

A photograph of a paved road stretching into the distance under a dramatic, cloudy sky. A vibrant double rainbow arches over the road, with the primary rainbow being much brighter and more distinct than the secondary one. The road is flanked by green grass and some trees on the right side. The overall mood is hopeful and serene.

PŪRONGO Ā-TAU 2020/21 ANNUAL REPORT

ADOPTED 8 DECEMBER 2021

MATAMATA-PIAKO

LIFESTYLE. OPPORTUNITIES.

HOME.

TE PĀNUI O TE TAUTUKUNGA | STATEMENT OF COMPLIANCE

COMPLIANCE

The Council and management of Matamata-Piako District Council confirm that all statutory requirements of the Local Government Act 2002 have been complied with in relation to the preparation of this Annual Report.

RESPONSIBILITY


The Council and management of Matamata-Piako District Council accept:

- Responsibility for the preparation of the annual Financial Statements and the judgements used in them.
- Responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Matamata-Piako District Council, the Financial Statements for the period ended 30 June 2021 fairly reflect the financial position and operations of the Matamata-Piako District Council.



Ash Tanner, Mayor



Don McLeod, Chief Executive Officer

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HE PŌWHIRI | WELCOME

A MESSAGE FROM THE MAYOR

When I reflect on the last 12 months I see the uncertainty and challenges that many individuals and businesses have faced as a result of the COVID-19 pandemic - but I also see how resilient this community is. It makes me so proud to see our community band together, support one-another, and continue to grow and thrive in the face of all this.

Council has spent the last 12 months focusing on helping our community recover. We had initially consulted on a 6.4% rates increase in 2020, but listened to our community, and settled on a zero increase to general rates. We also established a \$2 million COVID-19 Recovery Fund to ensure we could still deliver projects that would support the district's economic recovery and support community events that attract people to our towns.

We've also been looking to the future - in adopting our Long Term Plan, we made some big decisions for our community for the next 10 years, including developing our town centres to try and attract more people and get them to spend longer in our towns. We also committed to developing a new \$18.9 million day spa in Te Aroha (pending a positive business case and risk assessment). These projects, and some of the other projects we have planned are all about improving the wellbeing of our community, and making Matamata-Piako the place of choice, both for locals and visitors.

Change is on the horizon

On top of the uncertainty of COVID-19, Councils around the country are facing a number of challenges right now. Central Government have mandated reforms to three waters (drinking water, stormwater and wastewater), Resource Management Reform and the move to a more regional based planning framework, and are reviewing the whole purpose and focus of Local Government. We're also facing challenges with increasing rubbish disposal costs, lack of recycling infrastructure in New Zealand, and tougher consent standard for waste disposal.



"We've got through a tough year. Our district is still growing. We are pushing forward with plans to help our district recover from COVID-19."

It's early in the process to know what these reforms and challenges might mean for our community, but I promise you that we'll keep the community informed along the way, and you can be certain that your Councillors are always advocating for the best interests of Matamata-Piako.

Appreciating our accomplishments

While we're facing a number of challenges, we can't forget all the good things that have happened in the last 12 months.

We secured government funding to assist with new public toilets at Wairere Falls and Bruce Clothier Memorial Park (along the State Highway in Waharoa). Both of these public toilets have been built and are already well used. We also received government funding towards upgrading some of our three waters assets.

We also launched into the Te Aroha Spa project. We have a project manager and I'm part of the governance group, which also includes iwi and other independent experts, who are contributing their skills and knowledge to help make sure this project can become a success.

We've also been focused on helping rebuild the local economy, delivering a 'buy local' campaign, aiming to drive locals to support local businesses to put money back into the local economy,

and a tourism promotion, aiming to promote the district to domestic visitors. To support local and mentor businesses, we also launched the Business Growth Advisory service in Morrinsville, and continued to deliver this service in Matamata and Te Aroha.

And despite the challenges this year has thrown at us, we are still in a good financial position. There has been heaps of development in the district in 2020/21 and high numbers of both building and resource consents, which means our district is continuing to grow.

We've got through a tough year. Our district is still growing. We are pushing forward with plans to help our district recover from COVID-19, and to make our district the place of choice for lifestyle, opportunities, and home.

Bring on the next 12 months.



ASH TANNER
MAYOR

KAUNIHERA | COUNCIL

COUNCILLORS & MAYOR

Council staff
Council
employs the
Chief Executive
Officer, who in
turn employs
Council staff

Corporate and
Operations
Committee

Chairperson
Kevin Tappin

Te Manawhenua
Forum mo
Matamata-Piako
Chairperson
Te Ao Marama
Maaka

Hearings
Commission

No
chairperson

District Licensing
Committee
Chairperson
Adrienne
Wilcock and
Deputy Chair
Neil Goodger

Audit and Risk
Committee

Independent
Chairperson
Joanne Aoake

Waharoa
(Matamata)
Aerodrome
Co-Chairpersons

Mokoro Gillett
Ash Tanner

Chief Executive
Officer
Performance
Committee

No chairperson



ASH TANNER
KOROMATUA | MAYOR



CAITLIN CASEY
TE AROHA WARD



TEENA CORNES
TE AROHA WARD



RUSSELL SMITH
TE AROHA WARD



JAMES SAINSBURY
MATAMATA WARD



KEVIN TAPPIN
MATAMATA WARD



SUE WHITING
MATAMATA WARD



ADRIENNE WILCOCK
MATAMATA WARD



DONNA ARNOLD
MORRINSVILLE WARD



BRUCE DEWHURST
MORRINSVILLE WARD



NEIL GOODGER
KOROMATUA TAUTOKO | DEP. MAYOR
MORRINSVILLE WARD



JAMES THOMAS
MORRINSVILLE WARD

PŪRONGO Ā TE ŌTITA MOTUHAKE | INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Matamata-Piako District Council's annual report for the year ended 30 June 2021

The Auditor-General is the auditor of Matamata-Piako District Council (the District Council). The Auditor-General has appointed me, Lauren Clark, 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 8 December 2021. This is the date at which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 21 to 64:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2021;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 65, 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 "Mahi Ā Rōpū: What We Do") on pages 75 to 134:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2021, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - 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 75 to 134, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term plan; and
- the funding impact statement for each group of activities on pages 75 to 134, 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 68 to 69, 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.

Emphasis of matter – The Government's three waters reform programme announcement

Without modifying our opinion, we draw attention to note 22 on page 56, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

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 and long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 6, 10 to 20, and 66, but does not include the audited information, the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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

Independence

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

In addition to our audit and our report on the disclosure requirements, we have audited the District Council's 2021-31 Long Term Plan and performed a limited assurance engagement related to the District Council's debenture trust deed, and an assurance engagement in relation to the District Council's wastewater treatment plant consent renewal procurement plans, which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council.



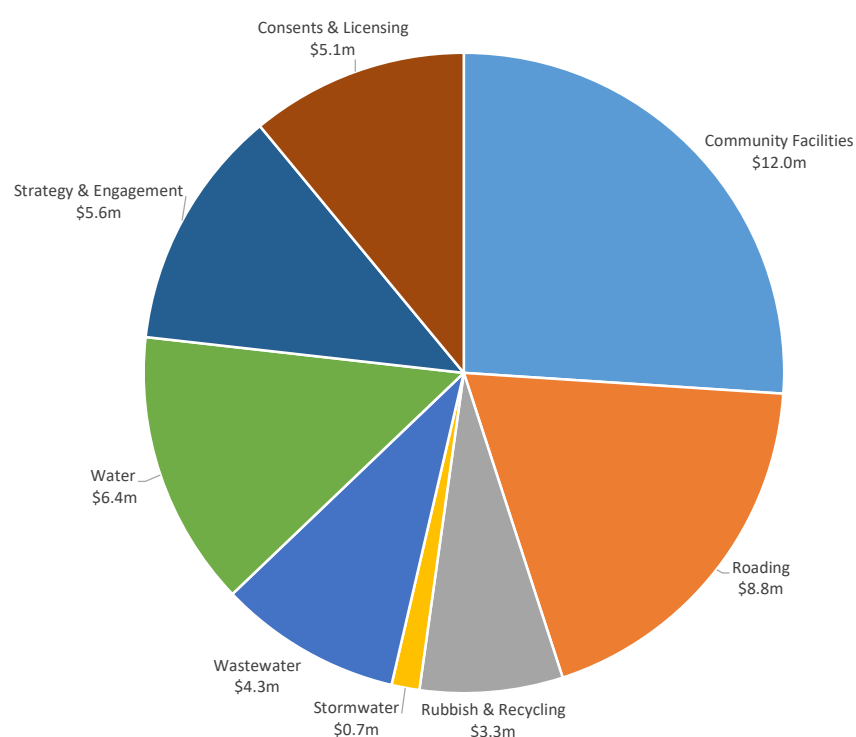
Lauren Clark
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

TE RĀPOPOTONGA Ā-PŪTEA |

FINANCIAL SUMMARY

	Actual 2019/20	Budget 2020/21	Actual 2020/21
	(\$000)	(\$000)	(\$000)
Summary statement of comprehensive revenue and expense for the year ended 30 June			
Revenue	57,943	55,442	71,958
Expenses	(55,232)	(53,124)	(61,884)
Finance costs	(1,226)	(1,184)	(1,127)
Share of joint venture surplus/(deficit)	-	-	-
Net surplus/(deficit)	1,485	1,134	8,947
Other comprehensive revenue and expense			
Financial assets at fair value through other comprehensive revenue and expense	1,777	-	6,128
Property, plant and equipment revaluation	20,547	12,611	29,395
Total other comprehensive revenue and expense	22,324	12,611	35,523
Summary statement of changes in equity for the year ended 30 June			
Balance at 1 July	630,652	651,139	654,461
Total comprehensive revenue and expense	23,809	13,745	44,470
Balance at 30 June	654,461	664,884	698,931

2020/21 OPERATING EXPENDITURE



Explanations for major variations between the actual results for the year and the budget in the 2020/21 Annual Plan are as follows:

Statement of comprehensive revenue and expense

In a continuing theme from the last two years, this year's financial results reflect the unprecedented level of development happening across our district. Again there was significant subdivision activity in both Morrinsville and Matamata this year. Revenue related to development activity was significantly higher than budgeted including:

- Land and infrastructure vested in Council through the subdivision process (\$6.28 million greater than budgeted), as well as an additional \$1.2 million of land parcels vested in previous years but recognised as revenue this year.
- Development and financial contributions (\$2.7 million greater than budgeted)
- Income from resource and building consents was also \$1.2 million higher than budgeted, but offset by the same amount required to outsource the processing work to keep up with demand and manage staffing shortages.

There are a number of significant projects underway within our district that attracted Government funding that was not budgeted for during the year including:

- A \$1.3 million grant was received for the Hauraki Rail Trail contribution, and that was paid over to the Trust.
- \$2.134 million from the Government's Three Waters reform package was recognised having been used (out of a total of \$2.47 million received) to fund a range of Water and Wastewater projects, both operating and capital.
- \$561,000 was also received for the Innovating Streets and Tourism Infrastructure funding that was used for public toilet installations and upgrades.

In terms of Council's business as usual activities, there are two continuing areas of operating pressure:

- In the Water activity, treatment plant costs were \$705,000 higher than budget due to significant increases in chemical and lab analysis costs, hazardous chemical and assessment costs, additional costs for Topehaehae reservoir profiling, and the comprehensive dam review. At the same time, metered water revenue was \$357,000 lower than budgeted due to lower consumption by our large industrial users.

- In the Rubbish and Recycling activity, costs exceeded the budget by \$889,000 due to continuing inflationary pressures on the contract and increased regulatory costs to dump to landfill. At the same time, the income from the sale of rubbish bags and fees from the three district transfer stations were \$309,000 behind the level projected for the year.

Personnel costs were \$492,000 lower than budgeted due to current difficulties in the labour market, but the offsetting cost is the need to outsource urgent work.

Other accounting adjustments this year included:

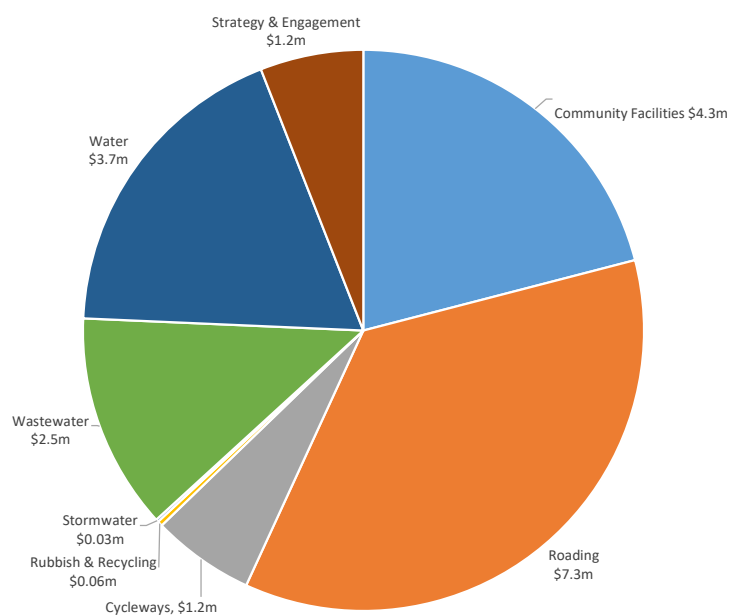
- \$1.9 million recognised in the books as a loss on the disposal of assets that were replaced during the period (significantly including the old Headon Stadium building)
- A turnaround in longer dated interest rates saw the book valuation of Council's interest rate swap portfolio increase by \$1.45 million over the year, which is reflected as revenue.

The carrying value of Council's overall investment in the Waikato Regional Airport Limited increased by \$6.3 million for the year, largely as a result of property development and an increase in the valuation of the WRAL's property development assets.

The revaluation of our infrastructural assets and land at 1 July 2020, resulted in an increase in values of \$16.8 million more than had been budgeted.

	Actual 2019/20	Budget 2020/21	Actual 2020/21
	(\$000)	(\$000)	(\$000)
Summary statement of financial position as at 30 June			
Current assets	16,684	11,755	13,932
Non-current assets	680,227	707,748	726,212
Total assets	696,911	719,503	740,144
Current liabilities	18,531	11,379	11,628
Non-current liabilities	23,919	43,240	29,585
Total liabilities	42,450	54,619	41,213
Accumulated funds	430,316	433,459	437,181
Other reserves	224,145	231,425	261,750
Equity	654,461	664,884	698,931
Summary statement of cashflows for the year ended 30 June			
Net from operating activities	14,180	15,605	19,248
Net from investing activities	(15,975)	(30,556)	(20,354)
Net from financing activities	2,500	14,289	-
Net increase/decrease in cash held	705	(662)	(1,106)
Opening cash balance	3,587	1,280	4,292
Closing cash balance	4,292	618	3,186

2020/21 CAPITAL EXPENDITURE



Statement of financial position

The balance of property, plant and equipment and borrowings are the main areas of variation from the budgeted position at 30 June 2021.

The revaluation of our property plant and equipment has been significantly higher than budgeted for consecutive years and we've had a higher level of assets being vested in Council than budgeted over this time as well. These increases to the value of our asset base were offset by a delay in the delivery of capital work.

We did not complete the full programme of capital work budgeted for the year, and we are catching up on some projects carried forward from prior years. This has reflected in our statement of financial position with less assets being added to our books and also less borrowings being required compared to the level budgeted. During the year we had budgeted to spend \$31.9 million on developing new or renewing our existing assets and infrastructure. We spent \$20.3 million and some of this included the completion of projects that had been carried forward from prior years. More detail of these projects is included in section three of the full Annual Report

Non-current assets were \$6.3 million higher than budgeted due to the increased value of our investment in the Waikato Regional Airport

Current employee entitlements were \$335,000 higher than budgeted, particularly annual leave, due in part to the impact of COVID-19 on employees' leave plans.

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

Changes in accounting policies

Change in frequency of revaluation of buildings

From 1 July 2020, Council changed its accounting policy to revalue its building assets held at fair value, at least every five years (previously three years). This change in policy provides Council with more flexibility to revalue when it is appropriate, or when there is a material movement in fair value given the need to manage its finances prudently. The policy is applied prospectively from the beginning of this financial year because it was not practical to estimate the effects of applying the policy either retrospectively or prospectively from any earlier date. Accordingly, the adoption of the new policy has no effect on prior periods.

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

Capital Commitments

At 30 June 2021, Council have commitments of \$5.45 million for projects where contracts have been entered into but goods or services have not been received (2020: \$2.6 million).

Contingent Liabilities

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 and Standard and Poor's of AAA and a foreign currency rating of AA+.

As at 30 June 2021, LGFA has 30 local authority shareholders and Matamata-Piako District Council is one of 34 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 2021, LGFA had borrowings totaling \$13.6 billion (2020: \$11.908 billion).

The LGFA's borrowing of \$13.6 billion is made up of the following: (\$000's)

\$12,810,000	Face value of bonds on issue
\$79,610	Accrued interest on bonds on issue
\$610,000	Bills on issue
\$105,000	Treasury stock lent to counterparts under bond repurchase agreements

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.

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.

Worksafe Investigation

In May 2020, Council was involved in a Worksafe investigation relating to a notifiable incident involving a Council contractor. Following the investigation, Worksafe notified Council that they would not take any formal enforcement action against Council under the Act.

Events after balance date**COVID-19 Impact**

On August 17 2021, Matamata-Piako district along with the rest of New Zealand shifted back into alert Level 4 for 2 weeks, followed by 1 further week at Level 3. Auckland, and our larger neighbouring districts including Hamilton City, Waikato and Waipa districts have had ongoing restrictions. These restrictions cause some disruption to access for out-of-district staff, contractors, supplies and visitors to our district. Matamata-Piako remains at Level 2 while preparing the annual report however this had no further impact on our financial position as at 30 June.

Three Waters reform

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated "all in" approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024. For the financial statements of 30 June 2021, 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 and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement. For more information on the Government reforms visit www.dia.govt.nz/Three-waters-review

YOUR DISTRICT

Area 175,477 hectares	2018/19	2019/20	2020/21
Number of electors (enrolled)*	23,768	23,393	25,088
Number of rating units**	15,163	15,070	15,396
Value of improvements**	\$4,619,325,900	\$4,654,320,900	\$5,698,777,200
Net land value**	\$8,272,574,800	\$8,275,337,800	\$10,164,322,400
Total Capital value**	\$12,891,900,700	\$12,929,658,700	\$15,863,099,600
Total rates***	\$32,178,000	\$33,881,000	\$34,963,000
Average total rates per rating unit	\$2,122	\$2,248	\$2,271

*Electoral enrolment centre.

** At the end of the preceding financial year.

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

PERFORMANCE SUMMARY

In 2020/21 we focused on maintaining our services to support our community while making sure cost increases were kept affordable. We delivered our extensive range of activities, services and projects to similar levels as detailed in the Long Term Plan 2018-28, and to a similar standard as previous years.

Our performance measures are measured through an Annual Customer Survey and other surveys, external data reports and our customer request management system. Overall we achieved 42 out of 61 of our measures (68.8%), this is an increase of over 11% from last year. Two were not measured this financial year, one was half achieved and half not achieved. We set high targets to deliver a good level of service to our community. Details of how we performed for each of our activities is outlined in the Annual Report. The graph below is a summary of each of our activity groups.

COMMUNITY FACILITIES AND PROPERTY

Council activities focused on recreational and cultural opportunities in the district. This includes providing services and assets such as Libraries, Swimming Pools, Parks and Reserves, Public Amenities, Housing for older persons, and Council offices.

STRATEGY AND ENGAGEMENT

This is about making good decisions for the future of our community. The activities responsible for this are Civil Defence, Communications and Events, Community Leadership and Strategies and Plans.

CUSTOMER SURVEY 2020/21

Each year as part of the Annual Report, we undertake a community views survey. The purpose of this survey is to gauge residents' perception of performance for our services and facilities. The survey is undertaken by an independent research company who conduct telephone and online interviewing of randomly selected residents. The sample size is selected based on the latest population demographic information from Census. This year our sample size was 400 randomly selected residents, from the three wards – Matamata, Morrinsville and Te Aroha, with weighting applied for age and gender. This sample group gave us a margin of error of +/- 4.90% at the 95% confidence interval.

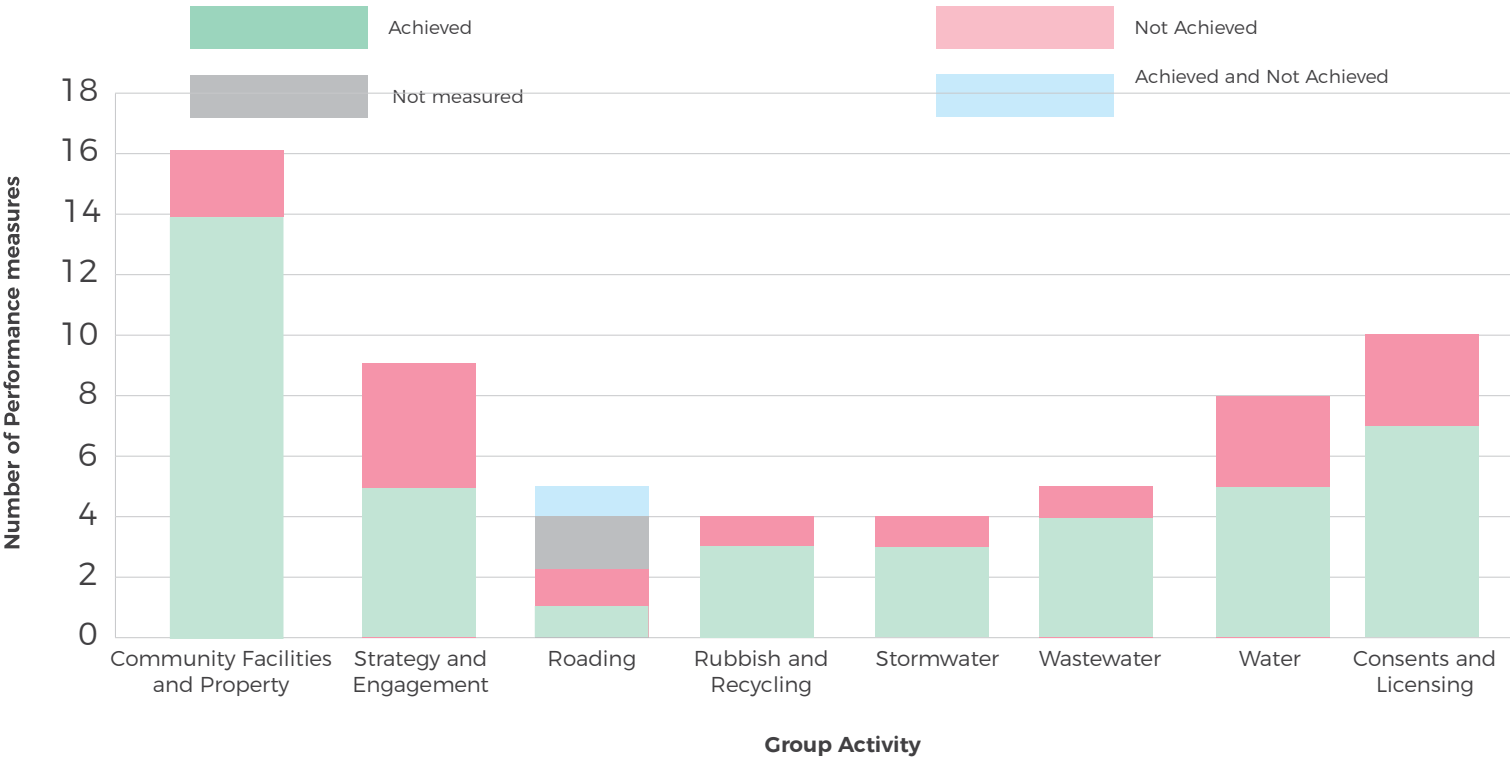
In other words, if this survey were to be repeated again with a different set of randomly selected respondents at a similar time, there would be a very high probability that the results would be within 5% of the original results.

INFRASTRUCTURE

Represents many of the responsibilities that Council has historically managed, including Roading, Rubbish and Recycling, Stormwater, Wastewater (sewage and the grey water that goes down your drains) and Water.

CONSENTS AND LICENSING

Focuses on our regulatory functions we have an obligation to perform under legislation. These are Animal Control, Building Consents and Monitoring, Licensing and Enforcement, and Resource Consents and Monitoring.



COVID-19 - OUR RECOVERY

The global COVID-19 pandemic continues to develop across the world. During 2019/20 we saw the country thrown into lockdown for several weeks which had an impact on our operations as it did to almost all businesses across the country. During 2020/21 we experienced a further lockdown in August 2020, which largely effected Auckland with other parts of New Zealand including our district in a less restricted lockdown.

The country's borders remain closed for tourists both coming into New Zealand and for New Zealanders wishing to travel overseas. This is having a flow on effect on domestic tourism, and how people spend their leisure time. During 2020/21 we saw an increase in people visiting and using our pools and spas, with 184,164 visitors recorded compared to the five year average of 170,000.

The lockdowns and global implications of COVID-19 have had some impact on our ability to get projects completed, and is impacting cost pressures across most sectors.

Community recovery

Council, alongside Central Government, continue to play a pivotal role in community recovery. Council has an Incident Management Team to coordinate any response to COVID-19 with Civil Defence, Ministry of Health and other agencies. During the initial lockdown our Civil Defence operation's focus was primarily on welfare – ensuring people were looked after and had everything they need (food, medication etc.). The Incident Management Team has continued to prepare for any further lockdowns.

COVID-19 Recovery Fund

Following the initial lockdown Council set up a COVID-19 Recovery Fund of \$2 million. The purpose of the fund was to aid in the economic recovery of the district, by supporting projects that will bring money to the district, and to support hardship of qualifying community groups following the impact of COVID-19. This has funded additional project managers, support for the Te Aroha Spa project, and support to ensure we could move forward with other capital projects. Funding was also provided to move forward on the Council's digital strategy to ensure where possible our services are available online. This included the installation of new video conferencing system in the Te Aroha Boardroom to better enable live streaming and remote attendance of Council meetings. Council also allocated funding to support the cultural and socio economic recovery of our community through the provision of grants. Of note funding assistance

was provided to Morrinsville Fireworks Extravaganza and Te Aroha Cruise In. We also provided funding to Morrinsville A&P Show that had to cancel less than one week out from the event due to a change in COVID-19 alert levels. This funding remains open, as the country continues to deal with the pandemic.

Supporting local

Council plays a particularly vital role in maintaining cash flow to the community and local businesses and providing financial stimulus to the local economy, through its capital works programme and operations.

As part of the response to COVID-19 Council has:

- continued to support and promote a Shop Local campaign
- continued to fund capital projects
- continued to implement our reviewed procurement processes to support use of local businesses.

Council also made several applications for capital funding from Central Government through various avenues (detailed further within this document).

COVID-19 Resurgence

On August 17 2021, Matamata-Piako district along with the rest of New Zealand shifted back into alert Level 4 for two weeks, followed by one further week at Level 3. Auckland, and our larger neighbouring districts including Hamilton City, Waikato and Waipa districts have had ongoing restrictions. These restrictions cause some disruption to access for out-of-district staff, contractors, supplies and visitors to our district. Matamata-Piako remains at Level 2 while preparing the annual report however this had no further impact on our financial position as at 30 June.

NGĀ HUA Ā-HAPORI | COMMUNITY OUTCOMES

LIFESTYLE. OPPORTUNITIES. HOME.

As part of our work for the Long Term Plan we have created a new vision and set of outcomes for the district. We want to offer a unique town and country lifestyle and provide opportunities for growth and investment. Most importantly, Matamata-Piako is home - a place we love, a place we are proud of and a place where we belong.

OUR VISION AND COMMUNITY OUTCOMES


Early on in the development of the Long Term Plan 2018-28, we reviewed our community outcomes, which form the basis of Council's vision for our community.

To do this we looked at:

- Our existing community outcomes and vision to assess whether they are still relevant to the community needs and whether they matched with Council's areas of focus and aspirations
- Our issues and challenges
- Our priorities for the future
- Discussed our vision and outcomes with the Te Manawhenua Forum Mo Matamata-Piako

The outcome of this process was a new 'strategic direction'.

Our vision is to make Matamata-Piako 'the place of choice'. This vision will provide guidance and inspiration for Council's activities for the next 10 years and beyond. To make this vision a reality, we see ourselves enabling the community in five key areas, with 15 specific outcomes we want to achieve.

OUR COMMUNITY OUTCOMES				
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 waahi 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 Manawhenua status (those with authority over the land under Māori lore) have meaningful involvement in decision making.

MĀORI PARTICIPATION IN COUNCIL 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 also 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 Pūkenga, Ngāti Rāhiri Tumutumu, Ngāti Tamaterā, Ngāti Tara Tokanui, Ngāti Whanaunga 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/Tīkapa 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 SETTLEMENT

Ngāti Hinerangi are an Iwi based in Matamata with an area of interest extending from the eastern Waikato to Tauranga 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. The settlement will be implemented following the passage of settlement legislation.

RAUKAWA TREATY OF WAITANGI SETTLEMENT

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 Taonga 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 SETTLEMENT

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.

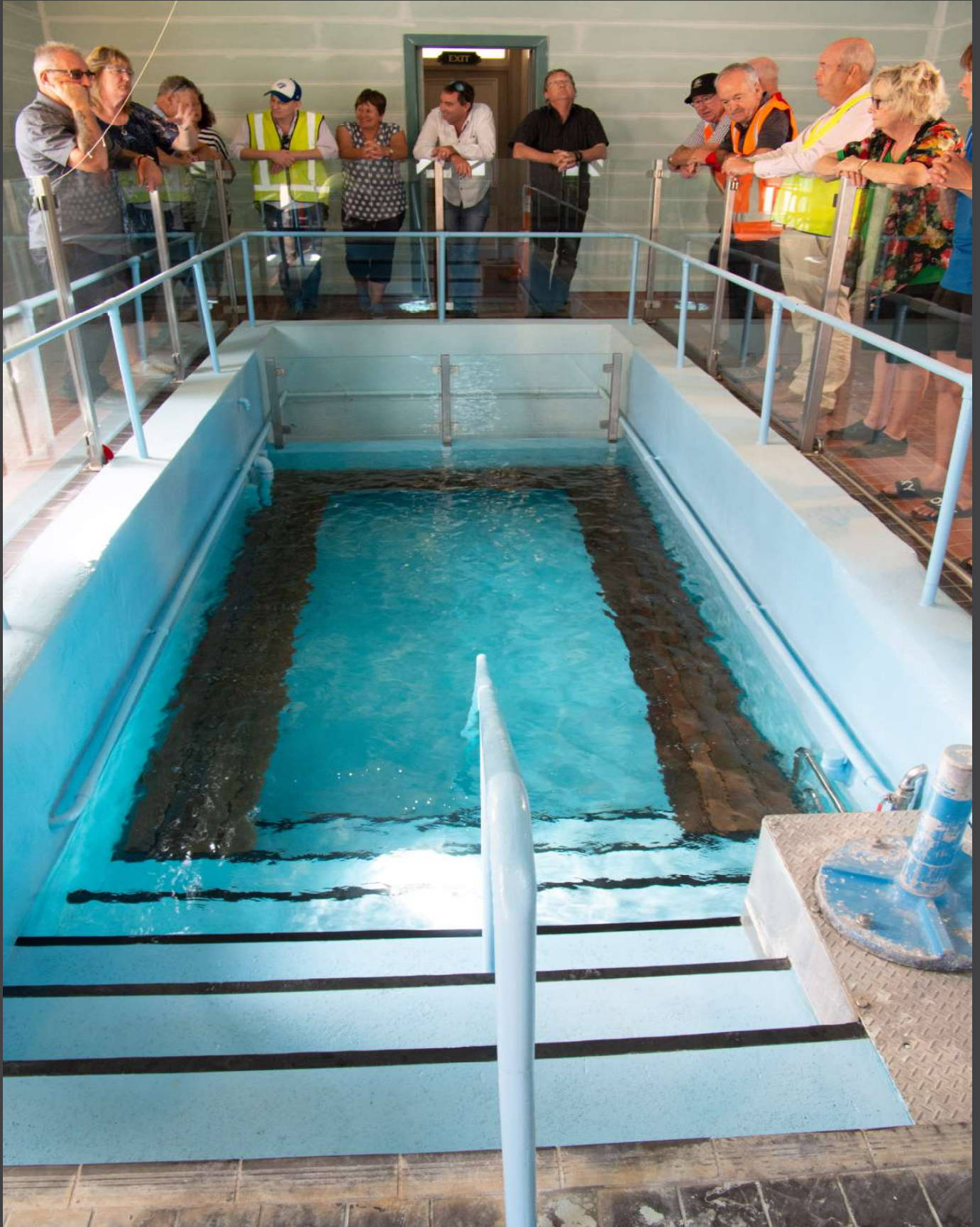
The functions of the Committee, as set out in the Ngāti Hauā Claims Settlement Act 2014 are to:

- 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 Raungaiti 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

MĀORI WARDS

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. Council have elected that this will come into effect in the next two triennial general elections (i.e. 2022 and 2025), and it will continue in effect until a further resolution.

SECTION TWO: NGĀ PŪTEA | FINANCIALS



NGĂ PÂNUI Ă-PŪTEA | FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2021

Actual 2019/20		Notes	Annual Plan 2020/21	Actual 2020/21
\$000			\$000	\$000
Revenue				
36,801	Rates	2	38,032	37,961
7,948	Subsidies and grants	2	7,246	10,780
7,664	Fees and charges	2	7,916	9,473
2,143	Development and financial contributions		1,425	4,138
231	Interest revenue	2	332	188
3,156	Other revenue	2	491	9,418
57,943	Total revenue		55,442	71,958
Expenses				
16,505	Personnel costs	3	17,726	16,986
14,651	Depreciation and amortisation	14	14,671	15,495
1,226	Finance costs	4	1,184	1,127
24,076	Other expenses	5	20,727	29,403
56,458	Total expenses		54,308	63,011
1,485	Surplus/(deficit)		1,134	8,947
Other comprehensive revenue and expense				
1,777	Financial assets at fair value through other comprehensive revenue and expense	20	-	6,128
20,547	Property, plant and equipment revaluations	20	12,611	29,395
22,324	Total other comprehensive revenue and expense		12,611	35,523
23,809	Total comprehensive revenue and expense		13,745	44,470

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 the year ended 30 June 2021

Actual 2019/20		Notes	Annual Plan 2020/21	Actual 2020/21
\$000			\$000	\$000
630,652	Balance at 1 July		651,139	654,461
23,809	Total comprehensive revenue and expense for the year		13,745	44,470
654,461	Balance at 30 June		664,884	698,931

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 2021

Actual 2019/20		Notes	Annual Plan 2020/21	Actual 2020/21
\$000			\$000	\$000
Assets				
Current assets				
4,292	Cash and cash equivalents	6	618	3,186
5,582	Receivables	7	1,851	3,720
393	Prepayments		400	468
870	Inventory	8	650	791
-	Non-current assets held for sale	9	-	332
Other financial assets				
5,400	- Term Deposits	11	8,201	5,400
112	- Investments in CCOs and other similar entities	11	-	-
35	- Investments in other entities	11	35	35
16,684	Total current assets		11,755	13,932
Non-current assets				
Other financial assets				
17,198	- Investments in CCOs and other similar entities	11	15,692	23,687
662,340	Property, plant and equipment	12	691,296	701,812
689	Intangible assets	13	760	713
680,227	Total non-current assets		707,748	726,212
696,911	Total assets		719,503	740,144
Liabilities				
Current liabilities				
9,129	Payables and deferred revenue	15	9,385	9,196
56	Derivative financial instruments	10	-	7
7,000	Borrowings	16	-	-
2,125	Employee entitlements	17	1,874	2,209
221	Provisions	18	120	216
18,531	Total current liabilities		11,379	11,628
Non-current liabilities				
3,582	Derivative financial instruments	10	2,000	2,182
19,500	Borrowings	16	40,524	26,500
375	Employee entitlements	17	365	377
462	Provisions	18	351	526
23,919	Total non-current liabilities		43,240	29,585
42,450	Total liabilities		54,619	41,213
654,461	Net assets (assets minus liabilities)		664,884	698,931
Equity				
430,316	Accumulated funds	20	433,459	437,181
224,145	Other reserves	20	231,425	261,750
654,461	Total equity		664,884	698,931

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

STATEMENT OF CASHFLOWS

For the year ended 30 June 2021

Actual 2019/20		Notes	Annual Plan 2020/21	Actual 2020/21
\$000			\$000	\$000
Cashflows from operating activities				
36,622	Receipts from rates revenue		38,032	37,905
8,164	Subsidies and grants received		7,246	11,807
7,781	Fees and charges received		7,916	9,360
2,048	Development and financial contributions received		1,425	4,815
253	Interest received		332	138
47	Dividends received		-	-
232	Receipts from other revenue		291	263
(23,649)	Payments to suppliers		(20,727)	(27,137)
(16,433)	Payments to employees		(17,726)	(16,900)
(1,171)	Interest paid		(1,184)	(1,172)
286	GST (net)		-	169
14,180	Net cash flow from operating activities		15,605	19,248
Cash flows from investing activities				
7,900	Proceeds from sale/maturity of investments		1,300	112
264	Proceeds from sale of own your own properties		-	10
(18,503)	Purchase of property, plant and equipment		(31,626)	(20,085)
(156)	Purchase of intangible assets		(230)	(216)
(5,480)	Purchase of own investments		-	(175)
(15,975)	Net cash flows from investing activities		(30,556)	(20,354)
Cash flows from financing activities				
5,000	Proceeds from borrowings		21,289	7,000
(2,500)	Repayment of borrowings		(7,000)	(7,000)
2,500	Net cash flows from financing activities		14,289	-
705	Net (decrease)/increase in cash and cash equivalents		(662)	(1,106)
3,587	Cash and cash equivalents at the beginning of the year		1,280	4,292
4,292	Cash and cash equivalents at the end of the year	6	618	3,186

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

STATEMENT OF CASHFLOWS

For the year ended 30 June 2021

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

Actual 2019/20		Actual 2020/21
\$000		\$000
1,485	Surplus/(deficit)	8,947
Add/(less) non-cash items		
14,651	Depreciation and amortisation expense	15,495
(2,877)	Vested and found assets revenue	(7,521)
239	(Gains)/losses on investments in Council Controlled Organisations	(185)
614	(Gains)/losses on derivative financial instruments	(1,448)
402	Assets under construction reclassified as operating expenditure	-
(342)	Other non-cash operating items	126
12,687	Total non-cash items	6,467
Add/(less) items classified as investing or financing activities		
610	(Gains)/losses on disposal of property, plant and equipment	1,884
10	(Gains)/losses on the fair value of loans and receivables	-
620	Total items classified as investing or financing activities	1,884
Add/(less) movements in working capital items		
(71)	(Increase)/decrease in receivables	1,862
6	(Increase)/decrease in prepayments	(75)
(221)	(Increase)/decrease in inventory	79
-	(Increase)/decrease in non-current assets held for sale	(332)
(181)	Increase/(decrease) in payables	271
261	Increase/(decrease) in employee entitlements	86
(406)	Increase/(decrease) in provisions	59
(612)	Net movement in working capital items	1,950
14,180	Net cash inflow/(outflow) from operating activities	19,248

FINANCIAL STATEMENT NOTES

1. 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 2021. The financial statements were authorised for issue by Council on 8 December 2021.

BASIS OF PREPARATION

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

Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the LGA, and the Local Government (Financial Reporting and Prudence) Regulations 2014 (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

Change in frequency of revaluation of buildings

From 1 July 2020, Council changed its accounting policy to revalue its building assets held at fair value, at least every five years (previously three years). This change in policy provides Council with more flexibility to revalue when it is appropriate, or when there is a material movement in fair value given the need to manage its finances prudently. The policy is

applied prospectively from the beginning of this financial year because it was not practical to estimate the effects of applying the policy either retrospectively or prospectively from any earlier date. Accordingly, the adoption of the new policy has no effect on prior periods.

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

Standards issued and not yet effective, and not early adopted

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

Amendment to PBE IPSAS 2 Cash Flow Statement

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

PBE FRS 48 Service Performance Reporting

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

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

PBE IPSAS 41 Financial Instruments

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

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

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

The Council intends to adopt PBE IPSAS 41 for the 30 June 2022 financial year. The Council has not yet assessed in detail the impact of the new standard.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 2020/21 in its Annual Plan 2020/21. 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 Council's provisions – see Note 18.

Critical judgments 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

2019/20	2020/21
\$000	\$000
24,129 General rates	24,440
Targeted rates attributable to activities:	
2,082 - Metered water supply	2,193
2,906 - Other water rates	3,423
6,948 - Wastewater	7,058
742 - Stormwater	755
259 - Refuse	368
103 - Halls	98
147 Rates penalties	137
(515) Rates remissions	(511)
36,801 Total rates	37,961

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 2021 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown above.

(II) Breakdown of subsidies and grants

2019/20	2020/21
\$000	\$000
Subsidies and grants for operating purposes	
2,753 Waka Kotahi NZ Transport Agency roading subsidies	2,876
Provincial Growth Fund:	
230 - Te Aroha Tourism Precinct Feasibility project	-
249 - Waharoa Industrial Feasibility project	-
- Three Waters reform funding	1,744
163 Other government subsidies and grants	254
(45) Silver Ferns Farms Events Centre donations	-
3,350 Total subsidies and grants for operating purposes	4,874
Subsidies and grants for capital expenditure	
3,058 Waka Kotahi NZ Transport Agency roading subsidies	3,543
1,527 Te Aroha to Matamata Cycle Trail grant	1,328
- Three Waters reform funding	390
13 Other Government subsidies and grants	645
4,598 Total subsidies and grants for capital expenditure	5,906
7,948 Total subsidies and grants	10,780

(III) Breakdown of fees and charges

2019/20	2020/21
\$000	\$000
229 Property lease revenue	233
1,055 Property rental charges	1,089
655 Trade waste charges	693
1,074 Building consent charges	1,376
898 Resource consent charges	1,328
140 Liquor and health licensing fees	176
981 Rubbish and recycling charges	1,447
1,039 Aquatic facilities revenue	1,372
92 Library charges	50
202 Cemetery fees and charges	277
262 Community facilities charges	255
1,037 Other user charges	1,177
7,664 Total fees and charges	9,473

(IV) Breakdown of interest revenue

2019/20	2020/21
\$000	\$000
225 Term and on-call deposits	169
6 Listed bonds and borrower notes	19
231 Total interest revenue	188

(V) Breakdown of other revenue

2019/20	2020/21
\$000	\$000
2,877 Vested land and infrastructure from property development	6,280
- Found assets	1,241
25 Fines and infringement fees	30
207 Petrol tax	234
- Bequests and other donations	-
47 Dividend revenue	-
- Unrealised gain on interest rate swaps	1,448
- Reversal of impairment on investment in Council Controlled Organisations	185
3,156 Total other revenue	9,418

Found assets relates to land that was vested in Council prior to 1 July 2020, that was not recognised at the time of vesting.

Operating leases as a lessor

Council leases its property under operating leases. The majority of these leases have cancellable terms of 36 months. Council had one perpetual non-cancellable lease for endowment property that was sold during 2020/21. The aggregate minimum lease payments to be collected under this non-cancellable operating leases were last year disclosed as:

2019/20	2020/21
\$000	\$000
5 Not later than one year	-
19 Later than one year and not later than five years	-
28 Later than five years	-
52 Total non-cancellable operating leases	-

No contingent rents have been recognised during the year (2020: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

2019/20	2020/21
\$000	\$000
15,902 Salaries and wages	16,550
342 Defined contribution plan employer contributions	349
261 Increase/(decrease) in employee entitlements	87
16,505 Total personnel costs	16,986

Chief Executive remuneration

The total remuneration (including and non-financial benefits) paid or payable for the year to the Chief Executive was \$339,880 (2020: \$349,117).

Elected representatives' remuneration

Elected representatives received the following remuneration:

2019/20	2020/21
\$0	\$0
100,356 Mayor Ashley Tanner	127,495
35,832 Deputy Mayor, Neil Goodger	39,392
33,851 Councillor James Thomas	34,254
36,776 Councillor Donna Arnold	34,254
32,536 Councillor Teena Cornes	34,254
36,776 Councillor Adrienne Wilcock	36,711
32,536 Councillor James Sainsbury	34,254
36,334 Councillor Kevin Tappin	39,392
23,774 Councillor Bruce Dewhurst	34,254
23,774 Councillor Sue Whiting	34,254
23,774 Councillor Caitlin Casey	34,254
23,744 Councillor Russell Smith	34,254
36,895 Ex Mayor, Janet Barnes	-
3,467 Ex-Councillor Paul Cronin	-
8,762 Ex-Councillor Brian Hunter	-
8,762 Ex-Councillor Peter Jager	-
497,979 Total elected representatives' remuneration	517,022

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***Total annual remuneration by band for employees (including the Chief Executive) as at 30 June:**

	2020/21
Total annual remuneration by band for employees (including the Chief Executive) as at 30 June:	Number of employees
<\$60,000	149
\$60,000 - \$79,999	58
\$80,000 - \$99,999	35
\$100,000 - \$119,999	14
\$120,000 - \$139,999	7
\$140,000 - \$239,999	7
\$320,000 - \$339,999	1
Total employees	271

	2019/20
Total annual remuneration by band for employees (including the Chief Executive) as at 30 June:	Number of employees
<\$60,000	147
\$60,000 - \$79,999	57
\$80,000 - \$99,999	29
\$100,000 - \$119,999	12
\$120,000 - \$139,999	5
\$140,000 - \$159,999	5
\$160,000 - \$349,999	4
Total employees	259

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 173 (2020: 151) full-time employees, with the balance of staff representing 59 (2020: 62) full-time equivalent employees. A full-time 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 2021 (2020: 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

2019/20	2020/21
\$000	\$000
Interest expense:	
479 - interest on borrowings	402
44 - discount unwind on provisions (note 18)	2
Interest derivatives (presented net):	
703 - held for trading interest rate swaps	723
1,226 Total finance costs	1,127

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

2019/20	2020/21
\$000	\$000
Fees to auditors:	
127 - fees to Audit New Zealand for audit of financial statements	134
5 - fees to Audit New Zealand for the Debenture Trust Deed audit	5
- - fees to Audit New Zealand for audit of Long Term Plan	84
- - fees to Audit New Zealand for independent assurance review ¹	3
492 Donations and grants	471
517 Insurance premiums	600
(10) Movement in provision for uncollectability of receivables (Note 7)	120
42 Operating lease expense	63
(30) Review of provisions (note 18)	104
614 Unrealised loss on interest rate swaps	-
7 Loss on investments in Council Controlled Organisations and other entities	-
232 Impairment on investment in Council Controlled Organisations	-
610 Net loss on disposal of property, plant and equipment	1,884
21,470 Other operating expenses	25,935
24,076 Total other expenses	29,403

¹ Audit New Zealand undertook an independent assurance review of the Wastewater Treatment Plant consent renewal procurement plans.

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

2019/20	2020/21
\$000	\$000
392 Cash at bank and on hand	3,186
3,900 Term deposits with maturities of less than three months at acquisition	-
4,292 Total cash and cash equivalents	3,186

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 \$517,000 (2020: \$347,000) 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 any provision for uncollectability. A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Breakdown of receivables and further information

2019/20		2020/21
\$000		\$000
890	Rates receivables	792
460	Metered water receivables	666
1,769	Waka Kotahi NZ Transport Agency subsidy	866
1,837	Other general receivables	1,119
821	Accrued income	533
5,777	Receivables (gross)	3,976
(195)	Less provision for uncollectability	(256)
5,582	Total receivables	3,720
Total receivables comprise:		
5,138	Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	3,150
444	Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	570

The Waka Kotahi NZ Transport Agency subsidy receivable at 30 June includes GST of \$112,729. (2020: \$143,264)

Fair value

Receivables are general short-term and non-interest bearing. Carrying value of receivables approximates their fair value.

Assessment for uncollectability

The Council does not provide for any uncollectability on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debts.

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

- Section 90A: \$44,333 (2020: Nil)
- Section 90B: Nil (2020: Nil)

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

2020/21			
	Gross	Provision for uncollectability	Net
	\$000	\$000	\$000
Not past due	3,475	-	3,475
Past due 1 - 60 days	166	-	166
Past due 61 - 90 days	25	(5)	20
Past due > 90 days	310	(251)	59
Total	3,976	(256)	3,720

2019/20			
	Gross	Provision for uncollectability	Net
	\$000	\$000	\$000
Not past due	3,940	-	3,940
Past due 1 - 60 days	1,559	-	1,559
Past due 61 - 90 days	13	(3)	10
Past due > 90 days	265	(192)	73
Total	5,777	(195)	5,582

7. RECEIVABLES (CONTINUED)

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

The provision for uncollectability has been calculated based on a review of specific overdue receivables and a collective assessment. The collective assessment is based on an analysis on an analysis of past collection history and debt write-offs.

2019/20	2020/21
\$000	\$000
68 Individual provision for uncollectability	109
127 Collective provision for uncollectability	147
195 Total provision for uncollectability	256

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor.

An analysis of these individually impaired debtors is as follows:

2019/20	2020/21
\$000	\$000
- Past due 1 - 60 days	-
- Past due 61 - 90 days	-
68 Past due > 90 days	109
68 Total individual provision for uncollectability	109

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

2019/20	2020/21
\$000	\$000
225 Balance at 1 July	195
(10) Additional provisions made during the year	120
(20) Receivables written off during the period	(59)
195 Balance at 30 June	256

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

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

2019/20	2020/21
\$000	\$000
Non-commercial inventory:	
320 - Inventory held for distribution	241
550 - Wastewater treatment plant parts	550
870 Total inventory	791

There was no write-down of inventory during the year (2020: Nil). There have been no reversals of write-downs (2020: 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 (2020: 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

2019/20	2020/21
\$000	\$000
- Own your own properties	332
- Total assets held for sale	332

At the end of the year, Council has one 'own your own' property in Morrinsville, that was unsold at 30 June 2021.

10. DERIVATIVE FINANCIAL INSTRUMENTS

Accounting policy

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its treasury policies, the 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 at their fair value at each balance date. The associated gains or losses are recognised in the 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

2019/20	2020/21
\$000	\$000
Current liabilities	
56 Interest rate swaps - held for trading	7
56 Total current liabilities	7
Non-current liabilities	
3,582 Interest rate swaps - held for trading	2,182
3,582 Total non-current liabilities	2,182
3,638 Total derivative financial instrument liabilities	2,189

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$36 million (2020: \$32 million). At 30 June 2021, the fixed interest rates of the interest rate swaps ranged from 1.84% to 5.05% (2020: 2.53% to 5.05%).

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

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

Term deposits, and community and other loans (loans and receivables)

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

After initial recognition, term deposits and community and other loans are measured at amortised cost using the effective interest method. Where applicable, interest accrued is added to the investment balance.

At year-end, the assets are assessed for indicators of impairment. Impairment is established when there is evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

If assets are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

Investments in Council Controlled Organisations and other entities (fair value through other comprehensive revenue and expense)

Shares in Council Controlled Organisations and other entities are designated at fair value through other comprehensive revenue and expense.

After initial recognition, the shares are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment. If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit. Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

Breakdown of other financial assets and further information

2019/20		2020/21
\$000		\$000
Current		
Term Deposits		
5,400	Term Deposits with maturities of more than three months at acquisitions	5,400
5,400	Total term deposits	5,400
Investment in CCOs and similar entities:		
112	New Zealand Local Government Funding Agency - borrower notes	-
112	Total current investment in CCOs and similar entities	-
Investment in other entities:		
35	Community loans	35
35	Total current investment in other entities	35
Non-current		
Investment in CCOs and similar entities:		
312	New Zealand Local Government Funding Agency - borrower notes	487
16,722	Waikato Regional Airport Limited	23,036
28	Waikato Local Authority Shared Services Limited	28
20	Hauraki Rail Trail Charitable Trust	20
17,082	Total non-current investment in CCOs and similar entities	23,571
Investments in other entities		
116	Civic Financial Services Limited	116
116	Total non-current investment in other entities	116

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 \$ 487,000 in borrowing notes invested with the Local Government Funding Agency at floating rates of interest (2020: \$424,000). These will mature between April 2023 and April 2027.

Waikato Regional Airport Limited

As an increasing portion of Waikato Regional Airport Limited's (WRAL's) balance sheet is carried at fair value, Council are able to reliably measure its investment in WRAL at fair value using the net asset backing of the company.

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

In 2020, an impairment expense of \$231,504 was recognised in respect of Council's investment in WRAL due to the impact of COVID-19 on their operations (see note 5). In 2021 this impairment was partially reversed, with \$185,172 recognised in other revenue (see note 2(V)). No other impairment or provisions for other financial assets was required for 2021. 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 - 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:

Operational assets	Useful life	Depreciation rate
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%
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	Useful life	Depreciation rate
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 infrastructural)

The most recent valuation of land was performed by independent registered valuers, Curnow Tizard Limited. The valuation is effective as at 1 July 2020.

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 and restricted and infrastructural)

The most recent valuation of buildings was performed by SPM Consultants Limited. The valuation was effective as at 1 July 2017.

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions used in the 1 July 2017 valuation include:

- The replacement costs of the specific assets are adjusted where appropriate for optimisation due to over-design or surplus capacity. 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 other comparable Councils and the Valuers records. For particularly specialised assets, Valuers escalated Councils unit rates using the appropriate Statistics New Zealand Capital Goods Price Index.
- The remaining useful life of assets is estimated after considering factors such as the condition of the assets, future maintenance and replacement plans, and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential and office buildings) are valued at fair value using market-based evidence.

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

2019/20		2020/21
\$000		\$000
<i>Operational buildings</i>		
-	Depreciated replacement cost	-
12,453	Market-based evidence	12,028
12,453	Total carrying value of operational buildings	12,028
<i>Restricted buildings</i>		
25,595	Depreciated replacement cost	22,457
6,631	Market-based evidence	6,281
32,226	Total carrying value of restricted buildings	28,738

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 1 July 2020.

The most recent valuation for water, wastewater and stormwater infrastructural assets was performed in house by experienced staff as there is an active market and readily available price indices that establish the fair value of these assets with reasonable reliability. The valuation was then peer reviewed by WSP. The valuation is effective as at 1 July 2020.

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 the June 2020 quarter index) for civil constructions or the NZTA 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.

Three waters reform

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated "all in" approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024. For the financial statements of 30 June 2021, 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 and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement. For more information on the Government reforms visit www.dia.govt.nz/Three-waters-review

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 2020	Accumulated depreciation and impairment charges 1 July 2020	Carrying value 1 July 2020	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 2021	Accumulated depreciation and impairment charges 30 June 2021	Carrying value 30 June 2021
2020/21	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets														
Land	23,692	-	23,692	-	-	(321)	-	-	-	-	5,347	28,718	-	28,718
Buildings	14,894	(2,441)	12,453	319	-	-	98	-	(842)	-	-	15,311	(3,283)	12,028
Plant and machinery	6,091	(3,182)	2,909	363	-	(99)	-	-	(431)	690	-	5,665	(2,923)	2,742
Furniture and equipment	3,871	(1,994)	1,877	203	-	-	116	-	(248)	-	-	4,190	(2,242)	1,948
Computer equipment	4,151	(3,123)	1,028	571	-	-	-	-	(427)	-	-	4,722	(3,550)	1,172
Library collections	1,470	(1,054)	416	152	-	-	-	-	(165)	-	-	1,622	(1,219)	403
Assets under construction	157	-	157	412	-	-	(214)	-	-	-	-	355	-	355
Total operational assets	54,326	(11,794)	42,532	2,020	-	(420)	-	-	(2,113)	690	5,347	60,583	(13,217)	47,366
Restricted assets														
Land	18,834	-	18,834	444	1,216	(193)	-	-	-	-	5,260	25,561	-	25,561
Buildings	36,153	(3,927)	32,226	127	-	(1,281)	13	(1,010)	(1,337)	343	-	33,659	(4,921)	28,738
Cycleway	3,639	(237)	3,402	1,073	-	-	908	-	(81)	237	-	5,383	(81)	5,302
Assets under construction	3,314	-	3,314	2,596	-	-	(921)	-	-	-	-	4,989	-	4,989
Total Restricted assets	61,940	(4,164)	57,776	4,240	1,216	(1,474)	-	(1,010)	(1,418)	580	5,260	69,592	(5,002)	64,590
Infrastructural assets														
Roads	316,387	(5,682)	310,705	6,714	2,336	(106)	337	-	(6,292)	5,682	10,148	330,134	(6,292)	323,842
Land under roads	67,295	-	67,295	-	939	-	-	-	-	-	-	68,234	-	68,234
Water supply - treatment plants and facilities	17,010	(811)	16,199	1,234	-	(67)	1,555	-	(1,024)	811	(74)	18,847	(1,024)	17,823
Water supply - other assets (including reticulation systems)	47,952	(1,020)	46,932	159	663	(10)	-	-	(1,082)	1,020	1,345	49,089	(1,082)	48,007
Stormwater system	49,443	(728)	48,715	6	1,172	-	13	-	(799)	728	5,269	55,175	(799)	54,376
Wastewater - treatment plants and facilities	27,068	(1,705)	25,363	73	-	-	-	-	(1,636)	1,705	690	26,126	(1,636)	24,490
Wastewater - other assets (including reticulation systems)	37,337	(815)	36,522	1,012	1,171	(95)	107	-	(857)	815	1,339	40,056	(857)	39,199
Land	3,751	-	3,751	-	25	(55)	-	-	-	-	1,081	4,802	-	4,802
Buildings	1,781	(39)	1,742	-	-	-	-	-	(82)	-	-	1,781	(121)	1,660
Assets under construction	4,808	-	4,808	4,627	-	-	(2,012)	-	-	-	-	7,423	-	7,423
Total infrastructural assets	572,832	(10,800)	562,032	13,825	6,306	(333)	-	-	(11,772)	10,761	19,798	601,667	(11,811)	589,856
Total property, plant and equipment	689,098	(26,758)	662,340	20,085	7,522	(2,227)	-	(1,010)	(15,303)	12,031	30,405	731,842	(30,030)	701,812

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.

Cycleway assets were previously included within the class of Roading assets. They have been separated into their own class of assets this year and last year's comparative note has been restated accordingly.

	Cost/ valuation 1 July 2019	Accumulated depreciation and impairment charges 1 July 2019	Carrying value 1 July 2019	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 2020	Accumulated depreciation and impairment charges 30 June 2020	Carrying value 30 June 2020
2019/20	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets														
Land	23,692	-	23,692	-	-	-	-	-	-	-	-	23,692	-	23,692
Buildings	14,516	(1,606)	12,910	302	-	-	76	-	(835)	-	-	14,894	(2,441)	12,453
Plant and machinery	5,195	(2,769)	2,426	962	-	(77)	11	-	(413)	-	-	6,091	(3,182)	2,909
Furniture and equipment	3,034	(1,820)	1,214	173	-	-	664	-	(174)	-	-	3,871	(1,994)	1,877
Computer equipment	3,818	(2,725)	1,093	310	-	-	23	-	(398)	-	-	4,151	(3,123)	1,028
Library collections	1,358	(880)	478	112	-	-	-	-	(174)	-	-	1,470	(1,054)	416
Assets under construction	85	-	85	846	-	-	(774)	-	-	-	-	157	-	157
Total operational assets	51,698	(9,800)	41,898	2,705	-	(77)	-	-	(1,994)	-	-	54,326	(11,794)	42,532
Restricted assets														
Land	18,817	-	18,817	17	-	-	-	-	-	-	-	18,834	-	18,834
Buildings	35,863	(2,546)	33,317	240	-	-	50	-	(1,381)	-	-	36,153	(3,927)	32,226
Cycleway	-	-	-	1,901	-	-	1,738	-	(237)	-	-	3,639	(237)	3,402
Assets under construction	4,433	-	4,433	669	-	-	(1,788)	-	-	-	-	3,314	-	3,314
Total Restricted assets	59,113	(2,546)	56,567	2,827	-	-	-	-	(1,618)	-	-	61,940	(4,164)	57,776
Infrastructural assets														
Roads	309,399	(6,070)	303,329	5,581	1,291	(291)	676	-	(5,682)	6,070	5,801	316,387	(5,682)	310,705
Land under roads	67,295	-	67,295	-	-	-	-	-	-	-	-	67,295	-	67,295
Water supply - treatment plants and facilities	13,864	(667)	13,197	2,286	-	(49)	1,510	-	(811)	667	66	17,010	(811)	16,199
Water supply - other assets (including reticulation systems)	41,781	(937)	40,844	809	362	(201)	1,876	-	(1,020)	937	4,262	47,952	(1,020)	46,932
Stormwater system	42,552	(641)	41,911	-	822	(14)	162	-	(728)	641	6,562	49,443	(728)	48,715
Wastewater - treatment plants and facilities	28,456	(1,745)	26,711	100	-	(25)	76	-	(1,705)	1,745	206	27,068	(1,705)	25,363
Wastewater - other assets (including reticulation systems)	33,240	(729)	32,511	509	402	(26)	290	-	(815)	729	3,651	37,337	(815)	36,522
Land	3,569	-	3,569	-	-	-	182	-	-	-	-	3,751	-	3,751
Buildings	1,977	(164)	1,813	8	-	-	3	-	(82)	207	-	1,781	(39)	1,742
Assets under construction	5,904	-	5,904	3,679	-	-	(4,775)	-	-	-	-	4,808	-	4,808
Total infrastructural assets	548,037	(10,953)	537,084	12,972	2,877	(606)	-	-	(10,843)	10,996	20,548	572,832	(10,800)	562,032
Total property, plant and equipment	658,848	(23,299)	635,549	18,504	2,877	(683)	-	-	(14,455)	10,996	20,548	689,098	(26,758)	662,340

Core infrastructure asset disclosures

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

2020/21	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)	323,842	7,051	2,336	444,809
Water supply – treatment plants and facilities	17,856	2,789	-	36,324
Water supply – other assets (including reticulation systems)	47,974	159	633	82,322
Stormwater system	54,376	19	1,172	75,289
Wastewater – treatment plants and facilities	24,490	73	-	53,388
Wastewater – other assets (including reticulation systems)	39,199	1,119	1,171	61,522

2019/20	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)	310,705	6,257	1,291	425,038
Water supply – treatment plants and facilities	16,199	3,796	-	24,190
Water supply – other assets (including reticulation systems)	46,932	2,685	362	86,484
Stormwater system	48,715	162	822	68,348
Wastewater – treatment plants and facilities	25,363	176	-	41,236
Wastewater – other assets (including reticulation systems)	36,522	799	402	69,522

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 loss on disposal of property, plant and equipment (\$1,884,000) has been recognised in the statement of comprehensive revenue and expense under 'other expenses' (2020: \$610,000).

Impairment

An impairment expense of \$1,010,000 was recognised in respect of the Matamata Swimzone roof and structures that were found to be earthquake prone during the year. The compromised structures have since been demolished. There was no impairment of property, plant and equipment in 2020.

Assets under construction

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

Balance as at 30 June 2020	Balance as at 30 June 2021
\$000	\$000
157 Operational assets	355
3,314 Restricted assets	4,989
105 Rooding	276
3,608 Water supply	4,350
67 Stormwater system	82
767 Wastewater	2,394
261 Infrastructural buildings	321
8,279 Total assets under construction	12,767

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:

2019/20	2020/21
\$000	\$000
1,078 Rooding	506
523 Water	1,567
1,004 Community Facilities	-
- Wastewater	3,377
2,605 Total capital commitments	5,450

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										
2020/21	2,547	(1,858)	689	216	-	-	(192)	2,763	(2,050)	713
2019/20	2,393	(1,663)	730	154	-	-	(196)	2,547	(1,858)	689

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 (2020: nil)

Impairment

There were no assets considered to be impaired (2020: nil).

14. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY

2019/20		2020/21
\$000		\$000
Directly attributable depreciation and amortisation expense by group of activity		
2,554	Community Facilities	2,582
5,919	Roading	6,374
33	Rubbish and Recycling	35
729	Stormwater	799
2,542	Wastewater	2,513
1,866	Water	2,141
3	Community Development	3
7	Environmental Care	11
13,653	Total directly attributable depreciation and amortisation expense by group of activity	14,458
998	Depreciation and amortisation not directly related to groups of activities	1,037
14,651	Total depreciation and amortisation expense	15,495

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

2019/20		2020/21
\$000		\$000
3,794	Trade payables	5,039
69	GST payable	238
1,665	Accrued expenses	985
1,138	Deposits and bonds	774
449	Contract retentions	462
2,014	Revenue in advance	1,362
-	Grants received subject to substantive conditions not yet met	336
9,129	Total payables and deferred revenue	9,196
Total payables and deferred revenue comprise:		
3,473	Payables from non-exchange transactions - this includes bonds and deposits for planning, rates and licenses received in advance, and taxes and grants payable	3,186
5,656	Payables from exchange transactions - this includes amounts owing for commercial purchases of goods and services	6,010

Council received Three Waters Reform funding from Government of \$2.47 million during 2020/21, of which \$2.134 million has been spent on operating and capital projects for Water and Wastewater activities. The remaining \$336,000 will be recognised as revenue when it has been spent in accordance with the funding agreement, which is expected within 12 months of balance date.

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

2019/20		2020/21
\$000		\$000
7,000	Current loans	-
19,500	Non-current loans	26,500
26,500	Total borrowings	26,500

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 (2020: \$6 million) and there is \$6 million available to be drawn at 30 June (2020: \$6 million).

Security

Council has an unsecured overdraft. The maximum amount that can be drawn down against the facility is \$500,000 (2020: \$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.

2019/20		2020/21
\$000		\$000
Current employee entitlements		
326	Accrued pay	435
1,379	Annual leave	1,365
130	Sick leave	142
107	Long service leave	119
183	Retirement gratuities	148
2,125	Total current employee entitlements	2,209
Non-current employee entitlements		
155	Long service leave	246
220	Retirement gratuities	131
375	Total non-current employee entitlements	377

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

2019/20		2020/21
\$000		\$000
Current provisions		
196	Landfill aftercare	191
25	Tui Mine site monitoring	25
-	Other claims	-
221	Total current provisions	216
Non-current provisions		
294	Landfill aftercare	379
93	Tui Mine site monitoring	87
75	Other claims	60
462	Total non-current provisions	526

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 landfill sites.

The cash outflows for landfill post closure costs are expected to occur over the next 14 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 0.38% to 4.07% 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 (2020:6%).

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 0.38% to 4.07% as above (2020: 6%).

Other claims

There are no claims lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2021 (2020: nil). Provision for other minor claims against Council has been made based on estimated costs and/or insurance excesses of \$60,000 (2020: \$75,000).

Movements for each class of provision are as follows:

	Landfill aftercare costs	Other claims	Tui Mine Site	Total
	\$000	\$000	\$000	
2020/21				
Balance at 1 July 2020	490	75	118	683
Additional provisions made	81	35	38	154
Amounts used	(3)	-	(44)	(47)
Unused amounts reversed	-	(50)	-	(50)
Discount unwind	2	-	-	2
Balance at 30 June 2021	570	60	112	742
2019/20				
Balance at 1 July 2019	589	356	144	1,089
Additional provisions made	-	-	-	-
Amounts used	(3)	(15)	-	(18)
Unused amounts reversed	(131)	(266)	(35)	(432)
Discount unwind	35	-	9	44
Balance at 30 June 2020	490	75	118	683

19. CONTINGENCIES

Breakdown of contingent liabilities and further information

2019/20	2020/21
\$000	\$000
Uncalled share capital:	
1 - Waikato Local Authority Shared Services Limited	1
5 - Waikato Regional Aerial Photography Service	5
15 Te Aroha Wastewater resource consent	15
21 Total contingent liabilities	21

There are no contingent assets (2020: 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.

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 and Standard and Poor's of AAA and a foreign currency rating of AA+.

As at 30 June 2021, LGFA has 30 local authority shareholders and Matamata-Piako District Council is one of 34 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 2021, LGFA had borrowings totaling \$13.60 billion (2020: \$11.908 billion).

The LGFA's borrowing of \$13.60 billion is made up of the following (\$000's):

\$12,810,000	Face value of bonds on issue
\$79,610	Accrued interest on bonds on issue
\$610,000	Bills on issue
\$105,000	Treasury stock lent to counterparts under bond repurchase agreements

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.

Worksafe Investigation

In May 2020, Council was involved in a WorkSafe investigation relating to a notifiable incident involving a Council contractor. Following the investigation, WorkSafe notified Council that they would not take any formal enforcement action against Council under the Act.

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

2019/20		2020/21
\$000		\$000
Accumulated funds		
431,350	Balance at 1 July	430,316
(17,260)	Transfers to Council created reserves	(18,606)
(366)	Transfer to restricted reserves	(275)
14,616	Transfer from Council created reserves	16,013
491	Transfer from restricted reserves	105
-	Transfer from revaluation reserves	681
1,485	Surplus/(deficit) for the year	8,947
430,316	Balance at 30 June	437,181

Other reserves

2019/20		2020/21
\$000		\$000
Council created reserves		
46,423	Balance at 1 July	49,067
(14,616)	Transfers to accumulated funds	(16,013)
17,260	Transfers from accumulated funds	18,606
49,067	Balance at 30 June	51,660
Restricted reserves		
472	Balance at 1 July	347
(491)	Transfers to accumulated funds	(105)
366	Transfers from accumulated funds	275
347	Balance at 30 June	517
Asset revaluation reserves		
139,854	Balance at 1 July	160,401
20,841	Revaluation gains	30,405
(294)	Transfer to accumulated funds on disposal of assets	(681)
-	Impairment charges	(1,010)
160,401	Balance at 30 June	189,115
Fair value through other comprehensive revenue and expense reserve		
12,553	Balance at 1 July	14,330
1,777	Net revaluation gains	6,128
14,330	Balance at 30 June	20,458
224,145	Total other reserves	261,750

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

Council created reserves

Balance 1 July 2019	Transfers in	Transfers out	Balance 30 June 2020	Reserve fund	Purpose	Activities related to	Balance 1 July 2020	Transfers in	Transfers out	Balance 30 June 2021
\$000	\$000	\$000	\$000				\$000	\$000	\$000	\$000
5,142	739	(924)	4,957	Community purposes reserve	Funds received and set aside for use on community facilities or for community purposes e.g. grants.	All Council activities	4,957	674	(2,830)	2,801
-	-	(5)	(5)	COVID-19 recovery reserve	Funds set aside to aid in the economic recovery of the district or to support hardship of qualifying community groups following the impact of COVID-19.	All Council activities	(5)	2,000	(239)	1,756
23,768	829	(854)	23,743	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 in 1998. The fund is utilised for internal borrowing or external investment, with returns used to subsidise rates.	All Council activities	23,743	550	(865)	23,428
1,135	674	(396)	1,413	Wastewater capital contribution reserve	Capital contribution funds received from industry and set aside to offset future depreciation.	Wastewater	1,413	668	(366)	1,715
15,862	14,968	(12,423)	18,407	Depreciation reserves	Funds set aside for the replacement of assets and used to fund internal borrowing.	All Council activities	18,407	14,664	(11,713)	21,358
117	50	(14)	153	Stormwater improvement reserve	Funds set aside to fund stormwater projects.	Stormwater	153	50	-	203
399	-	-	399	Te Aroha Wastewater desludging project	Funds set aside for the desludging of the Te Aroha wastewater ponds.	Wastewater	399	-	-	399
46,423	17,260	(14,616)	49,067	Total Council created reserves			49,067	18,606	(16,013)	51,660

Restricted reserves

Balance 1 July 2019	Transfers in	Transfers out	Balance 30 June 2020	Reserve fund	Purpose	Activities related to	Balance 1 July 2020	Transfers in	Transfers out	Balance 30 June 2021
\$000	\$000	\$000	\$000				\$000	\$000	\$000	\$000
110	-	-	110	Endowment land sales reserve	Funds set aside in respect of the sale of endowment land in Te Aroha. The proceeds must be used for improvement of services and public amenities for the benefit of the inhabitants of Te Aroha.	Community Facilities	110	-	-	110
112	-	-	112	Reserves development	Funds set aside from reserves contributions to be used for parks and reserves.	Developments of parks and reserves	112	-	-	112
-	10	(11)	(1)	Youth Ambassadors	Funds set aside for initiatives that empower the youth of our district	Nominated purposes	(1)	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
139	126	(67)	198	Waste minimisation	Funds set aside for the purpose of initiatives encouraging the minimisation of waste	Nominated purposes	198	175	(105)	268
-	-	-	-	Civil Defence fund	Funds set aside for the purpose of Civil Defence activities.	Nominated purposes	-	90	-	90
85	230	(413)	(98)	Te Aroha Tourism Precinct Feasibility project	Council funds set aside to be used for the Te Aroha Tourism Precinct Feasibility project	Economic Development	(98)	-	-	(98)
472	366	(491)	347	Total restricted reserves			347	275	(105)	517

Asset revaluation reserves

2019/20		2020/21
\$000		\$000
Operational assets:		
17,328	Land	22,514
8,354	Buildings	8,354
Restricted assets		
8,738	Restricted land	13,909
8,528	Restricted buildings	7,179
Infrastructural assets:		
41,561	Roading	51,691
26,142	Water	27,380
29,336	Stormwater	34,605
19,193	Wastewater	21,190
626	Land	1,698
595	Buildings	595
160,401	Total asset revaluation reserves	189,115

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

2019/20		2020/21
Mayor and Councillors		
12	Full-time equivalent members	12
\$497,979	Remuneration	\$517,022
Executive Management Team, including the Chief Executive		
4	Full-time equivalent members	4
\$1,080,513	Remuneration	\$1,066,456
16	Total full-time equivalent personnel	16
\$1,578,492	Total key management personnel remuneration	\$1,583,478

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors. An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in Note 3.

22. EVENTS AFTER BALANCE DATE

COVID-19 Impact

On August 17 2021, Matamata-Piako district along with the rest of New Zealand shifted back into alert Level 4 for 2 weeks, followed by 1 further week at Level 3. Auckland, and our larger neighbouring districts including Hamilton City, Waikato and Waipa districts have had ongoing restrictions. These restrictions cause some disruption to access for out-of-district staff, contractors, supplies and visitors to our district. Matamata-Piako remains at Level 2 while preparing the annual report however this had no further impact on our financial position as at 30 June.

Three Waters reform

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated "all in" approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024. For the financial statements of 30 June 2021, 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 and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement. For more information on the Government reforms visit www.dia.govt.nz/Three-waters-review

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:

2019/20		2020/21
\$000		\$000
Financial assets		
Loans and receivables		
4,292	Cash and cash equivalents	3,186
4,760	Receivables	3,187
	Other financial assets:	
5,400	- Term deposits	5,400
35	- Community loans	35
14,487	Total loans and receivables	11,808
Fair value through other comprehensive revenue and expense		
17,310	- Investments in Council Controlled Organisations and other entities	23,687
17,310	Total fair value through other comprehensive revenue and expense	23,687
Financial liabilities		
Fair value through surplus or deficit - held for trading		
3,638	Derivative financial instrument liabilities	2,189
3,638	Total fair value through surplus or deficit - held for trading	2,189
Financial liabilities at amortised cost		
7,046	Payables	7,260
26,500	Borrowings	26,500
33,546	Total financial liabilities at amortised cost	33,760

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:

2020/21				
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	23,687	-	487	23,200
Financial liabilities				
Derivative financial instrument liabilities	2,189	-	2,189	

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

2019/20				
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	17,310	-	424	16,886
Financial liabilities				
Derivative financial instrument liabilities	3,638	-	3,638	-

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

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

2019/20		2020/21
\$000		\$000
15,348	Balance at 1 July	16,886
1,538	Gain/(loss) recognised in the surplus or deficit	6,314
-	Purchases	-
-	Sales	-
16,886	Balance at 30 June	23,200

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:

2019/20		2020/21
\$000		\$000
4,292	Cash and cash equivalents	3,186
4,760	Receivables	3,187
	Other financial assets:	
5,400	- Term deposits	5,400
35	- Community loans	35
14,487	Total credit risk	11,808

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:

2020/21						
Credit ratings						
	AA-	A+	A	A-	Not Rated	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	3,186	-	-	-	-	3,186
Term deposits	5,400	-	-	-	-	5,400
Community loans	-	-	-	-	35	35

2019/20						
Credit ratings						
	AA-	A+	A	A-	Not Rated	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	4,292	-	-	-	-	4,292
Term deposits	5,400	-	-	-	-	5,400
Community loans	-	-	-	-	35	35

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
2020/21	\$000	\$000	\$000	\$000	\$000
Payables	7,260	7,260	7,260	-	-
Net settled derivative liabilities	2,189	172	172	-	-
Borrowings	26,500	27,664	317	24,822	2,525
Total	35,949	35,096	7,749	24,822	2,525

	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
2019/20	\$000	\$000	\$000	\$000	\$000
Payables	7,046	7,046	7,046	-	-
Net settled derivative liabilities	3,638	226	226	-	-
Borrowings	26,500	27,656	7,308	14,758	5,590
Total	37,184	34,928	14,580	14,758	5,590

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
2020/21	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	3,186	3,186	3,186	-	-
Receivables	3,187	3,187	3,187	-	-
Other financial assets:					
- Community loans	35	35	35	-	-
- Term deposits	5,400	5,436	5,436	-	-
Total	11,808	11,844	11,844	-	-

	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
2019/20	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	4,292	4,293	4,293	-	-
Receivables	4,760	4,760	4,760	-	-
Other financial assets:					
- Community loans	35	35	35	-	-
- Term deposits	5,400	5,477	5,477	-	-
Total	14,487	14,565	14,565	-	-

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.

2020/21	\$000			
	-100bps		+100bps	
	Surplus	Other equity	Surplus	Other equity
Interest rate risk				
Financial assets				
Cash and cash equivalents	(32)	-	32	-
Financial liabilities				
Derivative financial instrument liabilities	(3,383)	-	(1,078)	-
Borrowings	70	-	(70)	-
Total sensitivity	(3,345)	-	(1,116)	-

2019/20	\$000			
	-100bps		+100bps	
	Surplus	Other equity	Surplus	Other equity
Interest rate risk				
Financial assets				
Cash and cash equivalents	(4)	-	4	-
Financial liabilities				
Derivative financial instrument liabilities	(4,406)	-	(2,360)	-
Borrowings	70	-	(70)	-
Total sensitivity	(4,340)	-	(2,426)	-

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

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 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 2020/21	Actual 2020/21	Explanations for major variations to budget
Statement of comprehensive revenue and expense			
Rates	38,032	37,961	Revenue from metered water was \$357,000 lower than budgeted due to lower consumption by our large industrial users. This was offset by additional rates received due to growth in the district and penalties.
Subsidies and grants	7,246	10,780	Unbudgeted grants received this year include \$2.134 million from the Government's Three Waters reform package, \$1.3 million received for the Hauraki Rail Trail contribution, and \$561,000 for the Innovating Streets and Tourism Infrastructure funding that was used for toilet upgrades.
Fees and charges	7,916	9,473	Building and resource consent income was \$1.2 million higher than budgeted due to the continued high development activity within the district. Income from our Aquatic facilities was \$141,000 higher than budget, particularly due to the increased activity at the Te Aroha Mineral Spas. Other significant areas of higher income include fees from LIMs, property leases and cemeteries. These increases were offset in part by lower than budgeted income from the sale of rubbish bags, transfer station fees and libraries.
Development and financial contributions	1,425	4,138	Revenue from contributions was higher than budgeted due to the significant development in the district, particularly in Morrinsville and Matamata.
Interest revenue	332	188	Interest earned on investments was lower than budgeted as a result of interest rates being significantly lower than expected.
Other revenue	491	9,418	Infrastructural assets and land vested to Council through the subdivision process this year amounted to \$6.28 million. Also \$1.24 million of land parcels that were vested in Council over prior years (but not recognised at the time of vesting) have been recognised as revenue this year. A turnaround in longer dated interest rates has seen the book valuation of Council's interest rate swap portfolio increase by \$1.45 million over the year. An impairment expense in Council's investment in Waikato Regional Airport last year was partially reversed this year, with \$185,000 recognised as revenue.
Personnel costs	17,726	16,986	Included in the budget for personnel costs is \$248,000 of employment related costs (e.g. ACC, recruitment, advertising, training costs etc.) that are not remuneration, and as such are classified as other expenses for reporting purposes. A number of budgeted positions have not been filled or filled later in the year, and some positions have remained vacant after staff have resigned, or filled at a lower cost.
Depreciation and amortisation	14,671	15,495	The increase in the valuation of Infrastructural assets at 1 July 2020 was significantly higher than expected, resulting in a higher depreciation expense than budgeted for.

Other expenses	20,727	29,403	There are a number of factors contributing to other expenses being significantly higher than budgeted this year. The most significant of these include: A loss on disposal of assets of \$1.9 million is recognised for the year including \$941,000 being the remaining book value for Headon Stadium that has been replaced, and the balance in respect of network assets replaced during the year. \$1.7 million has been spent on water and wastewater projects funded from the unbudgeted three water reform funding. Outsourced work in the Resource and Building consents area was \$1.2 million more than budgeted in order to keep up with unprecedented development activity and staff turn over. A \$1.14 million contribution was paid over to the Hauraki Rail Trail Trust. Water treatment plant costs were \$705,000 higher than budget due to significant increases in chemical and lab analysis costs, hazardous chemical and assessment costs, additional costs for Topehaehae reservoir profiling, and the comprehensive dam review. \$248,000 of employment related costs budgeted under personnel costs have been reported as other expenses. Storm water cost is higher by \$235,000 due to investigation, emergency CCTV and clearing of storm water lines due to a flooding issue. Other more minor areas of increased cost include Property (due to Ngarua Hall demolition, asbestos removal, etc.), Asset Management (particularly consultant costs for Morrinsville River Walk, Hetana Street Innovating streets project, open spaces strategy, etc.), and Waste Management (due to higher variation in contract prices).
Financial assets at fair value through other comprehensive revenue and expense	-	6,128	The carrying value of Council's investment in the Waikato Regional Airport increased largely as a result of property development activity and an increase in the valuation of the company's property development assets.
Property, plant and equipment revaluations	12,611	29,395	The revaluation of Council's infrastructural and land assets this year resulted in a greater increase than estimated across all activities.
Statement of financial position			
Current assets	11,755	13,932	Receivables were higher than budgeted in line with increased revenue for the year. Also Council held an owner-occupied property on the books at 30 June that has subsequently been sold.
Non-current assets	707,748	726,212	The book value of Council's investment in the Waikato Regional Airport has increased \$6.3 million since the budget was adopted. The closing balance of property, plant and equipment is \$10.5 million higher than the level budgeted. This is mainly due to revaluations of assets being significantly higher than estimated for consecutive years, and higher than budgeted vested assets over this time as well. These increases to the value of property, plant and equipment are offset by a delay in the delivery of the capital works programme, also over consecutive years. Progress with key capital projects is outlined in Section Three of this Annual Report.
Current liabilities	11,379	11,628	Current employee entitlements were higher than budgeted, particularly due to the impact of COVID-19 on employee leave plans, but the overall balance of annual leave was slightly below last years.
Non-current liabilities	43,240	29,585	Debt is lower than budgeted due to the delay in the capital works programme over consecutive years, and because surplus cash received has been utilised to minimise external borrowing needs.

OTHER LEGISLATIVE DISCLOSURES

1. FUNDING IMPACT STATEMENT

for the year ended 30 June 2021 for the whole of Council

Annual Plan 2019/20	Actual 2019/20		Annual Plan 2020/21	Actual 2020/21
\$000	\$000		\$000	\$000
Sources of operating funding				
23,836	24,238	General rates, uniform annual general charges, rates penalties	24,445	24,542
12,513	12,563	Targeted rates	13,586	13,419
2,773	3,394	Subsidies and grants for operating purposes	2,849	4,874
6,988	7,107	Fees and charges	7,583	8,866
257	231	Interest and dividends from investments	257	231
266	232	Local authorities fuel tax, fines, infringement fees, and other receipts	291	264
46,633	47,765	Total operating funding (A)	49,011	52,196
Applications of operating funding				
34,115	38,514	Payments to staff and suppliers	38,045	43,942
1,096	1,226	Finance costs	1,184	1,127
-	-	Other operating funding applications	-	-
35,211	39,740	Total applications of operating funding (B)	39,229	45,069
11,422	8,025	Surplus/(deficit) of operating funding (A - B)	9,782	7,127
Sources of capital funding				
4,084	4,554	Subsidies and grants for capital expenditure	4,398	5,907
1,370	2,143	Development and financial contributions	1,425	4,138
16,860	2,500	Increase (decrease) in debt	14,289	-
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
22,314	9,197	Total sources of capital funding (C)	20,112	10,045
Applications of capital funding				
Capital expenditure:				
677	382	—to meet additional demand	390	296
18,669	5,974	—to improve the level of service	16,295	8,364
14,171	12,366	—to replace existing assets	15,171	11,641
219	921	Increase (decrease) in reserves	(1,962)	(3,192)
-	(2,421)	Increase (decrease) of investments	-	63
33,736	17,222	Total applications of capital funding (D)	29,894	17,172
(11,422)	(8,025)	Surplus (deficit) of capital funding (C - D)	(9,782)	(7,127)
-	-	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 2019/20		Annual Plan 2020/21	Actual 2020/21
\$000		\$000	\$000
Funding sources as shown in the overall Council funding impact statement			
47,765	Total operating funding	49,011	52,196
9,197	Total capital funding	20,112	10,045
Less capital movements			
2,500	Increase/(decrease) in debt	14,289	-
-	Gross proceeds from sale of assets	-	-
Add non-funded income			
2,877	Vested land and infrastructure from property development	200	6,280
-	Other gains	-	2,874
604	Income from support activities	408	563
57,943	Total funding sources	55,442	71,958
57,943	Total income as shown in the statement of comprehensive revenue and expense	55,442	71,958
Application of funding as shown in the overall Council funding impact statement			
39,740	Total applications of operating funding	39,229	45,069
17,222	Total applications of capital funding	29,894	17,172
Less capital movements			
18,722	Capital expenditure	31,856	20,301
921	Increase/(decrease) in reserves	(1,962)	(3,192)
(2,421)	Increase/(decrease) in investments	-	63
Add non-funded expenditure			
14,651	Depreciation and amortisation	14,671	15,495
1,463	Other losses	-	1,884
604	Expenses from support activities	408	563
56,458	Total funding application	54,308	63,011
56,458	Total expenditure as shown in the statement of comprehensive revenue and expense	54,308	63,011

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 2021, this rate was 2.66% (2020: 3.56%). Internal borrowings are eliminated on consolidation of activities in the financial statements.

Groups of activities	Opening balance 1 July 2020	Additional funds borrowed 2020/21	Funds repaid 2020/21	Closing balance 30 June 2021	Interest paid 2020/21
	\$000	\$000	\$000	\$000	\$000
Community Facilities	14,942	688	1250	14,380	390
Roading	10,158	-	874	9,284	259
Rubbish and Recycling	1,295	-	128	1,167	33
Stormwater	-	-	-	-	-
Wastewater	-	-	-	-	-
Water	12,323	-	1,468	10,855	308
Strategy and Engagement	2,747	-	90	2,657	71
Total internal borrowing	41,465	688	3,810	38,343	1,061

4. INSURANCE OF ASSETS

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

June 2020		June 2021
\$000		\$000
160,290	The total value of all Council assets covered by insurance contracts	180,457
	The maximum amount to which insured assets are insured:	
15,000	- Fire	15,000
150,000	- Other natural disasters	150,000
229,221	The total value of all Council assets covered by financial risk sharing arrangements	237,829
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.

ANNUAL REPORT DISCLOSURE STATEMENT FOR THE YEAR ENDING 30 JUNE 2021

What is the purpose of this statement?

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

Rates affordability benchmark

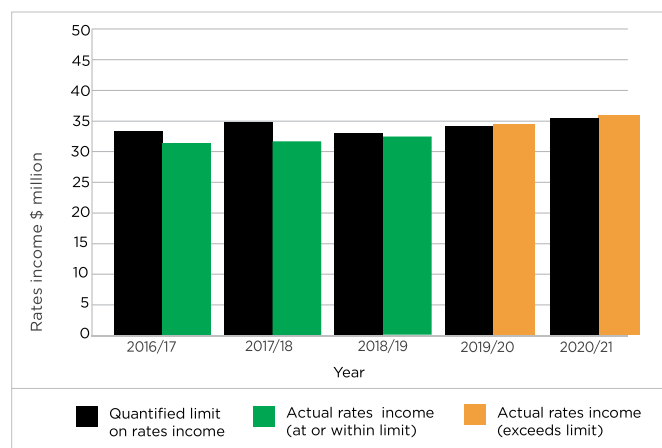
The Council meets the rates affordability benchmark if:

- Its actual rates income equals or is less than each quantified limit on rates.
- 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 2018-28 LTP is: Annual rates income¹ will not increase by more than 4%.



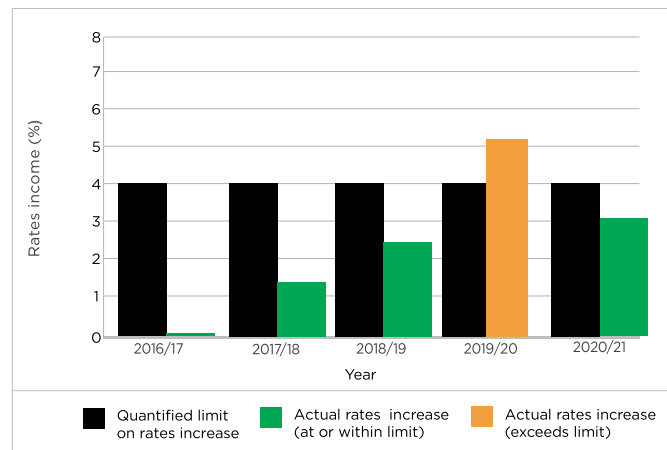
Comment:

The limit on rates income for 2020/21 was set as part of the 2018-28 Long Term Plan at \$35.2 million. Actual rates income (excluding penalties and metered water revenue) was \$35.6 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. Council had budgeted the rate income to be \$35.5 million for 2020/21. However, the amount of growth in the rating base at 1 July 2020 exceeded the level expected, resulting in slightly more rates income than budgeted. The same happened for the 2019/20 year.

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 2018-28 LTP is: Annual rates increases¹ will not be more than 4%.

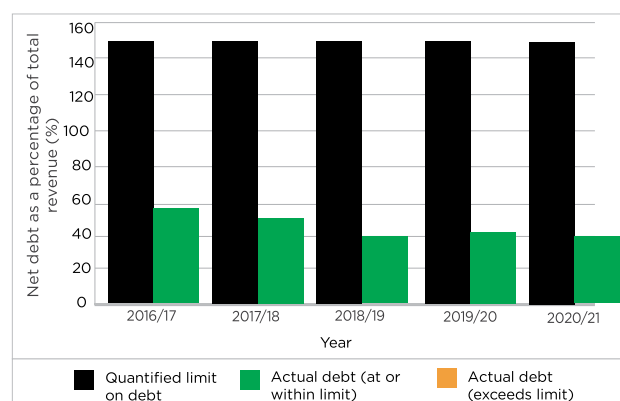


Comment:

For 2020/21, total rates increased 3.06% on the last financial year, so within the Financial Strategy limit of 4%. The actual rates increase (excluding penalties and metered water revenue) for 2019/20 was 5.2%, compared to the Financial Strategy limit of 4%, due to growth in the rating base at 1 July 2019 exceeding the level expected, resulting in rates increasing more than budgeted.

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 revenue² will not exceed 150%.



Comment:

Council's net debt as a percentage of total revenue sits at 40% at 30 June 2021 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.

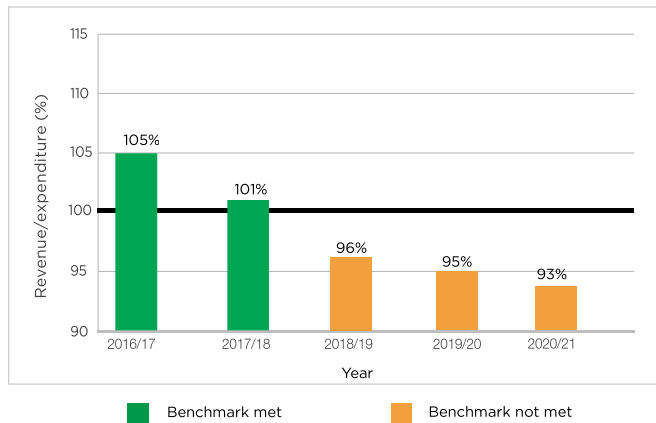
¹ For the purpose of these calculations, rates income excludes penalties (which are not budgeted for) and metered water revenue (the majority of which comes from a few large industrial users). These items are excluded as the level of income received is not within Council's direct control.

² Consistent with our Liability Management Policy, total revenue excludes development and financial contributions, vested and found assets and other gains.

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.

Found assets have been treated the same as vested assets for the purposes of the benchmarks, as these are assets that were vested prior to 1 July 2020, that were not recognised at the time.

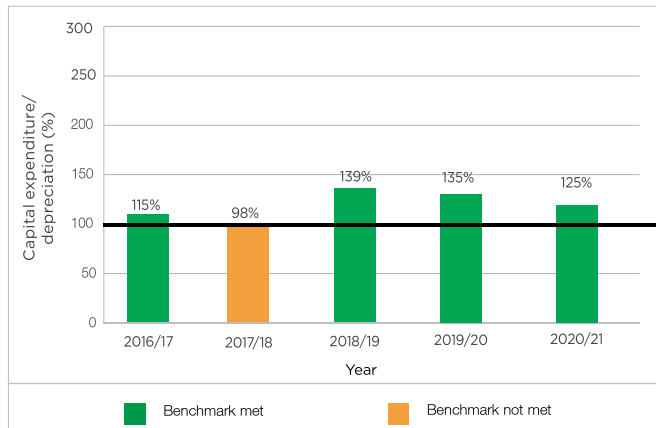


Comment:

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.

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.

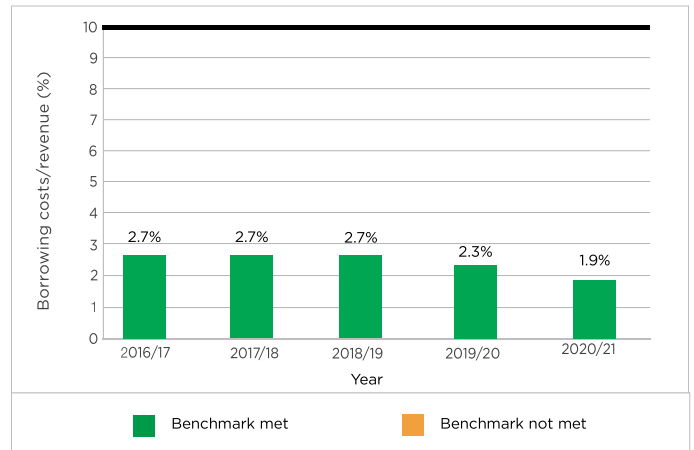


Comment:

Council's capital spending is not programmed on a straight-line basis consistent with depreciation. Over the five years shown, the capital spend averages 123% of depreciation.

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.

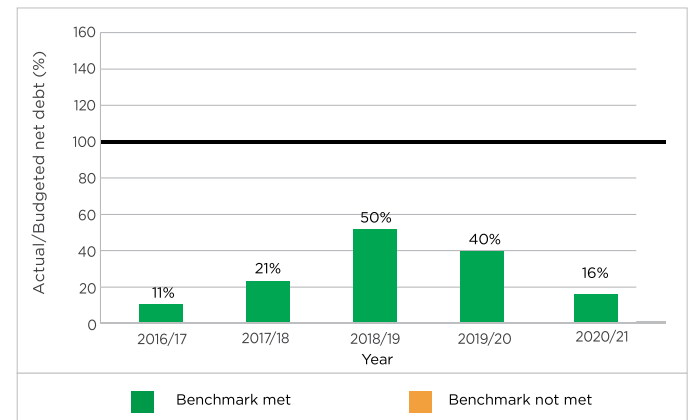


Comment:

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.

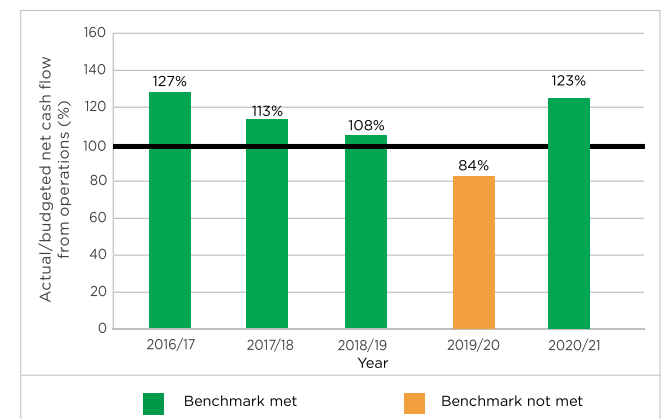


Comment:

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.

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 four of the last five years.

INVOLVEMENT IN COUNCIL CONTROLLED ORGANISATIONS AND COUNCIL ORGANISATIONS

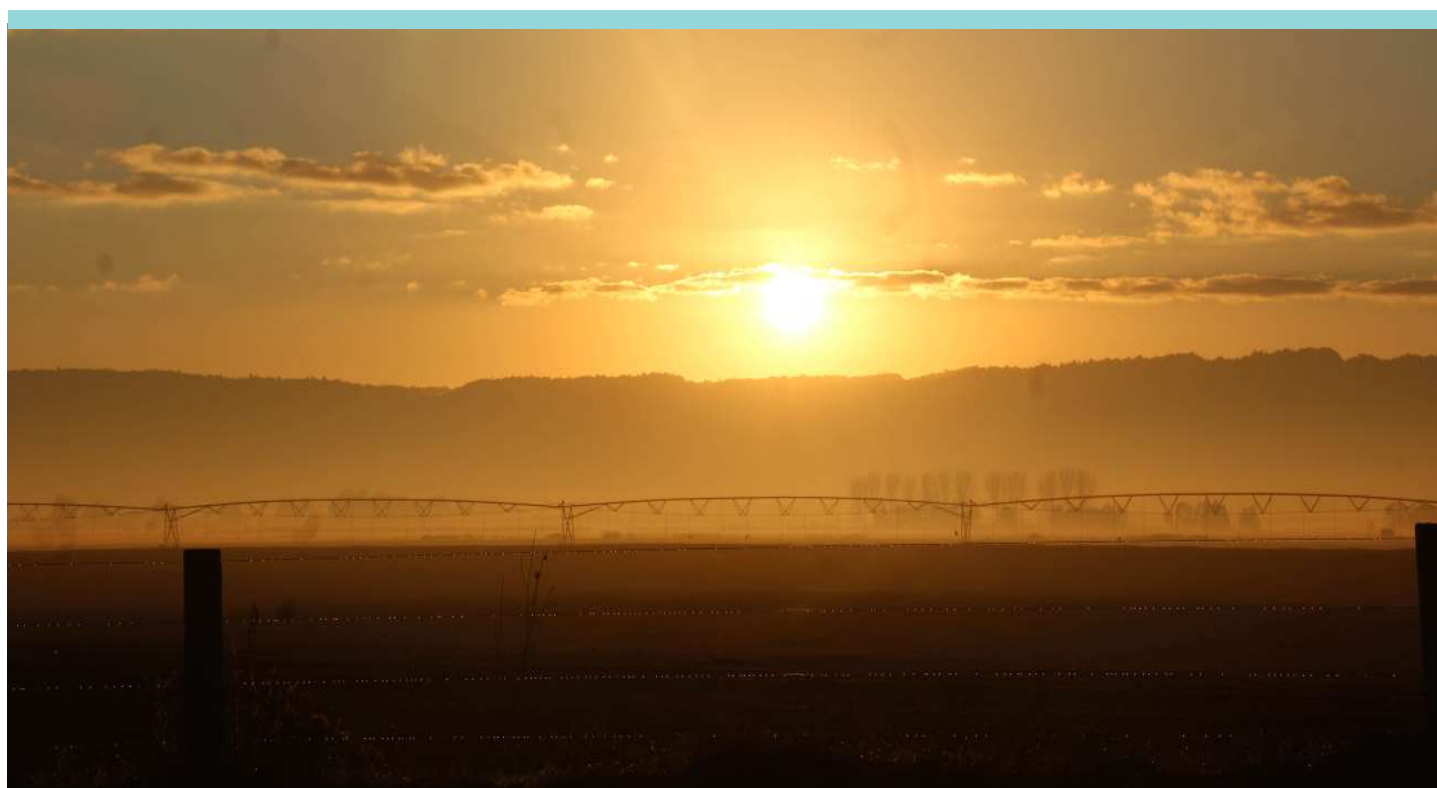
Waikato Regional Airport Limited (WRAL)

WRAL was established in 1989 to operate the airport situated at Rukuhia within Waipa District. The local authority part owners negotiated the purchase of the Crown's former share holding to secure the retention of the airport as a major infrastructural facility, important to the economy of the Waikato.

WRAL is 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%.

Performance measure	Target	Actual	Comments
Shareholders' funds to total assets a minimum of	65%	86%	
Facilitate Health & Safety meetings every 2 months with representatives from each company department.	Achieve	Achieved	Health & Safety committee meetings are undertaken on a monthly basis
Zero WorkSafe notifiable accidents/injuries.	Achieve	Achieved	There were no notifiable incidents in either 2020 or 2021
Independently review and audit the health and safety system each year.	Achieve	Achieved	An independent audit of the Group's health and safety framework was undertaken and all recommendations were implemented
To achieve the Airport Certification Standards as required by the Civil Aviation Authority and as evidenced by Civil Aviation Authority audit reports.	Achieve	Achieved	The airport continues to meet all relevant CAA certification standards
Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).	Achieve	Achieved	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.	Achieve	Achieved	Regular meetings have been facilitated every 4 months
Complete construction of the 4th Stage of Titanium Park's Central Precinct and 2nd Stage of Southern Precinct.	Achieve	Achieved	Construction of both precinct developments was completed and land sales settled
Develop a masterplan for Titanium Park's Northern Precinct and prepare a private plan change submission to Waipa District Council.	Achieve	Not achieved	The masterplan was completed however the project was halted due to the Group's financial constraints arising from COVID19 and resumed during 2021.
Achieve 5% growth in visitor nights and visitor expenditure (as measured by key MBIE	Achieve	Not achieved	Growth in these metrics were on track for the year until the travel restrictions imposed due to COVID-19 effectively halted Tourism.
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 underlying the achievement of a Qualmark 4 Star rating	Achieve	Not achieved	The hotel's contract to operate as a Managed Isolation Facility was continued throughout the financial year so it did not resume operations as a regular trading hotel.

Performance measure	Target	Actual	Comments
Earnings before interest, taxation and depreciation (EBITDA)* but excluding land sales of at least	(\$5,000,000)	\$6,931,000	
EBITDA including land sales of at least	\$3,000,000	\$9,962,000	
Net profit after tax of no less than	-	-	
Net operating cash flow (excluding land sales)	(\$1,500,000)	\$10,160,000	
Total debt, excluding funding for designbuild properties, not exceeding	\$30,000,000	\$11,645,000	
Total liabilities/shareholders' funds (debt/equity ratio) a maximum of	35:65	19:86	
Net profit after tax to total shareholders funds	-	-	
Net profit after tax to total assets	-	-	
Percentage of non-landing charges revenue of at least	60%	77%	
Land sales of at least	\$4,000,000	\$8,617,000	
Interest cover of at least (The interest cover measures the number of times the net profit before interest, tax and depreciation (EBITDA) covers interest paid on debt.)	(4.0)	12.4	



Waikato Local Authority Shared Services Limited (WLASS)

Local authorities of the Waikato Region have established Local Authority Shared Services Limited as a council controlled organisation by way of a company, in which each local authority in the Waikato Region has a single share.

Matamata-Piako's shareholding is 3%.

WLASS has six Directors with each director representing a shareholder council. Unless otherwise agreed by the appointing councils each director is the Chief Executive of a local authority. In addition the board may appoint up to three professional directors to supplement the directors' expertise. The below statement of performance are based on the Draft Annual Report for WLASS, and is subject to external audit in March 2022.

Performance measure	Outcome
<p>PRIORITISE AND DEVELOP BUSINESS CASES FOR OPPORTUNITIES THAT, IF IMPLEMENTED, ADD VALUE TO COUNCILS BY ACHIEVING ONE OR MORE OF OUR OBJECTIVES</p> <p>Business cases will include measurable benefits linked to one or more of the outcomes sought, with a Target of projected savings to councils of \$300k+</p>	<p>Achieved: The WLASS Water Services Business Case was delivered in September 2020. The benefits are linked to all three of the outcomes sought. In particular, KPI's will measure improvements in trade waste management, water usage and regulatory compliance. Although these will provide a measure of the realised benefits, it is difficult to readily quantify this in dollar terms.</p> <p>The business case for WLASS Learning & Development Shared Services (LDSS) was approved by the Board in June 2021. Collectively, the projected savings (including monetised time savings), to Waikato councils from the opportunity are ~\$2.4m over the first three years. Other projects are at various stages of development. While indicatively, on some, the quantifiable benefits to councils are potentially significant, further work is required before the company can confidently state a projected saving.</p>
<p>Opportunity assessments are supported by 75% of councils (evidenced by Board minutes)</p>	<p>Achieved: Following consultation with council CEs and GMs in April, the BCSS project has progressed under an increased scope and changed focus. 9 of 10 councils have engaged WLASS to undertake one or more of the service offerings contained in the WLASS Water Services business case.</p> <p>The opportunity assessment for LDSS was presented to the Board in June 2021. The project was approved to progress to the next stage on the back of 9 councils indicating they wish to participate.</p>
<p>DEVELOP OPPORTUNITIES AND DELIVER PROJECTS WITHIN AGREED BUDGETS AND TIMELINES</p> <p>80% of Opportunities / projects are developed / delivered within agreed timelines</p>	<p>Not Achieved: 63%: Three of the eight projects under development that had a milestone during the year, had some delays in their progress. The most significant delay was a three-month lag in relation to the Building Consent Shared Services project, for which the Board agreed to extend beyond the original timeframe to allow greater time to engage with councils.</p> <p>The transition of all councils across to the new waters services has taken three months longer than anticipated. While most councils had transitioned, some had to be deferred as HCC recruited the required resources to meet expected service delivery levels.</p>
<p>90% of opportunities / projects are developed / delivered, within approved budget</p>	<p>100%: The five completed projects all came within budget.</p>
<p>DEVELOP OPPORTUNITIES AND DELIVER PROJECTS WITHIN AGREED BUDGETS AND TIMELINES</p> <p>Measurable benefits are actively monitored and reported against six-monthly</p>	<p>Achieved: Project benefit assessments are now being presented to the Audit & Risk Committee. These assessments report on whether the benefits noted in project business cases have been realised. They also contain 'lessons learnt' to take forward to future projects. The first such assessment related to the Waikato Data Portal (WDP) and was considered by the Committee in June 2021. As these assessments are completed the measurable benefits will then be monitored ongoing.</p>
<p>Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)</p>	

Performance measure	Outcome
<ul style="list-style-type: none"> For \$200k+ Projects (based on cost of opportunity development and ongoing investment) within 15 months 90% of projected quantifiable benefits are realised 	<p>Achieved: Project benefit assessments are now being undertaken at each Audit & Risk Committee meeting. The first of these, which considered the WDP, took place in June 2021.</p> <p>Unable to measure : 10 of the 15 stated benefits of the WDP are assessed as having been realised. A further 4 are considered difficult to measure, and 1 has not been achieved.</p> <p>The original business case did not include projected quantifiable benefits, or at least baselines for these to measure against. For that reason, we are unable to attribute a percentage to the extent to which the benefits have been achieved, although evidence shows that there have been time and cost savings for councils because of the WDP.</p>
<p>ENSURE EXISTING SERVICES ARE MEETING THE NEEDS OF COUNCILS</p> <p>The services we provide (below) are considered by 80% of councils who use that service to meet or exceed their expectations (evidenced by an annual survey):</p> <ul style="list-style-type: none"> RATA – roading & waters Waikato Building Cluster Regional Infrastructure Technical Specifications Energy & Carbon Management Professional Services Panel Health & Safety pre-qualification 	<p>Achieved: A stakeholder survey was undertaken in May 2021. The survey was sent to 220 council staff with 68 responses (~31%). 81% of respondents said that the services they received either met or exceeded their expectations.</p> <p>The 80% target was also met for each of the services individually, other than the Waikato Building Consent Group.</p> <p>While the result for that service offering was disappointing, it was not unexpected. The prospect of change from the Building Consent Shared Services project has been unsettling for some council staff and this is reflected in the feedback on Waikato Building Consent Group.</p>
<p>FOSTER AND PROMOTE CROSS-COUNCIL COLLABORATION AND NETWORKING TO SHARE IDEAS ON IMPROVING EFFICIENCIES AND BEST PRACTICE</p> <p>Across these groups, 6 ideas for future consideration and/or initiatives are identified each year</p>	<p>Achieved: Initiatives have arisen during the year from the Shared Services Working Party (SSWP), Waikato IT Managers, Procurement Managers and Legal Services groups.</p> <p>Discussion at the SSWP led to the priority project "Customer Digital Enablement".</p> <p>The Procurement Managers group have commenced a review of the Professional Services Panel, and the tender for the data, print and mailhouse contract (awarded in August 2021).</p> <p>The performance measure was established to ensure that the working groups:</p> <ol style="list-style-type: none"> were action-orientated; and acted as a feeder for WLASS priority projects. <p>Various other smaller initiatives have also come from the working parties (e.g. critical roles stocktake, development of a psychological wellbeing best practice document).</p> <p>The working groups fill an important role of helping WLASS develop opportunities, through providing resource, acting as a sounding board for ideas and helping manage the potential for change within their councils.</p> <p>Meetings of the groups also play an important role in fostering relationships and learning from the experience of their colleagues at other councils. They are therefore fulfilling the priority area of 'fostering and promoting cross-council collaboration and networking'</p>

HAURAKI RAIL TRAIL CHARITABLE TRUST

In 2012 Council consulted on whether it should contribute \$500,000 to Hauraki District Council to construct a cycleway from Paeroa to Te Aroha and to underwrite the maintenance of our portion of the cycleway. The community overwhelmingly supported the project and in May 2012 the cycleway (known as the Hauraki Rail Trail) was completed.

The Hauraki Rail Trail Charitable Trust is a charitable trust formed to manage the cycleway. The Trust has been created by Hauraki, Thames-Coromandel and Matamata-Piako District Councils, who can each appoint three trustees. Iwi in the three districts can also appoint one trustee to the Trust. The Trust falls within the definition of a council controlled organisation, however on 14 December 2011 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 on 28 October 2020.

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 THREE: MAHI Ā RŌPŪ | WHAT WE DO



COMMUNITY FACILITIES AND PROPERTY

WHAT WE DO




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 and Recreation Facilities and Heritage.

WHY WE DO THESE ACTIVITIES

Community Facilities and Property provide a wide range of community facilities like pools, libraries, and events centres, tourist attractions such as Firth Tower Museum, Te Aroha Mineral Spas, Hauraki Rail Trail, and Te Aroha i-SITE, open spaces like parks and tracks, through to practical facilities like public toilets, carparks and cemeteries. This activity is also responsible for managing Council land and buildings including housing the elderly. These activities all help make our community a great place to live and visit. Council has developed a vision to make Matamata-Piako 'The Place of Choice' – Lifestyle – Opportunities – Home. Community Facilities and Property contributes to this overall vision by providing places for people to participate in sport, recreation and cultural activities as well as play, relax, experience nature and access information. The activity also beautifies our towns, protects sensitive environments, provides facilities for visitors and supports economic growth.

COMMUNITY FACILITIES AND PROPERTY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:

CONNECTED INFRASTRUCTURE

-  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. ✓





ECONOMIC OPPORTUNITIES

-  Our future planning enables sustainable growth in our district. ✓




HEALTHY COMMUNITIES

-  Our community is safe, healthy and connected. ✓
-  We encourage the use and development of our facilities. ✓



ENVIRONMENTAL SUSTAINABILITY

-  We support environmentally friendly practices and technologies. ✓



VIBRANT CULTURAL VALUES

-  We promote and protect our arts, culture, historic, and natural resources. ✓

FOUR WELLBEINGS OF OUR COMMUNITY

One of the purposes defined in the Local Government Act 2002 is for local authorities to identify effects that any activity has had on the four well-beings (social, economic, environmental and cultural). Below are the identified effects for the Community Facilities and Property activities:

WELLBEINGS	COUNCIL ACTIVITIES							
	CARPARKS AND STREET FURNITURE	CEMETERIES	HOUSING AND PROPERTY	LIBRARIES	PARKS AND TRACKS	POOLS AND SPAS	PUBLIC TOILETS	RECREATION FACILITIES AND HERITAGE
SOCIAL	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 adequate burial facilities	The elderly in the district who use Council accommodation benefit from social housing.	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 public areas and facilities for active recreation for the community.	Pools and Spas provide recreation activities for the community.	Our Public Toilet facilities ensure that visitors and the community have access to these while in the district, ensuring the public have a pleasant experience.	Our Recreation facilities 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 meetings or events.
ECONOMIC	-	-	-	Library facilities support learning and development and help overcome socio-economic differences.	Parks and Tracks provide a range of areas that attract events and activities which can result in increased spending.	Pools and Spas attract peoples from outside the district, which can result in increased spending.	-	Recreational facilities provide drawcards and allow for events and general attractions; which increases spending within the district.
ENVIRONMENTAL	-	-	-	-	Parks and Tracks protect areas of environmental value. They also improve amenity values, preserve native flora and fauna and increase aesthetic values through landscaping.	-	-	-
CULTURAL	-	-	-	The libraries provide summer reading programmes, a diverse range of reading and entertainment media as well as displaying community exhibits and collections	-	-	-	These assist with preserving and maintaining access to local and national history and culture. As well as supporting diversity in the community.

CARPARKS AND STREET FURNITURE

Carparks and Street Furniture is about providing convenient facilities for locals and visitors. This includes providing parking in our three main towns and street furniture like seats, picnic tables, drinking fountains, signs, and bollards to improve safety and public art.

OUR PROJECTS FROM THE LAST TWELVE MONTHS

Key projects undertaken in the last twelve months are outlined below.

PROJECTS	WHAT HAVE WE BEEN DOING?	2020/21	
		BUDGET	ACTUAL
		\$000	\$000
CBD revitalisation and streetscape upgrades*	Redevelopment of the Matamata CBD streetscapes was budgeted in 2019/20. The funding was carried forward to 2020/21. New rubbish bins have been installed in Arawa Street, and refurbishment of the seating throughout the CBD is underway. Further improvements to the CBD has been funded through the 2021-31 LTP. A budget of \$2.5 million between 2024/25 and 2028/29 has been allocated for town revitalisation of all three towns.	375	202
CBD revitalisation and streetscape upgrades	Redevelopment of the Morrinsville CBD Streetscapes was budgeted for in the 2018-28 Long Term Plan. The budget was then adjusted for the 2020/21 Annual Plan, and again during the development of the 2021-31 LTP this work was re-prioritised. A budget of \$2.5 million between 2024/25 and 2028/29 has been allocated for town revitalisation of all three towns.	450	-
CBD revitalisation and streetscape upgrades	Redevelopment of the Te Aroha CBD Streetscapes was budgeted for in the 2018-28 Long Term Plan. The budget was then adjusted for the 2020/21 Annual Plan, and again during the development of the 2021-31 LTP this work was re-prioritised. A budget of \$2.5 million between 2024/25 and 2028/29 has been allocated for town revitalisation of all three towns.	50	-
Infrastructure for Motor Caravans	A new motorhome dump station was constructed on Rockford street in Matamata.	95	66
Waharoa Rest Area carpark upgrade	This project was reprioritised as part of the 2021-31 Long Term Plan, and funding has been allocated in 2021/22.	170	-
Howie Park, Morrinsville - parking	Concept plans were developed from initial community feedback. Other projects have taken priority in the short-term. Funding has been moved to 2027/28 in the LTP 2021-31.	100	-
Bulk Funds	This funding provides for minor or unplanned works and currently also funds renewals that fall outside the renewal plans/renewal budgets. Bulk funds of \$15,000 was used towards the Morrinsville Events Centre carpark CCTV.	20	15
Total key capital projects		1,260	283

*The budgeted amount above represents Council's contribution towards the project. Additional funding sought from external funding providers and partners.

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
We will provide well maintained carparks and street furniture and will respond to vandalism and graffiti in a timely manner.	90% or more of damage, vandalism and graffiti complaints regarding Council carparks and street furniture will be responded to within the assigned timeframe.	70%	92.3%	72.2%	90% or more
					ACTUAL
					100%

WHAT'S BEHIND THE RESULTS

To ensure our facilities are safe and maintained to an acceptable standard, we will respond to complaints in a timely manner. Our response rate is measured by generating a report from our Customer Request Management (CRM) system. This year we received no complaints regarding Council carparks and street furniture.

*EXPECTED RESPONSE TIMES

COMPLAINT TYPE	DURING WORK HOURS (MONDAY TO FRIDAY 7AM-4PM)	AFTER HOURS/WEEKEND/STATUTORY HOLIDAY
Safety related - An immediate risk to safety, likely to cause harm to users, (e.g. broken glass, discarded needles, severe structural damage).	2 work hours or less	2 work hours or less, counted from the start of the next working day.
Other (e.g. graffiti, blown light bulb, other minor maintenance issues).	2 working days or less	2 working days or less, counted from the start of the next working day.

CEMETERIES

Cemeteries provide spaces for the dignified burial of bodies and interment of ashes, contributing to the social and cultural wellbeing of the community. Our cemeteries provide land for traditional burials as well as areas for ashes burials, ashes interments and memorials.

OUR PROJECTS FROM THE LAST TWELVE MONTHS

Key projects undertaken in the last twelve months are outlined below.

PROJECTS	WHAT HAVE WE BEEN DOING?	2020/21	
		BUDGET \$000	ACTUAL \$000
Ashes Walls	This project was delayed. Te Aroha ashes wall is scheduled to be completed by December 2021.	45	-
Te Aroha Cemetery expansion	Our project to expand the capacity of the Te Aroha Cemetery by developing adjacent land to the south of the current cemetery has started with design plans drawn in 2018/19 and the designation was extended in 2019/20. Construction of an internal road is underway and due to be completed by September 2021. Native planting along the boundary has been completed.	152	205
Bulk funds	This funding is for minor or unplanned works and currently also funds renewals that fall outside the renewal plans/renewal budgets. Potential projects are assessed against criteria before being approved.	15	-
Total key capital projects		212	205

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
Cemeteries will be maintained to a high standard.	Percentage of people who have visited a Council cemetery in the last year who are satisfied with the cemeteries.	89%	89%	87%	80% or more
					ACTUAL
					83%

WHAT'S BEHIND THE RESULTS

We aim to maintain cemeteries to a standard that satisfies cemetery visitors and shows respect to our deceased. We measure this through our customer survey. This year 83% were satisfied/very satisfied, 11% neither satisfied nor dissatisfied and 5% said they were dissatisfied/very disappointed, whilst 1% were unsure.



HOUSING AND PROPERTY MANAGEMENT

We own and manage a variety of land and buildings including providing elderly persons housing allowing them to access affordable housing in a quiet, maintenance free and supportive living environment. This activity is also responsible for corporate buildings used to deliver services to the community including Council offices, depots and an animal pound.

We also have 17 community halls, mainly located in rural areas. While we own the halls, the individual halls are operated by hall management committees. There is also a range of land such as undeveloped reserves and general property and buildings, such as clubrooms on parks, that we lease to others until we need them.

OUR PROJECTS FROM THE LAST TWELVE MONTHS

Key projects undertaken in the last twelve months are outlined below.

PROJECTS	WHAT HAVE WE BEEN DOING?	2020/21	
		BUDGET	ACTUAL
		\$000	\$000
Waihou Depot Improvements	This project was re-prioritised as part of the 2021-31 Long Term Plan.	65	-
Total key capital projects		65	-

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
We will provide housing that meets the needs of elderly people.	Percentage of elderly persons housing tenants who are satisfied with the standard of maintenance and accommodation.	80.82%	86.56%	93.22%	80% or more satisfied
					ACTUAL
					86.56%

WHAT'S BEHIND THE RESULTS

We provide elderly persons housing so elderly people can have access to good quality affordable housing. This is measured by an annual survey of elderly persons housing tenants undertaken in April each year. During the COVID-19 lockdown we called all residents who live alone on a regular basis to check on their welfare being vulnerable people during the lockdown.

We will provide affordable elderly persons housing.	Rent charged for elderly persons housing will be below the market median for the district.	Achieved	Achieved	Achieved	Rents are below the market median
					ACTUAL
					ACHIEVED

WHAT'S BEHIND THE RESULTS

Our policy is to set elderly persons housing rents below the market median for the district to ensure it is affordable. This is measured through our annual accounts and review of annual market median rents as supplied by the Ministry of Building, Innovation and Employment.

Elderly Persons Housing will be well utilised.	At least 95% of elderly persons housing will be occupied.	99.5%	96%	99.4%	95% or more
					ACTUAL
					99%

WHAT'S BEHIND THE RESULTS

High occupancy rates of elderly persons housing will ensure we are providing affordable housing in the district. This is measured through our internal records of occupancy. This year we had 99% of our elderly persons housing occupied. This result does not include periods that the units were unable to be filled due to planned periods of refurbishments, repairs or upgrades.

LIBRARIES

Our public libraries have been supplying our communities with library services for over 100 years. While the technology and delivery options may have changed over time, the core roles of the library have remained the same. Our libraries support and are actively involved in activities such as reading, literacy and information technology for people of all ages, local heritage, providing public space and a community focal point, offering opportunities for lifelong learning and putting people in touch with information. Our libraries are intended to be community hubs providing support in many forms.

OUR PROJECTS FROM THE LAST TWELVE MONTHS

There were no capital projects in 2020/21.

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
Our library services will be accessible to the community.	The number of people visiting our libraries.	143,292	191,262	183,938	Visitor and online user numbers will be within 5% of the five year average.
					ACTUAL
	The number of people accessing library information online.	26,594			209,829
	The number of library members who have been active (used their library card) in the last 12 months.	New measure	12,569	9,244	2% increase from previous year.
					ACTUAL
					10,804
Our library resources will support community needs.	The percentage of users who are satisfied with library services.	90%	85%	80%	90% satisfied
					ACTUAL
					86%

WHAT'S BEHIND THE RESULTS

For libraries and library services to contribute to community wellbeing they need to be available for people to access information. This is measured through door count records, website visitor statistics and our customer survey.

User satisfaction for the library services has increased by 6% from the 2019/20 results. The percentage of users who are satisfied with our library services is measured through our Annual Customer Survey. Of the participants, 86% were satisfied/very satisfied, 8% were neither satisfied nor dissatisfied, whilst a further 6% are dissatisfied/very dissatisfied. Reasons for dissatisfaction included the limited range of books.

PARKS AND TRACKS

We provide a variety of parks for the community to use and enjoy for a variety of sport and recreation activities. Playground and skate park facilities provide opportunities for recreation, physical development and social activities for children and young people. Our tracks provide opportunities for walking, cycling and experiencing nature. Many of our tracks are developed and maintained in partnership with volunteer community groups.

PROJECTS	WHAT HAVE WE BEEN DOING?	2020/21	
		BUDGET \$000	ACTUAL \$000
Park signage	Improvements to signage of parks across the district has been delayed due to other work projects. We have assessed the condition of major signs in 2019/20. Design work on a bilingual signage format has started. Physical works to be carried out in 2021/22.	8	-
Bulk funds	A new walkway was constructed at Swap Park in Matamata..	30	25
Matamata Inner Walkway	Connect existing parks and tracks to create an inner walkway circuit. Land has been purchased to complete. This project was re-prioritised as part of the 2021-31 Long Term Plan with \$775,000 budgeted for between 2024 and 2031.	349	-
Waharoa Rest Area - Land Acquisition	This project was re-prioritised as part of the 2021-31 Long Term Plan.	50	-
Morrinsville River Walk Extension	Acquire and develop land to extend the River Walk from Studholme Street to Holmwood Park. Work has been progressing. Council has received consent and working through contractor engagement. Physical works are planned to commence in October 2021.	255	103
Banks Road Reserve Development	We developed a concept plan for a new playground at Banks Road Reserve in consultation with the community. The playground was completed in January 2021, following COVID-19 related delays. Ancillary works to be completed 2021/22.	75	81
Install retaining wall along banks of Kenrick Street Causeway	This project was reprioritised as part of the 2021-31 Long Term Plan.	30	-
Howie Park redevelopment	This project was reprioritised as part of the 2021-31 Long Term Plan.	142	-
Total key capital projects		939	209

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2018/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
We will provide good quality sports field facilities to meet the needs of users.	Percentage of users satisfied with sports fields.	79%	81%	78%	80% or more users satisfied.
					ACTUAL
					82%
WHAT'S BEHIND THE RESULTS					
This is measured through our Annual Customer Survey. Of the participants surveyed 82% were satisfied/very satisfied, 12% were neither satisfied nor dissatisfied, 6% were dissatisfied/very dissatisfied. Reasons for dissatisfaction included lack of maintenance.					
We will promote and encourage the community to use our parks and reserves.	Percentage of users satisfied with parks and reserves.	84%	78%	79%	80% or more users satisfied.
					ACTUAL
					82%
WHAT'S BEHIND THE RESULTS					

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2018/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
Our public playgrounds will be safe.	Playground safety will be assessed on a regular basis.	Achieved	Achieved	Before COVID-19 - On track* After COVID-19 - Not Achieved*	Inspections will be undertaken once every two weeks and once every week during school holidays. An external audit will be undertaken annually to evaluate compliance with the relevant New Zealand Standard.
					ACTUAL
					ACHIEVED

WHAT'S BEHIND THE RESULTS

People's safety will not be at risk while using playgrounds. This is measured through our playground safety audit records. During 2020/21 inspections were undertaken once every two weeks and once every week during school holidays.

* 2019/20 was an unprecedented year which saw COVID-19 impact the whole country and a number of our services were impacted due to the lockdown. The lockdown was particularly important for our playground inspections as it meant for the weeks of 3 April 2020 until 8 May 2020, inspections were unable to be undertaken due to lockdown under level 4 and 3. All playgrounds were closed which was communicated publicly via a number of methods and playgrounds had 'closed' signs on them where possible so any safety risks were mitigated. We conducted inspections to ensure safety before playgrounds were re-opened following the COVID-19 lockdown. Therefore we have broken down this measure into before and after COVID-19, showing that before COVID-19 we were on track with our target however after COVID-19 we were no longer on track and didn't meet our target for the year.



POOLS AND SPAS

Pools and spas contribute to the health and wellbeing of our community by providing opportunities for swimming and relaxation. Te Aroha Mineral Spas are a popular tourist attraction for both domestic and international tourists.

OUR PROJECTS FROM THE LAST TWELVE MONTHS

Key projects undertaken in the last twelve months are outlined below.

PROJECTS	WHAT HAVE WE BEEN DOING?	2020/21	
		BUDGET	ACTUAL
		\$000	\$000
Swim Zone Splash Pads	The installation of splash pads (water play areas) for pool facilities has been delayed. This has been included in the LTP 2021-31 and has been budgeted for the years 2025/26 and 2027/28.	210	-
Swim Zone Morrinsville	The installation of a separate filtration systems at pools has been delayed. The funding that was set aside will be used to cover the costs of leak detection. Development of the Morrinsville pool has been included in the LTP 2021-31 and will be undertaken in the years 2023/25 to 2030/31.	30	-
Bulk funds	This funding is for minor or unplanned works and currently also funds renewals that fall outside the renewal plans/renewal budgets. Potential projects are assessed against criteria before being approved.	20	-
Total key capital projects		260	-

TE AROHA SPA DEVELOPMENT

Following the initial work to develop a Feasibility Study for new Te Aroha spa facilities, funded from the Provincial Growth Fund, Council engaged a Project Manager in 2020 to progress this work to a Business Case, which was considered as part of the Long Term Plan process. Following community consultation, Council has included funding for the construction and establishment of the facility in the Long Term Plan (LTP) with completion in 2024/25.

Capital of \$18.9m has been included in the final LTP budgets between 2022/23-2023/24 towards the project. Submissions on these options have been called for as part of the LTP consultation. Of those who submitted on this topic, most (41%) have preferred the \$18.9 million option ('If you're going to do it, do it properly') as set out in the Consultation Document. Council considered the submissions at a hearing on 12/13 May 2021 and made a decision to include the \$18.9 million in the LTP. Council noted further due diligence is required before the project can proceed.

Staff have engaged a project manager to coordinate further work on this project. A project plan has been developed. Council formally approved proceeding with the project in December 2020. The Project Manager is currently preparing a detailed project plan and working out how this will be delivered on.

Formation of a Project Governance Group has been completed. Council has appointed Mayor Ash Tanner as Council's representative on the Governance Group and has confirmed the independent Chair and Co-Chairperson (Barry Harris and Norm Hill) and an iwi representative (Jill Taylor). The Co-Chairs have appointed an additional independent member with expertise in tourism (Kiri Goulter), which makes-up the full Governance Group.

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
Our facilities will be safe for facility users and staff.	Four independent safety and quality audits will be carried out on Swim Zone Te Aroha, Swim Zone Matamata and the Te Aroha Mineral Spas. Two independent audits will be carried out on Swim Zone Morrinsville.	Achieved	Achieved	Before COVID-19 Achieved After COVID-19 Not achieved	Inspections will be undertaken by an external auditor four times per year.
					ACTUAL
					ACHIEVED

WHAT'S BEHIND THE RESULTS

This is measured through records of quarterly external audits. Professional pool operation and management ensures people's safety will not be put at risk while using our pools. Audits on our pools and spas were completed in July 2020, November 2020, February 2021 and May 2021.

*In 2019/20 Morrinsville Swim Zone had two audit completed however Matamata and Te Aroha Swim Zones and Te Aroha Mineral Spas only had three inspections due to the COVID-19 lockdown and final inspections occurred in July 2020.

We will provide well maintained aquatic facilities in the district.	Percentage of users satisfied or very satisfied with pool facilities.	87%	72%	73%	80% or more customers satisfied
					ACTUAL
					79%

WHAT'S BEHIND THE RESULTS

This is measured through our Annual Customer Survey. Of the participants, 79% were satisfied/very satisfied, 12% were neither satisfied nor dissatisfied, 8% were dissatisfied/very dissatisfied. Reasons for dissatisfaction included lack of shade, carparks and maintenance.

We will promote and encourage our community to use aquatic facilities.	The number of customers using our pool facilities will be maintained.	176,466	198,099	159,047	Visitor numbers will be within 5% of the five year average
					ACTUAL
					184,164

WHAT'S BEHIND THE RESULTS

Measured by attendance records, each visit is counted as one. During 2020/21 financial year we had 184,164 visitors to our pools and spas. This performance measure has exceeded the 5% average of 170,385, despite Morrinsville Swim Zone being closed for the first four months of the financial year.

PUBLIC TOILETS

Our public toilets provide residents and visitors access to safe, clean and convenient toilet facilities.

OUR PROJECTS FROM THE LAST TWELVE MONTHS

Key projects undertaken in the last twelve months are outlined below

PROJECTS	WHAT HAVE WE BEEN DOING?	2020/21	
		BUDGET	ACTUAL
		\$000	\$000
Toilet replacement and baby change table	Council successfully applied to the Tourism Infrastructure Fund for co-funding towards new toilets at Waharoa and Wairere Falls. The annual budget for toilet upgrades was applied to these projects as part of Council's contribution.		
	In Waharoa the old toilets were demolished and replaced with six modern, unisex, Exeloo prefabricated toilets on a new site, approximately 5 meters from the old site. The new toilets are better able to cope with visitor numbers, easier to maintain, vandal-resistant, more aesthetically pleasing, and able to be relocated if demand changes in the future.	150	614
	At the Wairere Falls carpark a new toilet block was installed.		
Morrinsville Studholme Street Toilets	A new single cubicle Exeloo public toilet has been installed next to the i-Site on Thames Street.	100	111
Total key capital projects		250	725

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
Our public toilets will be maintained to acceptable standards	The number of complaints received regarding dissatisfaction with the cleanliness of public toilets	36 complaints	38 complaints	11 complaints	20 or less complaints about cleanliness per year
					ACTUAL
					18 complaints

WHAT'S BEHIND THE RESULTS

Our public toilets will be maintained to ensure the health and wellbeing of our community is not negatively affected. This is measured through the number of complaints about cleanliness reported via our Customer Request Management System.

We received 18 complaints regarding the cleanliness of public toilets during 2020/21. Lawrence Avenue, Te Aroha and Te Aroha Domain toilets received the most complaints with three each. Other complaints received were for numerous locations around the District.

In accordance with the Long Term Plan 2018-28, we allocated \$200,000 towards toilets being replaced/renewed in Waharoa. The new toilets will be better able to cope with visitor numbers, easier to maintain, vandal resistant, more aesthetically pleasing and able to be relocated if demand changes in the future. The opening and blessing of the toilet block was held on 22 February 2021.

RECREATION FACILITIES AND HERITAGE

Recreation Facilities and Heritage is about leisure opportunities as well as promoting and preserving our cultural heritage and encouraging tourists to our District. Our recreation facilities include an aerodrome, campgrounds, event centres, museums, heritage buildings and information centres.

OUR PROJECTS FROM THE LAST TWELVE MONTHS

Key projects undertaken in the last twelve months are outlined below

PROJECTS	WHAT HAVE WE BEEN DOING?	2020/21	
		BUDGET \$000	ACTUAL \$000
	The building and facilities are now complete.		
Matamata Indoor Sports facilities - Headon Stadium	The refurbished building is single story, with a meeting room, storage rooms, kitchen facilities and provide full disability access. It includes internal and external access to toilets and change facilities. The Stadium is yet to be opened due to damage to the floors, which occurred during Level 4 lockdown in April 2020. The replacement of the floor has been delayed due to supply chain issues.	-	1,179
Matamata Indoor Sports facilities	This project was re-prioritised in the 2021-31 Long Term Plan, with funding of \$2.0 million budgeted in 2023/24.	-	-
Bulk funds	This funding is for minor or unplanned works and currently also funds renewals that fall outside the renewal plans/renewal budgets. Potential projects are assessed against criteria before being approved. This financial year we installed bike racks at the iSite and Firth Tower Matamata.	10	-
Total key capital projects		10	1,179

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
We will provide well-maintained recreation and heritage facilities and will respond to complaints about damage, vandalism and graffiti in a timely manner.	90% or more of damage, vandalism and graffiti complaints regarding recreation and heritage facilities will be responded to within the assigned timeframe*.	83%	84.2%	75%	90% or more
					ACTUAL
					100%

WHAT'S BEHIND THE RESULTS

Our response rate was measured from our Customer Request Management system. We received a total of three complaints about damage to our Recreation and Heritage facilities in 2020/21. Of these complaints three (100%) were responded to within the prescribed timeframe.

*EXPECTED RESPONSE TIMES

COMPLAINT TYPE - EXPECTED RESPONSE TIMES	DURING WORK HOURS (MONDAY TO FRIDAY 7AM-4PM)	AFTER HOURS/WEEKEND/STATUTORY HOLIDAY
Safety related - An immediate risk to safety, likely to cause harm to users, (e.g. broken glass, discarded needles, severe structural damage).	Two work hours or less	Two work hours or less, counted from the start of the next working day.
Other - (e.g. graffiti, blown light bulb, other minor maintenance issues).	Two working days or less	Two working days or less, counted from the start of the next working day.

COMMUNITY FACILITIES AND PROPERTY

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

Long Term Plan budget 2019/20	Actual 2019/20		Long Term Plan budget 2020/21	Actual 2020/21	Explanation of key variances to the Long Term Plan budget
(\$000)	(\$000)		(\$000)	(\$000)	
Sources of operating funding					
9,190	9,648	General rates, uniform annual general charges, rates penalties	9,774	10,202	Rates requirements since the LTP budget was set three years ago have increased in line with increasing costs including staff costs for the aquatic facilities building maintenance and parks and reserves.
77	103	Targeted rates	78	98	
4	-	Subsidies and grants for operating purposes	4	81	SwimZone secured a grant to run a water skills programme, and \$68,000 was received under a library partnership programme.
2,834	2,950	Fees and charges	2,896	3,364	Income from housing was higher than budgeted due to increased rents, and activity at Council's facilities has exceeded the level budgeted in the LTP.
160	(108)	Internal charges and overheads recovered	168	191	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
12,265	12,593	Total operating funding (A)	12,920	13,936	
Applications of operating funding					
7,876	8,281	Payments to staff and suppliers	8,116	9,795	There were a number of areas where costs have increased compared to the level budgeted in the LTP set three years ago or where unbudgeted projects have come up in that time. These include the demolition cost of Ngarua Hall of \$146,000, \$30,000 for the design work for the Heritage Tea House, and \$33,000 in Asbestos removal costs. Higher consultant costs were incurred for Asset Management projects including the Morrinsville River Walk, Hetana street innovation project, Open Space Strategy etc. Building maintenance costs for the pools and recreation facilities were higher than budgeted. Salary costs for the pools and Te Aroha Mineral Spa were higher due to the introduction of the living wage and a change in staff structure.
310	150	Finance costs	431	200	Debt raised was lower than projected in the LTP due to the delay in the capital programme (as detailed below), reducing overall finance costs.
1,839	2,114	Internal charges and overheads applied	1,891	2,041	Overhead costs allocated are higher than budgeted in the LTP.
-	-	Other operating funding applications	-	-	
10,025	10,545	Total applications of operating funding (B)	10,438	12,036	
2,240	2,048	Surplus (deficit) of operating funding (A - B)	2,482	1,900	
Sources of capital funding					
-	(32)	Subsidies and grants for capital expenditure	-	645	Council received grant funding in respect of the Innovating Streets projects and from the Government's Tourism Infrastructure fund that were used for toilet upgrades at Wairere Falls carpark and the Waharoa rest area.
56	262	Development and financial contributions	57	454	Revenue from contributions was higher than budgeted due to some significant developments in the district, particularly in Morrinsville and Matamata.
3,454	(58)	Increase (decrease) in debt	989	1,472	The timing of projects has changed to that of the debt forecast set out in the LTP from three years ago.

Long Term Plan budget 2019/20	Actual 2019/20		Long Term Plan budget 2020/21	Actual 2020/21	Explanation of key variances to the Long Term Plan budget
(\$000)	(\$000)		(\$000)	(\$000)	
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
3,510	172	Total sources of capital funding (C)	1,046	2,571	
Applications of capital funding					
Capital expenditure					
-	-	—to meet additional demand	-	-	
4,521	1,434	—to improve the level of service	2,434	3,113	Projects carried forward prior years have been progressed during the 2020/21 year such as Headon stadium, the Toilet upgrades at Wairere falls and Waharoa rest area, and cemetery expansion projects. Also the reserve land purchase at Morrinsville's Lockerbie development was not budgeted for at the time the LTP budget was set. The flow-on from this work in progress has meant that some major projects including the Streetscape upgrades and Matamata indoor stadium project have been carried forward to be completed in future years.
1,142	786	—to replace existing assets	897	1,153	Some renewal projects have been delayed including parks and tracks, carpark, and toilet upgrade projects. This was offset by a higher level of spending on renewals of pensioner housing units that are generally timed around the vacancy of the units.
87	-	Increase (decrease) in reserves	197	205	
	-	Increase (decrease) of investments	-	-	
5,750	2,220	Total applications of capital funding (D)	3,528	4,471	
(2,240)	(2,048)	Surplus (deficit) of capital funding (C - D)	(2,482)	(1,900)	
-	-	Funding balance ((A - B) + (C - D))	-	-	

STRATEGY AND ENGAGEMENT

WHAT WE DO

Strategy and Engagement is about making good decisions for the future of our community. The activities responsible for this are Civil Defence, Communications and Events, Community Leadership, and Strategies and Plans.

WHY WE DO THESE ACTIVITIES

These activities ensure our community is informed of Council activities and can be involved in open and transparent decision making. This 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. Council has developed a vision to make Matamata-Piako 'The Place of Choice; Lifestyle – Opportunities – Home'. Strategy and Engagement contributes to this overall vision by providing leadership that makes Matamata-Piako a desirable place to live.

STRATEGY AND ENGAGEMENT CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:

	CIVIL DEFENCE	COMMUNICATIONS AND EVENTS	COMMUNITY LEADERSHIP	STRATEGIES AND PLANS
ECONOMIC OPPORTUNITIES				
 We are a business friendly Council.		✓	✓	✓
 Our future planning enables sustainable growth in our district				✓
HEALTHY COMMUNITIES				
 Our community is safe, healthy and connected.	✓			
 We encourage community engagement and provide sound and visionary decision making		✓	✓	
VIBRANT CULTURAL VALUES				
 We value and encourage strong relationships with Iwi and other cultures, recognising waahi tapu and taonga/significant and treasured sites and whakapapa/ancestral heritage			✓	✓
 Tangata Whenua with Manawhenua status (those with authority over the land under Māori lore) have meaningful involvement in decision making			✓	✓

THE FOUR WELLBEINGS AND OUR COMMUNITY OUTCOMES

One of the purposes defined in the Local Government Act 2002 for local authorities, is to identify effects that any activity has had on the four well-beings (social, economic, environmental and cultural). These have been identified below for the Strategy and Engagement activities:

WELLBEINGS	COUNCIL ACTIVITIES			
	CIVIL DEFENCE	COMMUNICATIONS AND EVENTS	COMMUNITY LEADERSHIP	STRATEGIES AND PLANS
SOCIAL	Civil Defence ensures the community and Council are prepared in an emergency. This preparation helps the community remain safe during these times.	Community events such as ANZAC Day and Volunteer Morning Tea encourages and highlights the achievements of the district.	Community Leadership provides fair representation of the communities' wants and needs. Creating a quality social environment for the community to all be represented.	Develops and encourages effective representation and consultation through its policies by improving community participation.
ECONOMIC	-	Community 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.	-	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	-	-	-	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	-	It was agreed that our Waitangi Day celebrations will be held biennially by the Te Manawhenua Forum which is supported by Council staff. The next event will be in 2021. This event ensures that Iwi are engaged and Iwi culture is celebrated.	Te Manawhenua Forum provides a platform for mana whenua to be heard and to have serious input into Council decisions.	Our Strategies and Plans develops and encourages consultation through its policies by ensuring Tangata Whenua participation.



CIVIL DEFENCE

Civil Defence Emergency Management (CDEM) is a function and responsibility of regional, city and district councils. Our civil defence role includes community, organisational and business readiness, including public education and awareness, training and exercises and local response planning. We are part of the Waikato CDEM Group, which includes the Waikato Regional Council and all 10 district/city councils, as well as emergency services, welfare agencies and utility providers. This group works closely with research institutions, utility operators and central government to reduce risks and improve community resilience. We're also part of the Thames Valley emergency operating area, which provides Civil Defence services locally.

OUR PROJECTS FROM THE LAST TWELVE MONTHS

Running emergency exercises and the regular review of our local and regional plans are the core of this activity. A disaster recovery plan has been developed for our district.

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
We will be prepared to assist the community in the event of an emergency	We will have sufficient trained staff within the Thames Valley Emergency Management operating area	42%	44%	55.6%	65% or more
					ACTUAL
					55.6%

WHAT'S BEHIND THE RESULTS

We need to have the right staff with the right qualifications to respond to a civil defence emergency in the Thames Valley Civil Defence area. Those positions include the controller, intelligence officers and several other essential roles. We aim to ensure a minimum percentage of those positions are filled (taking staff turnover into account). This is measured through our internal records.

As of 30 June 2021 we reached 55.6% of the positions filled with appropriately trained staff. We provide information to our community on emergency readiness via our website and Facebook.



COMMUNICATIONS AND EVENTS

Communications and Events is responsible for keeping the community informed and actively encouraging people to engage with Council. This involves developing plans and materials to engage with the community, monitoring social trends such as social media, online services and mobility, and implementing improvements to make it easier for customers to do business with us or participate in our processes. Communications and Events also organise events that contribute to a sense of community such as ANZAC Day ceremonies and the Community Volunteer Morning Tea and economic development activities such as the Business Night Out and Industry Training Graduation.

OUR PROJECTS FROM THE LAST TWELVE MONTHS

Key projects undertaken in the last twelve months are outlined below.

PROJECTS	WHAT HAVE WE BEEN DOING?	2020/21	
		BUDGET \$000	ACTUAL \$000
Events	This year we hosted the annual Business Night Out. This event celebrates and recognises local business excellence, as well as providing an opportunity for business people to network with others from around the district. We also hosted the ANZAC Day services across the district, and We held the official opening of the Hauraki Rail Trail (Te Aroha to Matamata extension) which included simultaneous dawn blessings and a public ceremony at Te Aroha Railway.	40	29
Digital strategy	This project has been deferred due to budget cuts following COVID-19 recovery	40	-
Integration BUS and Middleware	This project has been deferred due to budget cuts following COVID-19 recovery	50	-
Digital Display Hardware	This project has been deferred due to budget cuts following COVID-19 recovery	10	-
Total key operational projects		140	29

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
We will hold events to contribute to economic development, recognise volunteers, and remember our history	We will hold one function annually to recognise volunteers, ANZAC Day commemorations and two functions to contribute to economic development	Business Night Out Industry Training Graduation Volunteer Morning Tea ANZAC Day Civic Ceremonies.	Before COVID-19 On track	We will hold one function annually to recognise volunteers, ANZAC Day commemorations and two functions to contribute to economic development.	
				ACTUAL	
			After COVID-19 Not achieved	ACHIEVED	

WHAT'S BEHIND THE RESULTS

The annual Business Night Out was held on 29 October 2020, at the Matamata-Piako Civic and Memorial Centre in Matamata. This event was a slightly different format than usual due to the uncertainty of the holding events in COVID-19 restrictions. The Business Night Out is well attended to celebrate and recognise business excellence in our community as well as providing opportunity for business people to network with others from around the district.

On Sunday, 1 November 2020, in conjunction with the Hauraki Rail Trail Trust, we held the official opening of the Hauraki Rail Trail for the Te Aroha to Matamata extension. Simultaneous dawn blessings were held in Te Aroha and Matamata for Iwi and invited guests with a public ceremony at Te Aroha Railway later in the morning. This event celebrated the completion of a well-known tourist attraction before the summer holiday season commenced.

Council also hosted a Big Business Breakfast and two Business After 5 events to consult on the Long Term Plan 2021-31.

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
We will continue developing online services so residents and ratepayers can access information and interact with Council at any time, from anywhere.	We will develop one new digital service per year to allow customers to exchange money or information with Council.	Purchase rubbish bags and recycling bins online live streaming events	Antenno App	Alpha One (online building consent portal)	One new transaction/service per year
					ACTUAL
					Online Grants Portal Tourism Campaign (matamatapiako.nz) Your Voice, Your Vision (e-petition)

WHAT'S BEHIND THE RESULTS

This is measured through our internal records. An online grants portal was developed to allow grant applicants to save, review, edit and copy their current and past grant application.

As part of a tourism campaign, the website matamatapiako.nz was launched in December 2020 to attract domestic visitors to the district.

We also developed and launched an e-petitions platform, You Voice, Your Vision, allowing customers to submit their ideas to Council, and others to vote in support of the idea with added comments if desired. This platform was used for a limited period for consultation ahead of Council's Long Term Plan 2021-31.

We will make Council information easy for people to find and access.	Percentage of residents who are satisfied with ease of access to Council information.	65%	62%	58%	65% or more of residents satisfied
					ACTUAL
					51%

WHAT'S BEHIND THE RESULTS

This is measured through our Annual Customer Survey. Just over half (51%) of respondents indicated they were either satisfied (37%) or very satisfied (14%). This decrease was predominately offset by an increase in neutral ratings (33% c.f. 2020, 24%). Ten percent of respondents indicated that they were dissatisfied (8%) or very dissatisfied (2%) with the ease of access to Council information. Reasons given for dissatisfaction included comments on access being restrictive and lack of communication.



COMMUNITY LEADERSHIP

Community Leadership 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 decisions.

OUR PROJECTS FROM THE LAST TWELVE MONTHS

Key projects undertaken in the last twelve months are outlined below.

PROJECTS	WHAT HAVE WE BEEN DOING?	2020/21	
		BUDGET	ACTUAL
		\$000	\$000
Triennial elections	This budget is smoothed over the life of the Long Term Plan. The next triennial elections will be in 2022.	45	
Te Manawhenua Forum mo Matamata-Piako	The Te Manawhenua Forum Mo Matamata-Piako is a standing committee of Council.	22	14
Volunteer youth Ambassadors	This project was discontinued in 2020.	10	-
Total key operational projects		77	14

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
People will have confidence in their local elected members.	Percentage of the community satisfied with the leadership of the Councillors and Mayor.	New measure	55%	50%	2% improvement each year (52%)
					ACTUAL
					62%
WHAT'S BEHIND THE RESULTS					
This is measured through our Annual Customer Survey. Of the participants 62% of the community were satisfied/very satisfied, 29% were neither satisfied/dissatisfied, 5% were dissatisfied/very dissatisfied, whilst a further 5% were unsure.					
Reasons given for dissatisfaction included comments such as the Mayor and Councillors not listening to the community and the neglect of youth within the town of Te Aroha.					
Council will involve Tangata Whenua with Mana Whenua status in the decision making process.	Percentage of Te Manawhenua Forum members satisfied with progress made towards achieving the identified work streams.	New measure	16.66%	15%	2% improvement each year
					ACTUAL
					35.7%
WHAT'S BEHIND THE RESULTS					
This is measured by the number of members that respond to a survey sent to the Te Manawhenua Forum that responded as being satisfied. The survey allows us to see how we have progressed on the identified work streams. This year six responses were received from the 14 Te Manawhenua Forum members, five of the responders were satisfied.					
We will 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.	Monthly reporting to Council showing our progress towards health and safety targets.	New measure	11 reports	11 reports	11 reports to Council per year
					ACTUAL
					11 reports
WHAT'S BEHIND THE RESULTS					
This is measured through our internal records. Monthly reports to Corporate and Operations Committee ensure that Council are providing a safe working environment for every person who is working on, near or visiting our sites, goes home healthy and safe every day. These reports allow Council to monitor and track health and safety progress and detect any issues quickly and ensure they are dealt with efficiently.					

STRATEGIES AND PLANS

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.

OUR PROJECTS FROM THE LAST TWELVE MONTHS

Key projects undertaken in the last twelve months are outlined below

PROJECTS	WHAT HAVE WE BEEN DOING?	2020/21	
		BUDGET \$000	ACTUAL \$000
Long Term Plan	Our 10 year strategic planning for 2021-2031 was adopted on 30 June 2021. This will be reviewed in three years. The budget for the Long Term Plan is smoothed over three years.	45	76
Annual Report	The Annual Report lets the community know whether we have done what we said we would in the Long Term Plan/Annual Plan. The Annual Report 2019/20 was adopted on 9 December 2020.	15	8
Policies and Bylaws	A revised Speed Management Bylaw was adopted on 17 February 2021. The following policies were reviewed and adopted 30 June 2021: - Development Contributions Policy; - Policy on the remission and postponement of rates; and - Fees and charges.	22	6
Regional collaboration	We support the implementation of the Waikato Plan, which is coordinated by Waikato Regional Council.	50	73
Economic Development	We provide funding to the regional economic development agency Te Waka, the Waikato Economic Development Agency that advocates for economic development opportunities in the Waikato. The agency is funded by Matamata-Piako District Council and neighbouring councils to work in partnership with business, Iwi/Māori, local and central government with the intention of lifting employment and wellbeing across the Waikato region. In 2020/21 the work included offering free business mentoring, digital boost workshops and ongoing support for businesses during COVID-19 lockdowns and recovery. In conjunction with six other Councils, Matamata-Piako District Council also provide funding to Hamilton and Waikato Tourism, to promote and support regional tourism. As part of their restart, recovery and reset strategy, they have been campaigning Tourism New Zealand's 'Do Something New, New Zealand' to drive domestic tourists to the Mighty Waikato.	200	180
Discretionary funding	We have continued to provide funding to a range of organisations within the district through our contestable grants.	235	240
District Plan review	We have continued to do the rolling review of the District Plan and have processed plan changes in accordance with the Resource Management Act 1991. During 2020/21 we progressed three Plan Changes; PC 53 - Settlements, PC 54 - Papakāinga, as well as the proposed Plan Change for Waharoa..	200	232
Regional Resource Management Act policy work	We have engaged with Waikato Regional Council over changes to the Regional Plan and implementation of the Regional Policy Statement.	50	26
Hauraki Gulf Forum	This fund covers Council's contribution towards the operation of the Hauraki Gulf Forum.	12	9
Total key operational projects		829	850

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
Our community will have the opportunity to participate in Council consultation processes.	Percentage of the community satisfied that they have been provided with an opportunity to be involved in consultation processes.	56%	56%	40%	52% (Maintain 2015/16 benchmark)
					ACTUAL
					48%
WHAT'S BEHIND THE RESULTS					
This is measured through our Annual Customer Survey. This year's results saw 48% were very satisfied/satisfied, 32% were neither satisfied nor dissatisfied, 8% were dissatisfied/very dissatisfied, whilst 12% were unsure. Some of the feedback received for dissatisfaction was there was a lack of communication to be involved in the process, whereas, another said there was plenty of opportunity to join in but the multiple choice options were very limiting.					
We will provide an annual update on progress on land use and development, and the protection of natural and physical resources of the district.	State of the Environment monitoring reports will be updated on Council's website each year.	16 November	19 November	21 November	20 November each year
					ACTUAL
					10 September 2021
WHAT'S BEHIND THE RESULTS					
Due to staff capacity and workloads, the report was not completed by November 2020 and the State of Environment Report 2019/20 was not published on our website within the financial year. It was published on 10 September 2021.					
Monitoring and reporting on the state of our environment allows us to identify if we are achieving our objectives to protect the environment and highlights any issues that need to be addressed during District Plan reviews. We update results of this monitoring onto our website annually.					

STRATEGY AND ENGAGEMENT

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

Long Term Plan 2019/20	Actual 2019/20		Long Term Plan 2020/21	Actual 2020/21	Explanation of key variances to the Long Term Plan budget
(\$000)	(\$000)		(\$000)	(\$000)	
Sources of operating funding					
4,201	4,284	General rates, uniform annual general charges, rates penalties	4,273	4,812	Actual rates required were higher compared to budget for this group of activities due to a change in Council activity structures meaning that the Communications activity now sits as an activity within this group rather than an overhead activity. As well more work on digital enablement was planned compared to the LTP.
-	-	- Targeted rates	-	-	
-	516	Subsidies and grants for operating purposes	-	-	
142	392	Fees and charges	179	118	
311	423	Internal charges and overheads recovered	324	304	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
4,654	5,615	Total operating funding (A)	4,776	5,234	
Applications of operating funding					
2,898	3,975	Payments to staff and suppliers	2,969	3,882	As above, the move of the Communication department to fall within this activity rather than as an overhead activity has resulted in higher spending compared to that set out in the LTP of three years ago. In addition, more work on digital enablement has been done than budgeted, which has been funded in part from reserves and part from increased rates. COVID-19 recovery expenses were also funded from a dedicated reserve that was not imagined at the time of setting the LTP budgets three years ago.
5	51	Finance costs	15	63	
1,506	1,641	Internal charges and overheads applied	1,543	1,700	
-	-	- Other operating funding applications	-	-	
4,409	5,667	Total applications of operating funding (B)	4,527	5,645	
245	(52)	Surplus (deficit) of operating funding (A – B)	249	(411)	
Sources of capital funding					
-	-	- Subsidies and grants for capital expenditure	-	-	
-	-	- Development and financial contributions	-	-	
250	(703)	Increase (decrease) in debt	240	364	
-	-	- Gross proceeds from sale of assets	-	-	
-	-	- Lump sum contributions	-	-	
-	-	- Other dedicated capital funding	-	-	
250	(703)	Total sources of capital funding (C)	240	364	
Applications of capital funding					

Long Term Plan 2019/20	Actual 2019/20		Long Term Plan 2020/21	Actual 2020/21	Explanation of key variances to the Long Term Plan budget
(\$000)	(\$000)		(\$000)	(\$000)	
Capital expenditure					
-	-	—to meet additional demand	-	-	
-	-	—to improve the level of service	-	-	
1,262	1,385	—to replace existing assets	1,274	1,210	
(767)	281	Increase (decrease) in reserves	(785)	(1,320)	
-	(2,421)	Increase (decrease) of investments	-	63	
495	(755)	Total applications of capital funding (D)	489	(47)	
(245)	52	Surplus (deficit) of capital funding (C – D)	(249)	411	
-	-	Funding balance ((A – B) + (C – D))	-	-	



INFRASTRUCTURE

WHAT WE DO

Infrastructure is about having quality, reliable and sustainable infrastructure for our community. The activities responsible for this are Roothing, Rubbish and Recycling, Stormwater, Wastewater and Water.

WHY WE DO THESE ACTIVITIES

The infrastructure activity group ensure Council provide infrastructure that supports our growing population, meets the needs of our community through good connections and reliability and balancing the different needs and interests of residents and businesses in our community.

THE FOUR WELLBEINGS AND OUR COMMUNITY OUTCOMES

One of the purposes defined in the Local Government Act 2002 for local authorities, is to identify effects that any activity has had on the four well-beings (social, economic, environmental and cultural). We must also identify the community outcomes which each activity relates to. These have been identified below for Infrastructure activities:

WELLBEINGS	COUNCIL ACTIVITIES				
	ROADING	RUBBISH AND RECYCLING	STORMWATER	WASTEWATER	WATER
SOCIAL	-	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.	Our stormwater system provides efficient flood mitigation and protection for resident's homes.	We provide sufficient wastewater and treatment systems for our residents to enable a clean and healthy environment to live and work in.	Our water systems ensure Council provide clean drinking water to our residents to ensure their health and wellbeing are protected.
ECONOMIC	We provide efficient roading networks which encourages local migration and investment.	-	Our stormwater systems provide efficient flood mitigation protecting businesses and industry.	-	We provide efficient water systems to residents and for industrial purposes.
ENVIRONMENTAL	-	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.	Our stormwater systems provide efficient flood mitigation protection to ensure that environmental damage is limited during severe weather events.	We provide sufficient wastewater and treatment systems for our residents to ensure our wastewater doesn't effect the environment in the district.	Our water systems ensure Council provide clean drinking water to our residents and industry at no cost to the environment.
CULTURAL	-	-	-	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.	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.

ROADING

WHAT WE DO

We own and maintain 1,002 kilometres of local roads within the district, including 951km of sealed and 51km of unsealed roads. This is all the roads in the district except for state highways which include Broadway and Firth Street in Matamata, Allen Street in Morrinsville and Whitaker/Kenrick Streets in Te Aroha, which are managed by Waka Kotahi (previously New Zealand Transport Agency).

WHY WE DO THESE ACTIVITIES

The roading network links areas and connects people with each other and essential services, enables businesses to access resources/markets and provides people with social, cultural, recreational and employment opportunities. We plan to continue to own, control and manage our entire roading network as one of our core activities. As a result our first priority is to maintain, operate and protect the existing roading network. Council has developed a vision to make Matamata-Piako 'The Place of Choice' – Lifestyle – Opportunities – Home'. Roding contributes to this overall vision by providing transportation connections that enable our community to safely travel to and from their destination, transport goods and services and support economic growth.

ROADING CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:

CONNECTED INFRASTRUCTURE



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.



ECONOMIC OPPORTUNITIES



Our future planning enables sustainable growth in our district.



HEALTHY COMMUNITIES



Our community is safe, healthy and connected.



OUR PROJECTS FROM THE LAST TWELVE MONTHS

Key projects undertaken in the last twelve months are outlined below.

PROJECTS	WHAT HAVE WE BEEN DOING?	2020/21	
		BUDGET \$000	ACTUAL \$000
Low risk/low cost capital improvements*	We have undertaken a mixture of safety improvements, traffic calming measures, guard railing, and improvement to sight visibility etc this year. The improvement programme has been delayed due to supply chain delays for products.	850	547
Seal widening	We have undertaken widening of existing roads to meet District Plan requirements for road width this year.	160	62
New kerb and channel	Extending the existing kerb and channel network in our urban areas has been delayed due to resource issues.	55	-
New footpaths	Extending the existing footpath network in our urban areas has been delayed due to resource issues.	55	-
New street lighting	We continue to extend and upgrade our existing street lighting in our urban areas and at rural intersections.	160	59
Waharoa Factory Rd	This project was reprioritised as part of the 2021-31 Long Term Plan. Funding of \$250,000 for roading infrastructure to cater for industrial growth or development in the Waharoa area has been included in 2024/25	250	-
Improved pedestrian connectivity in Matamata	The project was reprioritised as part of the 2021-31 Long Term Plan with funding of \$250,000 budgeted in 2022/23.	250	-
Te Aroha - Matamata Cycleway extension	We have extended the Te Aroha - Matamata Cycleway to help encourage visitors to stay in the district. In 2020/21 we received funding from Central Government to seal the Cycleway as well as landscaping with native planting along the route.		1,288
Widening of existing footpaths	The widening of existing footpaths within our towns to create shared pathways to allow for safe cycling and pedestrian movements were reprioritised as part of our Long Term Plan 2021-31. Works are planned to commence in 2021/22.		-
Total key capital projects		1,780	1,956

*51% subsidy is received from NZ Transport Agency for this work.



LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations

ACHIEVED

NOT ACHIEVED

NOT MEASURED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual**	2020/21
We will provide a roading network that is safe for all users.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as a number.*	Decrease of three serious or fatal crashes from 2016/17. There were 21 fatal or serious crashes in 2017/18 – based off of crash analysis system (CAS) data.	Increase of eight serious or fatal crashes from the previous year (2018/19 - 29 fatal or serious crashes.)	Decrease of 14 serious or fatal crashes from the previous year (2019/20 - 15 fatal or serious crashes.)	A reduction in the number of fatal and serious crashes from the previous year.
					ACTUAL
					Increase of seven serious or fatal crashes from the previous year (2020/21 - 22 fatal or serious crashes).

WHAT'S BEHIND THE RESULTS

Our target for 2020/21 was a reduction on the 2019/20 year (15 or less) in serious and fatal crashes. There were 22 serious or fatal crashes on our local road network in 2020/21. This is an increase of seven serious or fatal crashes from the previous year which had 15 serious or fatal crashes. The 2019/20 figure has been confirmed as 15 serious or fatal crashes, not the 23 we reported last year.

** The 2019/20 data was confirmed after the fact Council adopted its 2019/20 Annual Report. The 2019/20 Actual crash data has been updated for this Annual Report.

We will provide a roading network that is maintained and developed to provide smoothness and comfort.	The average quality of ride on our sealed local road network, measured by smooth travel exposure.*	99.3%	Not measured	96.76%	97% or more
					ACTUAL
					Not measured
	The percentage of the sealed local road network that is resurfaced.*	9.95%	7.94%	6.6%	8.5% or more
					ACTUAL
					9.63%
	The percentage of footpaths within our district that fall within the level of service or service standard for the condition of footpaths that is set out in our relevant documents (such as our annual plan, activity management plan, asset management plan, annual works program or Long Term Plan)*	Not measured	99.4%	Not Measured	95% or more within the acceptable level of service
					ACTUAL
					Not Measured

WHAT'S BEHIND THE RESULTS

The average quality of ride is measured by a smooth travel exposure analysis that is conducted every two years. Well maintained roads and footpaths provide smoothness and comfort. We have 950.69km of sealed roads in our local road network. Of these, 91.65km (9.63%) has been resurfaced in 2020/21. This is an increase of 3.03% on last year. Footpath level of service is measured by an assessment of our footpaths. 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 next assessment is not due until 2021/22.

We will provide a reliable roading network and will respond to customer service requests in a timely manner.	The percentage of customer service requests relating to roads and footpaths that the territorial authority responds within the time frame specified in the Long Term Plan.*	100% of urgent 97.84% of non-urgent	100% of urgent requests responded to. 95.4% of non-urgent requests responded to.	100% of urgent 83.2% of non-urgent	90% of urgent requests responded to within one working day 90% of non-urgent requests responded to within five working days
					ACTUAL
					100% of urgent 88.48% of non-urgent

WHAT'S BEHIND THE RESULTS

We aim to investigate customer requests within appropriate timeframes. Some complaints can be resolved quickly; others can take time to work through. We received six complaints regarding urgent roading requests which is the same as the previous year. All calls were responded to within one working day. The road must be completely impassable for the request to be determined as urgent. We received 828 non-urgent roading requests (98 more than previous year, likely due to COVID-19 lockdown in 2020), of these 607 calls were responded to within five working days. The main issues were roads flooding, blocked culverts, berms and potholes. 142 calls did not count towards the performance measure as they related to the State Highway network, dumped rubbish outside the road corridor or the stormwater network.

* These are mandatory performance measures that have been introduced for all councils around New Zealand.

ROADING

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

Long Term Plan 2019/20	Actual 2019/20		Long Term Plan 2020/21	Actual 2020/21	Explanation of key variances to the Long Term Plan budget
(\$000)	(\$000)		(\$000)	(\$000)	
Sources of operating funding					
7,239	7,594	General rates, uniform annual general charges, rates penalties	7,472	6,616	Budgeted depreciation was \$538,000 lower than the LTP and combined with the higher subsidy income and reduced finance costs, this reduced the budgeted rate requirement for 2020/21 compared to the LTP.
-	-	Targeted rates	-	-	
2,649	2,752	Subsidies and grants for operating purposes	2,665	2,876	Waka Kotahi approved additional subsidy for footpath renewal work and some work carried forward from last year.
148	215	Fees and charges	145	229	Income from corridor access requests is higher than budgeted.
243	158	Internal charges and overheads recovered	252	179	
235	207	Local authorities fuel tax, fines, infringement fees, and other receipts	240	234	
10,514	10,926	Total operating funding (A)	10,774	10,134	
Applications of operating funding					
6,136	6,247	Payments to staff and suppliers	6,189	7,479	A Government contribution of \$1.14 million was paid on to Hauraki in respect of the cycle trail extensions.
432	366	Finance costs	487	392	The delay in the completion of the cycle trail extension project has resulted in savings in interest costs.
897	976	Internal charges and overheads applied	926	899	
-	-	Other operating funding applications	-	-	
7,465	7,589	Total applications of operating funding (B)	7,602	8,770	
3,049	3,337	Surplus (deficit) of operating funding (A - B)	3,172	1,364	
Sources of capital funding					
3,224	4,586	Subsidies and grants for capital expenditure	3,293	4,872	Higher subsidy was received from Waka Kotahi this year due to subsidised work completed this year that had been carried forward from last year due to COVID-19. Also a \$1.327 million contribution was received for Hauraki Rail Trail.
335	540	Development and financial contributions	341	947	Revenue from contributions was higher than budgeted due to some significant developments in the district, particularly in Morrinsville and Matamata.
1,685	(311)	Increase (decrease) in debt	2,169	961	There were a number of capital projects planned in the LTP of three years ago that have since been recheduled or re-prioritised including: the Matamata Bypass - design project, Waharoa - Factory Road upgrade, Matamata pedestrian connectivity, Morrinsville's Hangawera to Snell Street additional widening. That meant that funding from debt was not required as budgeted, and capital required was largely funded through available reserves rather than external debt.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	

Long Term Plan 2019/20	Actual 2019/20		Long Term Plan 2020/21	Actual 2020/21	Explanation of key variances to the Long Term Plan budget
(\$000)	(\$000)		(\$000)	(\$000)	
5,244	4,815	Total sources of capital funding (C)	5,803	6,780	
Applications of capital funding					
Capital expenditure					
192	-	—to meet additional demand	262	-	
2,483	2,312	—to improve the level of service	3,009	1,817	The LTP of three years ago budgeted \$1 million for the Matamata Bypass design project that is no longer going ahead.
5,596	5,840	—to replace existing assets	5,717	6,643	Additional capital subsidised work has been approved by NZTA, compared to what was budgeted in the LTP.
22	-	Increase (decrease) in reserves	(13)	(316)	
	-	Increase (decrease) of investments	-	-	
8,293	8,152	Total applications of capital funding (D)	8,975	8,144	
(3,049)	(3,337)	Surplus (deficit) of capital funding (C - D)	3,172	(1,364)	
-	-	Funding balance ((A - B) + (C - D))	-	-	

RUBBISH AND RECYCLING

WHAT WE DO

We currently provide kerbside rubbish and recycling collection services to 9,500 properties across the district, as well as operating three transfer stations located at Matamata, Morrinsville and Waihou. We help fund waste minimisation and sustainability education to schools across the district. We also have three closed landfills at Matamata, Morrinsville and Te Aroha that are monitored under the terms of their resource consents to ensure they do not endanger the environment or public health.

WHY WE DO THESE ACTIVITIES

Our day to day lives generate a lot of waste that must be managed for the health of our community and our environment. Managing this waste effectively and efficiently and promoting waste minimisation protects our environment for current and future generations. Council has developed a vision to make Matamata-Piako 'The Place of Choice' – Lifestyle – Opportunities – Home. The Rubbish and Recycling activity contributes to this overall vision by providing kerbside collection and refuse disposal facilities. The activity ensures the safe disposal of rubbish and recycling, supporting environmentally friendly practices and technologies and protecting public health.

RUBBISH AND RECYCLING CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:



CONNECTED INFRASTRUCTURE

Infrastructure and services are fit for purpose and affordable, now and in the future



Quality infrastructure is provided to support community wellbeing



ENVIRONMENTAL SUSTAINABILITY

We support environmentally friendly practices and technologies



HEALTHY COMMUNITIES

Our community is safe, healthy and connected



OUR PROJECTS FROM THE LAST TWELVE MONTHS

Key projects undertaken in the last twelve months are outlined below.

PROJECTS	WHAT HAVE WE BEEN DOING?	2020/21	
		BUDGET \$000	ACTUAL \$000
Upgrade of Transfer Stations.	We have continued remedial works at both Matamata and Morrinsville RTS sites and this will be ongoing. All works are designed so that they work towards the transition to Resource Recovery Centres when the current contract ends. This work started in 2019/20, and as part of the Annual Plan process funding was reallocated based on the assessed priorities; Morrinsville Transfer Station Matamata Transfer Station Waihou Transfer Station This work is ongoing and is expected to be completed in 2021/22	200 250 150	24 37 -
Total key capital projects		600	61
Rubbish and recycling education projects.	We have continued to support Enviroschools and Waste Education NZ Ltd (WEZ) who provide education across our district. While Enviroschools supports school led projects, WEZ provide in class room teaching. In addition we now support Para Kore a Māori based programme to ensure we get a good cross section of waste minimisation services district wide.	15	
Waste minimisation activities.	We have completed and consulted on a new Waste Management and Minimisation Plan (WMMP) which was adopted on 30 June 2021. Work will commence to implement this. In addition, we continue to seek opportunities to manage food waste which was highlighted as a large percentage of waste to landfill. This includes supporting local food waste, composting initiatives with work farms or community compost bins.	95	105
Total key operational projects		110	105

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
We will provide kerbside refuse and recycling collection services to urban and rural townships and transfer stations.	Percentage of residents satisfied with kerbside rubbish and recycling collection services and transfer stations.	80%	65%	72%	80% or more satisfied or very satisfied
					ACTUAL
					64%

WHAT'S BEHIND THE RESULTS

This is measured through our Annual Customer Survey. In 2020/21 64% of residents were very satisfied/very satisfied, 18% were neither satisfied/dissatisfied, 10% were dissatisfied/very dissatisfied, whilst 8% were unsure.

There is a perception that residents who live rurally, pay for the kerbside collection service in their rates, but do not receive the service. There was also dissatisfaction with collections being missed, and the cost of rubbish bags that are not of good quality. Project planning is occurring to assess the feasibility of changing waste management services from bags to wheelie bins to provide a more efficient and sustainable waste management system from 2023.

Reliable kerbside refuse and recycling collection services will be available to the community.	Number of complaints about kerbside rubbish and recycling not collected on the usual collection day.	10.7 on average per month	5 complaints on average per month	10.9 complaints on average per month	20 or less complaints on average per month
					ACTUAL
					15 complaints on average per month

WHAT'S BEHIND THE RESULTS

This is measured through our Customer Request Management system. During 2020/21 we received a total of 182 complaints about rubbish and recycling not being collected on the usual day. This equates to 15 complaints per month.

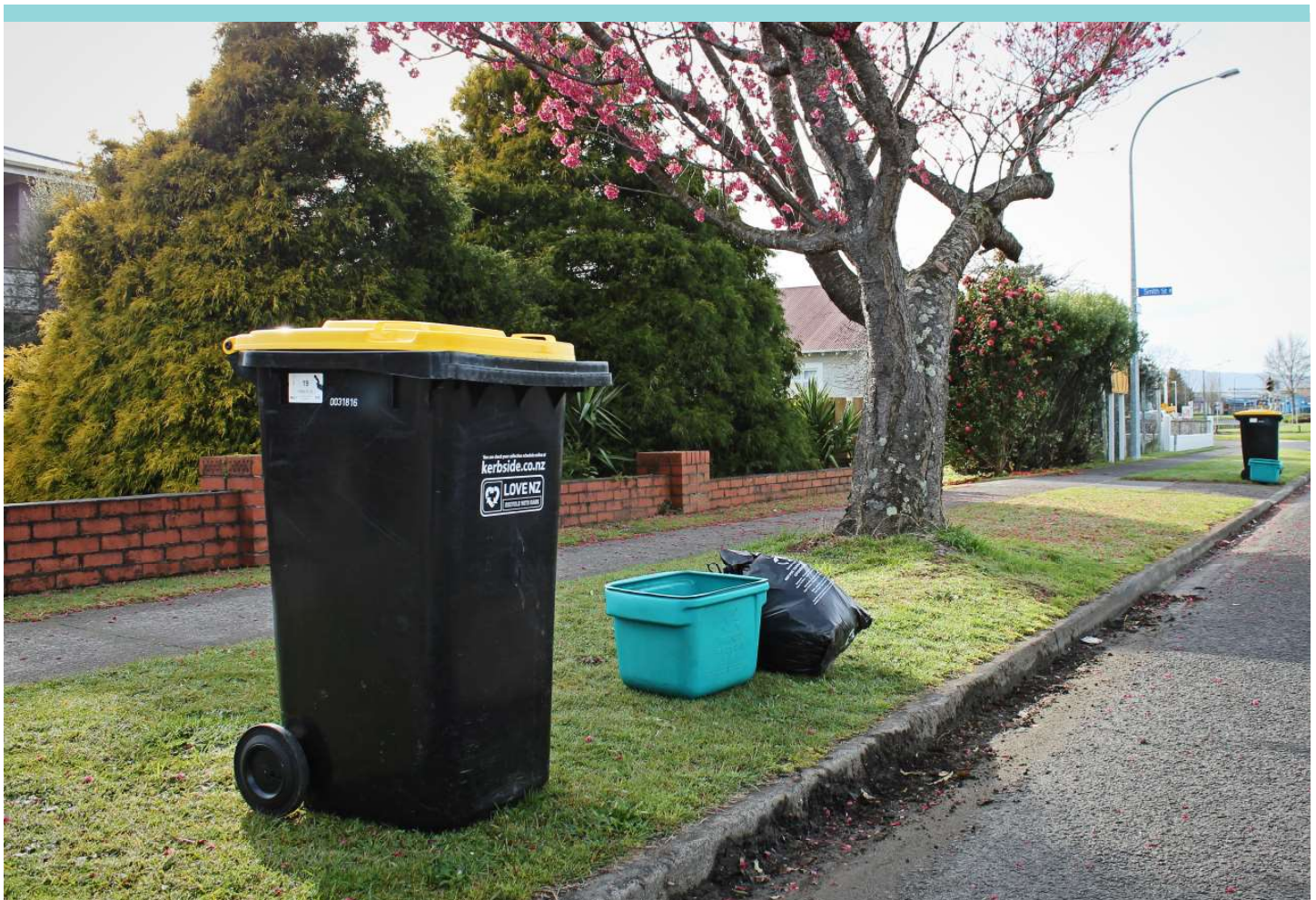
LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
We will encourage residents to minimise waste disposal to landfill by providing more sustainable waste management options.	Total quantity of kerbside household waste sent to landfill	New Measure	48.94kgs of waste per person per year sent to landfill	45.2kgs of waste per person per year sent to landfill	Reduction of 1% per person per year*
					ACTUAL 31.42kg of waste per person per year sent to landfill (Reduction of 30.5% per person per year)
	Proportion of waste diverted (recycled or composted) from the transfer station and kerbside recycling collection service.	51.6%	36.84%	35.6%	45% or more of the total waste diverted from the landfill
					ACTUAL 64.89%

WHAT'S BEHIND THE RESULTS

This is measured through our records of monthly weighbridge quantities of kerbside and transfer station recyclables. Due to changing government regulations globally there is a decrease in the types of recyclable materials that are able to be recycled. This change in material acceptance has caused a fluctuation of waste that can be diverted from landfill.

A total of 1,140.51 metric tonnes of kerbside waste was sent to the landfill, based on the estimated population of 36,300 this means that on average 31.42kgs of waste per person was sent to the landfill for the year 2020/21. We run various waste minimisation awareness and education programmes throughout the year.

*Based on total district population from Statistics New Zealand estimate as at the start of the financial year (June 2020).



RUBBISH AND RECYCLING

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

Long Term Plan 2019/20	Actual 2019/20		Long Term Plan 2020/21	Actual 2020/21	Explanation of key variances to the Long Term Plan budget
(\$000)	(\$000)		(\$000)	(\$000)	
Sources of operating funding					
507	639	General rates, uniform annual general charges, rates penalties	430	695	Increased rate requirement to fund increased estimated costs
256	259	Targeted rates	263	368	Increased rate requirement to fund increased estimated costs
123	126	Subsidies and grants for operating purposes	125	173	The Waste Minimisation subsidy is higher due to the change in rates
1,566	981	Fees and charges	1,756	1,447	The sale of rubbish bags and fees from refuse transfer stations were significantly lower than budgeted in the LTP.
-	(8)	Internal charges and overheads recovered	-	1	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
2,452	1,997	Total operating funding (A)	2,574	2,684	
Applications of operating funding					
2,112	2,788	Payments to staff and suppliers	2,192	3,081	Rubbish and recycling costs were higher than budgeted in the LTP due to an increase in the contract price, inflation and contract variations. An increase in the waste levy increased landfill costs as well.
33	53	Finance costs	55	12	
232	238	Internal charges and overheads applied	238	241	
-	-	Other operating funding applications	-	-	
2,377	3,079	Total applications of operating funding (B)	2,485	3,334	
75	(1,082)	Surplus (deficit) of operating funding (A – B)	89	(650)	
Sources of capital funding					
-	-	Subsidies and grants for capital expenditure	-	-	
-	-	Development and financial contributions	-	-	
549	1,226	Increase (decrease) in debt	542	45	The forecast increase in debt was not required as the upgrade of the transfer station project has been carried forward to next year.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
549	1,226	Total sources of capital funding (C)	542	45	
Applications of capital funding					
Capital expenditure					
-	-	—to meet additional demand	-	-	
613	144	—to improve the level of service	626	62	The budgeted upgrade of the Matamata transfer station has been carried forward to next year.
4	-	—to replace existing assets	-	-	
7	-	Increase (decrease) in reserves	5	(667)	Negative operating balance funded from reserves

Long Term Plan 2019/20	Actual 2019/20		Long Term Plan 2020/21	Actual 2020/21	Explanation of key variances to the Long Term Plan budget
(\$000)	(\$000)		(\$000)	(\$000)	
		- Increase (decrease) of investments	-	-	
624	144	Total applications of capital funding (D)	631	(605)	
(75)	1,082	Surplus (deficit) of capital funding (C - D)	(89)	650	
-	-	Funding balance ((A - B) + (C - D))	-	-	



STORMWATER

WHAT WE DO

We currently have 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 also work collaboratively with Waikato Regional Council as they also own, manage and maintain parts of the drainage system (streams and rivers). Maintaining 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.

WHY WE DO THESE ACTIVITIES

Stormwater systems safely and efficiently drain surface water to minimise flooding in our communities. We aim to ensure stormwater is well managed and work with property owners to improve stormwater and reduce flooding. Council has developed a vision to make Matamata-Piako 'The Place of Choice' – Lifestyle – Opportunities – Home. Stormwater contributes to this overall vision by providing stormwater drainage for our urban centres, which protects people and properties from flooding and supports the health and wellbeing of our communities, making our towns desirable places to live.

STORMWATER CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:

CONNECTED INFRASTRUCTURE

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



ECONOMIC OPPORTUNITIES

Our future planning enables sustainable growth in our district



HEALTHY COMMUNITIES

Our community is safe, healthy and connected



OUR PROJECTS FROM THE LAST TWELVE MONTHS

Key capital projects undertaken in the last twelve months are outlined below.

PROJECTS	WHAT HAVE WE BEEN DOING?	2020/21	
		BUDGET	ACTUAL
		\$000	\$000
Increase capacity of the existing stormwater network	We have undertaken work to increase the existing stormwater network where feasible. This work is mainly the installation of soakage systems.	150	25
Tower Road Development	This project was re-prioritised as part of the 2021-31 Long Term Plan, with funding of \$400,000 budgeted for 2022/23.	400	-
Eldonwood South Development	This project was re-prioritised as part of the 2021-31 Long Term Plan, with funding of \$100,000 budgeted for 2021/22.	100	-
Avenue Road North Stormwater Disposal	A Stormwater Catchment Management Plan has been developed for the area with non-asset solutions identified to mitigate the problem.	860	-
Install Stormwater pipes and subsoil drainage in Meadow View Drive	The installation of new stormwater pipes has been identified as a new priority project for Morrinsville. Work is expected to be completed in 2021/22.	55	8
Total key capital projects		1,565	33

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
We will have an effective stormwater system that provides an appropriate level of protection to minimise harm.	The number of flooding events* that occur in our district. For each flooding event, the number of habitable floors affected, (expressed per 1,000 properties connected to our stormwater system).**	One flooding events one habitable floors affected	Zero (0) flooding events affecting Zero (0) habitable floors	Zero (0) flooding events affecting Zero (0) habitable floors	Zero (0) flooding events Zero (0) habitable floors affected ACTUAL Zero (0) flooding events affecting zero (0) habitable floors
WHAT'S BEHIND THE RESULTS					
This is measured by our Customer Request Management system. This year saw zero habitable floors* affected by flooding.					
We will protect the environment from stormwater contaminate discharging into waterways.	Compliance with our resource consents for discharge from our stormwater system, (measured by the number of: abatement notices, infringement notices, enforcement orders, and convictions, received in relation to those resource consents).**	Zero	Zero	Zero	Zero (0) ACTUAL Zero (0)
WHAT'S BEHIND THE RESULTS					
This is measured by our internal records. Our stormwater system discharges treated stormwater into the environment. The quality and quantity must meet the appropriate standard.					
We will have reliable stormwater systems and will respond to requests for service from our residents in a timely manner.	The median response time to attend a flooding event*, measured from the time that we receive notification to the time that service personnel reach the site.**	Median one hour 48 minutes	Zero (0)	Zero (0)	Median: four hours ACTUAL Zero (0)
WHAT'S BEHIND THE RESULTS					
This is measured by our Customer Request Management system. There were no flooding events to habitable floors in 2020/21. Therefore the median response time is zero.					

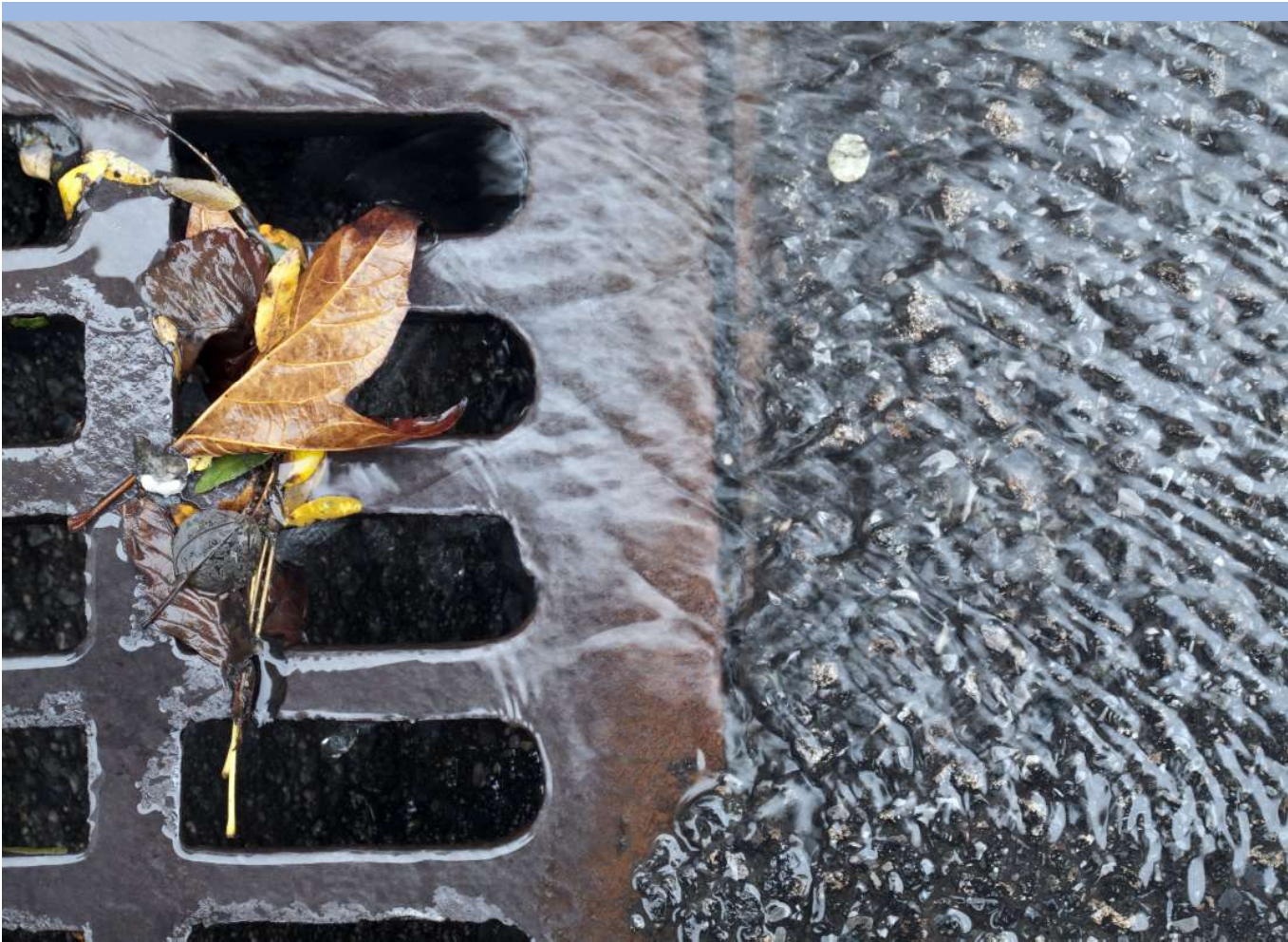
LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
Residents will be satisfied with the overall performance of the stormwater system.	The number of complaints we received about the performance of our stormwater system, (expressed per 1,000 properties connected to our stormwater system).**	5 complaints per 1,000 connections per year (40 in total)	5 complaints per 1,000 connections per year (40 in total)	5.38 complaints per 1,000 connections per year (43 in total)	Four complaints per 1,000 connections per year (32 in total)
					ACTUAL 5.5 complaints per 1,000 connections per year (44 in total)

WHAT'S BEHIND THE RESULTS

The number of complaints we receive about our stormwater network is measured through our Customer Request Management system. These complaints relate to the performance of our stormwater system, they are not complaints about flooding of habitable buildings. We received 44 complaints this year. The majority of these calls were in response to blocked drains and catchpits.

* A flooding event is defined as an overflow of stormwater from Council's stormwater system that enters a habitable floor (the floor of a building including a basement, but does not include ancillary structure such as standalone garden sheds or garages).

** These are mandatory performance measures that have been introduced for all councils around New Zealand.



STORMWATER

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

Long Term Plan 2019/20	Actual 2019/20		Long Term Plan 2020/21	Actual 2020/21	Explanation of key variances to the Long Term Plan budget
(\$000)	(\$000)		(\$000)	(\$000)	
Sources of operating funding					
126	122	General rates, uniform annual general charges, rates penalties	126	144	
773	742	Targeted rates	774	755	
-	-	Subsidies and grants for operating purposes	-	-	
-	-	Fees and charges	-	-	
106	124	Internal charges and overheads recovered	129	97	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
1,005	988	Total operating funding (A)	1,029	996	
Applications of operating funding					
167	217	Payments to staff and suppliers	171	470	Stormwater cost is higher than the LTP budget set three years ago due to investigations, capacity issues for the Morrinsville Stream and emergency CCTV and clearing of stormwater lines due to flooding issues. Also funded from the Three Waters reform funding, the \$128,000 was spent in clearing storm water pipes around Morrinsville and the CBD area.
-	-	Finance costs	-	-	
191	175	Internal charges and overheads applied	196	184	
-	-	Other operating funding applications	-	-	
358	392	Total applications of operating funding (B)	367	654	
647	596	Surplus (deficit) of operating funding (A - B)	662	342	
Sources of capital funding					
-	-	Subsidies and grants for capital expenditure	-	-	
23	17	Development and financial contributions	24	13	
-	-	Increase (decrease) in debt	-	-	
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
23	17	Total sources of capital funding (C)	24	13	
Applications of capital funding					
Capital expenditure					
-	-	—to meet additional demand	-	-	
102	(36)	—to improve the level of service	104	33	

Long Term Plan 2019/20	Actual 2019/20		Long Term Plan 2020/21	Actual 2020/21	Explanation of key variances to the Long Term Plan budget
(\$000)	(\$000)		(\$000)	(\$000)	
3	-	—to replace existing assets	90	-	An asset improvement project was re-prioritised in the current year.
565	649	Increase (decrease) in reserves	492	322	
		- Increase (decrease) of investments	-	-	
670	613	Total applications of capital funding (D)	686	355	
(647)	(596)	Surplus (deficit) of capital funding (C – D)	(662)	(342)	
		- Funding balance ((A – B) + (C – D))	-	-	

WASTEWATER

WHAT WE DO

We own and operate wastewater treatment plants (WWTP) in Matamata (which also treats wastewater from Waharoa and Raungaiti), Morrinsville (which also treats wastewater from Rukumoana), Te Aroha, Tahuna and Waihou. 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.

WHY WE DO THESE ACTIVITIES

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 after wastewater is treated it is discharged into waterways or to land. We aim to ensure wastewater is well managed for the wellbeing of our community and environment. Council has developed a vision to make Matamata-Piako 'The Place of Choice' – Lifestyle – Opportunities – Home, wastewater contributes to this overall vision by providing wastewater treatment and discharge services to support healthy communities and our environment.

WASTEWATER CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:

CONNECTED INFRASTRUCTURE



Infrastructure and services are fit for purpose and affordable, now and in the future.



Quality infrastructure is provided to support community wellbeing.



ECONOMIC OPPORTUNITIES

Our future planning enables sustainable growth in our district.



HEALTHY COMMUNITIES

Our community is safe, healthy and connected.



ENVIRONMENTAL SUSTAINABILITY

We support environmentally friendly practices and technologies.



OUR PROJECTS FROM THE LAST TWELVE MONTHS

Key projects undertaken in the last twelve months are outlined below.

PROJECTS	WHAT HAVE WE BEEN DOING?	2020/21	
		BUDGET \$000	ACTUAL \$000
Morrinsville WWTP Permanent Sludge Pipe to Pond C and Mixer	This work was budgeted for completion in 2018/19, and funding was carried forward to 2020/21. Physical works are underway and will be completed by March 2022.	90	344
Morrinsville WWTP Contingency Pond Lining	This project is to be completed as part of the same contract for the Morrinsville WWTP Permanent Sludge Pipe to Pond C and Mixer. Physical works are underway and will be completed by March 2022.	1,300	-
North Morrinsville Trunk Sewer Main	The project was re-prioritised as part of the 2021-31 Long Term Plan with \$1.9 million budgeted in 2021/22.	1,900	165
Upgrade of the Te Aroha falling main	This project was re-prioritised in the 2021-31 Long Term Plan, with \$3 million budgeted for between 2024-26.	1,200	-
Equipment for Chemical Dosing at Te Aroha WWTP	This project was re-prioritised in the 2021-31 Long Term Plan	100	-
Upgrade Terminus Street pump station, Te Aroha	Upgrade associated with the falling main upgrade for Te Aroha, which will result in a greater flow of sewage to be pumped and to avoid overflows to the environment. Council has continued to undertake inspection and capacity modelling work on the falling main asset to determine the appropriate timing of an upgrade. The pump station upgrade will be delivered once timing has been confirmed.	150	-
Main sewer from the west side of Te Aroha	This project is to remove the pipe bridge across Waihou River below Shakespeare Street and replace with a pipe under the river, to eliminate maintenance costs associated with the current structure and provide improved sewage flows. This has been delayed due to work project priorities but will be completed in 2024-31.	150	-
Matamata WWTP Compliance Upgrade Works	This project was re-prioritised in the 2021-31 Long Term Plan.	1,500	-
Burwood Road Bulk Sewer	This project was re-prioritised in the 2021-31 Long Term Plan, with \$1.9 million budgeted in 2021/22	200	-
Upgrades associated with subdivisions	No work was completed over the last year due to the progress of the subdivisions not requiring it. Some sewer reticulation work will be progressing in 2020/21 in Morrinsville.	50	-
Upgrades associated with renewals	Generally this is used for manholes and upgrades of proposed renewal lines as part of the renewal contract. The contract was a relining contract for 2019/20 and did not require any upgrade works.	50	-
Total key capital projects		6,690	509

LEVELS OF SERVICE

ACHIEVED

NOT ACHIEVED

What you can expect and how you will know we are meeting your expectations.

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
We will have an effective wastewater system that provides an appropriate level of protection.	The number of dry weather sewage overflows from our wastewater system, (expressed per 1,000 connections** per year to our wastewater system).*	0.88 complaint per 1,000 connections per year (7 total)	1.5 complaint per 1,000 connections per year (12 total)	2.25 complaints per 1,000 connections per year (18 total)	1 complaint per 1,000 connections per year (8 total)
					ACTUAL
					1.07 complaints per 1,000 connections per year (10 total)

WHAT'S BEHIND THE RESULTS

This is measured by our Customer Request Management system. We received 10 complaints about sewage overflows into the environment during dry weather. Dry weather applies to days when less than 1mm of rain has fallen during a continuous 24 hour period. Many of these overflows were found to be caused by blockages. New systems are being put in place to help determine the cause of repeated blockages.

We will protect the environment by ensuring our wastewater is properly treated before being discharged to our environment.	Compliance with our resource consents for discharge from our wastewater (measured by the number of: abatement notices; infringement notices; enforcement orders, and convictions, received in relation to those resource consents).*	Zero	Zero	One (1)	Zero (0)
					ACTUAL
					Zero (0)

WHAT'S BEHIND THE RESULTS

This is measured by our internal records. Properly treating wastewater means the number of contaminants is minimised before the treated wastewater is discharged. Waikato Regional Council monitors our resource consents and provides an assessment on the year's compliance.

We will have reliable wastewater systems and will respond to requests for service from our residents in a timely manner.	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:				
	Attendance time: from the time that we receive notification to the time that service personnel reach the site.*	Median: 25.8 minutes	Median: 167 minutes	Median: 37 minutes	Median: 4 hours
					ACTUAL
					Median: 15 minutes
	Resolution time: from the time that we receive notification to the time that service personnel confirm resolution of the blockage or other fault*.	Median: 26.99 hours (1619.4 minutes)	Median: 17.5 hours (1050 minutes)	Median: 3.5 hours (210 minutes)	Median: 24 hours
					ACTUAL
					Median: 3.24 hours (195 minutes)

WHAT'S BEHIND THE RESULTS

This is measured by our Customer Request Management system. Overflows can occur. It is important that the community is aware of this and these events are recorded, reviewed and mitigated where practical. Overflows into dwellings are the most serious as they present an immediate danger to health. It is important that we respond quickly to calls about wastewater overflows. In 2020/21 we received 14 total wastewater overflow complaints in total (10 of these were during dry weather). The median attendance time for these calls was 15 minutes with a median resolution time of 3.24 hours. Some overflows do take longer than others to fully resolve.

The total number of complaints received by Council about any of the following: (expressed per 1,000 connections** per year)*					
We will have reliable wastewater systems and will respond to requests for service from our residents in a timely manner.	Sewage odour	7 complaints total	3.12 complaints per 1,000 connections (25 total)	3.4 complaints per 1,000 connections (27 total)	16 complaints per 1,000 connections (128 total)
	Wastewater system faults	8 complaints total			ACTUAL
	Wastewater system blockages	29 complaints total			
	Council's response to issues with our wastewater system	1 complaint total			3.78 complaints per 1,000 connections (34 total)

WHAT'S BEHIND THE RESULTS

This is measured by our Customer Request Management system. We received 34 complaints about our wastewater system. The 34 complaints were made up of twenty three relating to blockages, four for odour, six for system faults and one for Council's response.

* These are mandatory performance measures that have been introduced for all councils around New Zealand
** In 2020/21 we had 9,400 connections to our wastewater network.



WASTEWATER

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

Long Term Plan 2019/20	Actual 2019/20		Long Term Plan 2020/21	Actual 2020/21	Explanation of key variances to the Long Term Plan budget
(\$000)	(\$000)		(\$000)	(\$000)	
Sources of operating funding					
-	-	General rates, uniform annual general charges, rates penalties	-	-	
6,643	6,471	Targeted rates	7,015	6,582	Estimated depreciation for Wastewater has reduced compared to the LTP, resulting in a reduced requirement from rates
-	-	Subsidies and grants for operating purposes	-	532	Unbudgeted Three Waters reform grant received and spent on operating projects.
656	655	Fees and charges	670	693	
161	252	Internal charges and overheads recovered	167	343	Internal interest allocated to this activity is higher due to lower spending capital and renewal spending than budgeted
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
7,460	7,378	Total operating funding (A)	7,852	8,150	
Applications of operating funding					
3,284	3,255	Payments to staff and suppliers	3,368	3,356	\$532,000 of unbudgeted works was undertaken, taking advantage of the Three Water Reforms funding available. This was offset by lower costs in treatment plant and reticulation than budgeted.
548	225	Finance costs	677	85	Debt raised was lower than projected in the LTP due to the delay in the capital programme (as detailed below).
475	450	Internal charges and overheads applied	493	828	Business unit costs were higher than budgeted due to staff turn-over requiring more consultant costs.
-	-	Other operating funding applications	-	-	
4,307	3,930	Total applications of operating funding (B)	4,538	4,269	
3,153	3,448	Surplus (deficit) of operating funding (A – B)	3,314	3,881	
Sources of capital funding					
-	-	Subsidies and grants for capital expenditure	-	230	Unbudgeted Three Waters reform grant received and spent on capital wastewater projects.
638	777	Development and financial contributions	651	1,683	Revenue from contributions was higher than budgeted due to some significant developments in the district, particularly in Morrinsville and Matamata.
3,678	(3,183)	Increase (decrease) in debt	3,156	(3,061)	The forecast increase in debt was not required as capital work was not completed as budgeted.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
4,316	(2,406)	Total sources of capital funding (C)	3,807	(1,148)	
Applications of capital funding					
Capital expenditure					

Long Term Plan 2019/20	Actual 2019/20		Long Term Plan 2020/21	Actual 2020/21	Explanation of key variances to the Long Term Plan budget
(\$000)	(\$000)		(\$000)	(\$000)	
51	-	—to meet additional demand	52	296	The budget for the Lockerbie Sewer Connection was carried forward from last year and spent in 2020/21.
4,820	137	—to improve the level of service	4,747	1,134	A number of major projects have been deferred to next year including: \$1.2 million of the \$1.4 million project for the Morrinsville waste water treatment plant permanent sludge pipe to Pond C and Mixer was carried forward and the Matamata wastewater treatment plant compliance upgrade works of \$2.5 million were carried forward. Some projects such as the Scada upgrade and Matamata wastewater treatment plant inlet upgrade have progressed this year.
2,692	904	—to replace existing assets	2,411	1,105	Lower spending mainly due to plant renewal deferred to next year.
(94)	1	Increase (decrease) in reserves	(89)	198	
-	-	Increase (decrease) of investments	-	-	
7,469	1,042	Total applications of capital funding (D)	7,121	2,733	
(3,153)	(3,448)	Surplus (deficit) of capital funding (C – D)	(3,314)	(3,881)	
-	-	Funding balance ((A – B) + (C – D))	-	-	



WATER

WHAT WE DO

We own and operate seven water supply schemes in the district - in Matamata (including Waharoa and Raungaiti), Morrinsville, Te Aroha and four small schemes in Te Poi, Tahuna, Hinuera and Te Aroha West. We provide water 24 hours a day, seven days a week, which means operating and maintaining equipment, machinery and backup facilities, and training staff to respond rapidly in the event of a problem. We have corrective and preventative maintenance programmes in place to ensure our systems remain in good condition. We also monitor the lifecycles of our assets (such as water mains) and renew them when necessary.

WHY WE DO THESE ACTIVITIES

The Water activity ensures our communities are supplied with clean, safe drinking water to ensure the health and wellbeing of our residents. Council has developed a vision to make Matamata-Piako 'The Place of Choice' - Lifestyle - Opportunities - Home. Water contributes to this overall vision by providing clean, safe and reliable water supply to our community to support healthy communities.

WATER CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:

CONNECTED INFRASTRUCTURE



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. ✓



ECONOMIC OPPORTUNITIES

Our future planning enables sustainable growth in our district. ✓



HEALTHY COMMUNITIES

Our community is safe, healthy and connected. ✓



ENVIRONMENTAL SUSTAINABILITY

We support environmentally friendly practices and technologies. ✓

OUR PROJECTS FROM THE LAST TWELVE MONTHS

The key projects completed in the past 12 months are listed below.

PROJECTS	WHAT HAVE WE BEEN DOING?	2020/21	
		BUDGET \$000	ACTUAL \$000
Compliance Recovery Programme	Council has established a Compliance Recovery Project to focus funding towards projects established to ensure we meet drinking water compliance. This work has significantly improved the mechanical resilience and operation of Councils water treatment plants, paving the way to for Council to meet compliance with Drinking Water Standards in the near future.	639	1,246
Develop and construct a Water Treatment Plant for the Waharoa Aerodrome bore supply	This project was re-prioritised as part of the 2021-31 Long Term Plan with \$800,000 budgeted for in 2023-31.	450	-
Upgrades associated with renewals and subdivisions	The project funding for the upgrading (to current standards) of short sections of pipe connecting renewed sections of pipe and new subdivisions into the existing Council reticulation.	150	108
Taharoa Road Industrial ring-main	This project was re-prioritised as part of the 2021-31 Long Term Plan with \$1 million budgeted for in 2023-31.	350	-
New bore drilling for Morrinsville	This project was re-prioritised as part of the 2021-31 Long Term Plan with funding of \$6 million budgeted for between 2021-31 for two new water supplies in Morrinsville.	-	-
Consent for new bore for Morrinsville			
District wide water reticulation	We have upgraded 5680m of water mains this year as part of our renewal program.	-	-
Total key capital projects		1,589	1,354

LEVELS OF SERVICE

ACHIEVED

NOT ACHIEVED

What you can expect and how you will know we are meeting your expectations.

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
We will provide safe and reliable water for household and business use (served properties).	The extent to which Council's drinking water supply complies with: part 4 of the drinking-water standards (bacteria compliance criteria); and part 5 of the drinking-water standards (protozoal compliance criteria).*	Not compliant	Not compliant	Not compliant	Compliant
					ACTUAL
					Part 4 - Compliant Part 5 - Not compliant

WHAT'S BEHIND THE RESULTS

The Department of Health provides this information on compliance for the supply and delivery of water so that communities can be informed on the water quality they are receiving.

The 'achieved' results for 2020/2021 reported with our water team are provisional, pending the official annual compliance report from the Drinking Water Assessor/s at the Waikato District Health Board. All non-compliances will be addressed by the Medical Officer of Health at the Waikato DHB, who will request updates from Matamata-Piako District Council on how the non-compliances will be addressed, to ensure compliance during 2021/2022.

Part 5 – protozoal compliance – Council will continue to work on and invest in achieving (Part 5) compliance for protozoal removal. In order to address this issue, Council has a number of projects in the Long Term Plan targeted at improving plant control and data capture. These projects will be delivered over a number of years, bringing year on year improvements in compliance with Part 5 Protozoa standards.

It is important to note that a non-compliant status does not mean that protozoal are present in drinking water.

We will ensure that our water assets are well maintained and managed and that the assets are maintained and replaced when required.	The percentage of real water loss from Council's networked reticulation system (using minimum night flow analysis).	25.22%	25.9%	26.8%	25% or less
					ACTUAL
					27.1%

WHAT'S BEHIND THE RESULTS

This is measured from internal records using the minimum night flow analysis as per the Department of Internal Affairs guidelines.

In guidance documentation released in 2014 the DIA used a target of 15% as an example for real water loss. This has carried over into our Water Asset Management Plan.

Council has an ongoing leak detection programme in place to mitigate excessive water loss.

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
We will provide reliable water systems that our community can count on.	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:				
	Attendance for urgent call-outs: from the time that we receive notification to the time that service personnel reach the site.*	20 minutes	25 minutes	30 minutes	Median: 4 hours or less
					ACTUAL 40 minutes
	Resolution of urgent call-outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption.*	1 hour and 59 minutes	3 hours and 36 minutes	2 hours and 37 minutes	Median: 24 hours or less
					ACTUAL 2 hours and 10 minutes
	Attendance for non-urgent call-outs: from the time that we receive notification to the time that service personnel reach the site.*	1 working day	1.95 working days	0.92 working days	Median: 3 working days or less
					ACTUAL 0.97 working days
	Resolution of non-urgent call-outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption.*	2 working days	3.03 working days	1.61 working days	Median: 5 working days or less
					ACTUAL 2.8 working days

WHAT'S BEHIND THE RESULTS

These are measured by our Customer Request Management system. If there are any unplanned supply issues we need to respond quickly to make sure people have a continuous supply of water. We received 27 urgent calls about water. The median attendance time for these was 40 minutes with a median resolution time of 2 hours and 10 minutes. We received 191 non-urgent calls about water. The median attendance time for these was 0.97 working days, with a resolution time of 2.8 working days.

Council will provide safe and reliable water for household and business use (serviced properties).	The total number of complaints received by Council about any of the following: (expressed per 1,000 connections per year)*				
	Drinking water clarity:	60	8.87 complaints per 1,000 connections across all categories (total of 71)	7 complaints per 1,000 connections across all categories (total of 56)	9 complaints per 1,000 connections across all categories (total of 72 complaints based on 8,000 connections)
	Drinking water taste:	5			
	Drinking water odour:	4			
	Drinking water pressure or flow:	38			ACTUAL
	Continuity of supply:	10			12.63 complaints per 1,000 connections across all categories (total of 101)
	Council's response to any of these issues:	0			

WHAT'S BEHIND THE RESULTS

This is measured by our Customer Request Management system. Each individual call is counted as one. In some instances, there were multiple calls about the same issue. Staff responded to and investigated all calls within the assigned timeframes. The majority of complaints (51) were regarding the drinking water pressure/flow. We also received 31 complaints about drinking water clarity, 9 complaints about taste, 7 regarding odour, 3 for continuity of supply and no calls for council's response. This averaged out to be 12.63 complaints per 1,000 connections. This is an increase of 45 complaints compared to 2019/20 where there were 56 complaints.

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
Council's water assets are managed adequately for the future.	The average consumption of drinking water per day per resident within the district.*	467 litres	457 litres	452 litres	500 litres per urban resident per day (bench mark)
					ACTUAL
					450 litres per urban resident per day

WHAT'S BEHIND THE RESULTS

Measured by our internal records. We have used the Department of Internal Affairs guidelines when calculating this. The performance measure only measures 'drinking water' consumption but it is not only drinking water that is supplied to residential consumers. Water used specifically for drinking purposes cannot be calculated. Total average consumption of water per resident in the supplied urban areas is 600 litres per day (2019/20: 653). This figure includes all industry water usage. When deducting the major industry use, the adjusted average consumption is 450 litres per urban resident per day (2019/20 : 452).

*These are mandatory performance measures that have been introduced for all councils around New Zealand.



WATER

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

Long Term Plan 2019/20	Actual 2019/20		Long Term Plan 2020/21	Actual 2020/21	Explanation of key variances to the Long Term Plan budget
(\$000)	(\$000)		(\$000)	(\$000)	
Sources of operating funding					
-	-	General rates, uniform annual general charges, rates penalties	-	-	
5,082	4,988	Targeted rates	5,482	5,616	Targeted rates were increased higher than budgeted for three years ago in the LTP to meet increasing costs for this activity.
-	-	Subsidies and grants for operating purposes	-	1,212	Unbudgeted Three Waters reform grant received and spent on operating projects.
37	14	Fees and charges	38	89	Tanker water income was higher than budgeted in the LTP
31	(202)	Internal charges and overheads recovered	32	41	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
5,150	4,800	Total operating funding (A)	5,552	6,958	
Applications of operating funding					
2,464	3,863	Payments to staff and suppliers	2,697	4,876	\$1.2 million of unbudgeted works was undertaken, taking advantage of the Three Water Reforms funding available. Compared to the LTP budget of three years ago there were Increased compliance costs for water treatment plants including increased chemical and lab analysis costs, hazardous chemical and assessment, Topehaehae profiling, and the comprehensive dam review. These increased costs were partially offset by lower spending in Reticulation.
309	381	Finance costs	393	375	
503	816	Internal charges and overheads applied	521	1,182	Business unit costs were higher than budgeted due to staff turn-over requiring more consultant costs. Internal interest costs were higher than budgeted, due to more internal borrowings used to fund projects.
-	-	Other operating funding applications	-	-	
3,276	5,060	Total applications of operating funding (B)	3,611	6,433	
1,874	(260)	Surplus (deficit) of operating funding (A - B)	1,941	525	
Sources of capital funding					
-	-	Subsidies and grants for capital expenditure	-	160	Unbudgeted Three Waters reform grant received and spent on capital water projects.
345	547	Development and financial contributions	352	1,041	Revenue from contributions was higher than budgeted due to some significant developments in the district, particularly in Morrinsville and Matamata.
2,380	5,529	Increase (decrease) in debt	1,930	219	Capital required was largely funded through available reserves rather than external debt.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
2,725	6,076	Total sources of capital funding (C)	2,282	1,420	
Applications of capital funding					
Capital expenditure					

Long Term Plan 2019/20	Actual 2019/20		Long Term Plan 2020/21	Actual 2020/21	Explanation of key variances to the Long Term Plan budget
(\$000)	(\$000)		(\$000)	(\$000)	
434	382	—to meet additional demand	78	-	
1,011	1,983	—to improve the level of service	986	2,205	Spending was higher than the level budgeted in the LTP, largely due to spending on the Compliance recovery programme which was not included in the LTP. Projects including the Tahuna WTP Relocate pumps (\$192,000), and Scott Road Pipe work Layout - Phase 2 2019/20 (\$310,000) had been carried forward from the previous year and completed during this year.
3,199	3,451	—to replace existing assets	3,194	1,530	All of the Reticulation and plant renewal budget of \$2.482 million has been committed and some of them carried forward to 2021/22
(45)	-	Increase (decrease) in reserves	(35)	(1,790)	Capital required was largely funded through available reserves rather than external debt.
	-	Increase (decrease) of investments	-	-	
4,599	5,815	Total applications of capital funding (D)	4,223	1,945	
(1,874)	260	Surplus (deficit) of capital funding (C - D)	(1,941)	(525)	
-	-	Funding balance ((A - B) + (C - D))	-	-	



CONSENTS AND LICENSING







WHAT WE DO

Consents and Licensing is about carrying out our regulatory functions that we have an obligation to perform under legislation. The activities responsible for this are Animal Control, Building Consents and Monitoring, Licensing and Enforcement and Resource Consents and Monitoring.

WHY WE DO THESE ACTIVITIES

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. Council's vision is to make Matamata-Piako 'The Place of Choice; Lifestyle – Opportunities – Home'. Consents and Licensing contributes to this overall vision by providing regulatory services that make Matamata-Piako a desirable place to live.

CONSENTS AND LICENSING CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:

	ANIMAL CONTROL	BUILDING CONSENTS AND MONITORING	LICENSING AND ENFORCEMENT	RESOURCE CONSENTS AND MONITORING
ECONOMIC OPPORTUNITIES				
 We are a business friendly Council.		✓	✓	✓
 Our future planning enables sustainable growth in our district.		✓		✓
HEALTHY COMMUNITIES				
 Our community is safe, healthy and connected.	✓	✓	✓	✓
ENVIRONMENTAL SUSTAINABILITY				
 We support environmentally friendly practices and technologies.				✓
 Development occurs in a sustainable and respectful manner considering kawa/protocol and tikanga/customs.				✓
VIBRANT CULTURAL VALUES				
 We promote and protect our arts, culture, historic and natural resources.				✓

FOUR WELLBEINGS OF OUR COMMUNITY

One of the purposes defined in the Local Government Act 2002 for local authorities, is to identify effects that any activity has had on the four well-beings (social, economic, environmental and cultural). These have been identified below for Consents and Licensing activities:

WELLBEINGS	COUNCIL ACTIVITIES			
	ANIMAL CONTROL	BUILDING CONSENTS AND MONITORING	LICENSING AND ENFORCEMENT	RESOURCE CONSENTS AND MONITORING
SOCIAL	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 control makes sure buildings are safe and that they have good access for people with disabilities.	Environmental Health Officers help minimise the spread of illness and disease. They ensure that residents are protected from unhealthy or offensive conditions, as well as controlling alcohol and gambling.	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	-	Processing building consents and regulatory planning consents within targeted timeframes has economic benefits for applicants and minimises waiting periods.	-	Resource consent services ensure that the rules in the District Plan are applied appropriately to maximise long term productivity of land in the district. A responsive and helpful regulatory environment helps to promote development.
ENVIRONMENTAL	-	Building control ensures buildings, particularly those using hazardous substances, are environmentally friendly.	-	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	-	-	-	The regulatory planning activity ensures cultural sites in the district are protected.

ANIMAL CONTROL

We have two Animal Control Officers (and after-hour contractors) whose job is to make sure people control their animals, are meeting laws and regulations and do not create problems for others. They provide 24/7 service. We also have one dog pound and stock yard that services the whole district. The majority of 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 following up on complaints about dogs, ranging from barking to aggressive behaviour. The Animal Control Officers also respond to complaints about wandering stock. Most complaints about animal welfare and neglect are referred to the SPCA for investigation.

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
Any disturbances caused by animals will be investigated and reported quickly and efficiently.	Complaints will be investigated within set timeframes.	87%	93.25%	96.6%	95% within adopted timeframes* (see table below)
					ACTUAL
					98.39%

WHAT'S BEHIND THE RESULTS

This is measured by our Customer Request Management system. One of our 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. We received 620 requests in 2020/21 as compared to 622 in 2019/20. We responded to 98.39% of calls within set timeframes (610/620). Some complaints, such as barking dogs or wandering dogs are not practical to attend at the time and are followed up the next working day.

We will carry out regular property visits to ensure dog owners are responsible.	Number of property visits per year.	706	621	Before COVID-19* On track - 471 After COVID-19* Not achieved - 571	at least 600 property visits per year
					ACTUAL
					621

WHAT'S BEHIND THE RESULTS

This is measured by internal records. 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 undertook 621 property visits across the district. That is 164 for Matamata, 302 for Morrinsville and 155 for Te Aroha.

*Due to COVID-19 we were unable to conduct property visits during lockdown, resulting in us not being able to achieve our target of 600 visits.

We will carry out regular street patrols to keep the streets free from stray animals.	Number of street patrols undertaken in each of the three main towns.	29.3	34.4	31.9	At least an average of 10 per month per town
					ACTUAL
					27.3

WHAT'S BEHIND THE RESULTS

This is measured by internal records. Street patrols allow our staff to check if there are wandering animals that could pose a risk to our community. We undertook 982 street patrols across the district. Our street patrols per town are as follows: Matamata 320, Morrinsville 424 and Te Aroha 238.

COMPLAINT TYPE	NOTIFICATION TYPE	0800 - 1700 HOURS	1700 - 0800 WEEKEND / HOLIDAY
Dog bite person	Current incident Reported incident	Phone CRM	1 hour 4 hours 1 hour Next working day 1 hour Next working day 1 hour Next working day 24 hours 4 hours
Aggressive dog			
Attacked stock			
Attacked other animal / bird			
Barking dog			
Wandering dog	Current incident Caught in a trap Reported incident	Phone CRM CRM	1 hour 1 hour Next working day 1 hour Next working day 1 hour Next working day Next working day Next working day
Wandering stock			
Unregistered dog			
Animal welfare			

BUILDING CONSENTS AND MONITORING

Our primary function is to ensure that building work in our district complies with the Building Act 2004. To do this we process building consents and inspect building work at critical phases of the project. We also carry out audits to make sure that commercial building owners comply with their Building Warrants of Fitness requirements and investigate complaints about illegal building work, taking enforcement action where necessary.

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
Building consents will be administered quickly and efficiently.	Building consent processing timeframes.	99.9% (762/763)	99.9% (846/847)	99.5% (797/801)	100% of building consents will be processed within statutory timeframes
					ACTUAL
					69%
WHAT'S BEHIND THE RESULTS					

This is measured by a monthly statistical report.

By processing building consents on time we contribute to the timely completion of building projects. By ensuring buildings meet building code requirements, we ensure that buildings are safe and more sustainable, for example they meet improved building insulation requirements, and contribute to the health and wellbeing of our community. In 2020/21 we processed 519 of 748 building consents within statutory timeframes.

Currently the statutory timeframes for processing building consents are:

- Ten working days for building consents with a national multiple use approval.
- Twenty working days for all other building consents.

We will respond to complaints of alleged illegal/ unauthorised activity.	Complaints to be responded to within 10 working days.	91.6%	66%	52%	100% of complaints to be responded to within 10 working days
					ACTUAL
					100%
WHAT'S BEHIND THE RESULTS					

This is measured through our Customer Request Management system. In fulfilling our enforcement role under the Building Act 2004 in a timely manner we help to reduce the incidences of illegal and dangerous building work in the district. One of our main roles is to regulate compliance with building code standards. We sometimes get complaints from the community about illegal or dangerous building work or swimming pools. We will investigate the complaint to determine if building work is illegal or dangerous and let the complainant know what action we are taking. Issues regarding illegal building work can be complicated and it can take time to reach a resolution with the building owners. We received 31 complaints about alleged illegal buildings and illegal swimming pools. 31/31 complaints were responded to within 10 days.



LICENSING AND ENFORCEMENT

Licensing and Enforcement is responsible for processing health and alcohol licence and managers certificates; this also involves inspecting or auditing the licensed premises to ensure they meet the required standards. In 2012 the Sale and Supply of Alcohol Act 2012 replaced the Sale of Liquor Act 1989. The new Act brought in significant changes to the way we regulate alcohol, including the ability to have a Local Alcohol Policy, an annual fee for all premises and a new qualification that must be held by all managers. In addition, we undertake monitoring of food premises. The Food Act 2014 came into force 1 March 2016, changing the way we manage food safety. Food premises are now assessed by registration and auditing instead of annual inspections.

This activity is also responsible for noise control in our community, which is a 24 hour, seven days a week service responding to excessive or unreasonable noise. After hours noise control complaints are handled by our security contractors. Licensing and Enforcement also monitors and responds to complaints about breaches of our bylaws, and have responsibilities under several other Acts, such as the Gambling Act 2003, Psychoactive Substances Act 2013, Prostitution Reform Act 2003, Hazardous Substances and New Organisms Act 1996 and the Health Act 1956.

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
We will inspect or audit all food premises, hairdresser, and camping grounds in the district to ensure they are running in accordance with the Health Act and/or health regulations.	Food premises, hairdressers and camping grounds will be inspected or audited in accordance with legislation	100%	100%	100%	100% inspected or audited
					ACTUAL
					100%

WHAT'S BEHIND THE RESULTS

This is measured by an internal monitoring system. Inspecting food premises, hairdressers and camping grounds in the district gives residents confidence that they can safely use these facilities. The introduction of the Food Act 2014 changed the way in which food premises are assessed from annual inspections to registration and auditing.

On 18 May 2020, the Food Act 2014 was amended to include legislation in which individual anniversary dates were set to allow additional time to carry out verification audits that were due during lockdown. Subject to the exemption, we have complied with the timeframes for food premises to be audited. In regards to hairdressers, camping grounds and funeral directors we managed to complete all inspections for this performance measures within the original timeframe. The high inspection rate indicates to Council that this level of service is adequate and is contributing positively to achieving the related community outcomes.

We will act on all noise complaints we receive.	Percentage of after hours (between 5pm and 8am, weekends and public holidays) noise complaints responded to within two hours.	100%	100%	100%	100% responded to within two hours
					ACTUAL
					100%

WHAT'S BEHIND THE RESULTS

This information is collected through an internal monitoring system. We received 331 complaints regarding noise after hours. 100% of these were responded to within two hours. By acting on noise complaints we will be preventing antisocial behaviour, which can negatively impact people's health and wellbeing. After hours responses to noise complaints are made by our security contractors, usually to 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. Noise complaints are investigated and complainants are advised of the action we will take.

We will ensure that all premises in the district with alcohol licences are operating responsibly.	On, Off and Club* alcohol licenced premises will be inspected annually to ensure they comply with alcohol licensing standards.	100%	100%	100%	100% inspected annually
					ACTUAL
					100%

WHAT'S BEHIND THE RESULTS

This information is collected through an internal monitoring system. We have inspected all 79 alcohol premises (this excludes 26 premises assessed to be very low risk). Licensed premises that do not comply with liquor licensing standards can contribute to illegal activities and antisocial behaviour. If premises do not comply with the conditions of its licence, they will be given an opportunity to rectify any problems. Ongoing non-compliance may result in an inspector making an application to the Alcohol Regulatory and Licensing Authority for the suspension or cancellation of the premises, alcohol licence.

*Club alcohol licenced premises excludes those Clubs that have been assessed as a 'very low' risk rating by Council.

RESOURCE CONSENTS AND MONITORING

Resource Consents and Monitoring helps look after our natural and physical resources for future generations. This activity is responsible for administering the District Plan, advising customers on District Plan and Resource Management Act 1991 requirements, processing applications for land use and subdivision consents, monitoring compliance with land use and subdivision consent conditions, investigating breaches of the District Plan and taking enforcement action where necessary.

OUR PROJECTS FROM THE LAST TWELVE MONTHS

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 and enforce various pieces of legislation and policies. As part of the improvement to Council's online services we offer, we plan to increase the information about licenses available online and enable licensees to submit and track their application and make payments online.

LEVELS OF SERVICE

What you can expect and how you will know we are meeting your expectations.

ACHIEVED

NOT ACHIEVED

LEVELS OF SERVICE	HOW WE MEASURE PERFORMANCE	PREVIOUS YEARS			TARGET
		2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21
Resource consents will be administered quickly and efficiently.	Percentage of resource consents processed within statutory timelines.	100%	99%	99.5%	100%
					ACTUAL
					97%

WHAT'S BEHIND THE RESULTS

This is monitored through an internal management system. We processed 285 applications for resource consents in 2020/21. Of these, 277 applications were processed within the adopted timeframe. Resource Consents need to be completed within statutory timeframes to ensure development projects are able to be completed seamlessly. The 2009 amendment to the Resource Management Act 1991 requires us to refund a portion of the costs on any resource consents that are not processed within the statutory timeframe. Over the past 12 months, the industry has experienced unprecedented growth and demand. On top of that, there has been a shortage of professional planners across the board which has resulted in loss of experienced staff and difficulties recruiting. As a result, we had 8 consents fall outside the required timeframe of 20 working days in this period.

We will monitor land use consent compliance.	Percentage of land use consents monitored within four months of being granted.	100%	100%	100%	100%
					ACTUAL
					96%

WHAT'S BEHIND THE RESULTS

This is monitored through an internal management system. The community can rely on us to monitor compliance of resource consents to ensure the character of the towns remains intact. This is the initial visit to see if or how works are progressing and to remind the applicant of all the conditions of consent and ensure they are complied with. Should non-compliance be identified at this time, then we will work with the applicant to rectify the issues. If this cannot be achieved then we will take enforcement action under the Resource Management Act 1991 to ensure compliance. In the 2020/21 year we monitored 126 consents. Due to the workload post COVID-19 and staff vacancies, 4% (5) of these were not monitored within the adopted timeframe.

CONSENTS AND LICENSING

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

Long Term Plan budget 2019/20	Actual 2019/20		Long Term Plan 2020/21	Actual 2020/21	Explanation of key variances to the Long Term Plan budget
(\$000)	(\$000)		(\$000)	(\$000)	
Sources of operating funding					
2,019	1,951	General rates, uniform annual general charges, rates penalties	2,065	2,073	
-	-	- Targeted rates	-	-	
-	-	- Subsidies and grants for operating purposes	-	-	
1,800	2,131	Fees and charges	1,839	3,157	Building consent and resource consent income is higher due to increased development activity.
-	-	- Internal charges and overheads recovered	-	-	
31	25	Local authorities fuel tax, fines, infringement fees, and other receipts	32	30	
3,850	4,107	Total operating funding (A)	3,936	5,260	
Applications of operating funding					
2,330	2,742	Payments to staff and suppliers	2,380	3,638	Staff and consultant costs were higher than budgeted in the areas of health monitoring, and building and resource consent activity due to increased development activity and staff turn over.
-	-	Finance costs	-	-	
1,303	1,375	Internal charges and overheads applied	1,334	1,446	
-	-	- Other operating funding applications	-	-	
3,633	4,117	Total applications of operating funding (B)	3,714	5,084	
217	(10)	Surplus (deficit) of operating funding (A - B)	222	176	
Sources of capital funding					
-	-	- Subsidies and grants for capital expenditure	-	-	
-	-	- Development and financial contributions	-	-	
-	-	- Increase (decrease) in debt	-	-	
-	-	- Gross proceeds from sale of assets	-	-	
-	-	- Lump sum contributions	-	-	
-	-	- Other dedicated capital funding	-	-	
-	-	Total sources of capital funding (C)	-	-	
Applications of capital funding					
Capital expenditure					
-	-	- —to meet additional demand	-	-	
-	-	- —to improve the level of service	-	-	
-	-	- —to replace existing assets	-	-	
217	(10)	Increase (decrease) in reserves	222	176	
-	-	- Increase (decrease) of investments	-	-	
217	(10)	Total applications of capital funding (D)	222	176	
(217)	10	Surplus (deficit) of capital funding (C - D)	(222)	(176)	
-	-	Funding balance ((A - B) + (C - D))	-	-	