing and Property performance reporting

KEY: Target achieved | Target not achieved

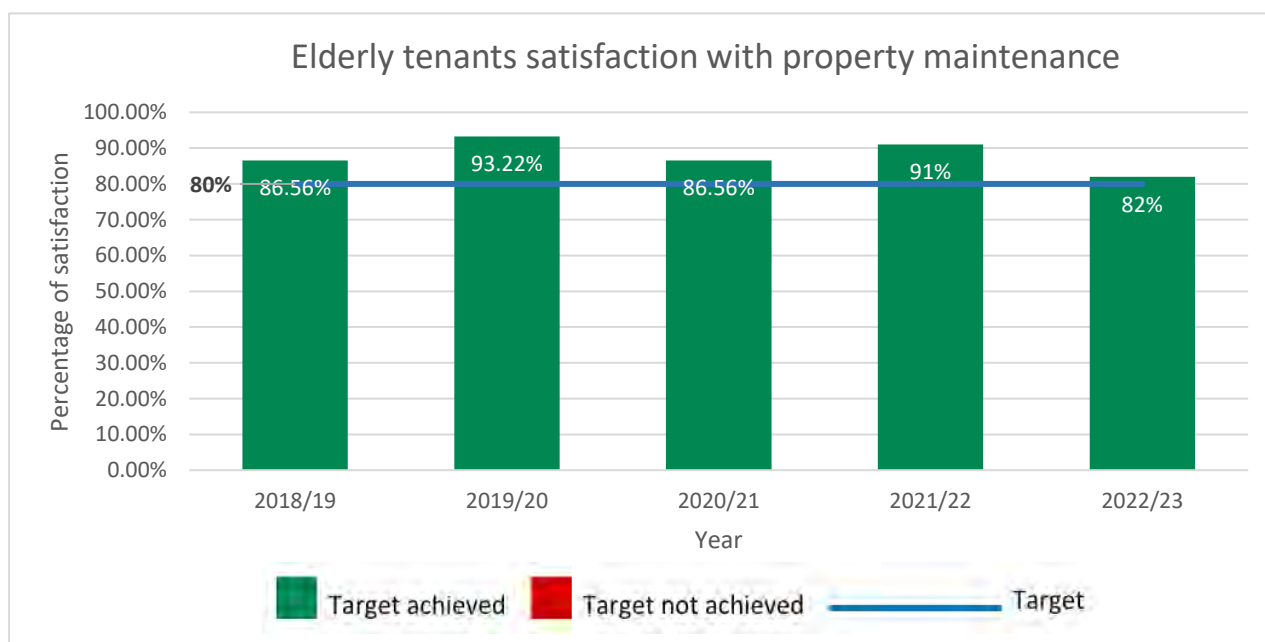
Housing and Property Service Performance Reporting 2022/23					
<u>Level of service:</u> We provide housing that meets the needs of elderly people.					
How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of elderly persons housing tenants who are satisfied/very satisfied with the standard of maintenance and accommodation.	80%	82%	Target	Target	Target
			80%	80%	80%
			Actual	Actual	Actual
			91%	86.56%	93.22%
What's behind the results?					
<u>What this measure tells our community</u> This measure indicates whether Council is maintaining its Elderly Persons Housing to a standard with which residents are satisfied.					
<u>Source data</u> Council manages 109 Elderly Persons Housing (EPH) units providing affordable and convenient accommodation options for elderly people living in the urban environment who wish to have a quiet, maintenance-free, supportive living environment.					
Residents' opinions of Elderly Persons Housing are gathered through an annual survey given to all residents by Council staff. Surveys are completed in paper copy to make them as accessible as possible for residents. This is a survey administered internally in comparison with the Community Views survey that is					

Housing and Property Service Performance Reporting 2022/23

administered by an external provider. A total of 107 residents received a survey. A total of 62 surveys were completed by residents. With a 95% confidence level this gives a margin of error of 8%.

Our result in 2022/23

In 2022/23 82% of residents of elderly residents housing indicated that they were satisfied or very satisfied with their accommodation. This means we achieved our target of 80% satisfaction. This result is lower than our results over the last four years, however since it is still above the target, the result indicates that Council continues to provide elderly housing to a standard with which the majority of residents are satisfied.



Level of service: We provide affordable elderly persons housing.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Rent charged for elderly persons housing is below the market median for the District.	Rents below market median	Rents below market median	Target	Target	Target
			Rents below market median	Rents below market median	Rents below market median
			Actual	Actual	Actual
			Achieved	Achieved	Achieved

What's behind the results?

What this measure tells our community

This measure indicates whether Council is fulfilling its goal of providing affordable housing for elderly residents of the District.

Housing and Property Service Performance Reporting 2022/23

Source data

The market median is determined through the Tenancy Services website, market median tool. This tool does not provide market medians for Matamata Piako District as a whole. Instead, it provides separate market medians for 2 bedroom housing and flats for Matamata, Morrinsville and Te Aroha.

Our result in 2022/23

Our elderly person housing rent is currently \$220 per week across the District for a one bedroom unit and \$280 per week for the two bedroom units in Morrinsville which is the same as the last financial year. This means we achieved our target of being below the market median rent for our 2 bedroom housing in Morrinsville, where the market median is \$480 for houses and \$370 for flats. This result is consistent with our results over the last four years. These results indicate that Council is consistently providing elderly persons housing at an affordable level.

Level of service: Elderly Persons Housing is well utilised.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of available elderly persons housing occupied.	95%	96.5%	Target	Target	Target
			95%	95%	95%
			Actual	Actual	Actual
			93.04%	99%	99.4%

What's behind the results?

What this measure tells our community

This measure indicates whether Council is making good use of its housing stock for the benefit of elderly members of the community. Maintaining high occupancy rates of elderly persons housing ensures Council is providing affordable housing to vulnerable residents in our community.

Source data

Occupancy levels are assessed through ongoing internal monitoring and reporting.

Our result in 2022/23

In 2022/23, 96.5% of elderly persons housing was occupied which means we achieved our target of 95%. This result is an improvement on last year and is consistent with results over the last four years. This result indicates that Council is successfully making good use of its housing stock for elderly residents.

3.24 NGĀ WHAREPUKAPUKA | LIBRARIES

Libraries – key projects in 2022/23

Libraries Projects 2022/23	Budget \$000	Actual \$000	Commentary
Library building renewals	29	64	Shelving and furniture upgrades across libraries were funded this year from budgets carried forward from 2022.
Total Key Capital Projects	29	64	

Libraries performance reporting

KEY: Target achieved | Target not achieved

Libraries Service Performance Reporting 2022/23					
<u>Level of service:</u> Our library services are accessible to the community.					
How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Visitor and online user numbers are maintained.	Visitor numbers within 5% of 5 year average	238,142	Target	Target	Target
			Within 5% of 5 year average	Within 5% of 5 year average	Within 5% of 5 year average
			Actual	Actual	Actual
	2022/23 target: between 192,483 - 212,745		189,898 Not achieved	209,829 Achieved	183,938 Achieved
What’s behind the results?					
<u>What this measure tells our community</u> This measure indicates whether Council’s library services are successfully contributing to the community’s ability to access information and other services and therefore whether libraries are meeting the needs of the community.					
<u>Source data</u> Visitor numbers are assessed through door count records and website visitor statistics collected by Council staff.					

Libraries Service Performance Reporting 2022/23

Our result in 2022/23

In 2022/23 we had 102,582 in person visitors, 135,560 online visitors. This makes a total visitor number of 238,142. This result means there has been an increase of total visitors to the libraries of 25% (48,244) compared to the 2021-2022 year and we have achieved our target. In person visitor numbers per library were Matamata: 32,488; Morrinsville: 46,363; Te Aroha: 23,731. Our results mean we surpassed our target and indicates that Council is providing library services that meet the expectations of the community.

Both in person and online visitor numbers have increased, some reasons for this increase are:

In person visits

- The role of Community Engagement librarian was introduced
- The number of library programmes and events increased from 210 in 2021/22 to 345 in 2022/23
- The increase in tourists means the public computers and WiFi are being used more

Online visits

- The library is providing more digital resources
- There is a global trend toward use of e-books and e-audiobooks



Level of service: Our library resources support community needs.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The percentage of users who are satisfied/very satisfied with library services.	90%	93%	Target	Target	Target
			90%	90%	90%
			Actual	Actual	Actual
			85%	86%	80%

Libraries Service Performance Reporting 2022/23

What's behind the results?

What this measure tells our community

This measure indicates whether Council is providing library services to a standard that the community is satisfied with.

Source data

The data source for this measure is our annual Community Views survey of residents (see pp103-105 for details).

Our result in 2022/23

In 2022/23, 93% of library users were satisfied (34%) or very satisfied (59%) with the libraries. This is a significant increase from last year (85%). Possible reasons for this increase in satisfaction include:

- Libraries are engaging new customers through an array of different programmes
- People may have become more familiar with the new Matamata library over time
- There are new Team Leaders at each of the libraries who are trained librarians



3.25 NGĀ PĀKA ME NGĀ ARA | PARKS AND TRACKS

Parks and Tracks – key projects in 2022/23

Parks and Tracks Projects 2022/23	Budget \$000	Actual \$000	Commentary
Morrinsville recreation ground development	250	27	The perimeter walkway project really got underway late in 2023 with much of the work to be completed in early 2024.
Playground renewals	45	534	A \$500,000 private donation in 2022 funded the completion of Morrinsville's Thomas Park upgrade during 2023, (with part of the costs of that project being operating expenditure). \$24,000 was spent on renewals at Herries Park in Te Aroha and \$33,000 at Kowhai Street Playground in Matamata.
Tracks and track structures	40	-	No spending in this period due to other priorities.
Matamata playgrounds	100	-	Planning for a number of playground upgrades was completed during the year and work will be undertaken in 2023/2024.
Paths on reserves	30	-	No spending in this period due to other priorities.
Playground improvements	20	136	Spending in 2023 includes the completion of Morrinsville's new Lockerbie playground that was completed during 2023 but not budgeted as part of the LTP.
Tracks and track structure renewals	15	-	No spending in this period due to other priorities.
Total Key Capital Projects	500	697	

Parks and Tracks performance reporting

KEY: Target achieved | Target not achieved

Parks and Tracks Service Performance Reporting 2022/23

Level of service:

We provide good quality sports field facilities to meet the needs of users.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of users satisfied/very satisfied with sports fields.	80%	77%	Target	Target	Target
			80%	80%	80%
			Actual	Actual	Actual
			74%	82%	78%

What's behind the results?

What this measure tells our community

This measure assesses whether Council is maintaining sports fields to a standard with which the community are satisfied.

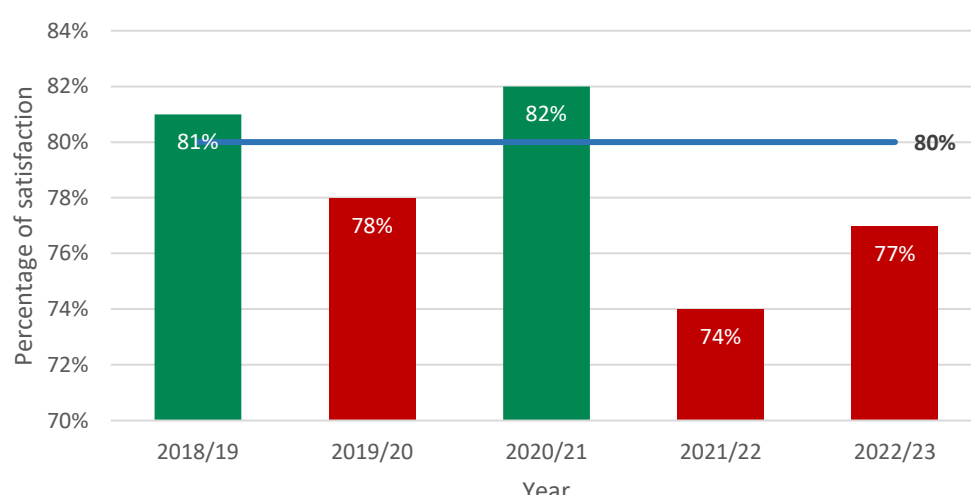
Source data

The data source for this measure is our annual Community Views survey of residents (see pp103-105 for more details).

Our result in 2022/23

In 2022/23, 77% of users were satisfied (55%) or very satisfied (22%) with sports fields. This means we did not achieve our target of 80% satisfaction. Just under half of residents (46%) reported using sports fields in the past 12 months. 1% of residents were dissatisfied with sports fields. The reasons included dogs off leash, poor maintenance and rubbish.

Sports fields user satisfaction



Year	Percentage of satisfaction	Target achieved
2018/19	81%	Yes
2019/20	78%	No
2020/21	82%	Yes
2021/22	74%	No
2022/23	77%	No

Target achievedTarget not achievedTarget

Parks and Tracks Service Performance Reporting 2022/23

Level of service: We promote and encourage the community to use our parks and reserves.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of users satisfied/very satisfied with parks and reserves.	80%	84%	Target	Target	Target
			80%	80%	80%
			Actual	Actual	Actual
			75%	82%	78%

What's behind the results?

What this measure tells our community

This measure assesses whether Council is maintaining parks and tracks to a standard that the community are satisfied with.

Source data

The data source for this measure is our Community View Survey (see pp 103-105 for more detail).

Our result in 2022/23

In 2022/23, 84% of parks and reserves users were satisfied (65%) or very satisfied (19%). This means we achieved our target of 80%. This results is an improvement on last year's result (75%) and the best result over the last four years. 72% of residents have used parks and reserves in the last year. 3% of residents were dissatisfied with parks and reserves. The reasons included issues with maintenance, dogs and lack of facilities.

Level of service: Our public playgrounds are safe.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Playground safety is assessed on a regular basis.	Term time inspections every 2 weeks, school holiday inspections weekly. Annual external playground audit.	Not achieved Achieved	Target	Target	Target
			Inspections and Audit completed in stated timeframes	Inspections and Audit completed in stated timeframes	Inspections and Audit completed in stated timeframes
			Actual	Actual	Actual
			Not achieved	Achieved	Before Covid 19 on track After Covid 19 Not achieved

Parks and Tracks Service Performance Reporting 2022/23

What's behind the results?

What this measure tells our community

This measure indicates whether Council is maintaining playgrounds to an acceptable standard to ensure that they are fit for purpose and do not pose an unacceptable risk to users.

Source data and judgements

Playground inspections are carried out by Council staff with assessments being made against compliance with current NZ playground safety standard NZS 5828:2015. The results are compiled by Council staff. The annual audit of playgrounds is undertaken by an external provider. This year it took place in August 2022.

Our result in 2022/23

Inspections of playgrounds

In general playground inspections were completed in line with the stated timeframes. On 14 occasions over the year, a playground was not inspected within these timeframes which means we did not achieve this measure in 2022/23.

External audit

The audit concluded that playgrounds are generally in good condition with evidence of high levels of use. The report showed the following:

- The level of compliance to the playground safety standards is at a high level.
- The compliance level continues to improve as playgrounds are renewed. Many of the older sites are compliant with older standards that applied when they were installed. The current standards are not retrospective. Compliance of these older sites, when judged against the current standard, will only improve as older equipment is replaced as part of the renewal programme.
- The level of maintenance was of a good standard. The maintenance staff are keeping the playgrounds in good condition and addressing many of the maintenance and wear issues.



3.26 NGĀ PUNA ME NGĀ PUNA WAIARIKI

POOLS AND SPAS

Pools and Spas – key projects in 2022/23

Pools and Spas Projects 2022/23	Budget \$000	Actual \$000	Commentary
Development of spas – physical works	7,000	-	Physical work budgeted in the LTP for the Te Aroha Spa Development project is on hold until a decision is made on the feasibility of the project.
Pools and spas – additional amenities	118	-	No spending in this period as it was determined that renewal work had a higher priority than amenity improvements.
Toddle pool shade covers	15	3	Work to progress a shade for the toddler pool at Te Aroha has begun and will be completed in 2023/24.
Matamata Swimzone roof replacement	-	602	This project was not anticipated in the LTP, but work has been started to install a replacement pool roof that will be completed in 2023/24. This project is funded from the renewals budget.
Te Aroha Mineral Spas - Spa room refits	-	191	While not budgeted in the LTP, three spa rooms have been re-fitted during 2023, which is funded from the renewals budget.
Swimzone Te Aroha Heat pump renewals	-	159	Heat pump renewal work required was not anticipated in the LTP, but was funded from the renewals budget.
Total Key Capital Projects	7,341	955	

Pools and Spas performance reporting

KEY: Target achieved | Target not achieved

Pools and Spas Service Performance Reporting 2022/23					
<u>Level of service:</u> Our facilities are safe for facility users and staff.					
How we measure performance	Reporting year 2022/23		2021/22	2020/21	2021/22
	Target	Result			
Independent safety and quality audits of aquatic facilities.	4 audits for Te Aroha Spa, Matamata Pool, Te Aroha Pool. 2 audits for Morrinsville Pool	All audits done - Achieved	Target	Target	Target
			4 audits for Te Aroha Spa, Matamata Pool, Te Aroha Pool. 2 audits for Morrinsville Pool	4 audits for Te Aroha Spa, Matamata Pool, Te Aroha Pool. 2 audits for Morrinsville Pool	4 audits for Te Aroha Spa, Matamata Pool, Te Aroha Pool. 2 audits for Morrinsville Pool
			Actual	Actual	Actual
			Not achieved	Achieved	Before Covid 19 achieved After Covid 19 Not achieved
What’s behind the results?					
<u>What this measure tells our community</u> Professional pool operation and management ensures people’s safety will not be put at risk while using the facilities. This measure indicates whether Council is maintaining safety standards at the pools by completing regular safety audits through an external provider. Internal audits are also conducted by the management team to ensure water quality and pool operations meet NZ standards.					
<u>Source data</u> The data for this measure comes from the reports provided by the external provider who audits the facilities. The Audits assess safety standards against NZS 5826:2010 (Pool Water Quality). This standard addresses the essential aspects of the operation and maintenance of pools with a focus on pool water quality criteria including methods of water treatment to ensure the risk to public health is minimised. NZS 5826 does not cover the maintenance of heating, mechanical, or electrical equipment used by pools.					
<u>Our result in 2022/23</u> In 2022/23 we completed all required audits of our pool and spa facilities. This result indicates that Council is maintaining safety standards at its pool and spa facilities.					

Level of service: We provide well maintained aquatic facilities in the District

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of users satisfied or very satisfied with pool facilities.	80%	69%	Target	Target	Target
			80%	80%	80%
			Actual	Actual	Actual
			75%	79%	73%

What's behind the results?

What this measure tells our community

This measure indicates whether Council is maintaining the pools to a standard that meets the expectations of our community.

Source data

The source data for this measure is our Community Views Survey (see pp103-105 for more detail).

Our result in 2022/23

In 2022/23 69% of users were satisfied (49%) or very satisfied (20%) with the pools. 9% of residents were dissatisfied with pools. Their reasons included issues with outdated or insufficient facilities, restricted times, and cost. This year's result indicates that while Council did not reach its target of 80%, the majority of pool users are satisfied with the facilities.

Level of service: We promote and encourage our community to use aquatic facilities.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The number of customers using our pool facilities are maintained.	Visitor numbers within 5% of 5 year average 5 yr average: 162,749 This year's target: 154,612 to 170,886	155,072	Target	Target	Target
			5% within 5 year average	5% within 5 year average	5% within 5 year average
			Actual	Actual	Actual
			117,365 Not achieved	184,164 Achieved	159,047 Achieved

What's behind the results?

What this measure tells our community

Alongside the measure above of user satisfaction, this measure indicates whether Council is maintaining the pools to a standard that meets the expectations of our community.

Source data

This measure is assessed through internal records of pool attendance. Each visit is counted as one. The figures do not differentiate between residents and out of District visitors.

Our result in 2022/23

In 2022/23, there were a total of 155,072 visitors to our pools and spas. This means we achieved our target of maintaining visitor numbers within 5% of the 5 year average of 162,749. Attendance results for the individual facilities are as follows:

- SwimZone Matamata 72,567
- SwimZone Te Aroha 32,566
- Te Aroha Mineral Spas 38121
- SwimZone Morrinsville 15,044



3.27 NGĀ WHAREITI TŪMATANUI | PUBLIC TOILETS

Public Toilets – key projects in 2022/23

Public Toilets Projects 2022/23	Budget \$000	Actual \$000	Commentary
Toilet upgrades (existing facilities)	100	104	Works in 2023 have included completion of Thomas Park toilet. Projects in progress include works at Matamata and Morrinsville cemeteries and the Te Aroha Domain.
Public toilets – building renewals	9	21	Building renewal works were undertaken at Firth Tower during 2023.
Morrinsville CBD toilets	120	-	This project has been carried forward.
Baby change facilities	10	-	This project has been carried forward.
Total Key Capital Projects	239	125	

Public Toilets performance reporting

KEY: Target achieved | Target not achieved

Public Toilets Service Performance Reporting 2022/23					
<u>Level of service:</u> Our public toilets are maintained to acceptable standards.					
How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The number of complaints received regarding dissatisfaction with the cleanliness of public toilets.	≤ 20	19	Target	Target	Target
			≤ 20	≤ 20	≤ 20
			Actual	Actual	Actual
			8	18	11
What’s behind the results?					
<u>What this measure tells our community</u> This measure indicates whether Council is maintaining our public toilet cleanliness to a level that is satisfactory to the community.					
<u>Source data</u> The data source for this measure is our Customer Request Management System, see pp103-105 for more.					
<u>Our result in 2022/23</u> In 2022/23, we received 19 complaints regarding the cleanliness of our public toilets. The number of complaints is an increase on last year’s result. We are experiencing an increasing trend in visitor numbers which impact on some of our high profile public toilet facilities. We also have a number of older toilets that require replacement or upgrades to meet modern standards and expectations.					

3.28 NGĀ WĀHI A-RĒHIA, Ā-TUKU IHO

RECREATION AND HERITAGE

Recreation and Heritage – key projects in 2022/23

Recreation and Heritage Projects 2022/23	Budget \$000	Actual \$000	Commentary
Matamata Firth Tower Museum - replace roof on the Chapel and Jailhouse buildings	-	141	This project was funded from the building renewals budget.
Morrinsville Event Centre – renewal of sports floors and furniture	-	104	This project was funded from the building renewals budget.
Total Key Capital Projects		245	

Recreation and Heritage performance reporting

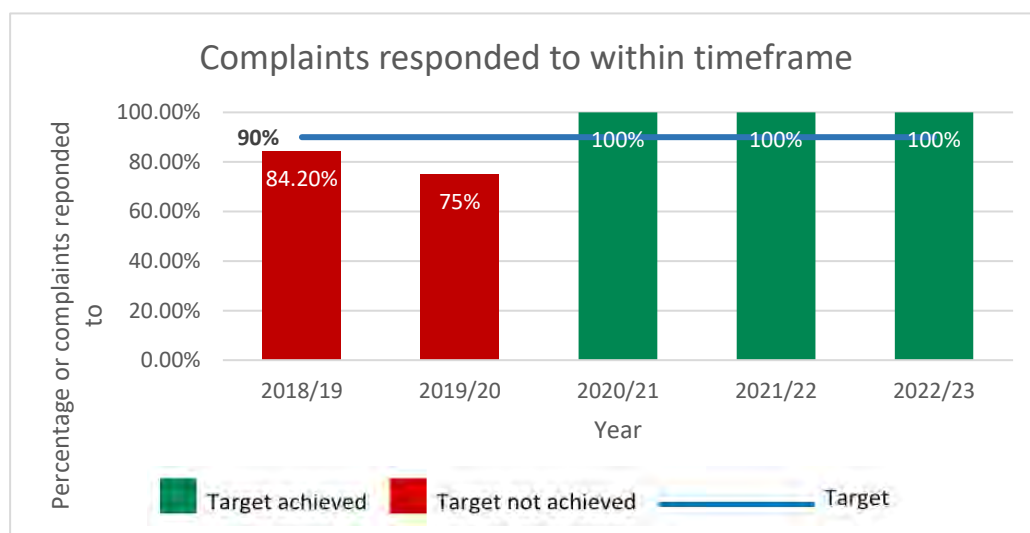
KEY: Target achieved | Target not achieved

Recreation and Heritage – Service Performance Reporting 2022/23					
<u>Level of service:</u> We provide well maintained recreation and heritage facilities and respond to complaints about damage, vandalism and graffiti in a timely manner.					
How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of damage, vandalism and graffiti complaints regarding recreation and heritage facilities responded to within the assigned timeframe of two working days.	90%	100%	Target	Target	Target
			90%	90%	90%
			Actual	Actual	Actual
			100%	100%	75%
What’s behind the results?					
<u>What this measure tells our community</u> This measure indicates how well Council is ensuring that our facilities are safe and maintained to an acceptable standard.					
<u>Source data</u> The data source for this measures is our Community Views survey (see pp103-105 for details).					

Recreation and Heritage – Service Performance Reporting 2022/23

Our result in 2022/23

In 2022/23 we received one complaint about damage, vandalism and graffiti regarding Council recreation and heritage facilities. The complaint was responded to within the prescribed timeframe. This result is consistent with our results over the last four years. This result indicates that Council is successfully maintaining its facilities to an acceptable standard.



Funding impact statement – Community Facilities and Property 2022/23

Funding Impact Statement – Community Facilities and Property 2022/23					
LTP Budget 2021/22	Actual 2021/22		LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
		Sources of operating funding			
10,913	10,955	General rates, uniform annual general charges, rates penalties	11,368	11,121	
67	100	Targeted rates	69	103	
4	62	Subsidies and grants for operating purposes	4	22	
3,079	3,173	Fees and charges	3,177	3,902	Since the LTP budget was set, there have been significant increases in market rates for property rental and lease income. In addition, Council has added the Domain House Beauty operation that was not budgeted in the LTP.
192	179	Internal charges and overheads recovered	205	131	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
14,255	14,469	Total operating funding (A)	14,823	15,279	
		Applications of operating funding			
9,373	10,392	Payments to staff and suppliers	9,723	10,922	Employee and operating costs for Domain House Beauty were not budgeted in the LTP. There have been significant increases in the costs of power, chemicals and insurance since the LTP budget was set.
188	177	Finance costs	310	801	
2,056	2,109	Internal charges and overheads applied	2,103	2,292	Overhead costs have increased including power, insurance,

Funding Impact Statement – Community Facilities and Property 2022/23					
LTP Budget 2021/22	Actual 2021/22		LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
					minimum wage etc, which is spread across all activities of Council.
-	-	Other operating funding applications	-	-	
11,617	12,678	Total applications of operating funding(B)	12,136	14,015	
2,638	1,791	Surplus (deficit) of operating funding (A – B)	2,687	1,264	
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	46	
55	412	Development and financial contributions	56	743	Significant developments in the District, particularly in Morrinsville and Matamata.
2,290	1,316	Increase (decrease) in debt	8,139	2,240	The Te Aroha Spa project capital works were budgeted in 2023 but not commenced.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
2,345	1,728	Total sources of capital funding (C)	8,195	3,029	
		Applications of capital funding			
		Capital expenditure			
-	346	—to meet additional demand	-	-	
2,760	2,160	—to improve the level of service	9,180	1,170	The Te Aroha Spa project capital works were budgeted in 2023 but not commenced.
1,608	1,084	—to replace existing assets	1,174	2,658	There were a number of housing units refurbished during the year, as well as re-fits of

Funding Impact Statement – Community Facilities and Property 2022/23					
LTP Budget 2021/22	Actual 2021/22		LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
					Te Aroha Domain spa rooms and Morrinsville SwimZone facilities.
615	(71)	Increase (decrease) in reserves	528	465	
-	-	Increase (decrease) of investments	-	-	
4,983	3,519	Total applications of capital funding (D)	10,882	4,293	
(2,638)	(1,791)	Surplus (deficit) of capital funding (C – D)	(2,687)	(1,264)	
-	-	Funding balance ((A – B) + (C – D))	-	-	



3.3 TE RAUTAKI ME TE WHAKAWHITIWHITITI KŌRERO

STRATEGY AND ENGAGEMENT ACTIVITY GROUP

Strategy and Engagement levels of service reporting is about how effectively Council has engaged with our community around events, decision making, and emergency preparedness.

Why we provide the Strategy and Engagement activity group

Strategy and Engagement is about making good decisions for the future of our community. These activities ensure our community is informed of Council activities and can be involved in open and transparent decision making. Community input helps us plan for the long term to ensure that our communities grow and develop in an integrated and sustainable way. The Local Government Act 2002 also has a significant impact on these activities, as it sets a number of legislative requirements that we must meet.

What the Strategy and Engagement activity group consists of

The Strategy and Engagement activity group includes:

- Civil Defence
- Communications and Events
- Community Leadership
- Strategies and Plans

How the Strategy and Engagement activity group contributes to Community Wellbeing

Social wellbeing

Civil Defence ensures the community and Council are prepared in an emergency. This preparation helps the community remain safe during these times.

Communications and events such as ANZAC Day and Volunteer Morning Tea encourages and highlights the achievements of the District.

Community Leadership provides fair representation of the community's wants and needs. Creating a quality social environment for the community to all be represented.

Strategies and Plans develops and encourages effective representation and consultation through its policies by improving community participation.

Economic wellbeing

Communications and events such as the Business Night Out and Industry Training Graduation support the economic development of the District through highlighting local business achievements and also provides a networking base for businesses in our District.

Strategies and Plans The development of documents such as the District Plan, LTP and Annual Plan identifies and provides certainty around where development is able to occur and provides certainty for community advancement.

Environmental wellbeing

Strategies and Plans through the provision for and protection of the environment in the District Plan and processes such as the Significant Natural Features project encourage the preservation of significant sites.

Cultural wellbeing

Communications and events it was agreed that our Waitangi Day celebrations will be held biennially by the Te Manawhenua Forum which is supported by Council staff. This event ensures that Iwi are engaged and Iwi culture is celebrated.

Community Leadership Te Manawhenua Forum provides a platform for mana whenua to be heard and to have serious input into Council decisions.

Strategies and Plans develops and encourages consultation through its policies by ensuring Tangata Whenua participation.

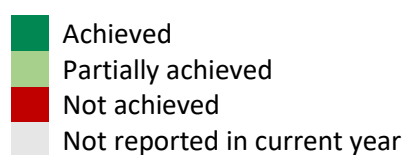
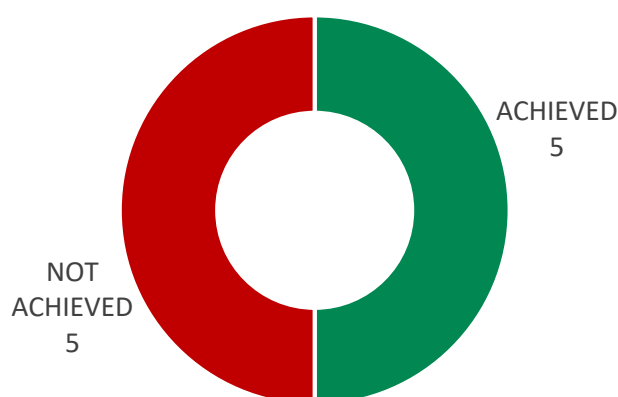
How the Strategy and Engagement activity group contributes to our Community Outcomes

<i>Economic Opportunities</i>	<ul style="list-style-type: none"> ✓ We are a business friendly Council ✓ Our future planning enables sustainable growth in our District
<i>Healthy Communities</i>	<ul style="list-style-type: none"> ✓ Our community is safe, health and connected ✓ We encourage community engagement and provide sound and visionary decision making
<i>Environmental Sustainability</i>	<ul style="list-style-type: none"> ✓ We value and encourage strong relationships with iwi and other cultures, recognizing waahi tapu and taonga sites and whakapapa ✓ Tangata Whenua with Manawhenua status have meaningful involvement in decision making

Strategy and Engagement levels of service reporting - Overview

Summary of Strategy and Engagement performance

There are ten measures in the Strategy and Engagement activity group. In 2022/23 Council achieved five measures and did not achieve five measures.



Council funding of Strategy and Engagement

The Revenue and Finance Policy in the Long Term Plan 2021-2031 set the funding sources for Strategy and Engagement activities as follows:

Funding Sources for Strategy and Engagement activities	
Civil Defence	General Rates 100% Exacerbator charges where possible
Communications and Events	General Rates 100%
Community Leadership	General Rates 100%
Strategies and Plans	General Rates 100%

3.31 TE ĀRAI MATE WHAWHATI TATA

CIVIL DEFENCE

Civil Defence projects in 2022/23

Civil Defence Projects 2022/23
<ul style="list-style-type: none"> There are no major projects forecast for the next ten years for CDEM. Running emergency exercises, responding to events, CDEM training and the regular review of our local and regional plans are the core of this activity ensuring systems are in place for coordinating emergency management. Building community resilience, hazard identification and community engagement/education is a key focus for the future. We also plan to develop a Disaster Recovery Plan for our District.

Civil Defence performance reporting

KEY: Target achieved | Target not achieved

Civil Defence – Service Performance Reporting 2022/23					
<u>Level of service:</u> We are prepared to assist the community in the event of an emergency.					
How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The evaluation of an annual exercise as a measure of effectiveness of training.	Increasing trend	Achieved	Target	Target	Target
			Baseline assessment	New measure	New measure
			Actual	Actual	Actual
			Exercise 26 May 2022	-	-
What’s behind the results?					
<u>What this measure tells our community</u> This measure indicates how well Council’s planning and preparations for emergency management response to civil defence emergencies is progressing.					
<u>Source data</u> We participate in an annual exercise so staff have practice at activating an Emergency Management response so they are prepared for a potential emergency. This exercise is the mechanism by which the Waikato CDEM Group measures the effectiveness of the training delivered to its Group Members. The results of the annual exercise serve as a feedback loop to continuously improve the CDEM training and in turn improve the response capability locally and as a Group.					
The MPDC exercise was scheduled to take place in May 2023. The exercise consists of the EOC working through a scenario to demonstrate understanding of function responsibilities and activities. This is					

Civil Defence – Service Performance Reporting 2022/23

measured through an evaluation by CDEM professionals. However, the exercise did not take place as we received approval from Waikato CDEM Group that allowed us submit our response to Cyclone Gabrielle for assessment.

Our result in 2022/23

Due to multiple severe weather events at the start of 2023, local CDEM staff throughout the region were activated to provide support to their communities. WCDEM Group gave the option to Local Council's to submit an activation for assessment in lieu of conducting an annual exercise this year. This option was only available to those Council's that had a full activation of their Incident Management Team. Council put forward their response to Cyclone Gabrielle for assessment. This was an opportunity to assess whether training delivered to CDEM staff enabled a real time response. Assessment of the activation delivered the same capability assessment of MPDC as the annual exercise would.

Although a training evaluation was not formally completed, Council CDEM Capability Assessment Report completed in October 2022 details how Council has improved significantly in its emergency management capability compared to a similar assessment undertaken in 2019. At that time, the Council had just entered into a service level agreement with the Waikato CDEM Group, which placed obligations on Council for emergency management delivery, while in turn, ensured an emergency management officer would be embedded within the Council to support and drive emergency management activity.

The prior report in 2019 showed an overall emergency management capability score of 54.1% (a developing capability), while this assessment shows a jump to an overall capability of 75.2% (an advancing capability). Of most notable improvement is the shift from investment in a few individuals with responsibility for emergency management, to a more 'whole organisation' approach.

The report notes how Matamata-Piako has invested in the development of its staff to perform roles in an emergency. Council's Emergency Operating Centre (EOC) structure is populated with leads (and alternates) who have undertaken training to perform their role. Council is using the national Takatu system to capture completed training and to give an overview of who has undertaken what and who is accessing training provided by the Waikato CDEM Group through the annual training calendar. Council has a deliberate approach to identifying staff available to work in the EOC, ensuring that those who have emergency functions within council service delivery are not earmarked for an EOC role.

This result indicates that Council's Civil Defence planning and preparedness is increasing.

3.32 TE ĀRAHITANGA Ā-HAPORI

COMMUNITY LEADERSHIP

Community Leadership – key projects in 2022/23

Community Leadership Projects 2022/23	Budget \$000	Actual \$000	Commentary
Triennial elections	55	92	Local body elections were held in October 2022.
Te Manawhenua Forum mo Matamata Piako	33	11	
Total Key Capital Projects	88	103	

Community Leadership performance reporting

KEY: Target achieved | Target not achieved

Community Leadership – Service Performance Reporting 2022/23					
<u>Level of service:</u> People have confidence in their local elected members.					
How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of the community satisfied with the leadership of the Councillors and Mayor.	55%	49%	Target	Target	Target
			55%	55%	55%
			Actual	Actual	Actual
			51%	62%	50%
What’s behind the results?					
<u>What this measure tells our community</u> This measures indicates whether the leadership of the Councillors and Mayor are meeting community expectations. The Community Leadership activity is responsible for involving the community in decision making. Communities elect members to represent them and to make decisions on their behalf. This involves providing leadership for the community as a whole and involving people in decision making processes. Councillors are elected to represent their communities for three-year terms. There is no limit on the number of terms they may serve. There is no specific job description for Councillors. However, as representatives and leaders of their communities, their role involves setting policies, making regulatory decisions and reviewing council performance (through this annual report and the performance review of the chief executive). Mayors, like councillors, are elected by their District for a three-year term. The Local Government Act 2002 defines the role of a Mayor as having to provide leadership to the other elected members of the Council, be a leader in the community and perform civic duties. This includes leading the development of the territorial authority's plans (including the long-term plan and the annual plan), policies and budgets.					

Community Leadership – Service Performance Reporting 2022/23

The mayor has the following powers:

- To appoint the deputy mayor
- To establish committees of the Council
- To appoint the chairperson of each committee
- To serve as a member of each council committee.

The mayor is often the first point of contact for ratepayers and interest groups on political matters.

The mayor is also responsible for:

- Presiding at Council meetings and ensuring the conduct of meetings is in accordance with standing orders
- Keeping Council informed of matters requiring attention
- Advocacy and leadership on behalf of the community, including regional leadership. This role may involve promoting the community and representing its interests.

The respective roles of the elected members and management are defined in Council's Local Governance Statement.

Source data

The data source for this measure is Council's Community Views survey (see pp103-105 for details).

Our result in 2022/23

Just under half (49%) of residents indicate they are satisfied (40%) or very satisfied (9%) with the leadership of Councillors and the Mayor. This year fewer residents (9%) indicate they are very satisfied with the leadership of the Councillors and Mayor (compared with 15% in 2022). Reasons for dissatisfaction with the leadership of Councillors and the Mayor amongst residents are primarily based on a lack of communication or information (38%) and being generally unhappy with Council and the decisions (33%).

Level of service: Council involves Tangata Whenua with mana whenua status in the decision making process.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of Te Manawhenua Forum members who complete the survey who are satisfied/very satisfied that Tangata Whenua with mana whenua status are recognised and have meaningful involvement in decision making.	75%	67%	Target	Target	Target
			75%	New measure	New measure
			Actual	Actual	Actual
			7%	-	-

What's behind the results?

What this measure tells our community

This measure is an indicator of the extent to which mana whenua are recognised and have meaningful involvement in Council decision-making processes.

Community Leadership – Service Performance Reporting 2022/23

Source data

The data for this measure is gathered from an anonymous survey of Forum members. There are 17 members on the forum including the Māori Ward Councillor/ Te Toa Horopū ā Matamata Piako, the Deputy Mayor and the Mayor. We received 6 survey responses which is a third of members. The purpose of Te Manawhenua Forum mo Matamata-Piako is to “facilitate mana whenua contribution to Council’s decision making and strengthen partnership and engagement between Council and iwi/hapu”. The Forum operates under a Heads of Agreement with Council.

Our result in 2022/23

In 2022/23 67% of respondents were satisfied with involvement in decision making which means we did not meet our target of 75%.

Level of service: We provide a safe working environment with an aim to ensure that every person working on, near, or visiting our sites goes home healthy and safe every day.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Monthly reporting to Council showing our progress towards health and safety targets.	11 reports to Council	12 reports	Target	Target	Target
			11 reports	11 reports	11 reports
			Actual	Actual	Actual
			Achieved	Achieved	Achieved

What’s behind the results?

What this measure tells our community

This measure is about indicating whether Council is successfully creating a safe workplace for its staff and elected members. Council has a statutory duty under the Health and Safety at Work Act 2015 (HSWA) to identify, assess and put in place measures to address safety related risks within its operations and its places of work. The quarterly safety and wellness reports and monthly updates provide detail about specific projects and risks. The Annual Report does not aim to duplicate this information, but highlights trends over the course of the year and progress on our objectives.

Source data

Health and safety reports are created by the People, Safety and Wellness team and presented to Council on a regular basis.

Our result in 2022/23

In 2022/23 Council staff presented 12 Health and Safety reports to Council which means we achieved our target for this measure.

Level of service: We provide timely responses to official information requests.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of official information requests responded to within legislative timeframes.	100%	92%	Target	Target	Target
			100%	New Measure	New Measure
			Actual	Actual	Actual
			98.6%	-	-

What's behind the results?

What this measure tells our community

The measure tells the community how timely Council is in responding to requests for official information. This can indicate how effectively the requester may be able to participate in a consultation or decision-making process on an informed basis and how transparent and open the Council is.

The Local Government Official Information and Meetings Act 1987 (LGOIMA) allows people to request official information held by local government agencies, including Council. It contains rules for how such requests should be handled, and provides a right to complain to the Ombudsman in certain situations. The LGOIMA also has provisions governing the conduct of meetings. The intent is to increase availability of official information held Council and promote the open and public transaction of business at meetings, in order to:

- Enable more effective public participation in decision making
- Promote the accountability of members and officials and so enhance respect for the law and Promote good local government
- Protect official information and the deliberations of local authorities to the extent consistent with the public interest and the preservation of personal privacy

The legal timeframe requirements for responding to requests for official information are to:

- Make a decision and communicate it to the requester 'as soon as reasonably practicable' and no later than 20 working days after the request is received;
- Make available any official information it has decided to release without 'undue delay'.

Source data

This data comes from internal records kept by Council staff involved in responding to official information requests.

Our result in 2022/23

For the 2022/23 year we received ninety five (95) official information requests. Of these 92% (87) were responded to within the 20-day timeframe. Six were missed due to human error and for two an extension of time was requested. Under LGOIMA Council may extend the maximum time limits for both transferring a request and making a decision and communicating it to the requester—but only if certain criteria are met. These criteria were met in 2 instances. For one request an extension of one week was requested. This was due to staff capacity as the department involved had a tight timeline for the work they needed to complete for the Annual Report and the team did not have the capacity to collate the response to the query within the timeframe. The second request required a two day extension. All the information requested was provided but additional time was required for staff to review and redact the information as necessary for privacy.

3.33 NGĀ PĀPĀHONGA ME NGĀ TAKAHANGA O TE WĀ

COMMUNICATIONS AND EVENTS

Communications and Events – key projects in 2022/23

Communications and Events Projects 2022/23	Budget \$000	Actual \$000	Commentary
Economic development	65	43	Council has continued its partnership with Te Waka, Waikato's Regional economic development agency.
Events	55	55	The main events run in 2023 included the Business Awards, Anzac day events, Community Volunteer awards, Citizenship ceremonies and business breakfasts.
Digital strategy	82	165	Additional budget was added through the Annual Plan process to advance work in the area compared to the LTP.
Total Key Capital Projects	202	263	

Communications and Events performance reporting

KEY: Target achieved | Target not achieved

Communications and Events – Service Performance Reporting 2022/23					
<u>Level of service:</u> We hold events to contribute to economic development, recognise volunteers, and remember our history.					
How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Number of functions annually to recognise volunteers, ANZAC Day commemorations and contribute to economic development.	1 function volunteer recognition and Anzac Day 2 functions economic development	Achieved	Target	Target	Target
			1 function volunteer recognition and Anzac Day, 2 functions for economic development		
			Actual	Actual	Actual
			Not achieved	Achieved	Before Covid 19 on track After Covid 19 Not achieved
What's behind the results?					

Communications and Events – Service Performance Reporting 2022/23

What this measure tells our community

This measure indicates whether Council is holding a range of events that contribute to the cultural and economic wellbeing of the community.

Source data

A record of Council events is kept by Communications staff and reported on at the end of the year.

Our result in 2022/23

In 2022/23, we achieved our events target. The following events were held:

- Volunteer celebrations took place in Matamata, Morrinsville and Te Aroha on Monday 19 June, to coincide with National Volunteer Week (18-24 June). These events celebrated a wide range of volunteer groups across the community and thanked them for their vital contributions.
- ANZAC Day Civic Ceremonies were held on 25 April in Matamata, Morrinsville, Walton and Te Aroha.
- A Waitangi Day whānau picnic and movie night was also planned for Waitangi weekend in partnership with Te Manawhenua Forum and Manatū Taonga, however, the event had to be cancelled at the last minute due to severe weather.
- The annual business night out was held on Thursday 1 September. This event brings businesses together each year to celebrate business excellence.
- Big business breakfast was also held in July and November. These breakfast meetings are held with the big businesses from across the District to keep them informed of topical events and strengthen business relationships to support our local economy.

This result indicates that Council is successfully providing a range of events for the community.

Level of service: We continue developing online services so residents and ratepayers can access information and interact with Council at any time, from anywhere.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Development of new digital service per year to allow customer to exchange money or information with Council.	1 new transaction or service per year	Achieved	Target	Target	Target
			1 new per year	1 new per year	1 new per year
			Actual	Actual	Actual
			Achieved	Achieved	Achieved

What's behind the results?

What this measure tells our community

This measure indicates whether Council is successfully providing for the needs of the community in terms of access to information. Council's websites are key business tools to provide information and electronic services to the community. They allow people to find the information they need and to interact with Council at their own convenience. In response to changing technology and community expectations we are providing more digital services, whilst still ensuring that those who prefer other, more traditional types of communication are also still catered for. The provision of digital services reflects our Digital

Communications and Events – Service Performance Reporting 2022/23

Strategy, which aims to provide our staff and customers with the best digital services in local government – with a focus on making it quicker, easier, and more convenient for people to access council services.

Source data

This measure is assessed through our internal records.

Our result in 2022/23

In 2023 we developed an online form and payment processing to allow customers to renew their dog registrations online. This significantly improved internal efficiency for handling dog registrations, and had a good uptake from customers, with over 800 renewals processed online. Target achieved.

Level of service: We make Council information easy for people to find and access.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of residents who are satisfied/very satisfied with ease of access to Council information.	65%	57%	Target	Target	Target
			65%	65%	65%
			Actual	Actual	Actual
			60%	51%	58%

What's behind the results?

What this measure tells our community

This measure indicates how well Council is meeting community expectations around the ease of access to Council information. The Communications and Events activity group is responsible for keeping the community informed and actively encouraging people to engage with Council. Council's websites are key business tools to provide information and electronic services to the community. They allow people to find the information they need and to interact with Council at their own convenience.

Source data and judgements

The data source for this measure is our Community Views survey (see pp103-105 for more detail).

Our result in 2022/23

Overall, 57% of residents are satisfied with the ease of access to Council Information. This year's satisfaction with ease of access to Council information results are on a par with last year's results and means we did not achieve our target. A further 30% of residents are neither satisfied nor dissatisfied and 8% of residents are dissatisfied (5%) or very dissatisfied (3%) with the ease of access to Council information. Dissatisfaction with the ease of access to Council information primarily revolves around residents being generally unhappy (28%) and a lack of accessible information (28%).

3.34 NGĀ RAUTAKINGA ME NGĀ MAHERE

STRATEGIES AND PLANS

Strategies and Plans – key projects in 2022/23

Strategies and Plans Projects 2022/23	Budget \$000	Actual \$000	Commentary
Discretionary funding	540	714	Grant funding provided for regional tourism and Matamata and Morrinsville Business Associations increased compared to what was budgeted for in the LTP.
District Plan review	200	262	Council has been involved in a number plan changes including PC 54 Papakianga, PC 49 Waharaoa, and private plan changes 57 Calcutta and 58 Avenue Road. The cost of the private plan changes was met by the applicants.
District Plan – National Planning Standards	300	-	This budget has been combined with the District Plan review budget.
Iwi settlement legislation	50	-	
Regional collaboration	50	50	Council is involved in the regional Future Proof project.
Regional Resource Management Act	50	-	
Long Term Plan	45	7	
Policy and bylaws	22	-	
Hauraki Gulf Forum	12	10	
Annual Plan	10	4	
Annual Report	7	4	
Total Key Capital Projects	1,286	1,051	

Strategies and Plans Performance Reporting

KEY: Target achieved | Target not achieved

Strategies and Plans – Service Performance Reporting 2022/23

Level of service: Our community has the opportunity to participate in Council consultation processes.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of the community satisfied that they have been provided with an opportunity to be involved in consultation processes.	52%	42%	Target	Target	Target
			52%	52%	52%
			Actual	Actual	Actual
			37%	48%	40%
What’s behind the results?					

What this measure tells our community

This measure indicates how effectively Council achieves the purpose of Local Government to “enable democratic local decision-making and action by, and on behalf of, communities”. There are four key documents developed under the Strategy and Plans activity, involving the community in decision making: the Long Term Plan, the Annual Report, the District Plan and the Annual Plan. The Council seeks a meaningful exchange of information and ideas with the community, through engagement in local decision-making. Genuine engagement needs to be encouraged in a manner that is consistent with the significance of the issue, proposal or decision, and is transparent and clearly communicated. Under the Local Government Act 2002 (LGA), Councils are required to develop a policy on significance and engagement. The intent of this is to give greater clarity and certainty to the community about how and when it can expect to be engaged.

Source data

The data source for this measure is the Community Views survey (more detail pp103-105).

Our result in 2022/23

This year, 42% of residents are satisfied (36%) or very satisfied (6%) with their opportunity to be involved in consultation processes. 41% of dissatisfied residents mention not have heard anything about consultation processes. At a lower level dissatisfied residents also mention poor communication or Council not listening (25%) and not enough consultation generally with residents (19%).

Level of service: We provide an annual update on progress on land use and development, and the protection of natural and physical resources of the District.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
State of the Environment monitoring reports are updated on Council’s website each year.	20 November	Achieved	Target	Target	Target
			20 November	20 November	20 November
			Actual	Actual	Actual
			Not achieved	Achieved	Not achieved

Strategies and Plans – Service Performance Reporting 2022/23

What's behind the results?

What this measure tells our community

This measure indicates whether Council is keeping the community informed about changes in land use and protection of resources in our District. Council's State of the Environment Monitoring is the ongoing monitoring and reporting of the indicators identified and most of these are reported on annually. It also measures the pressures on the environment and how Council is responding to these pressures, as well as what the community can do to help and provides useful links to other agencies. The 1999 State of the Environment Report, which is the first State of the Environment report produced - identifying some of the key policy issues within our environment, our objectives and visions, and providing us with a baseline of information to report against. Section 35 of the Resource Management Act 1991 specifies the duty to gather information, monitor and keep records. In particular Section 35(2)(a) requires every local authority to monitor *'the state of the whole or any part of the environment of its region or district to the extent that is appropriate to enable the local authority to effectively carry out its functions under this Act...'*

Source data

The data source for this measure recorded on the MPDC website of when the page was updated with the new report.

Our result in 2022/23

In 2022/23 we achieved our target of making the State of the Environment report available on our website in a timely manner.



Funding impact statement – Strategy and Engagement 2022/23

Funding Impact Statement – Strategy and Engagement 2022/23					
LTP Budget 2021/22	Actual 2021/22		LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
		Sources of operating funding			
5,884	5,907	General rates, uniform annual general charges, rates penalties	6,534	6,976	Additional rates required to fund four new roles in the areas of Placemaking and Communications to meet Council objectives.
-	-	Targeted rates	-	-	
-	-	Subsidies and grants for operating purposes	-	402	Government grants were provided in relation to Freedom Camping and Affordable Waters transition costs.
88	32	Fees and charges	104	933	Significant income came from Private Plan change applications, improved interest returns from term deposits and dividends from Council's investment in the Waikato Regional Airport.
356	297	Internal charges and overheads recovered	348	-	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
6,328	6,236	Total operating funding (A)	6,986	8,311	
		Applications of operating funding			
4,470	5,094	Payments to staff and suppliers	4,962	6,851	Four additional staff were funded. Unbudgeted private plan change costs have been incurred this year. Also included within this activity group is a number of unbudgeted

Funding Impact Statement – Strategy and Engagement 2022/23					
LTP Budget 2021/22	Actual 2021/22		LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
					costs that are funded from reserve funds, including spending to progress the background work on the Te Aroha Spa development and Matamata Stadium projects.
36	304	Finance costs	37	100	
1,689	1,652	Internal charges and overheads applied	1,737	1,880	
-	-	Other operating funding applications	-	-	
6,195	7,050	Total applications of operating funding(B)	6,736	8,831	
133	(814)	Surplus (deficit) of operating funding (A – B)	250	(520)	
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	
-	-	Development and financial contributions	-	-	
188	6,690	Increase (decrease) in debt	163	(764)	Debt was not required as budgeted.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	500	Other dedicated capital funding	-	-	
188	7,190	Total sources of capital funding (C)	163	(764)	
		Applications of capital funding			
		Capital expenditure			
-	-	—to meet additional demand	-	-	
-	-	—to improve the level of service	-	-	

Funding Impact Statement – Strategy and Engagement 2022/23					
LTP Budget 2021/22	Actual 2021/22		LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
1,228	1,276	—to replace existing assets	1,212	1,082	
(907)	(88)	Increase (decrease) in reserves	(799)	(371)	Reserve funds were approved for the Te Aroha Spa development and Matamata Stadium projects.
-	5,188	Increase (decrease) of investments	-	(1,995)	
321	6,376	Total applications of capital funding (D)	413	(1,284)	
(133)	814	Surplus (deficit) of capital funding (C – D)	(250)	520	
-	-	Funding balance ((A – B) + (C – D))	-	-	



3.4 NGĀ RORI | ROADING ACTIVITY GROUP

Roading levels of service reporting is about how effectively Council has maintained the network of local roads and footpaths so that they provide a safe and efficient manner of travel for all users. It's also about whether we have responded in a timely manner when there is a problem with our roading network.

Why we provide the Roding activity group

Roads provide for a wide variety of users with diverse needs, including private and commercial car drivers and passengers, freight operators, public transport users, farm and machinery operators, cyclists and pedestrians.

Roads also support and enable economic growth and, when designed appropriately, enhance living environments and amenity.

In addition to providing access to properties, the road corridor is also where utilities are usually located (e.g. gas, power, telecommunications, water, sewer and stormwater).

What the Roding activity group consists of

Council owns and maintains 1,008 kilometres of local roads within the Matamata Piako District, including 956 kilometres sealed and 52 kilometres unsealed roads.

State Highways - which include Broadway and Firth Street in Matamata, Allen Street in Morrinsville and Whitaker/ Kenrick Streets in Te Aroha - are managed by Waka Kotahi (NZTA).

The roading network includes 35km of cycleways (independently managed), 35km of footpaths, 350 bridges and underpasses, street lighting, road signage and markings, and on street parking within the road corridor.

How the Roding activity group contributes to our Community Outcomes

<i>Connected infrastructure</i>	<ul style="list-style-type: none"> ✓ Infrastructure and services are fit for purpose and affordable now and in the future ✓ Quality infrastructure is provided to support community wellbeing ✓ We have positive partnerships with external providers of infrastructure to our communities
<i>Economic Opportunities</i>	<ul style="list-style-type: none"> ✓ Our future planning enables sustainable growth in our District
<i>Healthy Communities</i>	<ul style="list-style-type: none"> ✓ Our community is safe, health and connected
<i>Environmental Sustainability</i>	<ul style="list-style-type: none"> ✓ We support environmentally friendly practices and technologies

How the Roding activity group contributes to Community Wellbeing

Economic wellbeing

We provide efficient roading networks which encourages local migration and investment.

Roding – key projects in 2022/23

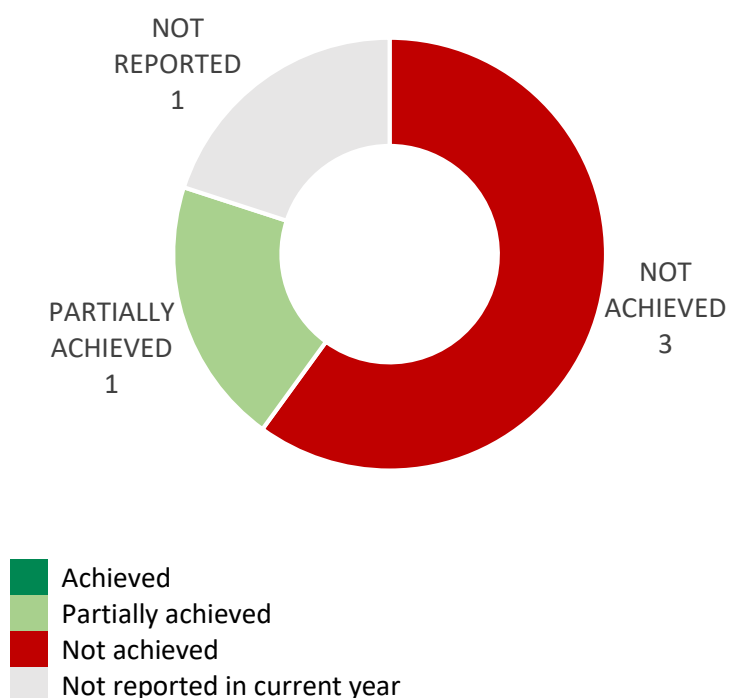
Roding Projects 2022/23	Budget \$000	Actual \$000	Commentary
Sealed road pavement rehabilitation (Rehabs)	2,411	3,077	Significant work was completed on Smith Street, Woodlands Road, Ngarua Road, Cobham Drive, and Morrinsville-Tahuna Road.
Sealed road resurfacing (Reseals)	2,500	1,929	50km of road was resurfaced during 2023
NZTA funded – low cost low risk projects	785	309	Projects included raised safety platforms on Hetana Street and Lorne/Cureton Streets, Morrinsville-Tahuna Road route safety improvements and installation of Audio Tactile Profiled Markings. The remainder of this budget is being carried forward to implement Council's speed management plan.
Traffic services renewals	300	352	Includes renewal of signs, streetlights, markings and edge markers etc.
Drainage renewals	141	58	Main projects included culverts at Rawhiti Road and Ngarua Road.
Footpath renewal – District	89	115	Projects focussed in Te Aroha and Morrinsville during 2023.
Seal widening District wide – Capital	160	270	Seal widening has been completed associated with our pavement rehabilitation works to ensure roads are suitable width for current and future traffic.
Street lighting District wide – Capital	110	153	New lighting has been installed on Pitt Street, Manawa Street, Wilson Street, and Mills Street.
Station Road upgrade	730	518	Projects included the Ancroft Road subdivision: road widening for future link road and Waharoa Road upgrade.
Structures component replacements (Structural renewals)	80	27	Projects included Walton Road and Morrinsville-Tahuna Road.
Footpaths – District wide	55	8	New footpath on Short Street, Te Aroha.

Roading Projects 2022/23	Budget \$000	Actual \$000	Commentary
Kerb and channel – District wide	55	82	Some work on Keith Camp Place and Gilchrist Street has been undertaken.
Hinuera to Station Road link	100	-	Not progressed in 2023.
Unsealed road metalling (Metalled road resurfacing)	50	42	
Station to Peria Road link Matamata – Capital	60	-	Not progressed in 2023.
Haig Road upgrade	335	-	Deferred to 2023/24 year.
Tower Road parking bays	300	-	Deferred because development hasn't occurred in this area.
Matamata pedestrian connectivity	250	62	Work is underway and is being complemented by Transport Choices funding. Completion is expected in 2023/24.
Total Key Capital Projects			

Roading levels of service reporting - Overview

Summary of Roding performance

Out of the five roading measures we report on, we partially achieved the target on one, did not achieve the target on three, and one was not scheduled to be measured/reported on this year.



Council funding of Roothing

The Revenue and Finance Policy in the Long Term Plan 2021-2031 set the funding sources for Roothing as:

- Subsidy - as determined by Government agency.
- Council has resolved to allocate interest earned from external investments to fund the Roothing activity to reduce the rates requirement. Council will determine the budgeted interest allocation on an annual basis.
- General Rates - balance of funding

Roothing levels of service reporting – Detailed

KEY: Target achieved | Target not achieved

Roothing – Service Performance Reporting 2022/23					
<u>Level of service:</u> We provide a roading network that is safe for all users.					
How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Year on year change in the number of fatalities and serious injury crashes on the local road network.*	Reduction in fatalities and serious injury crashes year on year	Increase of 3 20 total	Target	Target	Target
			Reduction year on year	Reduction year on year	Reduction year on year
			Actual	Actual	Actual
			Decrease of 5	Increase of 7	Decrease of 14
			17 total	22 total	15 total
*Change from the previous financial year, expressed as a number.					
What's behind the results?					
<p><u>What this measure tells our community</u></p> <p>This measure is intended to answer the question 'How safe are the local roads in the Matamata Piako District?' The measure recognises the public's interest in the safety of roads. It is intended to provide information for the community on trends in road safety in our District. It gives the community information about:</p> <ul style="list-style-type: none"> ○ Whether the roading network is generally safe for all users ○ Whether the safety of the roading network is improving over time <p><u>Source data</u></p> <p>The data for this measure was extracted from CAS – the Crash Analysis System.</p> <p><u>Our result in 2022/23</u></p> <p>In 2022/23, there was unfortunately an increase of 3 in the number of fatalities and serious injury crashes which means we did not achieve our target of a reduction year on year.</p>					

Roading – Service Performance Reporting 2022/23

Level of service: We provide a roading network that is safe for all users.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The average quality of ride on a sealed local road network.*	97%	96%	Target	Target	Target
			97%	97%	97%
			Actual	Actual	Actual
			96%	Not measured	96.76%

*Measured by smooth travel exposure.

What's behind the results?

What this measure tells our community

This measure is intended to answer the question: 'What is the overall condition of sealed roads in the local road network?' The measure acts as a check on whether Council is maintaining the level of service to road users. The condition of roads can impact both on the safety and comfort of road users, as well as on vehicle operating and maintenance costs.

Source data and judgements

The data for this measure is extracted from RAMM (Road assessment and maintenance management). Smooth Travel Exposure is a customer outcome measure indicating 'ride quality'. It is an indication of the percentage of vehicle kilometres travelled on a road network with roughness below a defined roughness threshold. The threshold varies depending on the traffic volume band and urban/rural environment of the road. This measure only applies to the Council owned sealed roads in the District, not to unsealed roads or private roads.

Our result in 2022/23

In 2022/23, 96% of the roads in the District were assessed as having a classification of smooth. This result is consistent with the results over the last four years. Breaking down the data into urban and rural roads, 86% of urban roads were assessed as smooth and 98% of rural roads were assessed as smooth.

Level of service: We provide a roading network that is maintained and developed to provide smoothness and comfort.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The percentage of the sealed local road network that is resurfaced.*	6.7%	5.1%	Target	Target	Target
			6.7%	6.7%	6.7%
			Actual	Actual	Actual
			8.8%	9.63%	6.6%

What's behind the results?

What this measure tells our community

This measure is intended to answer the question: 'Is the sealed roads network being maintained adequately?' It provides information on how well Council is maintaining its road network assets and meeting its renewal targets set in the Asset Management Plan.

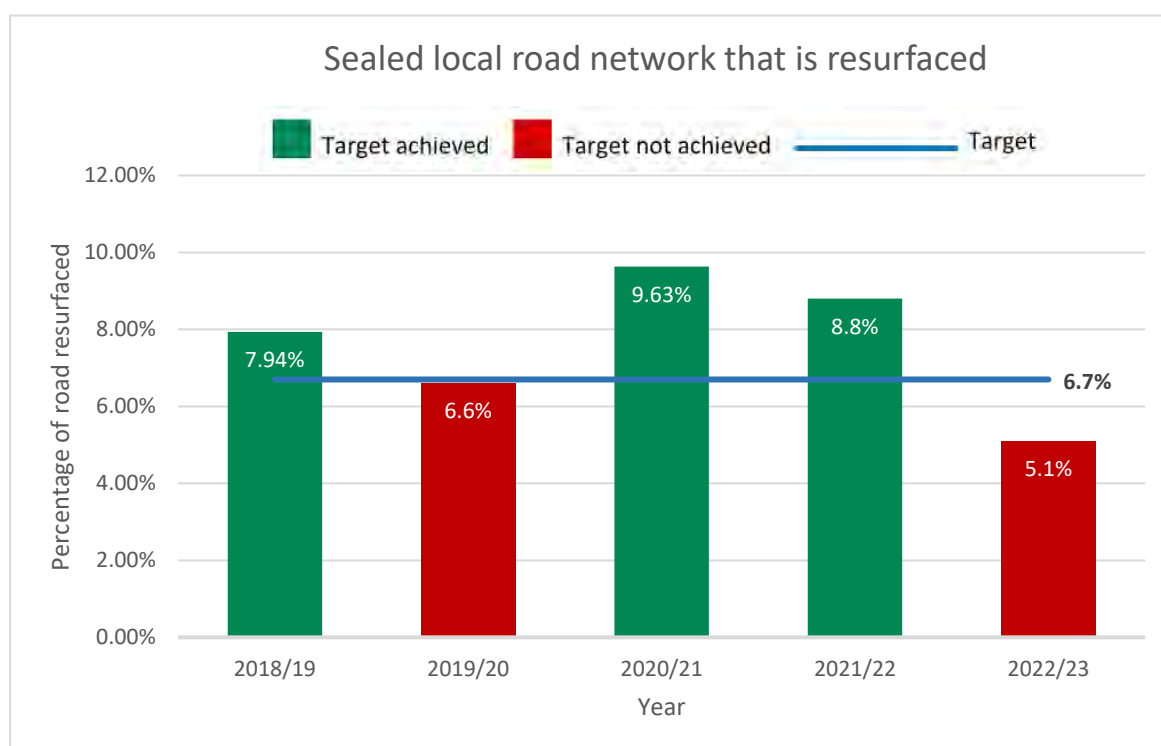
Roading – Service Performance Reporting 2022/23

Source data and judgements

Data comes from internal monitoring by the Roothing team. The measure only applies to Council owned sealed roads in the District, not to unsealed roads or private roads.

Our result in 2022/23

In 2022/23, we sealed 50.057 kilometres of roads in our District. This represents 5.1% of the total 973.694 kilometres of sealed roads in the District which means we did not achieve our target of resealing 6.7% of the total sealed roading network. The percentage resurfaced this year is lower than that achieved over the last four years. Council's ability to meet the 2022/23 resurfacing targets was impacted by cost increases experienced during an inflationary environment.



Level of service: We provide a roading network that is maintained and developed to provide smoothness and comfort.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The percentage of footpaths within our District that fall within the level of service or service standard for the condition of footpaths.*	95%	Not measured	Target	Target	Target
			95%	95%	95%
			Actual	Actual	Actual
			95.5%	Not measured	Not measured

*As set out in our relevant documents such as the Annual Plan, activity management plan, asset management plan, annual works program or LTP.

Roading – Service Performance Reporting 2022/23

What's behind the results?

What this measure tells our community

The measure is intended to answer the question 'Are the footpaths that form part of the local road network being maintained adequately?' It is intended to demonstrate Council's level of service related to the surface condition of the footpaths in the network.

Source data and judgements

Footpath level of service is measured by an assessment of our footpaths undertaken every three years by an external party. Footpaths are given a grade from 1 (excellent condition) to 5 (very poor condition). Ratings 1 to 3 (excellent to fair) are considered to fall within the acceptable level of service. The level of service standard set by Council is that 95% of footpaths shall be grade 1 to grade 3. Our last assessment was in 2022 and the next assessment is due in 2025.

Our result in 2022/23

No assessment was undertaken in 2022/23 as this is a three yearly survey. However the figure published in the Annual Report 2021/22 was incorrectly reported as 95.5%. The correct figure is 99.5%. The latest available figures (from 2021/22) indicate to the community that Council is adequately maintaining the footpaths in the District.

Level of service: We provide a reliable roading network and respond to customer service requests in a timely manner.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The percentage of customer service requests relating to roads and footpaths that the territorial authority responds within the time frame specified in the LTP.	90% urgent requests: 1 day 90% non urgent requests: 5 days	100% 74%	Target	Target	Target
			90% urgent within 1 day	90% urgent within 1 day	90% urgent within 1 day
			90% non-urgent 5 days	90% non-urgent 5 days	90% non-urgent 5 days
			Actual	Actual	Actual
			100% 82.12%	100% 88.48%	100% 83.2%

What's behind the results?

What this measure tells our community

This measure is intended to answer the question: 'Does Council provide a timely response if there is a problem with the roading network? The measure acknowledges the importance of Council's responsiveness to, and focus on, its customers.

Source data and judgements

The data source for this measure is our Customer Request Management System (pp 103-105 for more). An urgent roading request is when the Council owned road (both lanes) is completely impassable. A non-urgent request is anything else related to a Council owned road corridor, including abandoned vehicles, dumped rubbish on road reserve, dead animals on road, blocked drains along the road. This includes

Roading – Service Performance Reporting 2022/23

berms, kerb and channel and streetlights. In general requests count toward the measure if they impact on safety. These definitions have been set by the Department of Internal Affairs.

Our result in 2022/23

In 2022/23, we received 10 roading requests which fit the definition of urgent i.e. the road being completely impassable. Of these 100% were responded to within one working day, which means we surpassed the target of 90%. In 2022/23, we received 797 non urgent roading requests. Of these 74% (590 requests) were responded to within 5 working days, which means we did not achieve the target of 90%.

A number of reasons explain why non-urgent roading requests were below the 90% target for completion, they include:

- The nature and complexity of issues
- New staff learning who to direct the requests to
- Workload pressures delaying responses
- Some requests were directed to departments other than roading
- The impact of weather related events
- Complications obtaining outside party information

The result for response to urgent roading requests is the same as over the last four years and indicates to the community that Council consistently provides a timely response to urgent requests. The response to non-urgent requests fell by 8% although the majority of requests were still responded to within the specified timeframe.



Funding impact statement – Roothing 2022/23

Funding Impact Statement – Roothing 2022/23					
LTP Budget 2021/22	Actual		LTP Budget 2022/23	Actual	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
		Sources of operating funding			
7,515	7,544	General rates, uniform annual general charges, rates penalties	7,662	8,051	Increased rate requirement to fund increased asset replacement costs and to cover the lower operating subsidy.
-	-	Targeted rates	-	-	
3,282	3,141	Subsidies and grants for operating purposes	3,377	3,296	The subsidised roading work schedule approved by Waka Kotahi changed from that budgeted, with less operating funding but an increase in subsidised capital funding.
155	163	Fees and charges	161	174	
176	161	Internal charges and overheads recovered	172	-	
255	220	Local authorities fuel tax, fines, infringement fees, and other receipts	262	224	
11,383	11,229	Total operating funding (A)	11,634	11,745	
		Applications of operating funding			
6,680	7,045	Payments to staff and suppliers	6,937	6,825	The subsidised roading work schedule approved by Waka Kotahi changed from that budgeted, with less operating funding but an increase in subsidised capital funding.
270	282	Finance costs	282	496	
907	1,008	Internal charges and overheads applied	922	736	
-	-	Other operating funding applications	-	-	
7,857	8,335	Total applications of operating funding (B)	8,141	8,057	
3,526	2,894	Surplus (deficit) of operating funding	3,493	3,688	

Funding Impact Statement – Roading 2022/23					
LTP Budget 2021/22	Actual		LTP Budget 2022/23	Actual	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
		(A – B)			
		Sources of capital funding			
2,688	2,729	Subsidies and grants for capital expenditure	2,924	3,307	Waka Kotahi approved subsidy for a higher renewals spend than budgeted in the LTP.
449	897	Development and financial contributions	448	1,901	Significant developments in the District, particularly in Morrinsville and Matamata.
(210)	202	Increase (decrease) in debt	1,874	(1,773)	Debt funding was not required to the level budgeted.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
2,927	3,828	Total sources of capital funding (C)	5,246	3,435	
		Applications of capital funding			
		Capital expenditure			
119	-	—to meet additional demand	1,438	-	
1,206	887	—to improve the level of service	1,588	1,846	
5,270	5,504	—to replace existing assets	5,733	5,381	
(142)	331	Increase (decrease) in reserves	(20)	(104)	
-	-	Increase (decrease) of investments	-	-	
6,453	6,722	Total applications of capital funding (D)	8,739	7,123	
(3,526)	(2,894)	Surplus (deficit) of capital funding (C – D)	(3,493)	(3,688)	
-	-	Funding balance ((A – B) + (C – D))	-	-	

3.5 TE PARA ME TE WHAKAHŌU

RUBBISH AND RECYCLING ACTIVITY GROUP

Rubbish and Recycling levels of service reporting is about how effectively Council has provided kerbside and transfer station services for the community and encouraged diversion of waste from landfill.

Why we provide the Rubbish and Recycling activity group

Our day to day lives generate a lot of waste that must be managed for the health of our community and our environment. Council is committed to providing and promoting sustainable waste management options to protect our environment for current and future generations. As part of the 2021 Waste Minimisation Management Plan (WMMP) we have committed to reduce the total amount of general waste sent to landfill from our District.

What the Rubbish and Recycling activity group consists of

We currently provide kerbside rubbish and recycling collection services to over 9,500 properties across the District, as well as operating three transfer stations located at Matamata, Morrinsville and Waihou.

We also have three closed landfills at Matamata, Morrinsville and Te Aroha that we monitor under the terms of their resource consents to ensure they do not endanger the environment or public health.

We provide waste minimisation and sustainability education to schools across the District.

How the Rubbish and Recycling activity group contributes to Community Wellbeing

<i>Social wellbeing</i>	
	Our rubbish and recycling processes ensure residents household waste is dealt with in a sustainable manner to ensure a healthy and clean environment to live and work in.
<i>Environmental wellbeing</i>	
	Our rubbish and recycling processes ensure resident's household waste is dealt with in a sustainable manner to ensure there are limited effects on the District's environment

How the Rubbish and Recycling activity group contributes to our Community Outcomes

<i>Connected infrastructure</i>	<ul style="list-style-type: none"> ✓ Infrastructure and services are fit for purpose and affordable now and in the future ✓ Quality infrastructure is provided to support community wellbeing
<i>Healthy Communities</i>	<ul style="list-style-type: none"> ✓ Our community is safe, health and connected

<i>Environmental Sustainability</i>	✓ We support environmentally friendly practices and technologies
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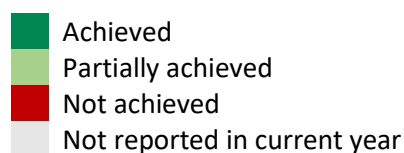
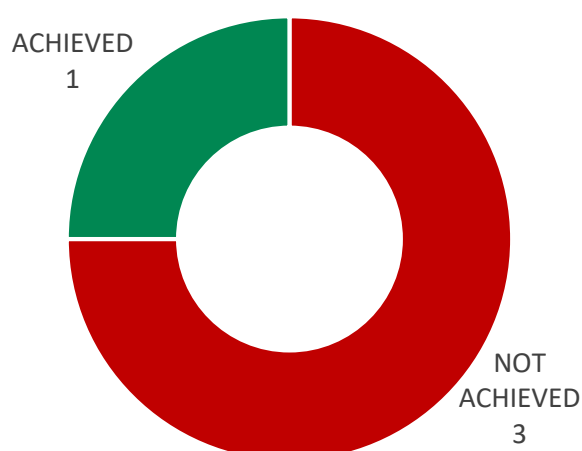
Rubbish and Recycling - key projects in 2022/23

Rubbish and Recycling Projects 2022/23	Budget \$000	Actual \$000	Commentary
Capital works associated with new service for kerbside collection.	530	-	The capital costs will be incurred early in the 2023/24 year with the new collection contract due to start in September 2023.
Total Key Capital Projects	530	-	

Rubbish and recycling levels of service reporting - Overview

Summary of Rubbish and Recycling performance

Out of the four Rubbish and Recycling measures we report on, we achieved our target on one and did not achieve our target on three.



Council funding of Rubbish and Recycling

The Revenue and Finance Policy in the Long Term Plan 2021-2031 set the funding sources for Rubbish and Recycling as follows:

Waste management facilities (Transfer Stations/Resource Recovery Centres) 2021/22 to 2022/23

- General Rate 35%-55%
- Fees & Charges 45%-65% - transfer station fees

Kerbside collection services 2021/22 to 2022/23

- Kerbside collection - targeted rate 50%-70% on a uniform basis for serviced properties
- Fees & Charges 30%-50% - rubbish bags sales

Rubbish and recycling levels of service reporting - Detailed

KEY: Target achieved | Target not achieved

Rubbish and Recycling – Service Performance Reporting 2022/23					
<u>Level of service:</u> We provide kerbside rubbish and recycling collection services to urban and rural townships and transfer stations.					
How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of users satisfied/very satisfied with kerbside rubbish and recycling collection services.	Maintain baseline (80%)	64%	Target	Target	Target
			New measure	New measure	Baseline
			Actual	Actual	Actual
			80%	-	-
What’s behind the results?					
<u>What this measure tells our community</u> This measure indicates whether Council is providing a kerbside rubbish and recycling collection service to a standard that meets the expectations of the community. This was a new measure added in the Long Term Plan 2021-2031.					
<u>Source data</u> The data source for this measure is our Community Views survey (more details pp 103-105).					
<u>Our result in 2022/23</u> In 2022/23, 73% of users were satisfied (43%) or very satisfied (30%) with the kerbside services. This result means we did not achieve our target of maintaining our baseline result from last year, which was 80% satisfaction amongst users. Twelve percent of residents mention they are dissatisfied with the kerbside services in the District. This dissatisfaction primarily pertains to the cost and size of the rubbish bag. The bag price has been kept the same for 3-years despite rising cost, including the waste to landfill levy and the ETS charge. The new service is rates funded, and includes a food scrap collection and wheelie-bin for refuse. The wheelie-bins are latched to prevent windblown litter and animal attacks. In September 2023 we introduced new kerbside collection services to residential households in preparation for the Ministry for the Environments changes to the current Waste Minimisation Act 2008 and to ensure compliance with					

Rubbish and Recycling – Service Performance Reporting 2022/23

these changes. Residents stated a strong preference for refuse bins as opposed to bags and this has been introduced, alongside standardising what can be collected as recycling which applies from February 2024. These changes should ensure residents are better able to understand and participate in services.

Level of service: We provide transfer stations for the community that allow for the reuse and recovery of materials.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of residents satisfied with transfer stations.	Maintain Baseline (71%)	70%	Target	Target	Target
			Baseline	New measure	New measure
			Actual	Actual	Actual
			71%	-	-

What's behind the results?

What this measure tells our community

This measure indicates whether Council is providing transfer stations to a standard that meets the expectations of the community.

Source data

The data source for this measure is our Community Views survey (more details pp 103-105). This was a new measure added in the Long Term Plan 2021-2031.

Our result in 2022/23

In 2022/23, 70% of users are satisfied (45%) or very satisfied (25%) with the kerbside services. While this result shows we did not achieve our target of maintaining our baseline, there is no statistically meaningful difference between these results. This year, 10% of residents are dissatisfied with the transfer stations. This dissatisfaction revolves around the transfer stations being difficult to access and too expensive. Over the previous 12-months transfer stations have had to close for a number of reasons including weather, power outages and for essential remediation work on site. Further improvements are planned to improve safety and to upgrade the sites to make them more customer friendly. With these sites being brought in-house in July 2024 we will have better control over how these services are provided, including the days they are open and the hours.

Level of service: We encourage residents to minimise waste disposal to landfill by providing more sustainable waste management options.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Total quantity of kerbside household waste sent to landfill.	Reduction of 1% / year Target for 2022 ≤41.36kg	39.52kg	Target	Target	Target
			Reduction of 1% per year	Reduction of 1% per year	Reduction of 1% per year
			Actual	Actual	Actual
			41.78kg	31.42kg	45.2kg

Rubbish and Recycling – Service Performance Reporting 2022/23

What's behind the results?

What this measure tells our community

This measure indicates whether Council initiatives aimed at reducing the amount of kerbside waste sent to landfill are effective.

Council is required to develop and adopt a Waste Management and Minimisation Plan (WMMP) under S44 of the Waste Minimisation Act 2008. The purpose of a Waste Management and Minimisation Plan is to set out the goals and actions we have put in place to minimise the amount of waste going to landfill in our District.

In addition to the changes occurring in the sector, Tirohia Landfill, where we currently dispose of our waste, is due to close no later than 2038 and that means our waste will need to be transported a greater distance increasing our costs. Under the WMMP Council aims to ensure that:

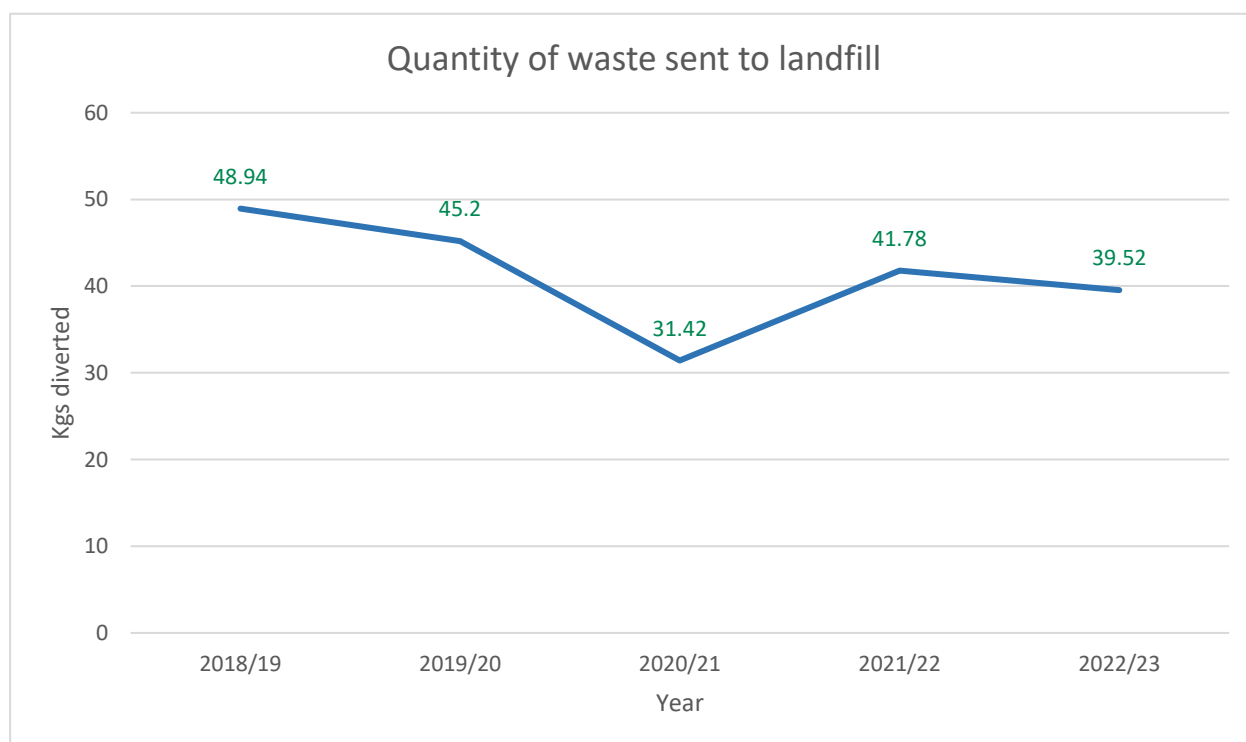
- Everyone has access to recycling, resource recovery and waste management services
- Businesses and individuals understand that reducing and minimising waste is their responsibility, as well as Council's
- Valuable resources are reused or recycled and don't go to landfill

Source data

This data comes from internal monitoring by Council staff. It is measured through our records of monthly weighbridge quantities of kerbside and transfer station recyclables.

Our result in 2022/23

In 2022/23, 39.52kg of waste per person was sent to landfill. This means we achieved our target of a 1% reduction from last year and is an improvement on last year's result. The total kerbside household waste sent to landfill was 1359.6 MT. The population figure of 34,404 is based on the 2018 Census.



Rubbish and Recycling – Service Performance Reporting 2022/23

Level of service: We encourage residents to minimise waste disposal to landfill by providing more sustainable waste management options.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Proportion of waste diverted (recycled or composted) from the transfer station and kerbside recycling collection service.	45%	43.8%	Target	Target	Target
			45%	45%	45%
			Actual	Actual	Actual
			39.27%	38.42%	35.6%

What's behind the results?

What this measure tells our community

This measure indicates whether Council initiatives aimed at reducing the amount of kerbside waste sent to landfill are effective.

Source data

This data comes from internal monitoring by Council staff. It is measured through our records of monthly weighbridge quantities of kerbside and transfer station recyclables.

Our result in 2022/23

In 2022/23, 43.8% of waste was diverted which means we did not reach our target of 45% diverted. This result is an improvement on the results over the last four years. This result indicates that while not yet reaching its target, Council's initiatives aimed at increasing the amount of waste diverted from landfill are becoming more successful.



Funding impact statement – Rubbish and Recycling 2022/23

Funding Impact Statement – Rubbish and Recycling 2022/23					
LTP Budget 2021/22	Actual 2021/22		LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
		Sources of operating funding			
879	882	General rates, uniform annual general charges, rates penalties	962	1,067	
1,167	1,161	Targeted rates	1,266	1,133	
130	206	Subsidies and grants for operating purposes	134	480	The waste minimisation subsidy from Government has increased compared to the level budgeted in the LTP.
1,744	1,369	Fees and charges	1,795	1,474	The sale of rubbish bags and fees from refuse transfer stations were lower than budgeted in the LTP.
1	1	Internal charges and overheads recovered	1	-	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
3,921	3,619	Total operating funding (A)	4,158	4,154	
		Applications of operating funding			
3,602	3,509	Payments to staff and suppliers	3,831	3,842	
11	41	Finance costs	12	99	
243	249	Internal charges and overheads applied	249	263	
-	-	Other operating funding applications	-	-	
3,856	3,799	Total applications of operating funding (B)	4,092	4,204	
65	(180)	Surplus (deficit) of operating funding (A – B)	66	(50)	
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	

Funding Impact Statement – Rubbish and Recycling 2022/23

LTP Budget 2021/22	Actual 2021/22		LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
-	-	Development and financial contributions	-	-	
(36)	488	Increase (decrease) in debt	494	323	
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
(36)	488	Total sources of capital funding (C)	494	323	
		Applications of capital funding			
		Capital expenditure			
-	-	—to meet additional demand	-	-	
-	321	—to improve the level of service	545	25	
-	-	—to replace existing assets	-	7	
29	(13)	Increase (decrease) in reserves	15	241	
-	-	Increase (decrease) of investments	-	-	
29	308	Total applications of capital funding (D)	560	273	
(65)	180	Surplus (deficit) of capital funding (C – D)	(66)	50	
-	-	Funding balance ((A – B) + (C – D))	-	-	

3.6 TE WAIMARANGAI | STORMWATER ACTIVITY GROUP

Stormwater levels of service reporting is about how effectively Council has provided our District with stormwater services that protect people and properties from flooding and that manage the quality of our environment.

Why we provide the Stormwater activity group

Stormwater drainage refers to a system that collects and conveys rainwater runoff from private property, public reserves and roads. Large amounts of uncontrolled surface water can have a major impact on people and property. It can lead to flooding and damage to property and the environment, and can be a significant hazard if it is not managed and controlled adequately.

What the Stormwater activity group consists of

Council has stormwater drainage systems in Matamata, Morrinsville, Te Aroha, Waharoa, and a limited system in Hinuera. These systems include a mix of pipes, open channels and drains.

We work to ensure there are adequate services and staff to respond to storm events, and implement maintenance programs to ensure our systems remain in good condition. We work collaboratively with Waikato Regional Council as they also own, manage and maintain parts of the drainage system (some streams and most rivers).

Maintaining all of our assets involves undertaking scheduled and unscheduled maintenance and repair work. We have renewal strategies to allow for the progressive replacement of assets as they are required.

How the Stormwater activity group contributes to Community Wellbeing

<i>Social wellbeing</i>	
	Our stormwater system provides efficient flood mitigation and protection for resident's homes.
<i>Economic wellbeing</i>	
	Our stormwater systems provide efficient flood mitigation protecting businesses and industry.
<i>Environmental wellbeing</i>	
	Our stormwater systems provide efficient flood mitigation protection to ensure that environmental damage is limited during severe weather events.

How the Stormwater activity group contributes to our Community Outcomes

<i>Connected infrastructure</i>	<ul style="list-style-type: none"> ✓ Infrastructure and services are fit for purpose and affordable now and in the future ✓ Quality infrastructure is provided to support community wellbeing ✓ We have positive partnerships with external providers of infrastructure to our communities
<i>Economic Opportunities</i>	<ul style="list-style-type: none"> ✓ Our future planning enables sustainable growth in our District

<i>Healthy Communities</i>	✓ Our community is safe, health and connected
<i>Environmental Sustainability</i>	✓ We support environmentally friendly practices and technologies

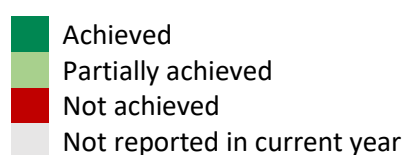
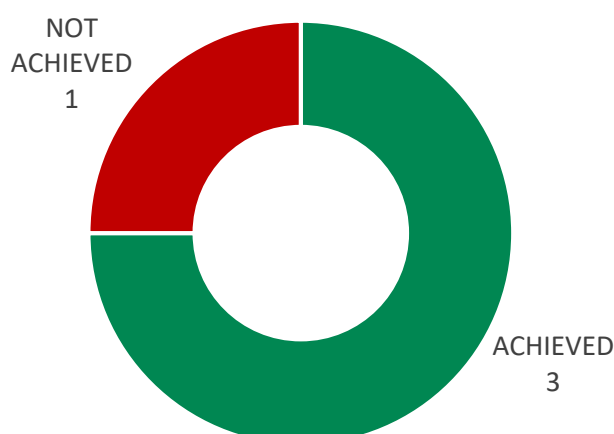
Stormwater – key projects in 2022/23

Stormwater Projects 2022/23	Budget \$000	Actual \$000	Commentary
Minor Stormwater upgrades annually	200	-	The focus for 2022/23 has been to undertake flood modelling for the Morrinsville central business area.
Stormwater plant renewals	135	312	Work is underway on the Stormwater discharge consent.
Tower Road development	400	-	Projects have been deferred due to other priorities.
Total Key Capital Projects	735	312	

Stormwater levels of service reporting - Overview

Summary of Stormwater performance

Out of the four stormwater measures we report on, we achieved the target on three and did not achieve the target on one.



Council funding of Stormwater

The Revenue and Finance Policy in the Long Term Plan 2021-2031 set the funding sources for Stormwater as:

- General Rates 10-16%
- Targeted rate on a uniform basis for serviced urban areas 84-90%

Stormwater levels of service reporting - Overview

KEY: **Target achieved** | **Target not achieved**

Stormwater – Service Performance Reporting 2022/23					
Level of service: We have an effective stormwater system that provides an appropriate level of protection to minimise harm.					
How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The number of flooding events that occur in our District.	0 flooding events	0	Target	Target	Target
			0 / 0	0 / 0	0 / 0
			Actual	Actual	Actual
For each flooding event, the number of habitable floors affected.*	0 habitable floors	0	0 / 0	0 / 0	0 / 0
*Expressed per 1,000 properties connected to our stormwater system. In 2022/23 there were 10,103 connections to the stormwater system.					
What's behind the results?					
<p>What this measure tells our community</p> <p>The measure gives the community information on how effective Council's stormwater system is in providing an appropriate level of protection and how well it is being managed; in other words, whether it has been designed to an adequate standard and is being operated in a way that minimises harm to the community. This measure is an indication of whether Council's stormwater system is adequate and is it being maintained sufficiently to ensure it remains adequate.</p> <p>Stormwater system reliability and the frequency and scale of flooding events are of interest to communities as these events can have a direct effect on private property and wider community amenities.</p> <p>Source data and judgements</p> <p>The data source for this measure is our Customer Request Management System (see pp103-105 for detail). This measure relies on requests/complaints from the public being a reliable indication of the number of flooding events that take place in the District. A flooding event is defined as an overflow of stormwater from Council's stormwater system that enters a habitable floor. Where a habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages. This definition is set by the Department of Internal Affairs.</p> <p>Our result in 2022/23</p> <p>In 2022/23 there were no flooding events and therefore no habitable floors were affected. This result is consistent with our performance over the last five years.</p>					

Stormwater – Service Performance Reporting 2022/23

Level of service: We protect the environment from stormwater contaminate discharging into waterways.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Compliance with our resource consents for discharge from our stormwater system.*	zero	zero	Target	Target	Target
			0	0	0
			Actual	Actual	Actual
			0	0	0

*Measured by the number of abatement notices, infringement notices, enforcement orders, and convictions, received in relation to those resource consents.

What's behind the results?

What this measure tells our community

This measure is intended to answer the question “Is the stormwater system being managed in a way that does not unduly impact on the environment?” The measure indicates the extent to which Council is meeting resource consent requirements to prevent harm to the environment. This means how well Council is managing the environmental impacts of its stormwater system.

Enforcement actions provide an impartial method of determining the severity and extent of council breaches of resource consent conditions for stormwater operations / discharges.

Source data

An accredited external laboratory performs Council's stormwater sample testing. Samples are taken manually as required per the consent conditions (i.e. every hour, daily, or weekly). If there are any outliers, tests are repeated to ensure the result is correct. Results are generally received within 6 days of testing, unless a result requires investigation, then Council is notified within 24 hours.

Council has comprehensive stormwater discharge consents with specific conditions attached. We have four comprehensive discharge consents for the District – Te Aroha, Morrinsville, Matamata and Waharoa. Each resource consent is supported by a Resource Consent Certificate.

Our result in 2022/23

In 2022/23 there were zero abatement notices, infringement notices, enforcement orders and convictions related to our resource consents for discharge from our stormwater system. This result is consistent with our results over the last four years.

The results over the last four years, where we have consistently met our target, indicate to the community that Council is effectively managing the environmental effects of the stormwater system.

Level of service: We have reliable stormwater systems and will respond to requests for service from our residents in a timely manner.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The median response time to attend a flooding event.*	≤ 4 hours	n/a no flooding events	Target	Target	Target
			4 hours	4 hours	4 hours
			Actual	Actual	Actual
			n/a no flooding events	n/a no flooding events	n/a no flooding events

*Measured from the time that we receive notification to the time that service personnel reach the site.

What's behind the results?

What this measure tells our community

This measure is intended to answer the question: "Does Council provide a timely response if there is a problem?" The measure shows how quickly Council attends to problems with its stormwater system. It measures responses to situations where water from a stormwater system gets into buildings. A measure of responsiveness to stormwater incursions into buildings has been chosen because these situations potentially have the most impact on buildings and the welfare of the inhabitants of those buildings.

Source data and judgements

The data source for this measure is our Customer Request Management System (see pp103-105 for details.) Response time is measured from the time we receive notification to the time service personnel reach the site. This definition is set by the Department of Internal Affairs. For the purposes of reporting, council staff apply criteria in order to categorise complaints. Complaints about a loose manhole cover are not counted as it is judged that this does not relate to performance of the system. Complaints about tomos are included unless the tomo is caused by something other than stormwater. Complaints about leaves blocking drains on roads is not counted as it is instead counted under the roading complaints measure.

Our result in 2022/23

In 2022/23 there were no flooding events, so the median response time does not apply. This response is consistent with our results over the last four years.

Level of service: Residents are satisfied with the overall performance of the stormwater system.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The number of complaints we received about the performance of our stormwater system.*	≤4 complaints per 1000 connections**	7.5 Per 1000 connections 75 total	Target	Target	Target
			4 per 1000 connections	4 per 1000 connections	4 per 1000 connections
			Actual	Actual	Actual
			3.12 30 total	5.5 44 total	5.38 43 total

*Expressed per 1,000 properties connected to our stormwater system. Total 10,103 connections.

** Target set at 4 complaints per 1000 connections, so 40 complaints total

What's behind the results?

What this measure tells our community

This measure is intended to answer the question: “Are customers satisfied with the service provided – with both the operation of the service itself and the way in which complaints about the service are dealt with?”

Customer satisfaction is a key measure of the quality of a service. The measure provides information on issues with a stormwater system and on how satisfied customers are with the way in which Council responds to requests to fix problems.

Source data and judgements

The data source for this measure is our Customer Request Management System (see pp103-105 for detail). The result is expressed per 1,000 properties connected to Council's stormwater system. In 2022/23 there were a total there were 10,103 connections to the stormwater system. In calculating the result the number of connections was rounded to 10,000 which means a target of 40 or less complaints. At times there is more than one complaint for the same event, in this circumstance each complaint is counted separately for reporting purposes. This definition is set by the Department of Internal Affairs.

Our result in 2022/23

In 2022/23, we received a total of 75 complaints about the performance of the stormwater network which means we did not achieve our target of 40 complaints or less. We have not achieved our target for number of complaints in three of the last four years. This year's result shows a rise in the number of complaints.



Funding impact statement – Stormwater 2022/23

Funding Impact Statement – Stormwater 2022/23					
LTP Budget 2021/22			LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	Actual		\$000	\$000	
		Sources of operating funding			
165	165	General rates, uniform annual general charges, rates penalties	170	170	
1,011	1,001	Targeted rates	1,043	1,044	
-	-	Subsidies and grants for operating purposes	-	-	
-	-	Fees and charges	-	-	
83	95	Internal charges and overheads recovered	91	136	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
1,259	1,261	Total operating funding (A)	1,304	1,350	
		Applications of operating funding			
246	284	Payments to staff and suppliers	253	474	One-off CCTV and catchment modelling projects are budgeted to be funded from the Stormwater projects reserve.
-	-	Finance costs	-	(136)	Net finance costs reflect the allocation from the internal borrowing fund for this activity.
184	184	Internal charges and overheads applied	190	237	
-	-	Other operating funding applications	-	-	
430	468	Total applications of operating funding (B)	443	575	
829	793	Surplus (deficit) of operating funding (A – B)	861	639	
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	

Funding Impact Statement – Stormwater 2022/23					
LTP Budget 2021/22			LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	Actual		\$000	\$000	
28	32	Development and financial contributions	27	6	
-	-	Increase (decrease) in debt	-	-	
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
28	32	Total sources of capital funding (C)	27	6	
		Applications of capital funding			
		Capital expenditure			
80	-	—to meet additional demand	320	-	
120	129	—to improve the level of service	297	412	
136	-	—to replace existing assets	140	-	
521	696	Increase (decrease) in reserves	131	233	
-	-	Increase (decrease) of investments	-	-	
857	825	Total applications of capital funding (D)	888	645	
(829)	(793)	Surplus (deficit) of capital funding (C – D)	(861)	(639)	
-	-	Funding balance ((A – B) + (C – D))	-	-	

3.7 TE WAIPARA | WASTEWATER ACTIVITY GROUP

Wastewater levels of service reporting is about how effectively Council has planned for and provided wastewater services that protect the health of the people and waterways in our District.

Why we provide the Wastewater activity group

Well-functioning sewerage systems are important for good public health and environmental outcomes. Our wastewater services ensure that wastewater (sewage and the grey water that goes down your drains) is collected, treated and disposed of appropriately. The treatment is particularly important as much of the treated wastewater is discharged into waterways. We aim to ensure wastewater is well managed for the wellbeing of our community and our environment.

What the Wastewater activity group consists of

We own and operate wastewater treatment plants in: Matamata, which also treats wastewater from Waharoa and Raungāiti; Morrinsville, which also treats wastewater from Rukumoana; Te Aroha; Tahuna; and Waihou. Most domestic wastewater is disposed through reticulated systems (into river outfalls), while the remainder is disposed through septic tank systems and soakage through the ground.

The Morrinsville treatment plant also treats and disposes of rural septic tank waste. Approximately 50% of the wastewater treated in Morrinsville is from local industry. Industrial and commercial wastewater is regulated through tradewaste agreements and our Tradewaste Bylaw which ensure companies pay for the cost of processing their own waste.

How the Wastewater activity group contributes to Community Wellbeing

Social wellbeing

We provide sufficient wastewater and treatment systems for our residents to enable a clean and healthy environment to live and work in.

Environmental wellbeing

We provide sufficient wastewater and treatment systems for our residents to ensure our wastewater doesn't affect the environment in the District.

Cultural wellbeing

We provide sufficient wastewater and treatment systems for our residents to ensure our wastewater doesn't impact on the connection Iwi have on the whenua and awa that are in our District.

How the Wastewater activity group contributes to our Community Outcomes

<i>Connected infrastructure</i>	<ul style="list-style-type: none"> ✓ Infrastructure and services are fit for purpose and affordable now and in the future ✓ Quality infrastructure is provided to support community wellbeing ✓ We have positive partnerships with external providers of infrastructure to our communities
<i>Economic Opportunities</i>	<ul style="list-style-type: none"> ✓ Our future planning enables sustainable growth in our District
<i>Healthy Communities</i>	<ul style="list-style-type: none"> ✓ Our community is safe, health and connected
<i>Environmental Sustainability</i>	<ul style="list-style-type: none"> ✓ We support environmentally friendly practices and technologies

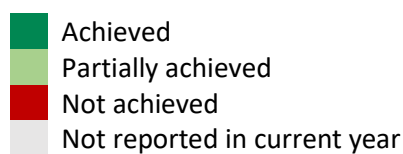
Our Wastewater – key projects in 2022/23

Wastewater Projects 2022/23	Budget \$000	Actual \$000	Commentary
Wastewater plant renewals	2,062	1,598	The renewal programme has mainly captured the consent renewal for our discharges and Matamata treatment plant renewals.
Wastewater retic renewals	1,645	1,864	Renewals were carried out District-wide but significantly include the Morrinsville relining project.
Burwood Rd bulk sewer	1,200	-	Projects have been deferred due to other priorities.
Waihou wastewater treatment plant upgrade	500	32	An options assessment was undertaken and it has been decided to install a pipe to Waihou from Te Aroha. The contract has been awarded and will be completed during 2023/24.
Wastewater pipe size increases associated with new subdivisions	50	-	This work is ongoing.
North Morrinsville Trunk sewer main	-	1,205	This project has been carried forward from previous years.
Lockerbie sewer main	-	2,382	This project has been carried forward from previous years.
Total Key Capital Projects	5,457	7,081	

Wastewater levels of service reporting - Overview

Summary of Wastewater performance

Out of the four wastewater measures we report on, we achieved the target on all four.



Council funding of Wastewater

The Revenue and Finance Policy in the Long Term Plan 2021-2031 set the funding sources for Wastewater as:

- Fees and Charges through trade waste agreements
- The balance of funding after Fees and Charges will come from either: General Rates 0-6%, or Targeted rate on a per pan basis (using a scale of charges) for serviced urban areas 94-100% Factors - properties connected Properties able to connect but not connected Council will determine the actual percentages within the allowable range on an annual basis

Wastewater levels of service reporting - Detailed

KEY: Target achieved | Target not achieved

Wastewater – Service Performance Reporting 2022/23					
<u>Level of service:</u> We have an effective wastewater system that provides an appropriate level of protection.					
How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The number of dry weather sewage overflows from our wastewater system.*	≤ 1 complaint per 1000 connection 10 complaints total	0.1 1 total	Target	Target	Target
			1 per 1000 connections	1 per 1000 connections	1 per 1000 connections
			Actual	Actual	Actual
			0.85 8 total	1.07 10 total	2.25 18 total
*Expressed per 1,000 connections per year to our wastewater system. ** Target is 1 complaint per 1000 connections, there were a total of 9,613 connections, rounded to 10,000.					
What’s behind the results?					
<u>What this measure tells our community</u> This measure is intended to answer the question: “Is the sewerage system adequate and is it being maintained sufficiently to ensure it remains adequate?” This measure provides information on the effectiveness of the system in providing an appropriate level of service and of how well it is being managed. That is, whether the system has been designed to an adequate standard and is being operated in a way that minimises harm to the community.					
<u>Source data and judgements</u> The data source for this measure is our Customer Request Management System (see pp103-105 for detail). Performance is measured under normal operating conditions. The measure covers overflows of treatment plants, pump stations and other parts of the network. Dry weather sewerage overflow are defined as sewage that escapes Council’s sewerage system and enters the environment during periods of dry weather. Dry weather overflows are a fundamental failure of a sewerage system. Overflows caused by wet weather are not included in the measure because they are regulated through District plans and resource consents issued under the Resource Management Act 1991. Dry weather is defined as when less than 1mm of rain has fallen in a 24 hour period. These definitions are set by the Department of Internal Affairs.					
<u>Our result in 2022/23</u> In 2022/23 we had a total of 1 dry weather overflow, which expressed per 1,000 connections is 0.1. This means we achieved the target of 1 per 1000 connections or 10 total. This result is an improvement on our results over the last four years. This result indicates to the community that the wastewater system is adequate and that Council is currently maintaining the wastewater system to a level that is adequate.					

Wastewater – Service Performance Reporting 2022/23

Level of service: We protect the environment by ensuring our wastewater is properly treated before being discharged to our environment.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Compliance with our resource consents for discharge from our wastewater system.*	zero	zero	Target	Target	Target
			0	0	0
			Actual	Actual	Actual
			0	0	1

*Measured by the number of: abatement notices, infringement notices, enforcement orders, and convictions, received in relation to those resource consents.

What's behind the results?

What this measure tells our community

This measure is intended to answer the question: "Is the sewerage system being managed in a way that does not unduly impact on the environment? This measure indicates how well Council is managing the environmental impacts of its sewerage system.

Source data

Resource consents have been allocated to all wastewater plants with specific conditions allocated for each plant. Altogether there are 18 consents, all given by the Regional Council. An accredited external laboratory perform most of MPDC's wastewater sample testing. Results are generally received within 6 days of testing, unless a result requires investigation, then Council is notified within 24 hours. Samples are taken manually as required per the consent conditions (i.e. every hour, daily, or weekly). If there are any outliers, tests are repeated to ensure the result is correct. Council must report on their compliance with each consent to Regional Council on an annual basis. In doing this, Council must provide evidence that each consent has been complied with. Regional Council will then review Council's evidence and determine whether based on this evidence, Council have either passed with compliance or partial compliance. This is then reported back to Council. This report is used to determine the performance result for this measure.

Our result in 2022/23

In 2022/23, we received zero abatement notices, infringement notices, enforcement orders, and convictions, received in relation to our resource consents for discharge from our wastewater system. That means we have achieved our target for this measure.

Level of service: We have reliable wastewater systems and respond to requests for service from our residents in a timely manner.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Where we attend to sewage overflows resulting from a blockage or other fault in our wastewater system, we will measure the following median response times:	Target		Target	Target	Target
	Attendance: 4 hours Resolution: 24 hours		Attendance: 4 hours Resolution: 24 hours	Attendance: 4 hours Resolution: 24 hours	Attendance: 4 hours Resolution: 24 hours
	Actual		Actual	Actual	Actual
Attendance time: from the time that we receive notification to the time that service personnel reach the site.	Median 4 hours	.48 hours	.75 hours	.25 hours	.62 hours
Resolution time: from the time that we receive notification to the time that service personnel confirm resolution of the blockage or other fault.	Median 24 hours	1.8 hours	5.05 hours	3.24 hours	3.5 hours

What's behind the results?

What this measure tells our community

This measure is intended to answer the question: "Does Council provide a timely response if there is a problem with the wastewater system?" This measure shows how quickly Council attends to problems. Measuring response time is a way of gauging whether Council is listening to its customers and providing solutions.

Source data and judgements

The data source for this measure is our Customer Request Management System (pp103-105 for detail). This measure includes all overflows; both those that occur during dry weather and those that occur during wet weather. An overflow means sewage that escapes a territorial authority's sewerage system and enters the environment. It includes blockages and chokes. This definition is set by the Department of Internal Affairs. If reinstatement of the site or a more long term fix is required this is not included in the resolution time calculation, and is scheduled separately. This judgement is set by Council.

Our result in 2022/23

In 2022/23, there were 13 overflows resulting from blockage or other fault in our wastewater system. The median attendance time was 29 minutes. And the median resolution time was 1.8 hours. The attendance time result is in line with our results over the last four years. Our resolution time result is a significant improvement on our results from the last four years and is a result of a higher level of priority being placed on resolving these call-outs by the works team.

Level of service: We have reliable wastewater systems and respond to requests for service from our residents in a timely manner.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The total number of complaints received by Council about any of the following*:			Target	Target	Target
			16 per 1000 connections	16 per 1000 connections	16 per 1000 connections
			Actual	Actual	Actual
1) Sewage odour					
2) Wastewater system faults	≤16 per 1000 connections	3.8 per 1000	4 per 1000	3.78 per 1000	3.4 per 1000
3) Wastewater system blockages					
4) Council's response to issues with our wastewater system	160 total	38 total	36 total	34 total	27 total

* Expressed as 1000 connections per year.

** 16 complaints per 1000 connections, 9613 connections rounded to 10,000 connections.

What's behind the results?

What this measure tells our community

This measure is intended to answer the question "Are customers satisfied with the wastewater service provided – with both the operation of the service itself and the way in which complaints about the service are dealt with?" Customer satisfaction is a key measure of the quality of a service. Council needs to know whether customers are satisfied with the adequacy and reliability of the service they pay for. The measure provides information on issues with a sewerage system and on how satisfied customers are with the way in which Council responds to requests to fix problems.

Source data

The data source for this measure is our Customer Request Management System (pp103-105 for detail).

Our result in 2022/23

In 2022/23 we received a total of 38 complaints regarding our wastewater system which can be expressed as 3.8 complaints per 1000 connections. This means we achieved our target of 16 complaints or less per 1000 connections. This result is in line with our results over the last four years, although with an upward trend. The breakdown of complaints is as follows: Sewage odour: 4, Wastewater system faults: 5, Wastewater system blockages: 29, Council response to wastewater system issues: 0. This result indicates that customers are generally satisfied with the wastewater service provided by Council.

Funding impact statement – Wastewater 2022/23

Funding Impact Statement – Wastewater 2022/23					
LTP Budget 2021/22	Actual 2021/22		LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
		Sources of operating funding			
-	-	General rates, uniform annual general charges, rates penalties	-	-	
6,515	6,611	Targeted rates	6,974	6,572	Rates requirements decreased in line with estimated operating and finance costs reducing compared to forecast in the LTP.
867	807	Subsidies and grants for operating purposes	-	-	
682	940	Fees and charges	702	1,056	Trade waste charges have increased compared to budgeted in the LTP.
244	345	Internal charges and overheads recovered	238	-	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
8,308	8,703	Total operating funding (A)	7,914	7,628	
		Applications of operating funding			
4,507	3,829	Payments to staff and suppliers	3,887	3,762	
355	15	Finance costs	363	(409)	Net finance costs reflect the allocation from the internal borrowing fund for this activity
483	703	Internal charges and overheads applied	506	965	
-	-	Other operating funding applications	-	-	
5,345	4,547	Total applications of operating funding(B)	4,756	4,318	
2,963	4,156	Surplus (deficit) of operating funding (A – B)	3,158	3,310	

Funding Impact Statement – Wastewater 2022/23					
LTP Budget 2021/22	Actual 2021/22		LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
		Sources of capital funding			
681	313	Subsidies and grants for capital expenditure	-	-	
782	1,420	Development and financial contributions	776	3,532	Significant developments in the District, particularly in Morrinsville and Matamata.
3,801	-	Increase (decrease) in debt	1,629	1,035	Significant development contributions reduced the need for debt funding.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
5,264	1,733	Total sources of capital funding (C)	2,405	4,567	
		Applications of capital funding			
		Capital expenditure			
2,910	140	—to meet additional demand	1,010	-	
1,752	1,725	—to improve the level of service	791	4,486	
3,707	2,189	—to replace existing assets	3,815	3,115	
(142)	1,835	Increase (decrease) in reserves	(53)	276	
-	-	Increase (decrease) of investments	-	-	
8,227	5,889	Total applications of capital funding (D)	5,563	7,877	
(2,963)	(4,156)	Surplus (deficit) of capital funding (C – D)	(3,158)	(3,310)	
-	-	Funding balance ((A – B) + (C – D))	-	-	

3.8 TE WAI | WATER ACTIVITY GROUP

Water levels of service reporting is about how effectively Council has supplied our residents with clean, safe drinking water, and how well we have managed this resource sustainably.

Why we provide the Water activity group

A reliable supply of water that is safe to drink is essential for good public health. A good quality water supply brings many direct and indirect benefits to communities and the country as a whole by helping to prevent the outbreak and spread of water-borne diseases.

What the Water activity group consists of

We own and operate seven water supply schemes in the District: Matamata, including Waharoa and Raungāiti; Morrinsville; Te Aroha, including Te Aroha West; and four small schemes in Te Poi, Tahuna, Hinuera and Waihou.

Each area has one or more treatment plants, and the District has a total of 331 km of pipes, excluding service lines. We provide water 24 hours a day, 7 days a week.

Our approach to managing our Water activity group aligns with national and regional drivers. It recognises that the use of water is not unlimited and is a valuable resource that needs to be protected and managed in a sustainable manner for the community today and tomorrow.

Risk assessment and risk management is important for the Water activity group, as clean water is essential during emergencies, such as earthquakes. We have prepared a *Business Continuity Plan – Water* to ensure the supply of potable water during and after events such as droughts, prolonged power outages, volcanic activity, pandemics and other emergencies. We also have Drinking Water Safety Plans for each of our reticulated water networks to ensure safe drinking water can be provided to our community.

How the Water activity group contributes to Community Wellbeing

<i>Social wellbeing</i>
Our water systems ensure Council provide clean drinking water to our residents to ensure their health and wellbeing are protected.
<i>Economic wellbeing</i>
We provide efficient water systems to residents and for industrial purposes.
<i>Environmental wellbeing</i>
Our water systems ensure Council provide clean drinking water to our residents and industry at no cost to the environment.
<i>Cultural wellbeing</i>
Our water systems ensure Council provide clean drinking water to our residents and industry without impacting on the connection Iwi have with the awa in our District.

How the Water activity group contributes to our Community Outcomes

<i>Connected infrastructure</i>	<ul style="list-style-type: none"> ✓ Infrastructure and services are fit for purpose and affordable now and in the future ✓ Quality infrastructure is provided to support community wellbeing ✓ We have positive partnerships with external providers of infrastructure to our communities
<i>Economic Opportunities</i>	<ul style="list-style-type: none"> ✓ Our future planning enables sustainable growth in our District
<i>Healthy Communities</i>	<ul style="list-style-type: none"> ✓ Our community is safe, health and connected
<i>Environmental Sustainability</i>	<ul style="list-style-type: none"> ✓ We support environmentally friendly practices and technologies

Water – key projects in 2022/23

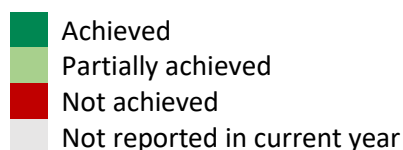
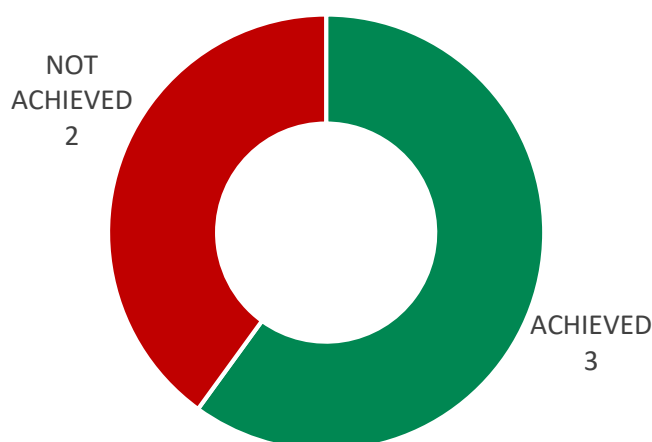
Water Projects 2022/23	Budget \$000	Actual \$000	Commentary
Water retic renewals	1,899	2,802	Significant waterline renewal work was undertaken across the District, funded in part from budgets carried forward from previous years.
Water plant renewals	803	542	Work in 2022/23 involved a number of minor projects across the District.
HSNO upgrades	200	108	The budget for this project was reprioritised to progress the Morrinsville water treatment plant chlorine room which will be completed in 2023/24.
Water pipe size increases associated with new subdivisions	75	75	Upgrades completed at TokoToko Parade and on Peakedale Drive.
Water pipe size increases associated with renewals	40	-	This work is ongoing as required.
Tower Road upgrade 200mm WM	175	-	This project has not progressed due to other priorities.
Reticulation monitoring	150	-	This project has not progressed due to other priorities.
Implement water loss strategy	50	24	Some water meters have been installed in Morrinsville.
Lime dosing tank duplication – Te Aroha and Tills Road	200	-	These projects will be completed in 2023/24.
Lockerbie water treatment plant	-	2,758	This project was carried forward from previous years and is due for completion in 2023/24.

Te Aroha plant backwash recovery	-	830	This project is in progress and was carried forward from previous years budgets.
SCADA equipment	-	550	New SCADA equipment for all the plants in progress. This project is carried forward from previous years budgets.
Total Key Capital Projects	3,592	7,689	

Water levels of service reporting - Overview

Summary of Water performance

Out of the five water measures we report on, we achieved the target on three and did not achieve the target on two.



Council funding of Water

The Revenue and Finance Policy in the Long Term Plan 2021-2031 set the funding sources for Water as:

- Targeted Rates from metered water (including residential and from industry).
- The balance of funding after metered water will come from either: General Rates 0-6%, or Targeted Rates on a uniform basis for serviced urban areas 94- 100% Factors - properties connected properties able to be connected but not connected Council will determine the actual percentages within the allowable range on an annual basis.

Water levels of service reporting - Detailed

KEY: Target achieved | Target not achieved

Water – Service Performance Reporting 2022/23					
<u>Level of service:</u> We provide safe and reliable water for household and business use (served properties).					
How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The extent to which Council’s drinking water supply complies with:			Target	Target	Target
			Compliant	Compliant	Compliant
			Actual	Actual	Actual
Drinking Water Standard NZ 2018 Applicable 1 Jul 22 to 31 Dec 22			Not compliant	Compliant	Not compliant
Part 4 of the drinking water standards - bacteria compliance criteria	Compliant	Not compliant			
Part 5 of the drinking- water standards -protozoal compliance criteria	Compliant	Not compliant			
Taumata Arowai’s Drinking Water Quality and Assurance Rules (DWQAR), Aesthetic Values and the new Drinking Water Standards Applicable 1 Jan 23 to 30 Jun 23					
New standard equivalent to Part 4 of the drinking water standards - bacteria compliance criteria	Compliant	Not compliant			
New standard equivalent to Part 5 of the drinking water standards -protozoal compliance criteria	Compliant	Not compliant			
What’s behind the results?					
<u>What this measure tells our community</u> This measure is intended to answer the question: “Is our water safe to drink?”					
<u>Source data and judgements</u> <i>Changes to Drinking Water Standards</i> There have been recent changes to the regulation of Water at the national level, which mean the standards we report have changed. From 1 July 2022 through to 31 December 2022, Council were required to comply with the Drinking Water Standard NZ 2018, and from 1 January 2023 it has been a requirement that Council record, monitor and when necessary report on their compliance against					

Water – Service Performance Reporting 2022/23

Taumata Arowai's Drinking Water Quality and Assurance Rules (DWQAR), Aesthetic Values and the new Drinking Water Standards.

Historic Drinking water standard in place until 31 December 2022

The New Zealand Drinking Water Standards (the Drinking Water Standards), which are set under the Health Act 1956 and monitored by the Ministry of Health, provide a recognised standard for public safety. The measure provides information to assist local government and communities in making decisions on an appropriate level of service, including whether they want a grade of water that meets, or exceeds, the Drinking Water Standards.

The measure focuses on contamination by bacteria or protozoa. Although the Drinking Water Standards set standards for other contaminants also, the focus of the performance measure is on the safety, rather than the overall quality, of drinking water. Chemical and other components of the Drinking Water Standards are therefore not reported in this measure as their effects do not represent an immediate risk to public health.

○ *Part 4 of Drinking Water Standard – Bacterial Compliance*

For bacterial compliance testing E.coli is used as the indicator organism for contamination of drinking-water by faecal material. If present in drinking-water leaving the water treatment plant or in a distribution zone, the immediate response specified in the Drinking Water Standard must be followed.

○ *Part 5 of Drinking Water Standard – Protozoal Compliance*

Protozoa such as Cryptosporidium and Giardia may occur in New Zealand surface waters and non-secure bore waters. Their cysts or oocysts are found in the faeces of humans and animals. Protozoa can be removed by filtration or inactivated by disinfection using UV light. Chlorine can be effective in inactivating Giardia, bacteria and viruses but not Cryptosporidium. The compliance criteria for protozoa are based on the probability that the treatment process has inactivated the cysts.

The Te Aroha, Matamata (Tills Road) and Morrinsville (Waterworks Road WTP) inactivate protozoa through filtration processes. The three water treatment plants that serve Matamata (Tawari, Matamata South and also Tills Road), the Te Poi water treatment plant, the Hinuera water treatment plant, Scott Road and the Tahuna water treatment plant all use UV light to inactivate any protozoa that may be present in the raw water. Chlorine is used at all sites.

New Drinking water standard in place from 1 January 2023

On the 15th November 2021 the Water Services Regulator Act 2020 came into effect, it established the crown entity known as *Taumata Arowai - the Water Services Regulator*. The pieces of legislation that sit alongside this are the Water Services Act 2021 and the Water Services (Drinking Water Standards for New Zealand) Regulations Act 2022.

The Water Services Act 2021 provides a comprehensive set of regulatory tools that have been put in place to ensure good outcomes are achieved for drinking water safety.

The Water Services (Drinking Water Standards for New Zealand) Regulations Act 2022 set the Maximum Acceptable Values for a range of contaminants which can affect the safety and quality of drinking water. They are based on guideline values set by the World Health Organisation (WHO).

Water – Service Performance Reporting 2022/23

The Drinking Water Quality Assurance Rules set out what drinking water suppliers need to do to comply with key parts of the Drinking Water Standards 2022 and the Water Services Act 2021. The rules came into effect on 14 November 2022 with Taumata Arowai requiring water suppliers to monitor and report on compliance with the rules from 1 January 2023. The rules are structured as ‘modules’, with the main modules covering General Rules (G), Source water (S), Treatment systems (T) and Distribution systems (D). MPDC have selected the Rule module that apply to each of the registered supplies based on the category that best fits each drinking water supply. Drinking water suppliers must demonstrate compliance against those Rule modules for each supply.

Drinking Water Quality Assurance Rules (DWQAR), Drinking Water Aesthetic Values, Drinking Water Standards 2022

MPDC are using Water Outlook to provide daily, weekly and monthly compliances summaries against a subset of the rules and are aligned with the monthly reporting requirements set out in the DWQAR. These reports are uploaded to the Hinekōrako portal.

Drinking water not only needs to be safe, but it also needs to taste and smell acceptable too. The Drinking Water Aesthetic Values specify or provide minimum and maximum values for substances and other characteristics that relate to the acceptability of drinking water to consumers (such as appearance, taste or odour). A drinking water supplier must take all reasonably practicable steps to supply drinking water that complies with the Drinking Water Aesthetic Values.

Drinking Water Standards for New Zealand 2022 set limits for the concentrations of determinants in drinking water. The limits are referred to as maximum acceptable values (MAVs). The MAVs for any determinants must not be exceeded at any time.

Water samples are collected by a private contractor and analysed by an external Laboratory. Any exceedances of the Drinking Water Standards 2022 require the laboratory to notify Taumata Arowai through the Hinekōrako portal. The exceedances become a non-compliance notification and Council are expected to report to Taumata Arowai on each notification. The non-compliance is closed off until Taumata Arowai are satisfied that the risk of the non-compliance occurring again has been reduced.

Our result in 2022/23

From 1 July to 31 December 2022 our overall result was that we were not compliant for part 4 or part 5 of the drinking water standard. This is in line with our results over the last four years.

From 1 January to 30 June 2023 our overall result with the monthly and quarterly reporting, the DWQARs equivalent to the part 4 and part 5 of the DWSNZ, was not-compliant.

The result indicates to the community that there were some days during the year when the drinking water provided by Council is not compliant with the Drinking Water Standards (1 July 2022 to 31 December 2022) and not-compliant with the Drinking Water Quality Assurance Rules (1 January 2023 to 30 June 2023).

Non-compliance was generally due to shortcomings in data collection and some minor instances of turbidity and ultraviolet transmissivity being outside allowed levels. The independent water report states that for the period July to December 2022 “the issues that prevented compliance were not an indication of unsafe water, but rather technical transgressions, such as not enough samples obtained.” Similarly for

Water – Service Performance Reporting 2022/23

the period January to June 2023, the independent report stated that the reasons for non-compliance “were more technical in nature such as data integrity, rather than widespread treatment failures.”

A not-compliant status does not mean that bacterial or protozoa contamination occurred, rather an event/s occurred that decreased the treatment effectiveness.

Level of service: We ensure that our water assets are well maintained and managed and that the assets are maintained and replaced when required.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The percentage of real water loss from Council’s networked reticulation system (using minimum night flow analysis).	≤25%	41.4%	Target	Target	Target
			25%	25%	25%
			Actual	Actual	Actual
			27.9%	27.1%	26.8%

What’s behind the results?

What this measure tells our community

This measure provides information on the state and operation of Council’s water reticulation network infrastructure.

Source data and judgements

Previously, water loss has been calculated through Council’s internal records. This year, we have moved to a new automated reporting template provided by the new water entity Taumata Arowai.

Our result in 2022/23

Our result shows that we did not achieve our target for water loss in 2022/23. Minimum night flow in Matamata has increased significantly over the last 12 months and this has driven an increase in real water loss being reported. The causes of this increase to minimum night flow in Matamata are still being investigated. In addition, Council has recently completed an upgrade to its SCADA system – the system used to collect data about our water operations. This upgrade enables Council to better measure total consumption, industrial consumption, as well as minimum night flow, enabling a more sophisticated analysis of water metrics. While increased data and better analysis is a positive, the change in process has meant a step change in measured performance resulting this year.

Level of service: We provide reliable water systems that our community can count on.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Where we attend a call-out in response to a fault or unplanned interruption to our networked reticulation system, we will measure the following median response times:			Target	Target	Target
			<u>Urgent</u> Attendance < 4hr Resolution < 24hr <u>Non Urgent</u> Attendance < 3 days Resolution < 5 days	<u>Urgent</u> Attendance < 4hr Resolution < 24hr <u>Non Urgent</u> Attendance < 3 days Resolution < 5 days	<u>Urgent</u> Attendance < 4hr Resolution < 24hr <u>Non Urgent</u> Attendance < 3 days Resolution < 5 days
			Actual	Actual	Actual
Attendance urgent call outs*	Median 4 hr	.67 hrs	.67 hours	.67 hours	.5 hours
Resolution urgent call outs**	Median 24 hr	2.77 hrs	2.88 hrs	2.17 hrs	2.62 hrs
Attendance non-urgent call outs*	Median 3 days	1.13 days	2.4 days	0.97 days	0.92 days
Resolution of non-urgent call outs**	Median 5 days	1.71 days	3.25 days	2.8 days	1.6 days
*From the time that we receive notification to the time that service personnel reach the site.					
**From time we receive notification to time service personnel confirm resolution of fault or interruption.					
What's behind the results?					
<p><u>What this measure tells our community</u></p> <p>This measure is intended to answer the question: "Does Council provide a timely response if there is a problem with the water supply?" It shows how quickly Council has attended to urgent problems with a water supply. An appropriate response to an urgent water supply outage is important because households and businesses require water to function, and without water a building can quickly become insanitary.</p> <p><u>Source data and judgements</u></p> <p>The data source for this measure is our Customer Request Management System (see pp103-105 for detail). An urgent call out is when there is a complete loss of supply of drinking water. A non-urgent call out is any other issues related to the drinking water supply. Attendance time is calculated from the time we receive notification to the time that service personnel reach the site. These definitions are set by the Department of Internal Affairs. Resolution time is calculated from the time we receive notification to the time that service personal confirm resolution of the fault or interruption. If reinstatement of the site or a more long term fix is required this is not included in the resolution time calculation, and is scheduled separately. This definition was set by Council.</p> <p><u>Our result in 2022/23</u></p> <p><u>Urgent call outs</u></p> <p>In 2022/23 we received a total of 35 urgent calls regarding a complete loss of drinking water. The median response time for service personnel to attend an urgent call out was 40 minutes, and the median resolution time was 2 hours and 46 minutes. This means we achieved our target of 4 hours for attendance time and 24 hours for resolution time.</p>					

Non urgent call outs

In 2022/23 we received 297 non urgent calls regarding problems with the water supply. Our median response time was 9 hours and median resolution time was 13 hours. This means we achieved our target of 3 days for attendance and 5 days for resolution.

These results are in line with the results over the last four years and indicate to the community that Council is consistently providing a timely response to issues with drinking water supply.

Level of service: Council provides safe and reliable water for household and business use (served properties).

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The total number of complaints received by Council about any of the following*: 1) Drinking water clarity 2) Drinking water taste 3) Drinking water odour 4) Drinking water pressure or flow 5) Continuity of supply 6) Council's response to any of these issues	≤ 9 complaints per 1000 connections 90 total	5.9 per 1000 59 total	Target	Target	Target
			≤ 9 per 1000 connections	≤ 9 per 1000 connections	≤ 9 per 1000 connections
			Actual	Actual	Actual
			3.09 per 1000 34 total	12.63 per 1000 101 total	7 per 1000 56 total

*Expressed per 1,000 connections per year, total 10,374 connections rounded to 10,000.

What's behind the results?

What this measure tells our community

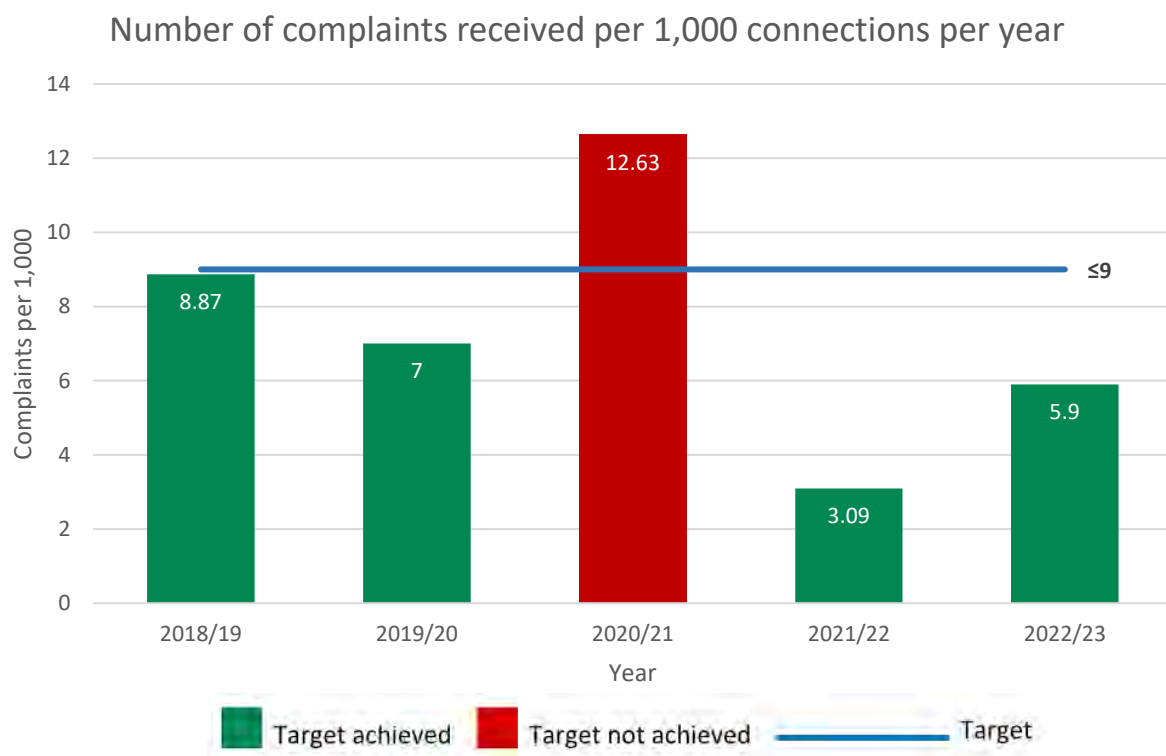
This measure is intended to answer the question "Are customers satisfied with their drinking water, both the provision of the service and how Council deals with complaints about the service?" Customer satisfaction is a key measure of the quality of a service. Council needs to know whether customers are satisfied with the adequacy and reliability of the service they pay for. The measure also provides data that highlights problems requiring attention, such as the need for upgraded or new infrastructure.

Source data

The data source for this measure is our Customer Request Management System (see 103-105 for detail). The target is based on complaints per 1000 connections and is set at 9 complaint or less per 1000 connections. And the total number of connections is rounded up or down to the nearest 1000.

Our result in 2022/23

In 2022/23 our result was a total of 59 complaints, or 5.9 per 1000 connections. This means we achieved our target of 9 or less complaints per 1000 connections. Results have fluctuated over the last four years, with the target achieved in 3 out of the last 4 years.



Level of service: Council's water assets are managed adequately for the future.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
The average consumption of drinking water per day per resident within the District	≤ 500 litres per urban resident per day	482.8 litres	Target	Target	Target
			≤ 500 litres	≤ 500 litres	≤ 500 litres
			Actual	Actual	Actual
			428 litres	450 litres	452 litres

What's behind the results?

What this measure tells our community

This measure is intended to answer the question: "Is the water supply system being managed in a way that ensures demand does not outstrip the available capacity?"

Source data and judgements

Previously, average consumption of drinking water has been calculated through Council's internal records. This year, we have moved to a new automated reporting template provided by the new water entity Taumata Arowai. In addition, Council has recently completed an upgrade to its SCADA system – the system used to collect data about our water operations. This upgrade enables Council to better measure total consumption, industrial consumption, as well as minimum night flow, enabling a more sophisticated analysis of water metrics.

Our result in 2022/23

Our result in 2022/23 shows that we have achieved our target of keeping average water consumption per resident below 500 litres. The last 12 months has seen significantly more rain, particularly over summer, than previous recent years. As a result, Council was able to avoid the use of significant water restrictions to manage supply risk. It is believed that the lack of summer time restrictions has contributed to the increase in average consumption, while noting that it is still within target.



Funding impact statement – Water 2022/23

Funding Impact Statement – Water 2022/23					
LTP Budget 2021/22	Actual 2021/22		LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
		Sources of operating funding			
-	-	General rates, uniform annual general charges, rates penalties	-	-	
6,253	5,686	Targeted rates	6,507	7,252	Increased rates were required to cover increased operating costs and to fund future asset replacements.
412	1,121	Subsidies and grants for operating purposes	-	-	
-	52	Fees and charges	-	36	
36	40	Internal charges and overheads recovered	35	-	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
6,701	6,899	Total operating funding (A)	6,542	7,288	
		Applications of operating funding			
3,721	5,286	Payments to staff and suppliers	3,449	5,287	Significant increases have been seen in costs required to ensure compliance with stricter water quality standards coming from the new Water Regulator, well beyond what was planned in the LTP. This has come at the same time that we've seen significant increases in most other areas including significant power and chemical, electrical maintenance costs.
284	349	Finance costs	280	1,168	Finance costs increased in line with the

Funding Impact Statement – Water 2022/23					
LTP Budget 2021/22	Actual 2021/22		LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
					significant increase in debt required and higher interest rates.
677	1,001	Internal charges and overheads applied	687	1,059	
-	-	Other operating funding applications	-	-	
4,682	6,636	Total applications of operating funding(B)	4,416	7,514	
2,019	263	Surplus (deficit) of operating funding (A – B)	2,126	(226)	
		Sources of capital funding			
510	565	Subsidies and grants for capital expenditure	-	-	
452	876	Development and financial contributions	451	2,089	Significant developments in the District, particularly in Morrinsville and Matamata.
1,366	2,804	Increase (decrease) in debt	1,088	6,029	Progress with capital work carried forward from prior years meant that debt raised this year exceeded the level budgeted in the LTP.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
2,328	4,245	Total sources of capital funding (C)	1,539	8,118	
		Applications of capital funding			
		Capital expenditure			
504	65	—to meet additional demand	143	-	
1,334	2,870	—to improve the level of service	773	4,891	Significant projects in progress include the Lockerbie water

Funding Impact Statement – Water 2022/23					
LTP Budget 2021/22	Actual 2021/22		LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
					treatment plant and the Te Aroha plant backwash recovery project.
2,702	2,195	—to replace existing assets	2,780	3,146	
(193)	(622)	Increase (decrease) in reserves	(31)	(145)	
-	-	Increase (decrease) of investments	-	-	
4,347	4,508	Total applications of capital funding (D)	3,665	7,892	
(2,019)	(263)	Surplus (deficit) of capital funding (C – D)	(2,126)	226	
-	-	Funding balance ((A – B) + (C – D))	-	-	



3.9 NGĀ WHAKAAETANGA ME NGĀ RAIHANA

CONSENTS AND LICENSING ACTIVITY GROUP

Consents and Licensing levels of service reporting is about how effectively Council has carried out its regulatory functions in order to safeguard the health and wellbeing of people and the environment.

Why we provide the Consents and Licensing activity group

The Consents and Licensing activity group ensures we are protecting the natural resources of the District, keeping our communities safe and healthy, and balancing the different needs and interests of people and businesses in our community. Legislation also has a significant impact on these activities, as it sets a number of legislative requirements that we must meet.

Good regulatory frameworks improve, promote and protect public health and the environment community wellbeing and reduce antisocial behaviour within the District. We provide a 24/7 service for our most time-sensitive issues (animal and noise complaints). We undertake patrols of the District for animal control. We undertake staff training to ensure legislative requirements are understood. We work with stakeholders, such as the police to ensure licence holders comply with their obligations.

We work with other councils to collaborate on best practice and consistency in our processes. Accreditation as a 'Building Control Authority' and agency recognised under the Food Act ensures our processes are robust, leading to improved services. Auditing and peer review of our processes and decisions ensure we are making good decisions. Consulting with Iwi and the wider community through agreed processes increases the opportunities for everyone to be involved in decision making.

What the Consents and Licensing activity group consists of

Consents and Licensing is about providing.... The activities responsible for this are:

- Animal Control
- Building Consents and Monitoring
- Licensing and Enforcement
- Resource Consents and Monitoring

How the Consents and Licensing activity group contributes to Community Wellbeing

Social wellbeing

Animal Control ensures animals do not cause harm or nuisance to residents or visitors. This helps to ensure the safety of everyone and means that people can enjoy their pets without undue control and without threat from other animals. Educational programmes are offered by Council to promote animal awareness and responsible ownership.

Building Consents and Monitoring makes sure buildings are safe and that they have good access for people with disabilities.

Licensing and Enforcement Environmental Health Officers help minimize the spread of illness and disease. They ensure that residents are protected from unhealthy or offensive conditions, as well as controlling alcohol and gambling.

Resource Consents and Monitoring Implementation of the Resource Management Act 1991 and the District Plan provisions through regulatory planning ensures that due consideration is given to social issues when sustainable resource management decisions are made.

Economic wellbeing

Building Consents and Monitoring Processing building consents and regulatory planning consents within targeted timeframes has economic benefits for applicants and minimises waiting periods.

Resource Consents and Monitoring Resource consent services ensure that the rules in the District Plan are applied appropriately to maximize long term productivity of land in the District. A responsive and helpful regulatory environment helps to promote development.

Environmental wellbeing

Building Consents and Monitoring Building control ensures buildings, particularly those using hazardous substances, are environmentally friendly.

Resource Consents and Monitoring Resource consent services ensure that the rules in the District Plan are applied appropriately to manage the use, development and protection of natural and physical resources. Imposing appropriate resource consent conditions and monitoring compliance ensures the integrated management of land and associated natural resources in the District.

Cultural wellbeing

Resource Consents and Monitoring The regulatory planning activity ensures cultural sites in the Dare protected.

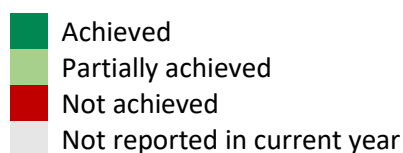
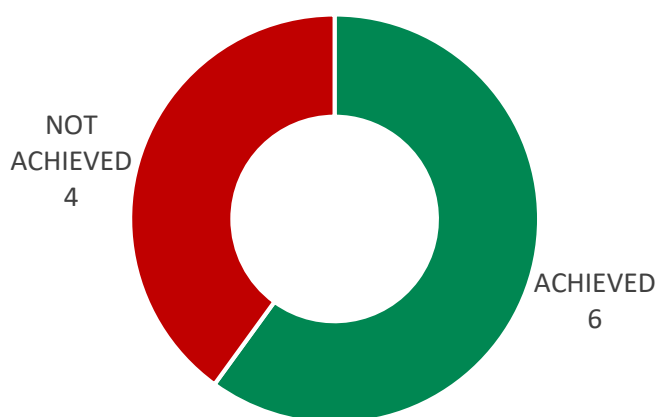
How the Consents and Licensing activity group contributes to our Community Outcomes

Economic Opportunities	<ul style="list-style-type: none"> ✓ We are a business friendly Council ✓ Our future planning enables sustainable growth in our District
Healthy Communities	<ul style="list-style-type: none"> ✓ Our community is safe, health and connected
Environmental Sustainability	<ul style="list-style-type: none"> ✓ We support environmentally friendly practices and technologies ✓ Development occurs in a sustainable and respectful manner considering kawa and tikanga.
Vibrant Cultural Values	<ul style="list-style-type: none"> ✓ We promote and protect our arts, culture, historic and natural resources

Consents and Licensing levels of service reporting - Overview

Summary of Consents and Licensing performance reporting

There are ten measures in the Consents and Licensing activity group. In 2022/23 Council achieved six measures and did not achieve four measures.



Council funding of Consents and Licensing

The Revenue and Finance Policy in the Long Term Plan 2021-2031 set the funding sources for Consents and Licensing activities as follows:

<i>Funding Sources for Consents and Licensing activities</i>	
<i>Animal Control</i>	General Rates 20% Fees and Charges (including fines) 80%
<i>Building Consents and Monitoring</i>	General Rates 40-60% Fees and Charges 40-60%
<i>Licensing and Enforcement</i>	<i>Health</i> Licence processing: 100% user pays Enquires/ complaints/ enforcement: 100% funded by rates <i>Alcohol</i> Licence processing: fees set by legislation Enquiries/ complaints/ enforcement: 100 % funded by rates <i>Noise Control</i> 100% General Rates
<i>Resource Consents and Monitoring</i>	Planning Resource Consent Processing and monitoring: 100% user pays Enquiries/ complaints/ enforcement: 100 % funded by rates

3.91 TE WHAKAHAERE KARAREHE | ANIMAL CONTROL

Animal Control projects in 2022/23

Animal Control Projects 2022/23

There are no major projects forecast for the next 10 years for Animal Control primarily because we provide a service to the community. The core function of this department is to administer, implement and enforce the Dog Control Act 1996 and Impounding Act 1955.

Animal Control performance reporting

KEY: Target achieved | Target not achieved

Animal Control – Service Performance Reporting 2022/23

Level of service: Any disturbances caused by animals are investigated quickly and efficiently.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Complaints will be investigated within set timeframes.	95%	98.69%	Target	Target	Target
			95%	95%	95%
			Actual	Actual	Actual
			97.43%	98.39%	96.6%

What's behind the results?

What this measure tells our community

This measure indicates whether Council is responding to animal control complaints in a timely manner. Most of the work undertaken by the Animal Control Officers centres on the administration of the Dog Control Act 1996 – ensuring that dogs are registered, catching wandering dogs, providing owners with information on pet care and responding to complaints. The Animal Control Officers do not respond to complaints about animal welfare and neglect. These are referred to the SPCA for investigation. One of the main responsibilities is following up on complaints made about animals, from wandering stock to barking or attacking dogs. We aim to investigate the complaint and let the complainant know what action (if any) we have taken or intend to take within adopted timeframes. Some complaints can be resolved quickly, others can take time to work through with animal owners and may involve court action. The target time frames are as follows:

Animal Control – Service Performance Reporting 2022/23

Complaint type		Notification type	0800 - 1700 hours	1700 - 0800 weekend / holiday
Dog bite person	Current incident	Phone	1 hour	1 hour
	Reported incident	CRM	4 hours	Next working day
Aggressive dog	Current incident	Phone	1 hour	1 hour
	Reported incident	CRM	4 hours	Next working day
Attacked Stock	Current incident	Phone	1 hour	1 hour
	Reported incident	CRM	4 hours	Next working day
Attacked other animal / bird	Current incident	Phone	1 hour	1 hour
	Reported incident	CRM	4 hours	Next working day
Barking dog	Current incident	Phone	1 hour	1 hour
	Reported incident	CRM	4 hours	Next working day
Wandering dog	Current incident	Phone	1 hour	1 hour
	Caught in a trap	CRM	1 hour	1 hour
	Reported incident	CRM	Next working day	Next working day
Wandering stock	Current incident (on road)	Phone	1 hour	1 hour
	Reported incident	CRM	Next working day	Next working day
Unregistered dog		CRM	24 hours	Next working day
Animal welfare			4 hours	

- Aggressive means a dog rushed a person/vehicle or displayed threatening behaviour.
- Current incident means the incident is happening now and the dog is an immediate danger to the public.
- Reported incident means an incident is reported that happened sometime in the past, but is not a current threat to the public.

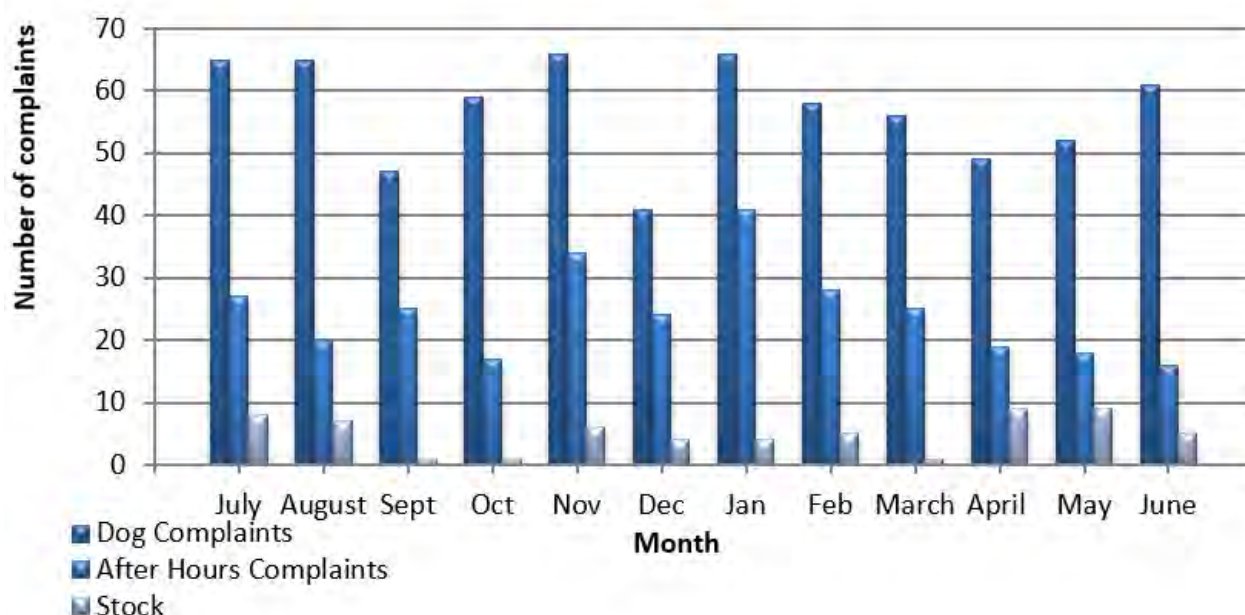
Source data

Monitoring and reporting is managed by Council staff who produce monthly reports. The Customer request management system is used to track complaint time and Council's response time.

Our result in 2022/23

In 2022/23, 98.69% of complaints were responded to within the target timeframes which means we achieved the target for this measure. This result is in line with results over the last four years.

Animal Control – Service Performance Reporting 2022/23



This result indicates that the community can have confidence that Council is responding to complaints in a timely manner.

Level of service: We carry out regular property visits to ensure dog owners are responsible.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Number of property visits per year.	600	803	Target	Target	Target
			600	600	600
			Actual	Actual	Actual
			565	621	571

What's behind the results?

What this measure tells our community

This measure indicates whether Council is carrying out an effective amount of preventative work in the District. Property visits let us check that dogs are appropriately housed and secured on their property. Both of these help to reduce the number of problems caused by animals in our community. We have two Animal Control Officers, a pound keeper and a part-time administration support whose job is to make sure people control their animals, are meeting laws and regulations, and don't create problems for others. We have contracted out our after-hours service, ensuring 24 hours, seven days a week service. We also have one dog pound and stockyard that services the whole District.

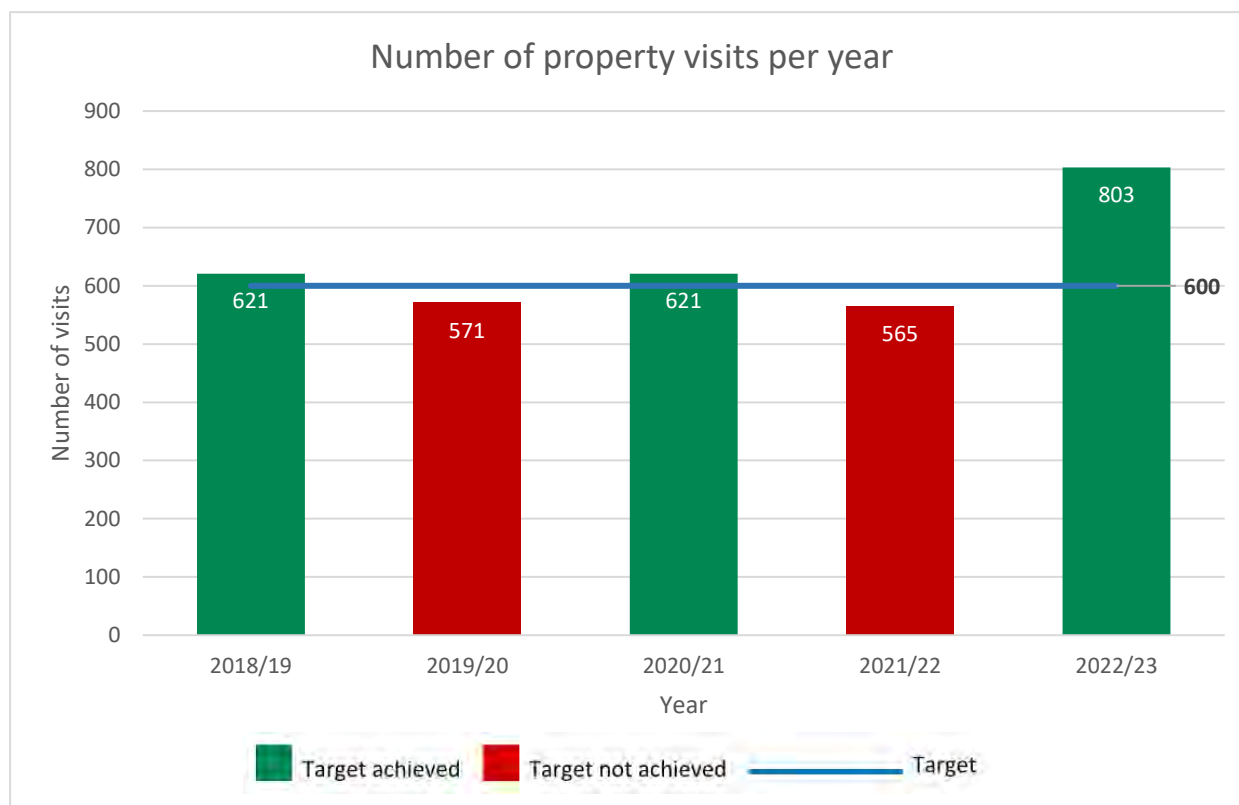
Source data

Monitoring and reporting is managed by Council staff who produce monthly reports. The Customer request management system is used to track property visits.

Animal Control – Service Performance Reporting 2022/23

Our result in 2022/23

In 2022/23 we undertook 803 property visits which means we surpassed our target. The increase in visits is largely due to improved record keeping and also due to Covid restrictions no longer impacting on visits.



Level of service: We carry out regular street patrols to keep the streets free from stray animals.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Number of street patrols undertaken in each of the three main towns.	Average 10 per month per town	Matamata 35 Morrinsville 26 Te Aroha 23	Target	Target	Target
			10 per month	10 per month	10 per month
			Actual	Actual	Actual
			Matamata 30 Morrinsville 25 Te Aroha 18	Matamata 27 Morrinsville 35 Te Aroha 20	Matamata 36 Morrinsville 38 Te Aroha 22

What's behind the results?

What this measure tells our community

This measure is another way to indicate if Council is carrying out an effective amount of preventative work in the District. Street patrols allow our staff to check if there are wandering animals that could pose a risk to our community and take appropriate action to mitigate this if required.

Source data and judgements

Monitoring and reporting is managed by Council staff who produce monthly reports. The Customer request management system is used to track street patrols.

Our result in 2022/23

In 2022/23 we undertook a total of 1000 street patrols with an average per town of Matamata 35, Morrinsville 26, Te Aroha 23. This result means we surpassed our target.



3.92 NGĀ WHAKAAETANGA Ā-WHARE ME TE MĀTAI

BUILDING CONSENTS AND MONITORING

Building Consents and Monitoring projects in 2022/23

Building Consents and Monitoring Projects 2022/23

There are no major projects forecast for the next 10 years for the Building Consents and Monitoring activity primarily because we provide a service to the community. The core function of this department is to administer, implement and enforce the Building Act 2004.

Building Consents and Monitoring performance reporting

KEY: Target achieved | Target not achieved

Building Consents and Monitoring – Service Performance Reporting 2022/23

Level of service: Building consents are administered quickly and efficiently.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Building consent processing timeframes.	100% processed within statutory timeframes	91%	Target	Target	Target
			100%	100%	100%
			Actual	Actual	Actual
			88%	69%	99.5%

What's behind the results?

What this measure tells our community

This measure indicates whether Council is fulfilling its obligation to process building consents within statutory timeframes.

Source data

Council staff monitor and report monthly on building consents. Building Consents have been processed through the AlphaOne system since July 2020. Amendments to consents received before July 2020 are processed through our Content Management system.

Our result in 2022/23

In 2022/23 we processed 91% of building consents within statutory timeframes which means we did not achieve our target.

Level of service: We respond to complaints of alleged illegal/ unauthorised activity.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Complaints responded to within 10 working days.	100%	88%	Target	Target	Target
			100%	100%	100%
			Actual	Actual	Actual
			69%	100%	52%

What's behind the results?

What this measure tells our community

This measure indicates whether Council are responding to complaints in a timely manner. In fulfilling our enforcement role under the Building Act 2004 in a timely manner we help to reduce the incidence of illegal and dangerous building work in the District.

Source data and judgements

The source data for this measure is our Customer Request Management System (pp103-105 for detail).

Our result in 2022/23

In 2022/23 Council received 16 complaints of alleged illegal buildings and illegal swimming pools. 88% (14 complaints) were responded to within 10 days. Of the two that did not meet the target, one was responded to within the timeframe but the finalisation of the complaint was completed one day later, the other was 4 days overdue this was due to the Compliance Officer needing to coordinate the visit with the Planning and monitoring officer.



3.93 TE RAIHANATANGA ME TE ŪRUHITANGA

LICENSING AND ENFORCEMENT

Our projects in 2022/23

Licensing and Enforcement Projects 2022/23

There are no major projects forecast for the next 10 years for the Licensing and Enforcement activity primarily because we provide a service to the community. The core function of this department is to administer, implement and enforce various pieces of legislation and policies.

Levels of service

KEY: Target achieved | Target not achieved

Licensing and Enforcement – Service Performance Reporting 2022/23

Level of service: We inspect or audit all food premises, hairdressers, funeral directors and camping grounds in the District to ensure they are running in accordance with the Health Act and/or health regulations.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Food premises, hairdressers, funeral directors and camping grounds will be inspected or audited in accordance with legislation.	100% inspected or audited	100%	Target	Target	Target
			100% inspected or audited	100% inspected or audited	100% inspected or audited
			Actual	Actual	Actual
			100%	100%	100%

What's behind the results?

What this measure tells our community

This measure indicates whether Council is fulfilling its obligations in respect to inspections of premises, and therefore contributing to the health and safety of our communities.

Source data

This data is extracted from our corporate system.

Our result in 2022/23

In 2022/23 we inspected all premises in line with legislation which means we achieved our target.

Level of service: We ensure that all premises in the District with alcohol licences are operating responsibly.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
On, Off and Club* alcohol licenced premises will be inspected annually to ensure they comply with alcohol licensing standards.	100%	100%	Target	Target	Target
			100%	100%	100%
			Actual	Actual	Actual
			100%	100%	100%
*Club alcohol licenced premises excludes those Clubs that have been assessed as a ‘very low’ risk rating by Council.					
What’s behind the results?					
<p>What this measure tells our community</p> <p>This measure indicates whether Council is fulfilling its obligations to protect the community from alcohol harm. One of the ways that we achieve this is to inspect high risk premises annually to ensure that they are complying with their duties under the Act.</p> <p>Source data</p> <p>This data is extracted from our corporate system.</p> <p>Our result in 2022/23</p> <p>In 2022/23 100% of inspections were carried out which means we achieved our target.</p>					
<p>Level of service: We act on all noise complaints we receive.</p>					
How we measure performance	Reporting year 2022/23		2019/20	2020/21	2021/22
	Target	Result			
Percentage of after-hours (between 5pm and 8am, weekends and public holidays) noise complaints responded to within two hours.	100%	99%	Target	Target	Target
			100%	100%	100%
			Actual	Actual	Actual
			99.72%	100%	100%
What’s behind the results?					
<p>What this measure tells our community</p> <p>This measure indicates whether Council is effectively responding to noise complaints resulting in less disturbance to the community. After hours responses to noise complaints are made by our security contractors. These calls are usually about loud stereos and parties. During working hours (8am-5pm) staff respond to complaints. Complaints during the day usually relate to general household noise or ongoing noise associated with business operations.</p> <p>Source data</p>					

This information is provided to Council in a paper form from our noise control contractors and then entered into our system.

Our result in 2022/23

In 2022/23 we responded to 99% of noise complaints within 2 hours. The reason we did not achieve full compliance was because one noise complaint was lodged through Antenno. Antenno states that the matter will not be dealt with until the next working day.



3.94 NGĀ WHAKAAETANGA Ā-RAWA ME TE MĀTAI

RESOURCE CONSENTS AND MONITORING

Our projects in 2022/23

Resource Consents and Monitoring Projects 2022/23

There are no major projects forecast for the next 10 years for the Resource Consents and Monitoring activity primarily because we provide a service to the community. The core function of this department is to administer, implement, educate and enforce various pieces of legislation and policies.

Levels of service

KEY: Target achieved | Target not achieved

Resource Consents and Monitoring – Service Performance Reporting 2022/23

Level of service: Resource consents are administered quickly and efficiently.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of resource consents processed within statutory timelines.	100%	69%	Target	Target	Target
			100%	100%	100%
			Actual	Actual	Actual
			97%	97%	99.5%

What's behind the results?

What this measure tells our community

This measure indicates whether Council is successfully fulfilling its role in processing resource consents.

Source data

This data is extracted from our corporate system.

Our result in 2022/23

In 2022/23 we processed 69% of resource consents within statutory timeframes which means we did not achieve our target. Over the 2022/23 financial year there was a dramatic increase in the number and complexity of resource consents lodged. In addition, we had some vacancies and the external planning and engineering markets were at capacity with limited ability to take our additional overflow of consents.

Level of service: We monitor land use consent compliance.

How we measure performance	Reporting year 2022/23		2021/22	2020/21	2019/20
	Target	Result			
Percentage of land use consents monitored within four months of being granted.	100%	100%	Target	Target	Target
			100%	100%	100%
			Actual	Actual	Actual
			100%	100%	100%
What's behind the results?					
What this measure tells our community This measure indicates whether Council is monitoring recently issued consents appropriately and ensuring applicants understand their requirements.					
Source data This data is extracted from our corporate system.					
Our result in 2022/23 In 2022/23 we monitored 100% of land use consents within four months which means we achieved our target.					



Funding impact statement – Consents and Licensing 2022/23

Funding Impact Statement – Consents and Licensing 2022/23					
LTP Budget 2021/22	Actual 2021/22		LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
		Sources of operating funding			
2,025	2,033	General rates, uniform annual general charges, rates penalties	2,090	1,663	An increase in development activity was expected to result in higher fees and charges, reducing the requirement for rates funding.
-	-	Targeted rates	-	-	
-	-	Subsidies and grants for operating purposes	-	-	
2,287	3,523	Fees and charges	2,354	3,659	Building and resource consent activity significantly exceeded the budgeted level.
-	-	Internal charges and overheads recovered	-	1	
31	28	Local authorities fuel tax, fines, infringement fees, and other receipts	32	32	
4,343	5,584	Total operating funding (A)	4,476	5,355	
		Applications of operating funding			
2,966	4,500	Payments to staff and suppliers	3,053	4,895	Staff and consultant costs were higher than budgeted in the areas of building and resource consent activity due to demand in trying to keep up with the increased development activity.
6	-	Finance costs	10	56	
1,447	1,406	Internal charges and overheads applied	1,491	1,658	
-	-	Other operating funding applications	-	-	

Funding Impact Statement – Consents and Licensing 2022/23					
LTP Budget 2021/22	Actual 2021/22		LTP Budget 2022/23	Actual 2022/23	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
4,419	5,906	Total applications of operating funding(B)	4,554	6,609	
(76)	(322)	Surplus (deficit) of operating funding (A – B)	(78)	(1,254)	
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	
-	-	Development and financial contributions	-	-	
300	-	Increase (decrease) in debt	309	1,253	The operating deficit for the activity was funded by debt.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
300	-	Total sources of capital funding (C)	309	1,253	
		Applications of capital funding			
		Capital expenditure			
-	-	—to meet additional demand	-	-	
-	-	—to improve the level of service	-	-	
-	-	—to replace existing assets	-	-	
224	(322)	Increase (decrease) in reserves	231	(1)	
-	-	Increase (decrease) of investments	-	-	
224	(322)	Total applications of capital funding (D)	231	(1)	
76	322	Surplus (deficit) of capital funding (C – D)	78	1,254	
-	-	Funding balance ((A – B) + (C – D))	-	-	



SECTION 4:

TE PANUI O TE TAUTUKUNGĀ | STATEMENT OF COMPLIANCE

4.1 TE PANUI O TE TAUTUKUNGĀ

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

Compliance

Council and management of Matamata-Piako District Council confirm that all statutory requirements in relation to this Annual Report have been met including those outlined in the Local Government Act 2002, and the Local Government (Financial Reporting and Prudence) Regulations 2014.

Responsibility

The Council and management of Matamata-Piako District Council accept:

Responsibility for the preparation and completion of the Annual Report and the related assumptions, estimates and judgements. The Council and management adopted the Annual Report as presented here on 25 October 2023.

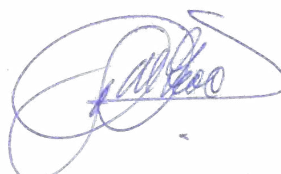
Responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial and performance reporting.

In the opinion of the Council and management of Matamata-Piako District Council, the Annual Report for the year ended 30 June 2023 fairly reflect the financial performance, financial position, cash flows and service performance of the Matamata-Piako District Council.



Adrienne Wilcock, Mayor

25 October 2023



Don McLeod, Chief Executive

25 October 2023



SECTION 5: TE AROTAKENGA | AUDIT OPINION

Independent Auditor's Report

To the readers of Matamata-Piako District Council's annual report for the year ended 30 June 2023

The Auditor-General is the auditor of Matamata-Piako District Council (the District Council). The Auditor-General has appointed me, René van Zyl, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

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

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

We completed our work on 25 October 2023. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 20 to 78
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2023; and
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and

- the funding impact statement on page 79 to 80 presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s annual plan;
- the statement of service provision (referred to in the annual report as “Section 3 – Statement of Service Performance”) on pages 98 to 216:
 - presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2023, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 98 to 216, 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 or annual plan; and
- the funding impact statement for each group of activities on pages 98 to 216, 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 83 to 89, 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 water services reform programme

Without modifying our opinion, we draw attention to Note 22 on page 67, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council as outlined in Note 22 remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the (referred to in the annual report as "Section 3 – Statement of Service Performance"), as a reasonable basis for assessing the levels of service achieved and reported by the District Council.

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 19 and pages 217 to 219 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 (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

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

A handwritten signature in black ink, appearing to read 'René van Zyl', with a stylized, cursive script.

René van Zyl
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand