



2023/24

**Te Pūrongo ā-Tau**  
**Annual Report**

For the year ended 30 June 2024



# KAWERAU DISTRICT COUNCIL

## ANNUAL REPORT FOR 2023/24

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# MESSAGE FROM KAHIKA | MAYOR AND TUMU WHAKARAE | CHIEF EXECUTIVE OFFICER

Kia ora mai tātau,  
Ngā mihi ki a tātau.

With a warm greeting, we welcome you to the Kawerau District Council (Te Kaunihera ā Rohe o Kawerau) annual report for the year ended 30 June 2024.

The 2023/24 year had its share of changes and challenges. One notable change was the appointment of Chief Executive (Tumu Whakarae) Morgan Godfery who returned home to Kawerau to lead Council's operations. We also wish to acknowledge the long tenure of former Chief Executive Russell George who served the Council and community for more than 20 years, the majority of that time as Chief Executive.

This Annual Report outlines how Council has delivered on what it had planned and budgeted for the year ended 30 June 2024. This is summarised below:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenue	21,499,430	18,107,029	(3,392,401)
Operating Expense	<u>22,283,480</u>	<u>19,209,293</u>	<u>(3,074,187)</u>
<b>Operating Surplus/(Deficit)</b>	<b>(784,050)</b>	<b>(1,102,264)</b>	<b>(318,214)</b>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Assets	122,136,100	119,505,844	(2,630,254)
Liabilities	16,894,480	17,143,622	(249,142)
<b>Ratepayers Equity</b>	<b>105,241,620</b>	<b>102,362,222</b>	<b>(2,879,398)</b>

Overall, Council remains in a reasonably strong financial position, with overall debt very low in comparison to total assets. The financial performance resulted in a deficit of \$1,102,264 compared to a budgeted deficit of \$784,050. One of the main contributors to the increased deficit is the increased depreciation expenditure. The economic downturn impacted budgeted income and particularly residential sales, and also resulted in cost increases with suppliers, equipment, resources, and salaries. The 2023/24 budget included expenditure of \$4.32 million for the Stoneham Park residential development including \$160,000 for Our Places – Eastern Bay Spatial Plan project. The approved amendment to the project timeline at Stoneham Park resulted in reduced expenditure and a reduced corresponding grants income.

For the 2023/24 financial year, Council spent \$6.9 million on capital projects compared to the annual plan capital budget of \$6.7 million. Projects completed included further renewals of water and wastewater reticulation and the construction of the Rangī Delamere Centre. A number of capital projects were carried forward from the previous year.

Completed and notable activities during the 2023/24 financial year included:

- Appointment of the new Chief Executive Morgan Godfery
- Inaugural introduction of Māori representation through Māori Wards

- Rangi Delamere Centre completed and reopened with the Delamere whānau and the community
- Agreement from Māori Investment Limited, the landowner and kaitiaki of Umukaraka Spring, for this spring to become the secondary drinking water supply for the District. With mutual agreement Council is upgrading the metering and infrastructure and applying to Bay of Plenty Regional Council for resource consent to utilise the spring.
- Progression of the Stoneham Park Residential Development including the land status change to residential, the transfer of reserve status (via the Minister of Conservation) to the former stock pound on Fenton Mill Road, and enactment of the operative Kawerau District Plan Change 4 'Residential Growth Precinct'.
- Additional incoming residents of Porritt Glade Lifestyle Village with 27 of the 29 units occupied
- Manawatia ā Matariki events including Kawerau Community Awards, Mayor's Morning Tea for Kaumātua, Mayor and iwi liaison/cultural advisor's visit to Pūtauaki Kindergarten and Ngā Ririki Early Learning Centre, Kawerau isite Matariki Hikoi, and Mayors' Taskforce for Jobs and ISK Industrial Open Day.
- Kawerau Youth Council attract a record number of rangatahi with 21 councillors in 2023 and 19 in 2024
- Continued the planned drinking water pipes renewals and replacement work on the water mains trunk line connecting the River Road pump house to the reservoirs at Monika Lanham Reserve
- Completion of stage one of passive drainage works to manage excess ground water at the Hardie Avenue and River Road areas
- Extension granted by the Ministry of Health to the directive to fluoridate the drinking water supply. The extension was granted to 30 September 2024.

The boundary reorganisation between Kawerau District Council and Whakatāne District Council, totaling approximately, 546 hectares was endorsed by the landowners, and subsequently granted approval by the Local Government Commission on 9 April 2024. Kawerau and Whakatāne district councils are working with the landowners for the transition into Kawerau in the 2024/25 year with an implementation date of 1 September 2024. The reorganisation comprises:

- Approximately 424 hectares (over four separate parcels), largely bordering the existing Putauaki Trust Industrial Zone and Manukorihi industrial zones comprising:
  - Manukorihi Development Trust
  - Putauaki Trust
  - Te Kori Ngahehu Whānau Trust
  - Wetini Whānau Trust
- Approximately 86 hectares of the Otarahanga Farm (owned by Ngāti Tūwharetoa Holdings Limited) outside of the western boundary of Kawerau.
- Tohia o te Rangi Marae, an area of 63 hectares, at the end of Spencer Avenue.

Council and the community greatly appreciates the support of the following organisations who provided funding throughout the year for events and projects:

- NZ Community Trust (NZCT)
- Lion Foundation

- Trust Horizon
- Community Organisation Grants Scheme (DIA)
- Ministry for Social Development (for Mayors Taskforce for Jobs)
- Ministry for Youth and Development
- Ministry of Business, Innovation and Employment (MBIE)
- BayTrust

Kawerau District Council and local government continue to face the certainty of change and challenges. A change of government in 2023 resulted in various pivots, including the Local Water Done Well legislation, which resulted in Council completing an Enhanced Annual Plan for the 2024/2025 year. Council will complete a Long Term Plan for 2025 to 2034 after opting to complete a nine-year plan as per the Government’s transitional options under the Local Water Done Well reforms.

We also wish to acknowledge the support of Tangata Whenua iwi, residents, businesses, stakeholders, and ratepayers.

The guidance and support of Council’s Iwi Liaison and Cultural Advisor Te Haukakawa Te Rire has been of immeasurable value to the people within our Council and community. Our Council staff (kaimahi) continue to work hard to honour Tangata Whenua and the principles of the Treaty of Waitangi.

Heoi ano, in closing we wish to acknowledge and thank our community for their ongoing commitment to making Kawerau a place we call home, where we can proudly live, work and play. Your support, guidance and feedback is valued.



Faylene Tunui  
**MAYOR**  
**KAHIKA**




Morgan Godfery, LLB  
**CHIEF EXECUTIVE OFFICER**  
**TUMU WHAKARAE**



# TANGATA WHENUA AND IWI RELATIONSHIPS AND CONTRIBUTION TO DECISION-MAKING

Te Kaunihera ā rohe o Kawerau (Kawerau District Council) is committed to an open dialogue and working relationship with Māori, Tangata Whenua and Iwi, and has been working towards growing these relationships.

Council recognises Ngāti Tūwharetoa (Bay of Plenty) Settlement Trust as tangata whenua of the Kawerau rohe, and as a statutory Te Tiriti o Waitangi consultation partner.

At a governance level, the role undertaken by Ngāti Tūwharetoa ki Kawerau Kaumātua provides immeasurable value for the organisation, our people and community. During the 2023/2024 year, Council has continued to meet regularly with Iwi Kaumātua and acknowledges the support, knowledge and expertise of Tūwharetoa ki Kawerau Kaumātua and Council Iwi Liaison and Cultural Advisor Te Haukakawa Te Rire (pictured) who has provided ongoing guidance on matters of tikanga ā-Iwi and tika.



With heartfelt gratitude, Council wishes to acknowledge Koro Te Haukakawa Te Rire for his support and guidance to the Mayor and elected members, our people and the community during the previous year. Koro Te Haukakawa Te Rire provides Council with a Te Ao Māori lens within policy, decision-making and cultural areas that leads, shapes and improves our organisational thinking and practices.

Depth grows with understanding and during recent years this role has grown as the Council increasingly embeds Te Ao Māori into decision-making and operations. The expertise and guidance, and ongoing commitment to encourage and support for the organisation is greatly appreciated. Also the many wānanga held to share and raise the capability and knowledge of Council staff (kaimahi).

Te Kaunihera ā rohe o Kawerau also wishes to acknowledge the guidance and support of Tūwharetoa ki Kawerau Kaumātua Te Amorangi Graham Te Rire, Luvi Ngaheu, Tohia o te Rangī Marae Chair Tomai Fox and Kaumātua and Rautahi Marae committee chair Te Waraki (Chic) Te Ruki.

The Council has increased connections to the wider hapori of Tūwharetoa ki Kawerau through engagement with Tūwharetoa ki Kawerau Hauora and wishes to acknowledge co-chairs Dot Mareroa and Dr Sneha Jessica Gray. Council acknowledges and supports Tūwharetoa ki Kawerau Hauora Te Papa Maengenge (Board of Trustees) mahi to support and improve the lives of those who chose our Kawerau rohe as home.

The need for community-lead solutions to be designed for and delivered by communities has clearly paved the way for future successes and Council acknowledges the role of this community-lead organisation Tūwharetoa ki Kawerau Hauora.

In terms of moving into the space of engagement, the Council acknowledges that an important facet is the timeliness of raising issues with Iwi Kaumātua. Council continues to encourage and develop our processes to ensure better planning to engage at the earliest stage.

A significant proportion of Māori residents in Kawerau are from Iwi other than Ngāti Tūwharetoa ki Kawerau. Council ensures the view of the entire hapori by engaging with the Kaumātua and Rautahi Marae committee, a Marae representing many Iwi and ethnicities, and consultation partner.

Council acknowledges all Iwi based organisations in the rohe as consultation partners including the Putauaki Trust, Māori Investments Limited (MIL), the Kaumātua forum and respective Māori Land Trusts.

In addition, the Council acknowledges Te Rūnanga o Ngāti Awa and Te Mana o Ngāti Rangitahi Trust, also Te Tiriti o Waitangi consultation partners, and the post Treaty Settlement entities representing these Eastern Bay Iwi. Both Ngāti Awa and Ngāti Rangitahi have a historical connection to whenua and awa in and around the Kawerau rohe.

## SIGNIFICANT EVENTS DURING THE YEAR

### WATER SERVICES REFORM

The water services reform legislation, namely the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023, was repealed on 17 February 2024. The Government has recently enacted the Local Government Water Services Preliminary Arrangements Act 2024. The new legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services. Council will not know what the model or arrangements are until the WSDP is approved by the Secretary.



*Tarawera Awa*



## Te Kaunihera ā rohe o Kawerau Governance:

The Kawerau rohe is currently represented by a Mayor and eight Councillors who were elected and inaugurated (sworn in) on 25 October 2022 at Rautahi Marae in Kawerau.

**Mayor | Kahika :** F K N (Faylene) Tunui

**Deputy Mayor :** A (Aaron) Rangihika

**Councillors :** R (Rowena) Andrews

W (Warwick) Godfery

C J (Carolyn) Ion

B J (Berice) Julian

S (Sela) Kingi

J (Justin) Ross

R G K (Rex) Savage

**Committees:** Regulatory and Services (Chairperson: Cr Carolyn J Ion)  
Audit and Risk (Chairperson: Philip Jones)

### Chief Executive Officer and Senior Leadership Team:

Chief Executive Officer	Morgan Godfery, LLB
Group Manager, Finance and Corporate Services	Lee-Anne Butler, CA, BMS
Group Manager, Regulatory and Planning	Michaela Glaspey, LLB
Group Manager, Operations and Services	Riaan Nel B. Tech (Mech), Hon B.Sc
Economic and Community Development Manager	Lee Barton
Manager Communications and Engagement and Residential Developments	Tania Humberstone
People and Culture Manager	Sandra Collins-Rieger

## Vision

“To create a resilient and sustainable Kawerau that meets the needs of the future”

## Mission Statement

- Represent the interests and aspirations of the Kawerau Community, within and beyond the District.
- Promote the social, economic, environmental and cultural wellbeing of the Kawerau Community.
- Continue to provide an industrial base within the District for established industries and their supporting businesses.
- Promote the advantages of Kawerau in order to grow the District population and to further encourage industrial investment and development.
- Ensure that the independence of the District is maintained.

## Statement of Principles

To achieve its mission, Council will:

- Provide services, facilities and infrastructure that can support a high quality of life in Kawerau.
- Develop a culture of cost effectiveness, customer service and Community responsiveness.
- Engage with all sectors of the Community to determine their needs and priorities.
- Maintain a fair system of rating to ensure that Council services are sustainable and satisfy Community needs.
- Inform and seek feedback from the Community about Council's current and planned activities.
- Work cooperatively with government agencies, territorial authorities, and other stakeholders to maintain or improve Council services.
- Maintain relationships with industry and business groups represented in the District.
- Promote the District to attract development.

# COMPLIANCE WITH COUNCIL POLICIES

All local authorities are required to prepare the following funding and financial policy documents:

- Revenue and Financing Policy
- Investment Policy
- Liability Management Policy
- Development Contributions or Financial Contributions Policy
- Rates Remission and Rates Postponement on Māori Freehold Land Policy

This report provides an overview of the extent to which Council has complied with its policies.

## REVENUE AND FINANCING POLICY

Council reviewed and adopted the Revenue and Financing Policy in June 2021 as part of the preparation of the Long Term Plan 2021–2031. The objective of this policy is to ensure that the costs of Council's activities are met by those benefiting from, or contributing to the need for, the activity.

The overall funding mix achieved by Council for 2023/24 was consistent with its Revenue and Financing Policy.

## INVESTMENT POLICY

Council reviewed and adopted the Investment and Policy 30 March 2021. Council delegates responsibility for the management, monitoring and reporting of its investments to the Regulatory and Services Committee. The Investment Policy document sets out the parameters for the operation of the investments that Council can be involved with. The mix of investments between short-term and longer term is determined according to Council's working capital needs.

There were no significant variations or material departures from Council's objectives for its investment activities as reported in the Investment Policy. Council's investments returned \$81,650 compared to the Annual Plan estimate for 2023/24 of \$97,530.

## LIABILITY MANAGEMENT POLICY

Council's Liability Management Policy was adopted on 30 March 2021. The policy ensures that Council's debt and associated risks are maintained at prudent levels.

There were no significant variations or material departures from Council's Liability Management Policy during the year.

## FINANCIAL CONTRIBUTIONS POLICY

Council's Financial Contributions Policy adopted 30 March 2021, retains the provisions of the District Plan that allows the assessment of financial contributions.

No financial contributions were received during the 2023/24 financial year.

## RATES REMISSION AND POSTPONEMENT FOR MĀORI FREEHOLD LAND POLICY

This Policy sets out the conditions and criteria for the remission and postponement of rates on Māori Freehold Land.

There were no variations or departures during the year from Council's policy as reported in Council's Long Term Plan 2021-2031.

# STATEMENT OF COMPLIANCE

## COMPLIANCE AND RESPONSIBILITY

The Council and Management accept responsibility for the preparation of the Annual Report and the judgements used in it.

The Council and Management accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial and service performance reporting. The statement performance information in this report is compliant with NZ Generally Accepted Accounting Practice (GAAP).

In the opinion of the Council and Management, the Annual Report for the year ended 30 June 2024 fairly reflects the financial performance, financial position, cash flows and service performance of the Council.



Faylene K N Tunui  
**Mayor Kahika**



Morgan Godfery, LLB  
**Chief Executive Officer**  
**Tumu Whakarae**

## **Independent Auditor’s Report**

### **To the readers of Kawerau District Council’s annual report for the year ended 30 June 2024**

The Auditor-General is the auditor of Kawerau District Council (the District Council). The Auditor-General has appointed me, René van Zyl, using the staff and resources of Audit New Zealand, to report on the information in the District Council’s annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as “the audited information” in our report.

We are also required to report on:

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

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

We completed our work on 30 October 2024. This is the date on which we give our report.

### **Opinion on the audited information**

In our opinion:

- the financial statements on pages 18 to 52:
  - present fairly, in all material respects:
    - the District Council’s financial position as at 30 June 2024;
    - 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 Reduced Disclosure Regime;
- the funding impact statement on page 22, 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 performance on pages 59 to 111:
  - presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2024, 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 66 to 111, 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 66 to 110, 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 53 to 58, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

## **Other Information**

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 11 and 112 to 118, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

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

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material



misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independence**

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

In addition to our audits of the District Council and our report on the disclosure requirements, we have performed a limited assurance engagement on the District Council's debenture trust deed, which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council.



René van Zyl  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand

# KAWERAU DISTRICT COUNCIL

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the Year Ended 30 June 2024

\$ 2022/23		Note	\$ Budget	\$ 2023/24
	<b>Revenue</b>			
12,159,251	Rates revenue	3	12,938,210	13,057,847
1,957,319	Subsidies and grants	4	5,596,530	2,933,953
1,789,092	Fees and charges	5	2,802,160	1,720,585
41,171	Interest revenue	8	97,530	81,650
253,974	Other revenue	5	65,000	312,994
0	Vested assets		0	0
<b>16,200,807</b>	<b>Total Revenue</b>		<b>21,499,430</b>	<b>18,107,029</b>
	<b>Expenses</b>			
6,059,952	Personnel costs	6	6,579,380	6,838,457
4,501,201	Depreciation and amortisation expense	13-15	3,973,210	4,606,264
62,950	Finance costs	8	177,500	213,916
6,916,356	Other expenses	7	11,553,390	7,366,878
144,097	Loss on disposal of property, plant and equipment		0	183,778
<b>17,684,556</b>	<b>Total Expenses</b>		<b>22,283,480</b>	<b>19,209,293</b>
<b>(1,483,749)</b>	<b>SURPLUS / (DEFICIT)</b>		<b>(784,050)</b>	<b>(1,102,264)</b>
	<b>Other comprehensive revenue and expense</b>			
0	Property, plant and equipment revaluation		0	0
<b>(1,483,749)</b>	<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>(784,050)</b>	<b>(1,102,264)</b>

Explanations of significant variances against budget are detailed in Note 32  
The accompanying notes, including Accounting Policies, form part of these financial statements.

# KAWERAU DISTRICT COUNCIL

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

\$ 2022/23		Note	\$ Budget	\$ 2023/24
<b>ASSETS</b>				
<b>Current assets</b>				
3,779,501	Cash and cash equivalents	9	4,225,340	2,801,969
1,615,144	Receivables	10	2,413,360	1,806,905
0	Other financial assets	12	0	0
182,722	Prepayments		0	289,697
1,946,397	Inventory	11	417,910	2,728,614
<u>7,523,764</u>	<b>Total current assets</b>		<u>7,056,610</u>	<u>7,627,185</u>
<b>Non-current assets</b>				
86,252	Other Financial Investment including CCOs	12	36,250	136,252
109,482,747	Property, plant and equipment	13	114,957,740	111,651,666
99,379	Intangible assets	14	85,500	90,741
<u>109,668,378</u>	<b>Total non-current assets</b>		<u>115,079,490</u>	<u>111,878,659</u>
<u>117,192,142</u>	<b>TOTAL ASSETS</b>		<u>122,136,100</u>	<u>119,505,844</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
3,149,896	Payables and deferred revenue	16	3,440,160	3,376,772
0	Borrowings and other financial liabilities	19	2,000,000	4,008,554
759,188	Employee entitlements	18	822,420	1,042,403
7,609,752	Retirement Village – Residents Liability	20	0	8,484,615
10,000	Provisions		10,000	10,000
<u>11,528,836</u>	<b>Total current liabilities</b>		<u>6,272,580</u>	<u>16,922,344</u>
<b>Non-current liabilities</b>				
137,141	Payables and deferred revenue	16	175,620	131,429
2,000,000	Borrowings and other financial liabilities	19	10,380,490	33,982
51,969	Employee entitlements	18	65,790	55,866
9,709	Provisions	17	0	0
<u>2,198,819</u>	<b>Total non-current liabilities</b>		<u>10,621,900</u>	<u>221,277</u>
<u>13,727,655</u>	<b>TOTAL LIABILITIES</b>		<u>16,894,480</u>	<u>17,143,621</u>
<u>103,464,487</u>	<b>NET ASSETS</b>		<u>105,241,620</u>	<u>102,362,223</u>
<b>EQUITY</b>				
36,506,158	Accumulated Funds	21	38,171,960	36,867,511
66,958,329	Reserves	21	67,069,660	65,494,712
<u>103,464,487</u>	<b>TOTAL EQUITY</b>		<u>105,241,620</u>	<u>102,362,223</u>

The accompanying notes, including Accounting Policies, form part of these financial statements. Explanations of significant variances against budget are detailed in Note 30

# KAWERAU DISTRICT COUNCIL STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2024

\$ 2022/23	Total Equity	Note	\$ Budget	\$ 2023/24
104,948,236	Balance at 1 July		106,025,670	103,464,487
<u>(1,483,749)</u>	Total comprehensive revenue and expense		<u>(784,050)</u>	<u>(1,102,264)</u>
<u>103,464,487</u>	<b>Balance at 30 June</b>		<u>105,241,620</u>	<u>102,362,223</u>

The accompanying notes, including Accounting Policies, form part of these financial statements.



*Bell Street Duplex Residential Development.*

# KAWERAU DISTRICT COUNCIL STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2024

\$ 2022/23	Note	\$ Budget	\$ 2023/24
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
11,955,544	Receipts from rates revenue	12,261,580	12,579,114
25,933	Rates on behalf Regional Council	0	0
1,819,148	Subsidies and grants received	5,596,530	3,240,894
1,878,122	Fees and charges received	2,802,160	1,642,838
41,427	Interest received	97,530	83,072
65,400	Receipts from other revenue	65,000	62,860
(6,214,089)	Payments to suppliers	(10,216,090)	(8,410,629)
(6,041,583)	Payment to employees	(6,437,920)	(6,551,345)
(62,950)	Interest paid	(177,500)	(187,298)
(65,410)	Goods and services tax (net)	0	64,327
0	Regional Council rates paid	0	(21,543)
<u>3,401,542</u>	Net cash flow from operating activities	<u>3,991,290</u>	<u>2,502,290</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
12,170	Receipts from sale of property, plant and equipment		0
0	Purchase of intangible assets	0	(13,021)
(50,000)	Sale/(Purchase) of investments	0	(50,000)
2,329,600	Receipt from ORA – Retirement Village	0	1,124,997
(7,575,491)	Purchase of property, plant and equipment	(6,727,700)	(6,584,335)
<u>(5,283,721)</u>	Net cash flow from investing activities	<u>(6,727,700)</u>	<u>(5,522,359)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
2,000,000	Loans/Finance Leases Raised	2,000,000	2,047,872
0	Repayment of borrowings	0	0
(5,044)	Payment of principal for finance leases	(16,500)	(5,335)
<u>1,994,956</u>	Net cash flow from financing activities	<u>1,983,500</u>	<u>2,042,537</u>
112,777	<b>Net increase/(decrease) in cash, cash equivalents and bank overdrafts</b>	(752,910)	(977,532)
3,666,724	Cash, cash equivalents and bank overdrafts at the beginning of the year	4,978,250	3,779,501
<u>3,779,501</u>	<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<u>4,225,340</u>	<u>2,801,969</u>

The accompanying notes, including Accounting Policies, form part of these financial statements.

Explanations of significant variances against budget are detailed in Note 32

# KAWERAU DISTRICT COUNCIL FUNDING IMPACT STATEMENT

(Whole of Council)  
For the year ended 30 June 2024

	2023		2024	
	\$ Annual Plan	\$ Actual	\$ Annual Plan	\$ Actual
<b>SOURCES OF OPERATING FUNDING</b>				
General rates, UAGC and rate penalties	10,762,550	10,906,725	11,770,850	11,874,186
Targeted rates	1,191,070	1,252,526	1,167,360	1,183,661
Subsidies and grants for operating purposes	241,020	1,587,975	4,680,030	1,431,024
Fees and charges	1,660,500	1,789,090	2,218,260	1,720,584
Interest and dividends from investments	34,390	41,171	97,530	81,651
Local Authorities Fuel tax, fines, infringements and other receipts	2,020,000	66,367	648,900	62,860
<b>TOTAL OPERATING FUNDING (A)</b>	<b>15,909,530</b>	<b>15,643,854</b>	<b>20,582,930</b>	<b>16,353,966</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
Payment to staff and suppliers	13,079,140	12,976,423	18,132,830	14,215,339
Finance costs	110,000	62,950	177,500	213,916
Other operating funding applications	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>13,189,140</b>	<b>13,039,373</b>	<b>18,310,330</b>	<b>14,429,255</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>2,720,390</b>	<b>2,604,481</b>	<b>2,272,600</b>	<b>1,924,711</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	834,750	369,344	916,500	1,502,929
Development and Financial contributions	0	0	0	0
Increase/(decrease) in debt	1,995,490	1,994,956	1,982,000	2,053,206
Gross proceeds from sale of assets	0	7,332	0	0
Lump sum contributions	4,020,000	0	0	0
Other dedicated capital funding	0	2,329,600	0	1,125,000
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>6,850,240</b>	<b>4,701,232</b>	<b>2,898,500</b>	<b>4,681,135</b>
<b>APPLICATIONS OF CAPITAL FUNDS</b>				
Capital expenditure:				
- to meet additional demand	3,300,000	3,537,376	0	0
- to improve the level of service	330,000	0	320,000	0
- to replace existing assets	5,220,360	3,934,660	6,407,700	6,950,322
Increase/(decrease) in reserves	720,270	(216,323)	(1,556,600)	(394,476)
Increase/(decrease) of investments	0	50,000	0	50,000
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>9,570,630</b>	<b>7,305,713</b>	<b>5,171,100</b>	<b>6,605,846</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(2,720,390)</b>	<b>(2,604,481)</b>	<b>(2,272,600)</b>	<b>(1,924,711)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The accompanying notes, including Accounting Policies, form part of these financial statements.

# KAWERAU DISTRICT COUNCIL

## NOTES TO FINANCIAL STATEMENTS

### 1. Statement of Accounting Policies for the Year Ended 30 June 2024

#### REPORTING ENTITY

Kawerau District Council is a territorial local authority established under the Local Government Act 2002, is domiciled and operates in New Zealand and has designated itself a public benefit entity for financial reporting purposes.

The financial statements of Kawerau District Council are for the year ended 30 June 2024. The financial statements are authorised for issue by Council on 30 October 2024.

#### BASIS OF PREPARATION

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

The financial statements of Kawerau District Council (KDC) have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with the reduced disclosure regime of tier 2 Public Benefit Entities, as Council:

- Has total expenses of less than \$33 million for the year and
- Does not have debt or equity instruments nor holds assets in a fiduciary duty for a broad group of outsiders.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, and financial instruments.

The financial statements are presented in New Zealand dollars. The functional currency of KDC is New Zealand dollars.

These financial statements are prepared in accordance with the Public Benefit Entity standards and comply with these standards.

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Revenue

Revenue is measured at the fair value of consideration received or receivable.

The accounting policies for significant revenue items are explained as follows:

##### *Rates revenue*

The following policies for rates have been applied:

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

- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the Bay of Plenty Regional Council (BOPRC) are not recognised in the financial statements as Council is acting as an agent for the BOPRC.

#### *Waka Kotahi - New Zealand Transport Agency Subsidies*

KDC receives government grants from Waka Kotahi - New Zealand Transport Agency, which subsidises part of KDC's costs in maintaining 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 an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

#### *Provision of services*

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

#### *Sales of goods*

Sales of goods are recognised when a product is sold to the customer.

#### *Vested assets*

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

#### *Interest and dividends*

Interest revenue is recognised using the effective interest method.

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

#### *Amenity fees*

The Occupation Right Agreement (ORA) conferring the right to occupancy are considered leases under PBE IPSAS 13 – Leases. The amenities fee is calculated as a percentage of the ORA amount and accrues monthly, for a set period, based on the terms of the individual contracts and treated as lease income over the period. The current Disclosure Statement and ORA accrues amenity fees at the rate of 3% per annum for a maximum of 10 years.

The amenities fee is recognised on a straight-line basis in the Statement of Comprehensive Revenue and Expense over the average expected length of stay of residents.

The amenities fee is payable by the resident at the time of repayment (to the resident) of the refundable ORA amount due. At year end, the amenities fee receivable that has yet to be recognised in the Consolidated Statement of Comprehensive Revenue and Expense as amenities fee revenue is recognised as deferred amenities fee on the Consolidated Balance Sheet.

The timing of the recognition of amenities fee is a critical accounting estimate and judgement. The management fee is recognised on a straight-line basis in the Statement of Comprehensive



Revenue and Expenditure over the average expected length of stay of residents. The current assessments are as follows:

Expected average length of stay	30 June 2023	30 June 2024
Independent living units	10 years	10 years

There is uncertainty regarding how long a resident stays, as they have complete autonomy to terminate their ORA when and for such reasons as they see fit. As the village is new, there is limited data to determine the length of stay. At 30 June 2024, an increase in the average expected length of stay of residents by one year is estimated to reduce amenities fee revenue by \$22,740 (2023: \$21,736) and a decrease of one year would increase amenities fee revenue by \$27,793 (2023: \$26,567).

### **Borrowing Costs**

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

### **Grant Expenditure**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where KDC has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of KDC's decision.

### **Leases**

#### *Finance leases*

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, KDC recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether KDC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### *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.

### **Receivables**

Short-term receivables are recorded at the amount due, less an allowance for Expected Credit Losses (ECL). The Council applies the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been assessed on a collective basis as they possess shared credit risk characteristics. A provision matrix is used to establish the expected credit losses, which is based on the days past due date and those debts that have been referred to a Debt Collection Agency.

Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding rates debts, which assist in the high likelihood of recovering rates.

## **Financial assets**

KDC classifies its financial assets into the following categories; loans and receivables and financial assets at fair value through other comprehensive revenue and expense. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

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

Purchases and sales of investments are recognised on trade-date, the date on which KDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the KDC has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. The quoted market price used is the current bid price.

The categories of financial assets are:

### **1. Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the balance date which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Financial assets in this category include cash, cash equivalents, short term deposits (maturities 4 – 12 months) and debtors

### **2. Fair value through other comprehensive revenue and expense**

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

This category encompasses:

- Investments that Kawerau District Council intends to hold long-term, but which may be realised before maturity.
- Shareholdings that it holds for strategic purposes.

These investments are measured at their fair value with gains and losses recognised in other comprehensive revenue and expense except for impairment losses, which are recognised in the surplus or deficit. On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Currently, KDC has shares in BOPLASS Ltd and Local Government Insurance Corporation (Civic Assurance) which are recorded at cost.

## **Impairment of financial assets**

At each balance date, KDC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

### *Loans and receivables and held-to-maturity investments*

Impairment is established when there is evidence that KDC will not be able to collect amounts according to the original terms of the receivable. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cashflows discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible it is written off against the allowance amount. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Impairment in term deposits, local authority stock, government bonds and community loans are recognised directly against the instrument's carrying amount.

### *Financial assets at fair value through other comprehensive revenue and expense*

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measures as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit. Equity instrument impairment losses recognised in the surplus or deficit, are not reversed through the surplus or deficit.

## **Inventory**

Council currently holds two categories of inventory. These are:

- Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis, are measured at the lower of cost and current replacement cost.
- Residential sections which are available for sale. Council has developed residential sections which are currently held for sale and are measured at the lower of cost or net realisable value in accordance with PBE IPSAS 12.

The cost of purchased inventory is determined using the FIFO method.

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

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

The write down from cost to current replacement cost is recognised in the surplus or deficit in the period of the write-down.

## Property, plant and equipment

Property, plant and equipment consist of:

*Operational assets* — these include land, buildings, library books, plant and equipment, and motor vehicles.

*Restricted assets* — restricted assets are parks and reserves owned by KDC, which 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 KDC. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

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

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

### *Revaluation*

Operational land and buildings are shown at fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by TelferYoung Limited, and the valuation was effective as at 30 June 2022.

Restricted land and buildings are shown at fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by TelferYoung Ltd, and the valuation was effective as at 30 June 2022.

Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems are recorded at fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Bayleys Ltd, and the valuation was effective as at 30 June 2022. All infrastructural asset classes carried at valuation were valued.

Land under roads, was valued based on fair value of adjacent land determined by CB Richard Ellis, effective 1 July 2004. On transition to NZ IFRS, KDC elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Additions are recorded at cost. Land under roads is no longer revalued.

Library books were valued at deemed cost as at 1 July 1991, by Beca Carter Hollings and Ferner, (Registered Valuers). Library additions are recorded at cost less accumulated depreciation on the diminishing value basis.

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

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

Revaluations of property, plant and equipment are accounted for on a class of asset basis.

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

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

#### *Additions*

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

Work in progress is recognised at cost, less impairment and is not depreciated. Property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, (non-exchange transaction), it is recognised at fair value as at the date of acquisition.

#### *Disposals*

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

#### *Subsequent costs*

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

#### *Depreciation*

Depreciation is provided on either the straight-line (SL) or diminishing value (DV) basis on all property, plant and equipment other than land and pavement formation, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The estimated useful lives, associated depreciation rates and depreciation basis for each major class of assets is as follows:

	<b>Estimated Useful Life</b>	<b>Depreciation Rate</b>	<b>Basis</b>
<b>Operational</b>			
Buildings	5-50 years	2.0-20.0%	SL
Computer/Electronic Office Equipment	3-15 years	6.7-33.3%	SL
Fixtures, Fittings & Equipment	5-50 years	2.0-20.0%	DV
Plant (including vehicles)	5 years	20.0%	DV
Library Collections (excluding special collections)	7 years	15.0%	DV
Special Collections	Not depreciated		
<b>Infrastructural</b>			
Roading Network			
Street lighting	5-47 years	2.13-20.0%	SL
Kerb, channel & footpath	5-100 years	1.0-20.0%	SL
Bridges and Culverts	18-80 years	1.25-5.3%	SL
Pavement surface	3-19 years	5.26-33.3%	SL
Pavement structure	5-80 years	1.25-20.0%	SL
Stormwater	5-100 years	1.0-20.0%	SL
Water Systems:			
Collection & Storage	2-80 years	1.25-50.0%	SL
Local Distribution	5-80 years	1.25-20.0%	SL
Sewerage System:			
Reticulation system	5-80 years	1.25-20.0%	SL
Pumping & Treatment	5-80 years	1.25-20.0%	SL
<b>Restricted</b>			
Buildings & Other	6-25 years	4.0%-16.7%	SL

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

Some assets components classified as buildings have a shorter life than others and therefore there is a significant range for the estimated useful lives of these assets.

## **Intangible assets**

### *Software acquisition and development*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by KDC, are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

### *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 surplus or deficit.

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

	<b>Estimated Useful Life</b>	<b>Amortisation Rate</b>	<b>Basis</b>
Computer Software	3 - 8 years	12.5 – 33.3%	SL

## **Impairment of property, plant and equipment and intangible assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment at balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated.

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

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

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

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

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

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in 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 (other than goodwill) the reversal of an impairment loss is recognised in the surplus or deficit.

## **Payables**

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

## **Employee entitlements**

### *Short-term employee benefits*

Employee benefits that KDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

KDC recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that KDC anticipates it will be used by staff to cover those future absences.

### *Long-term employee entitlements*

These are employee entitlements that are payable beyond 12 months, which include long service leave and retirement leave, and 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 entitlements information; and
- The present value of the estimated future cash flows. A discount rate of 3.0%, and an inflation factor of 2.0% were used.
- The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

## **Superannuation schemes**

### *Defined contribution schemes*

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of comprehensive revenue and expense as incurred.

## **Refundable Occupation Right Agreements**

Occupation right agreements (ORA) conferring the right to occupancy are considered leases under PBE IPSAS 13 – Leases. A new resident is charged a refundable security deposit on being issued the right to occupy which is refunded to the resident on termination, after the subtraction of the capital deduction. The Operator (Council) has a legal right to set off any amounts owing to the Operator by a resident against that resident's deposit, including amenities fee, loans receivable, service fees and village fees. As the agreement can be cancelled by the resident with one month's notice, the liability is considered to have a demand feature and is therefore shown at face value and classified in full as a current liability.

The right of residents to occupy the properties of the Operator (Council) are protected by the Statutory Supervisor restricting the ability of the Operator to fully control these assets without undergoing a consultation process with all affected parties. Residents do not have a right to participate in capital gains.

## **Provisions**

KDC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

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

### *Landfill*

KDC has a responsibility under its resource consent to provide ongoing maintenance and monitoring of the Kawerau landfill after the site is closed.

KDC recognises a liability for these costs. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred and the provision has been estimated taking account of existing technology and using a discount rate of 3.0%.

### *Financial guarantee*

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

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a standalone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a provision is recognised based on the probability that KDC will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if KDC assesses that it is probable that expenditure will be required to settle a guarantee then the provision for the guarantee is measured at the present value of the future expenditure.

KDC currently is not a guarantor for any group or individual.

## **Borrowings**

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

## **Equity**

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

1. Accumulated Funds
2. Restricted and Council created reserves
3. Property revaluation reserves



### *Restricted and Council Created Reserves*

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 KDC.

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

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

### *Property Revaluation Reserves*

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

## **Goods and Services Tax (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. 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 the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## **Budget figures**

The budget figures are those approved by the Council for 2023/24 in the Annual Plan 2023/2024. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by KDC for the preparation of the financial statements.

## **Cost allocation**

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

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.

## **Critical accounting estimates and assumptions**

In preparing these financial statements KDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### *Landfill aftercare provision*

Note 17 provides information about the estimates and assumptions surrounding the landfill after care provision.

#### *Estimating the fair value of land, buildings and infrastructure assets*

Note 13 provides information about the estimates and assumptions surrounding the fair value of land, buildings and infrastructure assets.

#### *Infrastructural assets*

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

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

Experienced independent valuers perform the Council's infrastructural asset revaluations. Note 13 provides information about the estimates and assumptions surrounding infrastructure assets

### **Critical judgements in applying KDC's accounting policies**

Management has exercised the following critical judgements in applying the KDC's accounting policies for the period ended 30 June 2024:

#### *Classification of property*

KDC owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the KDC's social housing policy. They are leased to and operated by the Kawerau Social Services Trust in order to meet these objectives. The properties are accounted for as property, plant and equipment.

### **Changes in accounting policies**

There were no changes in accounting policies for the 2023/24 financial year.

## 2. Summary of Revenue and Expenditure for Groups of Activities

### Revenue and expenditure for groups of activities

<u>2022/23</u>		<u>Budget</u>	<u>2023/24</u>
	<b>Revenue</b>		
1,284,310	Democracy	837,510	1,209,996
1,567,849	Economic Development	6,601,840	2,188,549
1,307,721	Environmental Services	1,455,470	1,547,122
1,737,719	Roading	2,152,370	1,928,555
161,869	Stormwater	383,110	383,728
1,678,322	Water	1,509,410	2,066,696
1,975,549	Wastewater	1,794,700	1,848,801
2,408,535	Solid Waste	3,177,050	2,977,867
4,395,547	Leisure and Community Services	4,508,960	4,761,246
<u>16,517,421</u>		<u>22,420,420</u>	<u>18,912,560</u>
(316,614)	Less internal revenue	(920,990)	(805,531)
<b><u>16,200,807</u></b>	<b>Total revenue</b>	<b><u>21,499,430</u></b>	<b><u>18,107,029</u></b>

<u>2022/23</u>		<u>Budget</u>	<u>2023/24</u>
	<b>Expenditure</b>		
1,312,732	Democracy	849,770	1,264,495
2,107,936	Economic Development	6,603,900	2,172,387
1,079,966	Environmental Services	1,455,430	1,373,339
2,334,877	Roading	2,409,310	2,428,991
365,232	Stormwater	288,240	367,221
1,689,331	Water	1,733,270	2,317,908
2,019,734	Wastewater	1,982,710	2,054,123
2,818,788	Solid Waste	3,183,210	3,141,705
4,581,210	Leisure and Community Services	4,710,890	4,886,731
<u>18,309,806</u>		<u>23,216,730</u>	<u>20,006,900</u>
(625,250)	Less internal expenditure	(\$933,250)	(797,607)
<b><u>17,684,556</u></b>	<b>Total expenditure</b>	<b><u>22,283,480</u></b>	<b><u>19,209,293</u></b>

## 3. Rates Revenue

<u>2022/23</u>		<u>2023/24</u>
10,806,505	<b>General rate</b>	11,757,537
	<b>Targeted rates attributable to activities:</b>	
262,892	Water Supply – including metered water	201,664
440,250	Wastewater	383,890
549,384	Refuse Collection	598,107
100,220	Rate penalties	116,649
<b><u>12,159,251</u></b>	<b>Total revenue from rates</b>	<b><u>13,057,847</u></b>

Rates revenue is shown net of rates remissions. KDC's rate remission policy allows KDC to remit rates (for the purpose of ensuring the rates charged to these properties are fair and equitable) which are shown below:

<u>2022/23</u>		<u>2023/24</u>
12,179,173	<b>Total rates revenue</b>	13,071,949
	<b>Rates remissions</b>	
(19,922)	Higher value properties/Farms	(14,102)
<u>12,159,251</u>	<b>Rates revenue net of remissions</b>	<u>13,057,847</u>

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

#### 4. Subsidies and Grants

<u>2022/23</u>		<u>2023/24</u>
458,371	Waka Kotahi – Rooding Subsidies	623,114
77,101	Waka Kotahi – Subsidies for Stormwater	306,133
<u>1,421,847</u>	Grants for other capital projects and events	<u>2,004,706</u>
<u>1,957,319</u>		<u>2,933,953</u>

Subsidies and Government Grants carried forward to the 2024/25 financial year are:

- Ministry of Youth Development grant \$12,186
- Freedom Camping (DIA) grant - \$39,972
- BOP LASS grant - \$165,500

The Government Grants carried forward for the year to 30 June 2023, were Better off Funding for the Spatial Plan \$160,000 and Mayor's Task Force for Jobs \$104,422.

#### 5. Fees and charges and other revenue

<u>2022/23</u>		<u>2023/24</u>
1,781,760	User fees and charges	1,720,585
66,367	Petrol Tax	62,860
0	Election recoveries	0
7,332	Profit on disposal of inventory	0
0	Recoveries – Netball Pavilion	0
<u>187,607</u>	Amenities Fee	<u>250,134</u>
<u>2,043,066</u>	<b>Total fees and charges and other revenue</b>	<u>2,033,579</u>

#### 6. Personnel Costs

<u>2022/23</u>		<u>2023/24</u>
5,897,219	Salaries & Wages	6,402,553
7,213	Employer contributions to multi-employer defined benefit plans	8,250
137,151	Employer contributions to Kiwisaver	140,542
<u>18,369</u>	Increase/ (decrease) in employee benefit liabilities	<u>287,112</u>
<u>6,059,952</u>	<b>Total employee benefit expenses</b>	<u>6,838,457</u>

## 7. Other expenses

<u>2022/23</u>		<u>2023/24</u>
40,616	General grants	29,511
2,201,504	Contractors	2,095,512
265,741	Insurance premiums	341,742
221,136	Consultants and legal fees	244,564
281	Impairment of receivables (note 9)	127,702
4,187,078	Other operating expenses	4,527,847
<u>6,916,356</u>		<u>7,366,878</u>

## 8. Interest revenue and finance costs

<u>2022/23</u>		<u>2023/24</u>
	<b>Interest revenue:</b>	
41,171	Term deposits	81,650
	<b>Interest expense:</b>	
(62,422)	Interest - loan	(202,570)
(528)	Interest on finance leases	(11,346)
<u>(21,779)</u>	<b>Net interest revenue</b>	<u>(132,266)</u>

## 9. Cash and cash equivalents

<u>2022/23</u>		<u>2023/24</u>
3,779,501	Cash at bank and in hand	2,801,969
0	Short term deposits with maturities of 3 months or less	0
<u>3,779,501</u>	<b>Total cash and cash equivalents</b>	<u>2,801,969</u>

The carrying value of short-term deposits with maturity dates of 3 months or less approximates to their fair value.

## 10. Receivables

<u>2022/23</u>		<u>2023/24</u>
613,078	Rates receivable	1,043,872
311,960	Other receivables	380,067
0	Licence to occupy deposits	0
339,938	Sundry debtors	224,827
359,763	GST receivable	295,436
1,624,739		1,944,202
(9,595)	Less Expected Credit Losses	(137,297)
<u>1,615,144</u>	<b>Current portion</b>	<u>1,806,905</u>
331,766	Receivables from non-exchange transactions	215,232
1,283,378	Receivables from exchange transactions	1,591,673
<u>1,615,144</u>		<u>1,806,905</u>

Movements in the Expected Credit Losses are as follows:

<u>2022/23</u>		<u>2023/24</u>
9,313	Balance as at 1 July measured under PBE IPSAS 29	9,595
282	Additional provisions made during the year	127,702
0	Receivables written off during the period	0
<u>9,595</u>	<b>At 30 June</b>	<u>137,297</u>

## 11. Inventory

<u>2022/23</u>		<u>2023/24</u>
	<b>Inventories held for distribution (Non-Commercial):</b>	
153,227	Water & sewerage reticulation spare parts	145,440
66,991	Other	62,839
<u>220,218</u>	<b>Total inventories held for distribution (Non-commercial)</b>	<u>208,279</u>
	<b>Inventory held for sale (Commercial):</b>	
1,726,179	Residential Developments – Hine Te Ariki Place, Central Cove & Stoneham Park	2,520,335
<u>1,726,179</u>	<b>Total inventory held for sale (Commercial)</b>	<u>2,520,335</u>
<u>1,946,397</u>	<b>Total</b>	<u>2,728,614</u>

There has been no write-down of inventory during the year (2022/23 – \$nil)  
No inventories are pledged as securities for liabilities (2022/23 - \$nil)

## 12. Other Financial Assets/Investments in CCOs

<u>2022/23</u>		<u>2023/24</u>
	<b>Current portion</b>	
	<i>Loans and receivables</i>	
0	Short term deposits with maturities of 4 -12 months	0
<u>0</u>	<b>Total loans and receivables</b>	<u>0</u>
	<b>Non-current portion</b>	
	<i>Investments - at cost</i>	
31,161	Investment in Civic Financial Services Limited	31,161
50,000	Debenture Stock	100,000
5,091	Investment in BOPLASS Ltd - CCO	5,091
<u>86,252</u>		<u>136,252</u>

There were no impairment provisions or expenses for other financial assets.

Shares in Civic Financial Services Limited are held at cost. The asset backing for these shares at 31 Dec 2023 was \$0.93 (2022 - \$0.90).

### *Maturity analysis and effective interest rates*

The maturity dates for all other financial assets with the exception of equity investments, and advances to, subsidiaries and associates are as follows:

<u>2022/23</u>		<u>2023/24</u>
0	Average investment	0
<u>0</u>		<u>0</u>

### 13. Property, plant and equipment 2024

	Cost/ revaluation 30-Jun-23	Accum Depr and Imp Chgs 30-Jun-23	Carrying Amount 30-Jun-23	WIP	Curr. Yr Additions	Curr. Yr Disposals (Cost)	Curr. Yr Disposals (Accum Depr)	Curr. Yr Depr	Valuation Adjustment	Cost/ revaluation 30-Jun-24	Accum Depr and Imp Chgs 30-Jun-24	Carrying Amount 30-Jun-24
<b>Council operational assets</b>												
Land	10,530,796	0	10,530,796	0	0	0	0	0	0	10,530,796	0	10,530,796
Buildings	21,288,521	(850,698)	20,437,823	200,533	1,222,590	0	0	859,127	0	22,711,644	(1,709,826)	21,001,818
Plant, machinery & vehicles	2,618,772	(1,534,505)	1,084,267	0	336,333	0	0	237,902	0	2,955,105	(1,772,406)	1,182,699
Fixtures, fittings and equipment	5,512,088	(3,405,779)	2,106,309	0	398,728	(18,821)	15,045	241,920	0	5,891,996	(3,632,654)	2,259,342
Library collections	1,910,835	(1,542,601)	368,234	0	65,030	0	0	60,112	0	1,975,866	(1,602,714)	373,152
Leased assets	90,259	(90,259)	0	0	47,872	(88,915)	88,915	3,191	0	49,216	(4,535)	44,681
Work in progress	217,737	0	217,737	(200,533)	15,843	0	0	0	0	33,047	0	33,047
<b>Total operational assets</b>	<b>42,169,008</b>	<b>(7,423,842)</b>	<b>34,745,166</b>	<b>0</b>	<b>2,086,396</b>	<b>(107,736)</b>	<b>103,960</b>	<b>1,402,252</b>	<b>0</b>	<b>44,147,670</b>	<b>(8,722,135)</b>	<b>35,425,535</b>
<b>Council infrastructural assets</b>												
Roading network	25,000,233	(1,666,913)	23,333,320	0	447,451	(26,690)	0	1,407,480	0	25,420,996	(3,074,392)	22,346,604
Water - Other	13,492,955	(529,565)	12,963,390	0	2,088,367	(133,159)	11,867	549,901	0	15,448,163	(1,067,599)	14,380,564
Water – Treatment Plant	1,437,476	(93,272)	1,344,204	0	357,470	(24,800)	15,214	113,963	0	1,770,146	(192,021)	1,578,125
Sewerage - Other	10,221,780	(443,177)	9,778,603	0	892,312	(15,600)	867	468,198	0	11,098,492	(910,509)	10,187,983
Sewerage – Treatment Plant	4,141,524	(184,113)	3,957,411	0	384,412	(9,100)	1,400	190,209	0	4,516,835	(372,922)	4,143,913
Stormwater - Network	6,092,617	(316,809)	5,775,808	0	515,243	0	0	321,016	0	6,607,859	(637,825)	5,970,034
Work in Progress	25,920	0	25,920	0	102,790	0	0	0	0	128,710	0	128,710
<b>Total infrastructural assets</b>	<b>60,412,505</b>	<b>(3,233,849)</b>	<b>57,178,656</b>	<b>0</b>	<b>4,788,045</b>	<b>(209,349)</b>	<b>29,348</b>	<b>3,050,767</b>	<b>0</b>	<b>64,991,201</b>	<b>(6,255,268)</b>	<b>58,735,933</b>
<b>Council restricted assets</b>												
Land	15,076,924	0	15,076,924	0	0	0	0	0	0	15,076,924	0	15,076,924
Buildings	2,526,903	(126,756)	2,400,148	0	62,862	0	0	128,938	0	2,589,765	(255,694)	2,334,071
Library - Special Collection	12,300	0	12,300	0	0	0	0	0	0	12,300	0	12,300
Other	88,100	(18,547)	69,553	0	0	0	0	2,650	0	88,100	(21,196)	66,904
<b>Total restricted assets</b>	<b>17,704,227</b>	<b>(145,302)</b>	<b>17,558,925</b>	<b>0</b>	<b>62,862</b>	<b>0</b>	<b>0</b>	<b>131,587</b>	<b>0</b>	<b>17,767,089</b>	<b>(276,890)</b>	<b>17,490,199</b>
<b>Total property, plant and equipment</b>	<b>120,285,740</b>	<b>(10,802,993)</b>	<b>109,482,747</b>	<b>0</b>	<b>6,937,303</b>	<b>(317,085)</b>	<b>133,308</b>	<b>4,584,606</b>	<b>0</b>	<b>126,905,960</b>	<b>(15,254,293)</b>	<b>111,651,667</b>

## Property, plant and equipment 2023

	Cost/ revaluation 30-Jun-22	Accum Depn and Imp Chgs 30-Jun-22	Carrying Amount 30-Jun-22	WIP	Curr. Yr Additions	Curr. Yr Disposals (Cost)	Curr. Yr Disposals (Accum Depn)	Curr. Yr Depn	Valuation Adjustment	Cost/ revaluation 30-Jun-23	Accum Depn and Imp Chgs 30-Jun-23	Carrying Amount 30-Jun-23
<b>Council operational assets</b>												
Land	10,526,000	0	10,526,000	0	4,796	0	0	0	0	10,530,796	0	10,530,796
Buildings	16,825,400	0	16,825,400	768,255	3,694,866	0	0	850,698	0	21,288,521	(850,698)	20,437,823
Plant, machinery & vehicles	2,543,285	(1,440,623)	1,102,662	0	198,454	(122,966)	118,124	212,006	0	2,618,772	(1,534,505)	1,084,267
Fixtures, fittings and equipment	5,637,835	(3,507,245)	2,130,590	0	233,954	(359,701)	359,351	257,885	0	5,512,088	(3,405,779)	2,106,309
Library collections	1,843,092	(1,483,596)	359,496	0	67,743	0	0	59,005	0	1,910,835	(1,542,601)	368,234
Leased assets	90,259	(85,509)	4,750	0	0	0	0	4,750	0	90,259	(90,259)	0
Work in progress	850,335	0	850,335	(768,255)	135,657	0	0	0	0	217,737	0	217,737
<b>Total operational assets</b>	<b>38,316,206</b>	<b>(6,516,973)</b>	<b>31,799,233</b>	<b>0</b>	<b>4,335,470</b>	<b>(482,667)</b>	<b>477,475</b>	<b>1,384,344</b>	<b>0</b>	<b>42,169,008</b>	<b>(7,423,842)</b>	<b>34,745,166</b>
<b>Roading network</b>												
Roading network	24,624,320	(270,122)	24,354,198	0	406,706	(30,791)	0	1,396,791	0	25,000,233	(1,666,913)	23,333,320
<b>Water - Other</b>												
Water - Other	12,029,850	0	12,029,850	0	1,532,336	(69,232)	0	529,565	0	13,492,955	(529,565)	12,963,390
<b>Water - Treatment Plant</b>												
Water - Treatment Plant	1,230,780	0	1,230,780	0	206,696	0	0	93,272	0	1,437,476	(93,272)	1,344,204
<b>Sewerage - Other</b>												
Sewerage - Other	9,705,560	0	9,705,560	0	552,209	(35,989)	0	443,177	0	10,221,780	(443,177)	9,778,603
<b>Sewerage - Treatment Plant</b>												
Sewerage - Treatment Plant	4,059,700	0	4,059,700	0	81,824	0	0	184,113	0	4,141,524	(184,113)	3,957,411
<b>Stormwater - Network</b>												
Stormwater - Network	5,844,540	0	5,844,540	0	250,971	(2,894)	0	316,809	0	6,092,617	(316,809)	5,775,808
<b>Work in Progress</b>												
Work in Progress	0	0	0	0	25,920	0	0	0	0	25,920	0	25,920
<b>Total infrastructural assets</b>	<b>57,494,750</b>	<b>(270,122)</b>	<b>57,224,628</b>	<b>0</b>	<b>3,056,662</b>	<b>(138,906)</b>	<b>0</b>	<b>2,963,727</b>	<b>0</b>	<b>60,412,505</b>	<b>(3,233,849)</b>	<b>57,178,656</b>
<b>Council restricted assets</b>												
Land	15,076,924	0	15,076,924	0	0	0	0	0	0	15,076,924	0	15,076,924
Buildings	2,447,000	0	2,447,000	0	79,903	0	0	126,755	0	2,526,903	(126,756)	2,400,148
Library - Special Collection	12,300	0	12,300	0	0	0	0	0	0	12,300	0	12,300
Other	88,100	(15,897)	72,203	0	0	0	0	2,650	0	88,100	(18,547)	69,553
<b>Total restricted assets</b>	<b>17,624,324</b>	<b>(15,897)</b>	<b>17,608,427</b>	<b>0</b>	<b>79,903</b>	<b>0</b>	<b>0</b>	<b>129,405</b>	<b>0</b>	<b>17,704,227</b>	<b>(145,302)</b>	<b>17,558,925</b>
<b>Total property, plant and equipment</b>	<b>113,435,279</b>	<b>(6,802,991)</b>	<b>106,632,288</b>	<b>0</b>	<b>7,472,035</b>	<b>(621,573)</b>	<b>477,475</b>	<b>4,477,476</b>	<b>0</b>	<b>120,285,740</b>	<b>(10,802,993)</b>	<b>109,482,747</b>



## Core asset disclosures

### *Valuation*

#### Land and Buildings

Council's operational and restricted land and buildings were revalued by independent registered valuer Grant Utteridge of Telfor-Young Limited as at 30 June 2022. The land is valued at fair value as determined from market-based evidence by the independent valuer. For buildings these assets were revalued on the basis of depreciated replacement cost in accordance with PBE IPSAS 17. Non-specialised buildings (residential and commercial) were valued using market based evidence (income and lease data). Specialised assets were valued on the basis of depreciated cost replacement method.

Depreciated replacement cost is determined using a number of significant assumptions, which include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- For the Council's earthquake-prone buildings that are expected to be strengthened, the estimated earthquake-strengthening costs have been deducted off the depreciated replacement cost.
- 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.

#### Infrastructural Assets

Council's Infrastructural assets were revalued by independent registered valuer Mike Morales of Bayleys Ltd, on the depreciated replacement cost basis as at 30 June 2022 in accordance with NZ IAS 16. These assets were considered to be specialised as they were unlikely to be sold on the open market.

The depreciated replacement cost is determined using a number of significant assumptions, which include:

- Estimating any obsolescence or surplus capacity of the asset
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- 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 benefits of the asset, Council could be over or underestimating 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 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 useful life estimates.

The library collection was initially valued at deemed cost in accordance by Beca Carter Hollings and Ferner (Valuers) in 1991 and since then additions have been recorded at cost and depreciation charged on the diminishing value basis.

### *Disposals*

The net loss on disposal of property, plant and equipment \$183,778 (2023 - \$144,097) has been recognised in the statement of comprehensive revenue and expense.

### *Leases*

The net carrying amount of plant and equipment held under finance leases is \$nil, as the lease expired during 2022/23 and no new lease has been entered into as at 30 June 2024 (2023 - \$nil).

### Impairment

There were no impairment losses incurred for the year to 30 June 2024 (2023 – nil).

### Restrictions

Land and buildings in the Restricted Assets category are subject to either restrictions on use or disposal or both. This includes restrictions from legislation (such as a reserve under the Reserves Act 1977) or other restrictions (such as land or buildings under a bequest or donation that restricts the purpose for which the assets can be used). No restricted assets are used as security for Council liabilities.

### Core infrastructure asset disclosure

Included within the Council infrastructure assets (above) are the following core Council assets.

2024	Closing book value	Additions (constructed)	Additions (transferred)	Most recent replacement cost estimate for revalued assets (30 June 2024)
Water Supply:				
-Treatment plant	1,578,125	357,470	0	2,738,150
-Other assets (reticulation)	14,380,564	2,088,367	0	36,926,140
Sewerage:				
-Treatment plant	4,143,913	384,412	0	7,689,320
-Other assets (reticulation)	10,187,982	892,312	0	31,620,630
Stormwater drainage	5,970,034	515,243	0	22,979,900
Roads and Footpaths	22,346,607	447,451	0	54,301,100
<b>2023</b>				<b>Replacement cost: (30 June 2023)</b>
Water Supply:				
-Treatment plant	1,344,204	206,696	0	2,380,680
-Other assets (reticulation)	12,963,390	1,532,336	0	34,837,770
Sewerage:				
-Treatment plant	3,957,411	81,824	0	7,304,910
-Other assets (reticulation)	9,778,602	552,209	0	30,728,320
Stormwater drainage	5,775,808	250,971	0	22,464,660
Roads and Footpaths	23,333,325	406,706	0	53,853,650

## 14. Intangible assets

<u>2022/23</u>		<u>2023/24</u>
	<b>Acquired computer software</b>	
	Balance at 1 July	
522,103	Cost	522,103
(398,995)	Accumulated amortisation and impairment	(422,724)
<u>123,108</u>	Opening carrying amount	<u>99,379</u>
0	Additions	13,020
(23,729)	Amortisation charge	(21,658)
<u>99,379</u>	<b>Closing carrying amount</b>	<u>90,741</u>
	Balance at 30 June	
522,103	Cost	535,123
(422,724)	Accumulated amortisation and impairment	(444,382)
<u>99,379</u>	<b>Closing carrying amount</b>	<u>90,741</u>

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

**15. Depreciation and amortisation expense by group of activity**

<u>2022/23</u> <u>Actual</u>	Depreciation and amortisation expense (for group of activity)	<u>2023/24</u> <u>Budget</u>	<u>2023/24</u> <u>Actual</u>
26,814	Democracy	17,760	24,346
486,131	Economic and community development	456,190	484,268
31,508	Environmental services	24,100	31,245
1,384,637	Roading	1,281,050	1,393,403
317,269	Stormwater	253,770	321,376
631,297	Water supply	645,650	672,763
648,569	Wastewater	547,820	679,184
42,502	Solid waste	43,980	44,562
749,797	Leisure and recreation	702,890	745,480
182,677	Other activities	0	209,637
<b><u>4,501,201</u></b>	<b>Total</b>	<b><u>3,973,210</u></b>	<b><u>4,606,264</u></b>

**16. Payables and deferred revenue**

<u>2022/23</u>	Current portion: Payables and deferred revenue under exchange transactions:	<u>2023/24</u>
1,294,634	Trade payables	1,185,680
620,794	Accrued expenses	1,089,258
5,714	Revenue in advance	5,714
<b><u>1,921,142</u></b>	<b>Total</b>	<b><u>2,280,653</u></b>
	Payables and deferred revenue under non-exchange transactions:	
965,225	Rates fees and grants received in advance	964,489
34,232	Rates due to BOP Regional Council	12,689
229,297	Deposits and bonds	118,941
<b><u>1,228,754</u></b>	<b>Total</b>	<b><u>1,096,119</u></b>
<b><u>3,149,896</u></b>	<b>Total payables and deferred revenue</b>	<b><u>3,376,772</u></b>
	Non-current portion: Payables and deferred revenue under exchange transactions:	
<b><u>\$137,143</u></b>	Income in advance	<b><u>\$131,429</u></b>

**17. Provisions**

<u>2022/23</u>	Current provisions are represented by:	<u>2023/24</u>
10,000	Landfill aftercare provision	10,000
	Non-current provisions are represented by:	
9,709	Landfill aftercare provision	0

<u>2022/23</u>		<u>2023/24</u>
	<b>Landfill aftercare provision</b>	
29,135	Opening balance	19,709
(11,731)	Amount utilised	(17,062)
574	Discounting changes	291
1,731	Increase/(Decrease) in provision	7,062
<b>19,709</b>	<b>Closing Balance</b>	<b>10,000</b>

KDC gained a resource consent in late 2002 to operate the Kawerau Landfill. KDC has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed. The landfill closed in July 2006 and the cash outflows for landfill post-closure are expected to occur until 2024/25. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The provision, taking into account existing technologies and known legal requirements, is estimated at \$10,000 (2023 - \$20,000) over the remaining life of the resource consent. This liability has been discounted to a current value of \$10,000 (2023 - \$19,709) using a discount rate of 3.00% (2023 – 3.0%).

## 18. Employee Entitlements

<u>2022/23</u>		<u>2023/24</u>
609,621	Annual leave	732,158
51,969	Retirement gratuities	55,866
149,567	Accrued salaries	310,245
<b>811,157</b>	<b>Total employee benefit liabilities</b>	<b>1,098,269</b>
	Comprising:	
759,188	Current	1,042,403
51,969	Non-current	55,866
<b>811,157</b>	<b>Total employee benefit liabilities</b>	<b>1,098,269</b>

Note: The 30<sup>th</sup> of June 2024 was the last day for the payroll period and the accrual comprises: payroll, PAYE and employee deductions. No provision has been made for sick leave liability as the number of sick days taken by all employees during 2023/24 did not exceed the sick leave entitlement for the year. The present value of retirement gratuities, depends on a number of factors and are determined on an actuarial basis. Two key assumptions are used in calculating this liability: the discount rate and the salary inflation factor. Any changes to these assumptions will affect the carrying amount of the liability. A weighted average discount rate of 3% (2023 3%) and an inflation factor of 2.0% (2023 2.0%) were used.

## 19. Borrowings and other financial liabilities

<u>2022/23</u>		<u>2023/24</u>
	<b>Current</b>	
0	Finance leases	8,554
0	Loan	4,000,000
<b>0</b>	<b>Total current borrowings</b>	<b>4,008,554</b>
	<b>Non-current</b>	
2,000,000	Loan	0
0	Finance Lease	33,982
<b>2,000,000</b>	<b>Total non-current borrowings</b>	<b>33,982</b>

## Security

KDC's loans are secured over either targeted or general rates of the District. The first \$2,000,000 loan was uplifted in December 2022 and the second \$2,000,000 in October 2023. Both loans are due for repayment on the 15 April 2025. The interest rate is 5.75% and 6.485% p.a. respectively.

Lease liabilities are effectively secured, as the rights to the leased asset revert to the lessor in the event of default.

## Internal borrowings

Information about internal borrowings is provided in note 23 of the annual report. Internal borrowings are eliminated on consolidation of activities in the financial statements.

## Analysis of finance lease liabilities

<u>2022/23</u>	<u>2023/24</u>
<b>Total minimum lease payments are payable</b>	
0 Not later than one year	8,554
0 Later than one year and not later than five years	33,982
0 Total minimum lease payments	42,536
(0) Future finance charges	(7,941)
<b>0 Present value of minimum lease payments</b>	<b>34,595</b>
<b>Present value of minimum lease payments are payable</b>	
0 Not later than one year	5,460
0 Later than one year and not later than five years	29,135
<b>0 Total</b>	<b>34,595</b>

### *Description of material leasing arrangements*

During 2023/24 a new photocopier lease agreement was entered into for a 5 year period with a nominal value of \$47,872 and an annual interest rate of 8.0%

The net carrying amount of the leased items within each class of property, plant and equipment is shown in Note 13.

The finance leases can be renewed at KDC's option with the agreement of the lessor, with rents equal to the original terms. KDC does not have the option to purchase the assets at the end of the lease terms.

## 20. Retirement Village – Liability to residents

<u>2022/22</u>	<u>2023/24</u>
5,579,000 Residents liability – refundable occupation right agreements –	6,366,500
2,030,752 Residents liability – refundable amenities fee	2,118,115
<b>7,609,752 Total refundable occupational rights agreements</b>	<b>8,484,615</b>

Refundable Occupational Right Agreements and Amenity fees are liabilities for liquidity purposes as the entity does not have an unconditional right to defer these. A terminating resident occupational license deposit is repaid once the license has been assigned to an incoming resident.

It is expected that the new residents' deposits will generally exceed the repaid residents deposits and will represent a positive cash flow for Council.

**21. Equity**

<u>2022/23</u>		<u>2023/24</u>
	<b>Accumulated Funds</b>	
37,258,721	As at 1 July	36,506,158
(2,436,588)	Transfers to:	
	Council created reserves	(2,275,136)
	Transfers from:	
76,509	Restricted reserves	
3,091,265	Revaluation reserve - disposals	89,497
(1,483,749)	Council created reserves	3,649,256
<b>36,506,158</b>	Total Comprehensive Revenue and Expense	<b>(1,102,264)</b>
	<b>As at 30 June</b>	<b>36,867,511</b>
	<b>Council created reserves</b>	
5,512,179	As at 1 July	4,857,502
(3,091,265)	Transfers to:	
	Accumulated Funds	(3,649,256)
	Transfers from:	
2,436,588	Accumulated Funds	2,275,136
<b>4,857,502</b>	<b>As at 30 June</b>	<b>3,483,382</b>
	<b>Property revaluation reserves</b>	
62,177,336	As at 1 July	62,100,827
0	Total Comprehensive Revenue and Expense	0
(76,509)	Revaluation reserve - disposals	(89,497)
<b>62,100,827</b>	<b>As at 30 June</b>	<b>62,011,330</b>
<b>66,958,329</b>	<b>TOTAL RESERVES</b>	<b>65,494,712</b>
	Asset revaluation reserves consist of:	
	<b>Operational Assets</b>	
8,555,849	Land	8,555,849
74,548	Landscaping	74,548
7,263,642	Buildings	7,263,642
95,916	Other Equipment	95,916
<b>15,989,955</b>		<b>15,989,955</b>
	<b>Infrastructural Assets</b>	
15,901,497	Roading Network	15,884,522
7,370,817	Water System	7,305,080
6,246,751	Wastewater System	6,239,966
3,111,634	Stormwater Network	3,111,634
<b>32,630,699</b>		<b>32,541,202</b>

		<b>Restricted Assets</b>	
11,104,250		Land	11,104,250
2,375,923		Buildings	2,375,923
<b>13,480,173</b>			<b>13,480,173</b>
<b>62,100,827</b>			<b>62,011,330</b>

## 22. Reserves

2022/23 \$	Council created Reserves Purpose of Fund	Deposits \$	Expenditure \$	2023/24 \$
4,857,502	<b>General Asset Renewal Reserve for all Council Assets –</b> (Depreciation Reserve for all Council assets where depreciation is funded).	2,275,136	(3,649,256)	3,483,382
<b>4,857,502</b>	<b>Total</b>	<b>2,275,136</b>	<b>(3,649,256)</b>	<b>3,483,382</b>

Council resolved at the Council meeting of 29 March 2023, to combine all the current separate activity depreciation reserve accounts into one Council created reserve account called “General Depreciation Reserve”. The Council created depreciation reserves have been funded by the General Rate.

The Council created reserve fund is held to fund the required asset renewals of Council’s assets. Any surplus held in the reserve is credited with interest. The Council created reserve is a discretionary reserve which is funds set aside for the renewal of assets and Council has full discretion to determine the application of the reserve fund.

Council also has revaluation reserves, which records the amount that Council’s assets have increased in value.

## 23. Internal Loans

Internal Loans are used to fund capital works from reserves where there are insufficient funds set aside in the specific council created depreciation reserve. The internal loans are charged approximately the same interest rate as Council’s average return on bank investments and the remaining repayment periods for these loans ranges between 1 and 15 years. Internal loan costs (interest and principal) are funded by the activity for which the loan was raised, and the corresponding revenue is recognised in interest revenue. Internal borrowings are eliminated on consolidation of activities in Council’s financial statements.

2022/23			2023/24		
Interest \$	Loans \$	Internal Loans	Interest \$	Repayments \$	Loans \$
		<b>Solid Waste:</b>			
1,456	43,078	Transfer Station Loan	947	(21,058)	22,020
		<b>Leisure and Recreation:</b>			
1,194	42,241	Swimming Pool Loan	1,008	(7,711)	34,532
9,382	365,012	Changing rooms Loan	9,038	(14,181)	350,831
19,806	770,580	Firmin Lodge Loan	19,079	(29,937)	740,643
10,360	403,885	Archives/Museum Loan	10,007	(14,539)	389,346
<b>42,198</b>	<b>1,624,796</b>	<b>Total</b>	<b>40,079</b>	<b>(87,426)</b>	<b>1,537,370</b>

## 24. Capital commitments and operating leases

At the 30 June 2024 there were outstanding contracts for work still to be done totaling \$1,735,403 (2023 \$1,780,386).

Capital commitments were for Water reticulation renewals \$986,054, Fluoride plant installation \$98,248 and water treatment plant upgrade \$651,101.

Council leases the Tarawera Sports Clubrooms which is situated on Tarawera Park reserve to the Kawerau Sports Club Inc. The lease is for a period of 5 years, and expires on 28 February 2027.

<u>2022/23</u>		<u>2023/24</u>
	<b>Total minimum lease payments</b>	
5,316	Not later than one year	5,316
<u>14,194</u>	Later than one year and not later than five years	<u>8,878</u>
<u>19,510</u>	Total minimum lease payments	<u>14,194</u>

## 25. Contingencies

Council currently has no outstanding loan guarantees for community organisations (2023 - \$Nil).

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

## 26. Related Party Transactions

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

<u>2022/23</u>	<b>Key management personnel compensation:</b>	<u>2023/24</u>
	Councillors:	
362,769	Remuneration (including non-financial benefits)	378,388
9	Full-time equivalent members (NB number of elected members)	9
	<b>Senior management team including Chief Executive Officer</b>	
906,695	Remuneration (including non-financial benefits)	945,234
26,955	Employer contribution to Kiwi-saver scheme	26,995
6	Full-time equivalents	6
1,269,464	Total key management personnel remuneration	1,323,622
15	Total full-time equivalent personnel	15





<u>2022/23</u>	<b>Total annual remuneration (in bands)</b>	<u>2023/24</u>
No of Staff	(Total remuneration includes non-financial benefits provided to employees)	No of Staff
56	Salary < \$60,000	53
13	Salary \$60,000 - \$79,999	18
10	Salary \$80,000 - \$99,999	7
4	Salary \$100,000 - \$119,999	6
4	Salary \$120,000 - \$219,999	5
<b>87</b>	<b>Total</b>	<b>89</b>

<u>2022/23</u>		<u>2023/24</u>
60	Number of staff which were full-time employees. (>40 hours per week)	64
14	Number of part time staff (ie < 40 hours per week) expressed as FTE	12.2

## 29. Severance Payments

During the year, \$29,231 severance payment was made to Council employee (2023: \$0).

## 30. Events after balance date

### Water Service Reforms

The water services reform legislation, namely the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023, was repealed on 17 February 2024. The Government has recently enacted the Local Government Water Services Preliminary Arrangements Act 2024. The new legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services. Council will not know what the model or arrangements are until the WSDP is approved by the Secretary.

## 31. Financial Instruments

### **Financial instrument categories**

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

<u>2022/23</u>		<u>2023/24</u>
	<b>Financial Assets</b>	
	<b>Loans and receivables</b>	
3,779,501	Cash and cash equivalents	2,801,969
1,255,381	Debtors and other receivables	1,511,469
0	Held to maturity investments of 4-12 months	0
<b>5,034,882</b>	<b>Total loans and receivables</b>	<b>4,313,438</b>
	<b>Fair value through other comprehensive revenue and expense</b>	
86,252	Investments in unlisted shares	136,252
<b>86,252</b>	<b>Total fair value through other comprehensive revenue and expense</b>	<b>136,252</b>
<b>5,121,134</b>	<b>Total financial assets</b>	<b>4,449,690</b>

<b>Financial Liabilities</b>		
<b>2022/23</b>	<b>Financial liabilities at amortised cost</b>	<b>2023/24</b>
2,178,957	Creditors and other payables	2,406,569
0	Finance Leases	8,554
	Retirement Village – Residents	
7,609,752	Liability	8,484,615
0	Borrowings	4,000,000
<b>9,788,709</b>	<b>Total financial liabilities at amortised cost</b>	<b>14,899,738</b>
<b>Non-current liabilities</b>		
0	Finance lease	33,982
2,000,000	Borrowings	0
<b>2,000,000</b>	<b>Total non-current liabilities</b>	<b>33,982</b>
<b>11,788,709</b>	<b>Total financial liabilities</b>	<b>14,933,720</b>

### 32. Explanation of major variances against budget

Explanations for major variations from KDC's estimated figures in the Annual Plan for 2023/24 are as follows:

#### Statement of comprehensive revenue and expense

The significant variances from the estimated figures include: less "other expenses" resulting from the delays to the Stoneham Park residential development and the corresponding revenue funding (Subsidies and Grants). Fees and Charges income is lower than budget as there were no sale proceeds the sale of sections at Central Cove and also there were less fees from refuse disposal resulting from less volumes being received.

There was additional depreciation expenditure arising from the signification increase in the value of Council's assets following the revaluation as at 30 June 2022.

Descriptions of variances compared to budget are also included in the group Funding Impact Statements.

#### Statement of financial position

Cash and cash equivalents are lower than budget due to residential sales not proceeding and similarly inventory is higher because these sales did not occur as anticipated.

Non-current assets (as well as reserves) were higher than budget due to the revaluation of assets to 30 June 2022.

Liabilities overall were close to budget although there are variances for the current and non-current liabilities due to the timing of loan repayments.

#### Statement of cash flow

Payments to suppliers were lower than budget because of the delays to the "Stoneham Park" residential development and similarly there was less subsidies and grants (funding for development). There was reduced fees and charges revenue due to no property sales and less refuse disposal volumes for the year.

Also, there were three Occupation Right Agreement (retirement village) payments received for the year, which had been budgeted to be received during 2022/23. There are still two units that were available for leasing at 30 June 2024.

The budget had anticipated there would be a \$1.2 mil higher opening cash balance as more residential sales had been predicted during 2022-23.

### 33. Rating Base

<u>30 June 2023</u>		<u>30 June 2024</u>
3,002	Number of rating units	3,006
\$1,372,142,500	Capital value of rating units	\$1,423,510,500
\$515,320,000	Land value of rating units	\$540,170,000

### 34. Insurance Disclosure

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

<u>30 June 2023</u>		<u>30 June 2024</u>
83,974,406	Total value of all Council assets covered by insurance contracts	86,134,687
230,939,752	Maximum amount to which insured assets are insured	235,666,110
0	Total value of all Council assets covered by financial risk sharing arrangements (Council withdrew from this arrangement on 1 June 2014)	0
0	Maximum amounts available to Council under financial risk sharing arrangements. Council does not have any assets that are self-insured (2022 Nil)	0

# KAWERAU DISTRICT COUNCIL DISCLOSURE STATEMENTS FOR YEAR ENDING 30 JUNE 2024

## PURPOSE OF THIS STATEMENT

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

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

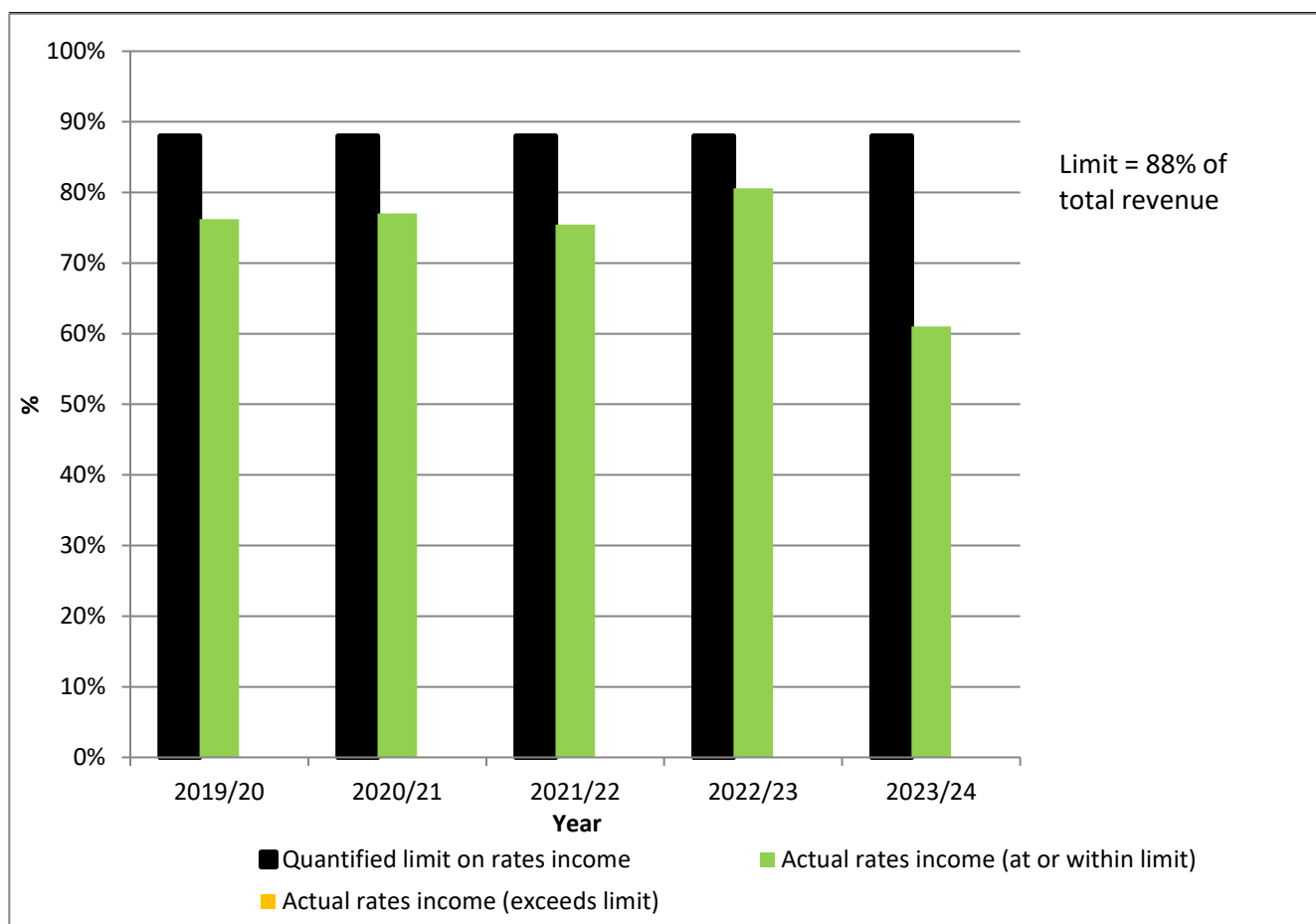
## RATES AFFORDABILITY BENCHMARK

The council meets the rates affordability benchmark if—

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

### *Rates (income) affordability*

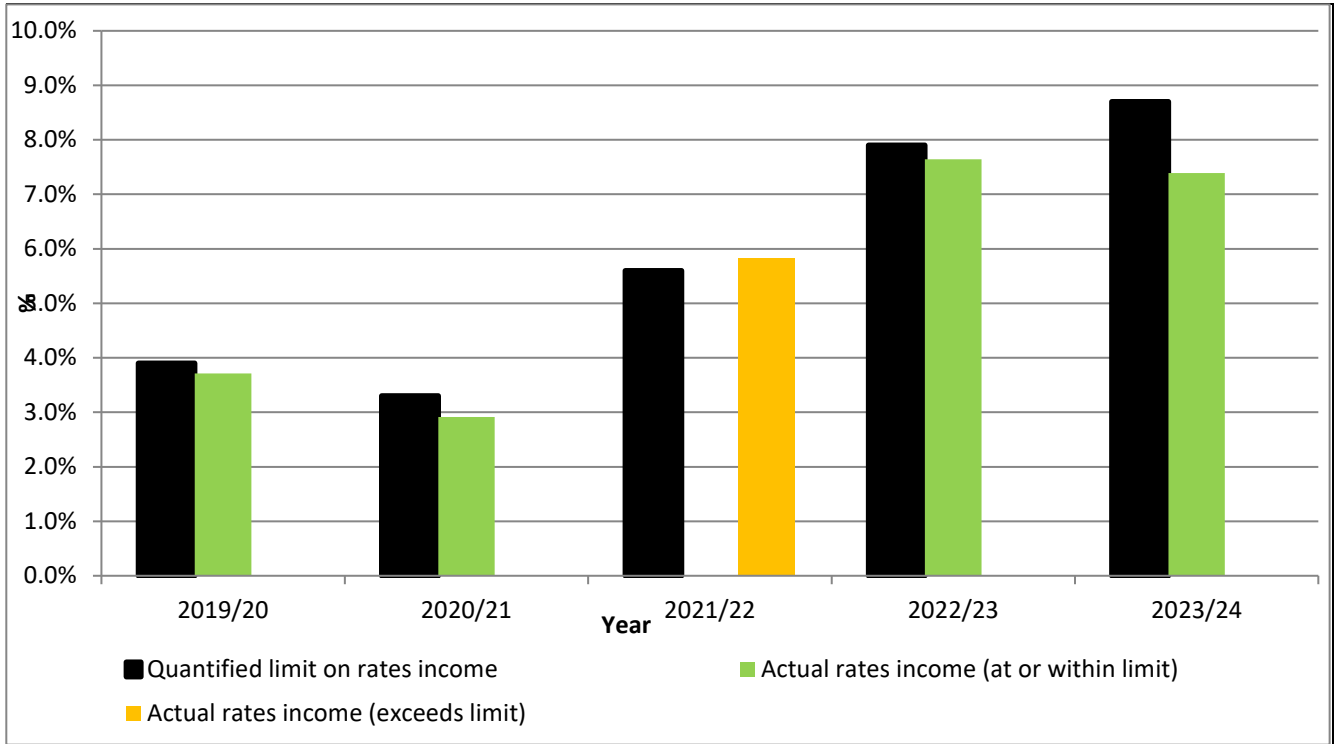
The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. The quantified limit is 88% of Total Budgeted Revenue.



*Rates (increases) affordability*

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy in council's long-term plan. The quantified limit is the underlying average rate of inflation (for Council costs) plus 2%. For 2023/24 Council has used the projected inflation rate per the Annual Plan 2023/24 of 6.7%, plus 2%, as its quantified limit on rates.

Actual rates income is the rates revenue reported in the annual report compared to the rates revenue for the previous year.



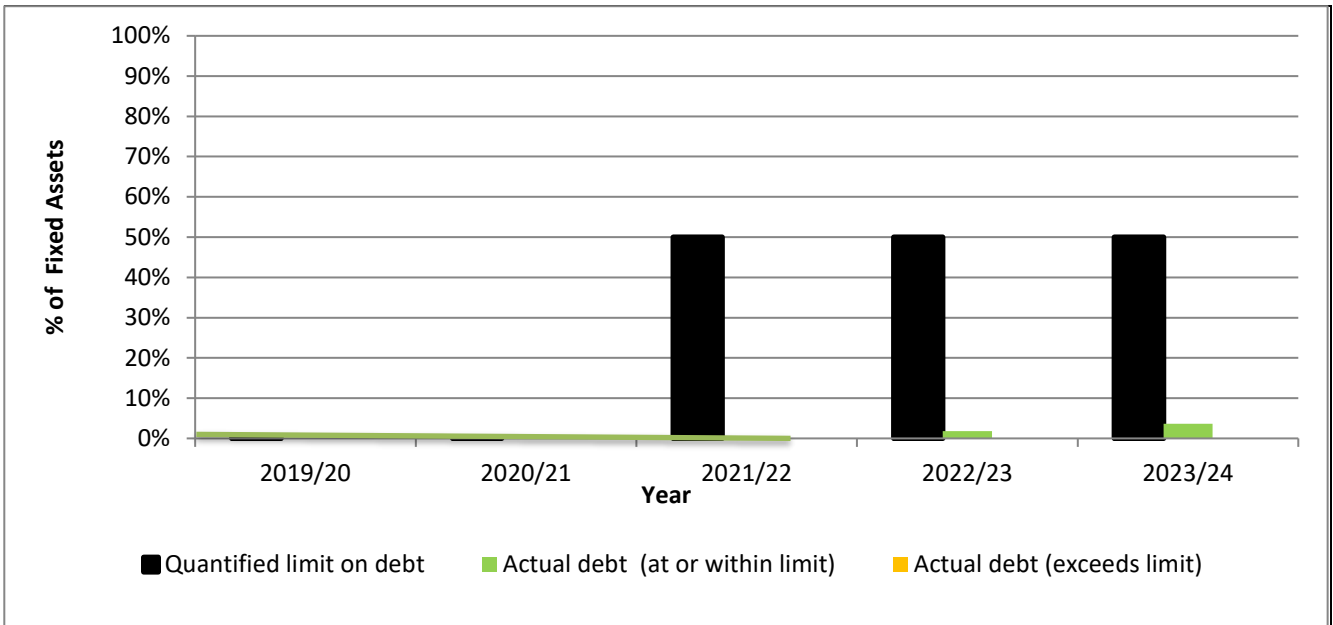
**Comment:**

Council's overall rates increase did not exceed the rates increase limit of 8.7% that was projected in the Annual Plan for 2023/24.

**DEBT AFFORDABILITY BENCHMARK**

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

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in Council's long-term plan. The quantified limit for the year to 2020/21 was \$0 (excluding finance leases) as Council had not needed to borrow funds up until then. The quantified limit on debt from 2021/22 onwards is 50% of fixed assets (\$55.8 million).

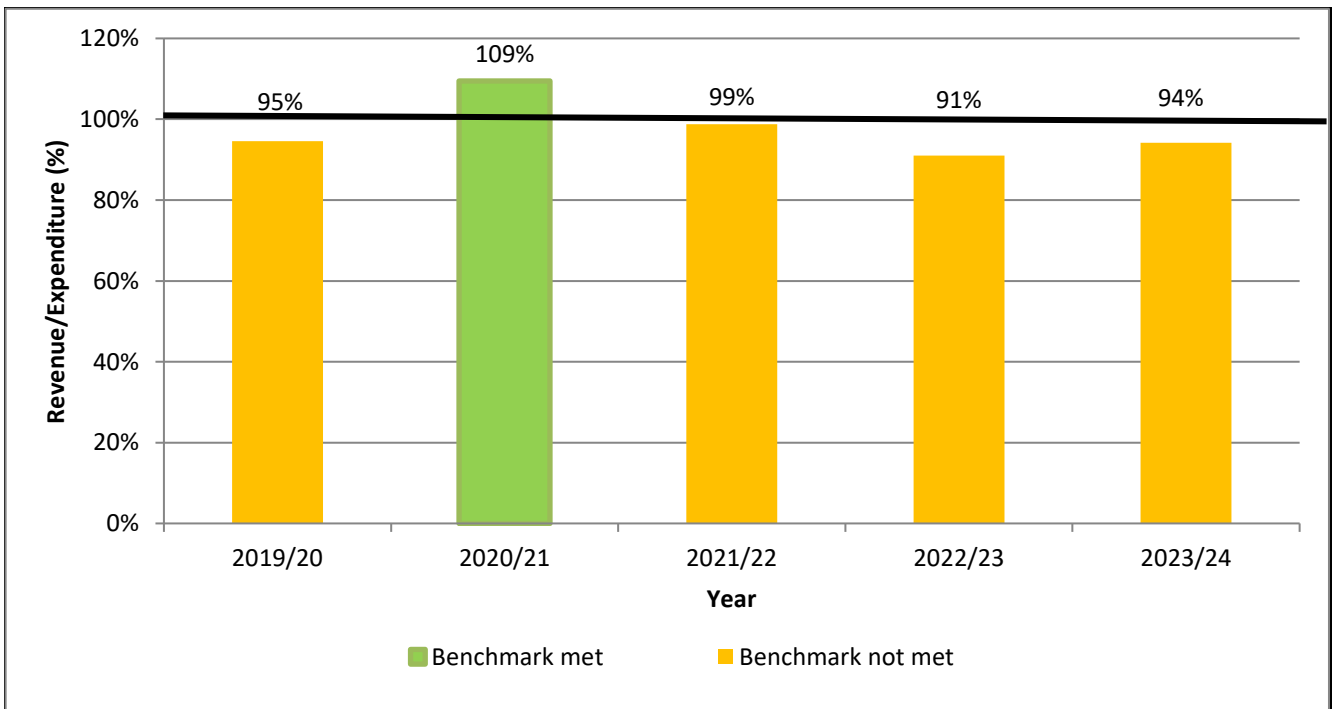


**Comment:**

Council raised a \$2 mil loan in December 2022 and a further \$2 mil in October 2023 to fund the water reticulation renewals. The \$4 mil debt equates to 3.6% of Council’s total Property Plant and Equipment of \$111 mil.

**BALANCED BUDGET BENCHMARK**

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



**Comment:**

Council's depreciation expenditure had significantly increased following the triennial revaluation of assets to 30 June 2022. Council did not rate to fund all the depreciation of its assets in 2023/24 as it wanted to ensure that rates remained affordable for the community. Also due to the uncertainty around the 3 waters it was prudent not to fully fund the depreciation on these assets

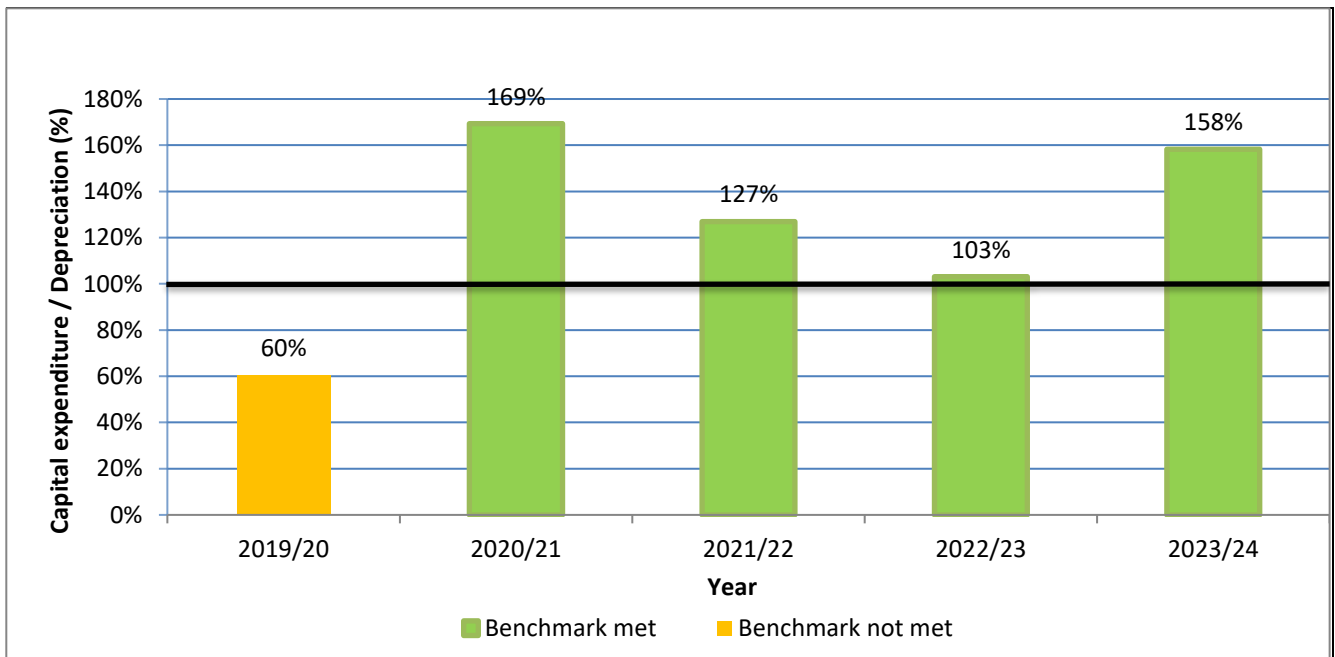
Council has historically not fully fund depreciation for roads that are subject to Waka Kotahi - New Zealand Transport Agency (NZTA) subsidies. The assumption is that when roads are due for renewal, Waka Kotahi - NZTA will contribute towards the cost on the currently agreed rate of 75%. The benefit of not funding the portion of depreciation where Council expects Waka Kotahi - NZTA subsidies on asset renewals, is that ratepayers are not funding depreciation that it believes is unlikely to be required in the future.

Council has also not fully fund depreciation for some buildings which either: will not be replaced, at least not as they are now, or there will other sources of funding available.

These buildings (non-critical assets) include the swimming pool complex, Town Hall, Concert Chambers, Library building, District Office, Tarawera Park Amenity Building, Ron Hardie Recreation Centre, Council Depot and pensioner housing. The advantage of not funding depreciation on non-critical buildings is that the community is not funding depreciation on assets that are unlikely to be replaced with buildings of equivalent value.

**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:**

The Kawerau town was built over a period of about 30 years from 1955 to 1987. With asset lives of up to 80 years, the majority of planned renewals will start occurring during the next 10 - 20 years. Council resolved to replace its AC and steel water pipes over a period of 6 years and commenced this programme in 2021/22 which is why network capital expenditure is higher for that and the following years when compared to previous years.

The following table broadly illustrates the age of Councils infrastructure.

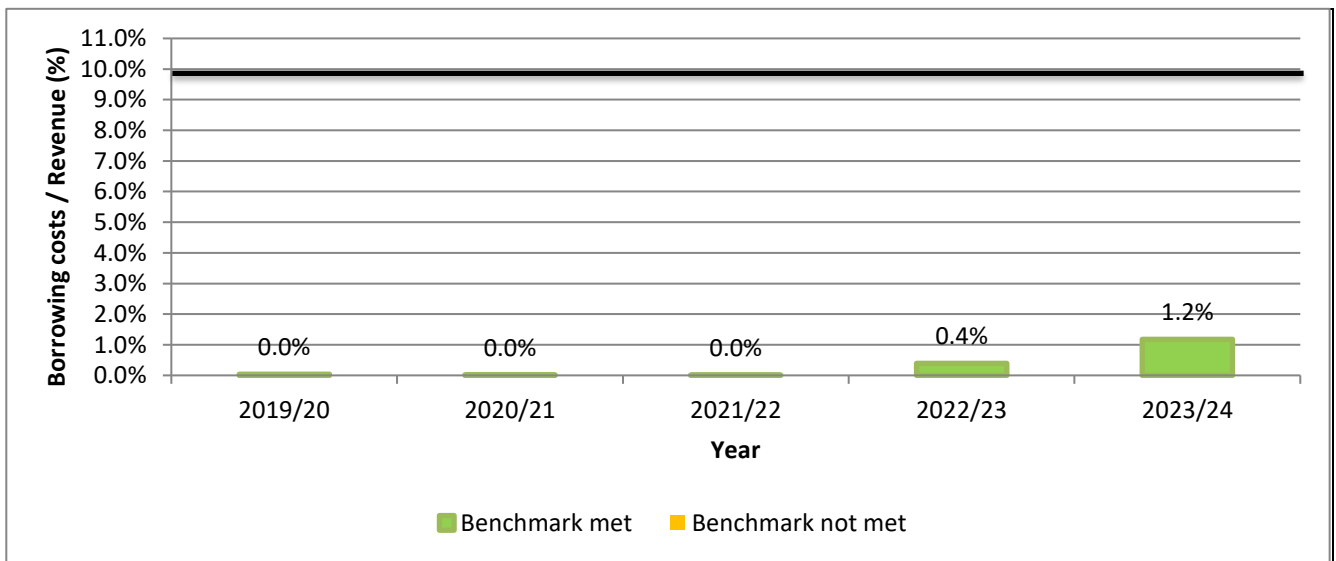


Zone	Area	Built (Approx.)	Age (Approx.)
1	Area bounded by State Highway 34 and River Road up to overflow stream and the swimming pool complex and including Ward Street and northern half of Bell, Massey Street area.	1955-58	65 years
2	Cobham Drive and adjoining streets, Porritt Drive and the balance of the Bell, Massey Street area.	1963-68	55 years
3	River Road (Pump house to Fenton Mill Road), Fenton Mill Road, Valley Road (roundabout to SH 34).	1971-75	48 years
4	Valley Road (roundabout to unsealed section) and adjoining side streets.	1976-80	43 years
5	Hardie and Beattie Roads and adjoining side streets.	1983-87	36 years
6	Geothermal area (Rec. Centre, Pool, Bowling Club, TAB carpark).	1962	60years

## 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 equals or is less than 10% of its revenue.

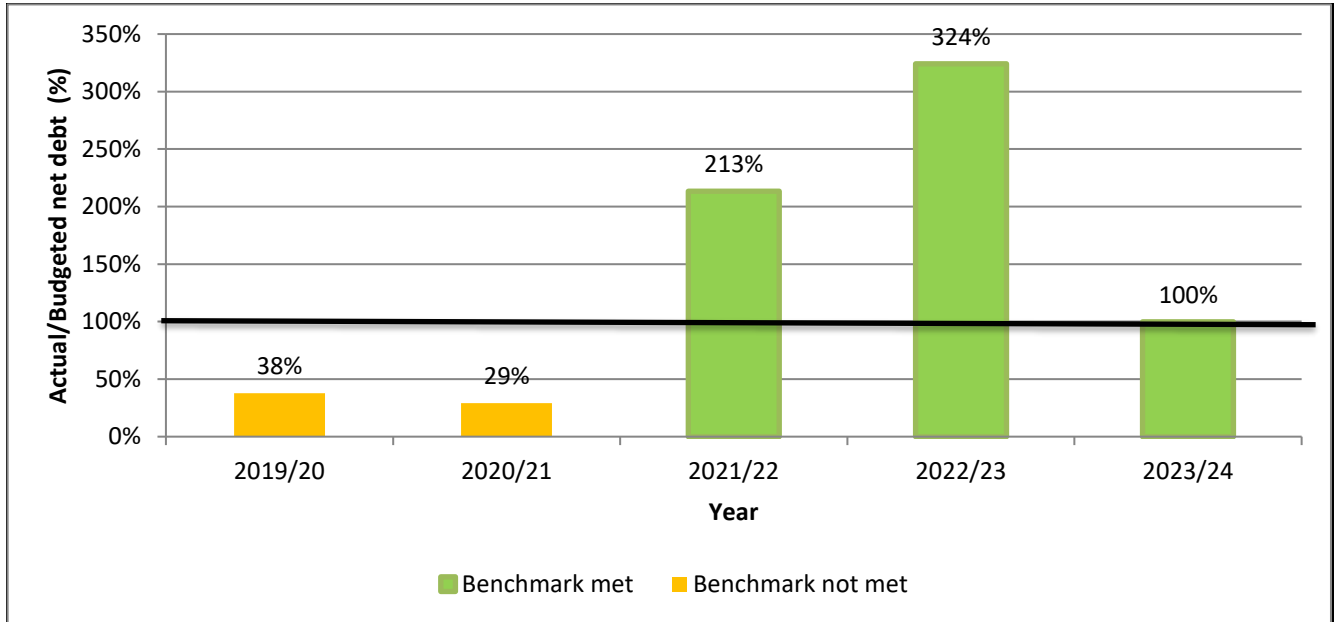


### Comment:

Council's debt servicing is for the \$4.0 mil loans (\$2.0 mil raised in December 2022 and \$2.0 mil in October 2023) to fund the water reticulation renewals.

## DEBT CONTROL BENCHMARK

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

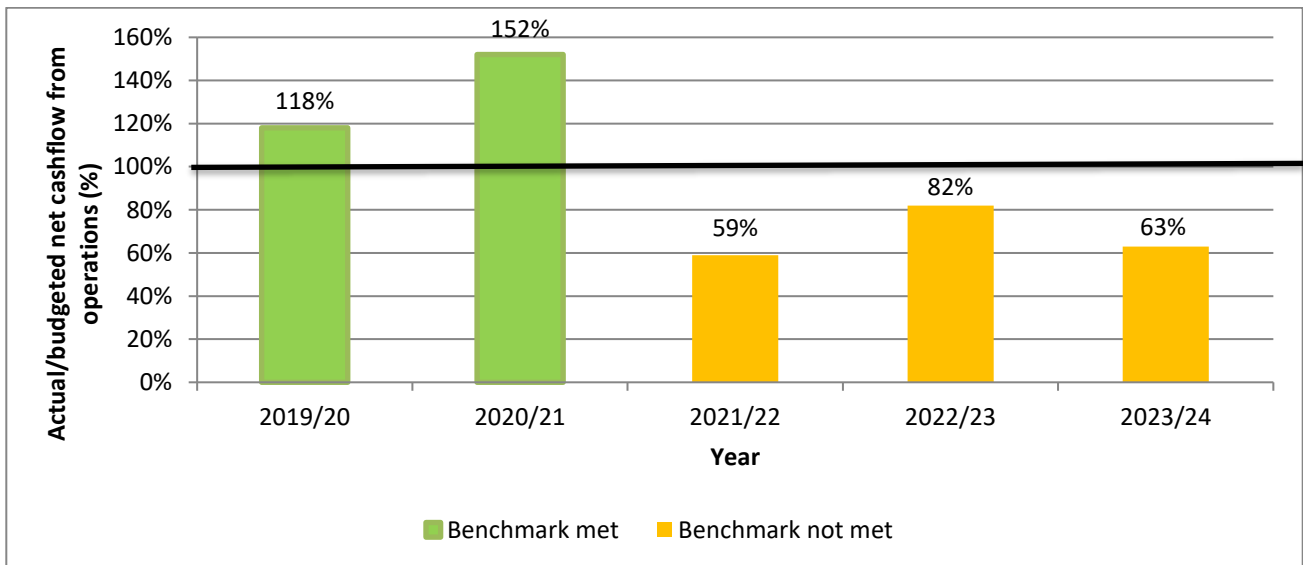


**Comment:**

Kawerau District Council's financial liabilities exceed its financial assets at 30 June 2024 and is the same as the planned net debt in the 2021 – 31 Long Term Plan for 2023/24.

## 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.



**Comment:**

The council did not meet the operations control benchmark if its actual net cash flow from operations is less than its planned net cash flow from operations. For 2021/22, 2022/23 and 2023/24 Council did not meet the 100% threshold for its operations control benchmark, mostly as a result of significant increases in solid waste costs.

# Groups of Activities

## STATEMENTS OF SERVICE PERFORMANCE & FUNDING IMPACT STATEMENTS

The Council's Statement of Service Performance information on pages 59 to 109 has been prepared in accordance with the latest Public Benefit Entity Financial Reporting Standards (PBE RFS 48) and with generally accepted accounting practice (GAAP).

For PBE FRS 48 it states that in reporting about the entity's objectives and how it intends to achieve them, the information should be drawn from the found documents, governance documents and accountability documents. As such, Council has drawn this information from the 2021-2031 Long-Term Plan (LTP), which sets the direction for the next 10 years.

Also, PBE FRS 48 states judgement is required in deciding how much information to provide about the current reporting period as well as comparatives for all performance measure and survey results. Please refer to the individual Statements of Service Performance for each activity.

### Service Performance Judgements and Assumptions

When Council prepared the forecast Statement of Service Performance in the 2021-2031 Long-Term Plan, Council made the following judgements in the selection of service performance measures detailed under each Group of Activities sections:

- Council reflected on the extent to which the levels of service Council plans to provide to the community were best captured by performance measures.
- Consideration was given to the views expressed by Kawerau residents and ratepayers. This includes relevant feedback to the levels of service and performance measures received throughout the LTP consultation process.
- Council have ensured that the performance measures adequately inform Kawerau residents and ratepayers of progress towards delivering Council's outcomes.

Relevant measurement judgements have been included within each group of activity section to which the judgement relates.

This information applies to the Statement of Service Performance reporting from pages 60 to 110 of this report.

Under the Local Government Act 2022 Council are mandated to provide standard performance measures so that the public may compare the level of service provided in relation to the following group of activities: water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works and the provision of roads and footpaths (Kawerau District Council does not report on performance measures relating to flood protections as it does not have any major flood protection and control works as per the DIA definition). DIA guidance has been followed in measuring performance against all mandatory performance measures.

Further to the above judgements being made in the selection of performance measures, Council also applies judgements in the measurement, aggregations, and presentation of service performance information.

As part of setting funding levels Council has considered the impact on services and their related performance measures. Despite funding pressures across the group, management has determined it is possible to continue to provide services at current levels and the related performance measures do not need to be adjusted for funding reasons.

Material judgements have been applied as follows:

## Surveys

For the 2022/23 year, Council completed and reported on Community feedback. The survey is completed every three years and for the 2023/24 the community feedback surveys don't apply and are reported as not applicable.

For the Community feedback for the 2023/23 year, to measure the quality of outputs, Council used customer surveys to cover perceptual related research on customers, citizens and the community. This helps Council to assess the quality of the service provided to Kawerau residents and ratepayers. The survey Council conducts, is distinct from Council's other "satisfaction" surveys which are related to customer interactions with Council services rather than wider perceptions (eg satisfaction with the Mayor and Councillors). The survey also tracks the attitudes and perceptions of Kawerau such as safety, community attractiveness and quality place to live.

The surveys are designed by in-house staff and the external research experts, based on best practices in survey design. They are designed to measure changes in perceptions of service delivery over time. For example, questions are written so they are clearly understood by participants and neutral in tone; and response options are designed so they are balanced, do not lead participants to respond in a certain way and cover all possible responses a participant may wish to provide. Where neutrality is important these surveys are independently run.

Survey sampling (i.e. recruitment of participants) is conducted in a way that maximises the representativeness of respondents, and post-survey weighting is often used to further ensure results are representative of the population of interest. Statistical significance testing is used where appropriate to assist in identifying meaningful results. Where there is a margin of error for the survey sample this has been reported as a whole as below, as well as for each activity as a footnote under each applicable community survey performance target.

## External Implications for Statements about Performance

There are conditions that affect the service performance results and may result in a variation from the anticipated or forecasted results. There are ones which are outside the control of the Council. Examples of this are, but not limited to changes in government policy in New Zealand, extreme weather events, global and domestic economic conditions that may impact areas such as recruitment and other unforeseen considerations.

## Statement of Service Overview

Council is responsible and accountable for giving effect to identified Community Outcomes and priorities in an efficient and effective manner. The services that Council provides are organised into what are known as 'Groups of Activities' and Council has nine activity groups. The Statement of Service Performance reports on Council's progress towards the vision, outcomes and specific statements of intended service provision as set out in Council's Long-term Plan.

Every three years Council is required to prepare a Long-Term Plan which sets out Council's strategic direction for the next 10 years, including outcomes, service levels and financial forecasts. The Long-Term Plan 2021-2031 was adopted in 2021 and includes the Statement of Intended Service Provision for each Group of Activities, which specifically details the:

- Levels of Services - the outputs that Council expects to be generated by the activity.
- Performance measures – the means used to measure whether the levels of service are being delivered.
- Performance targets – the desired levels of performance against the performance measures.

The Long-Term Plan performance measures selected are to provide the public with information to assess the level of service across all of Council's activities.

## Community Survey

An important performance target that is measured every three years is the Community Survey, which provides Council with direct feedback on the range of services provided to the Community. Overall, the community survey results are reported with margins of error of +/- 4% to 6%, the individual margins of error are provided as a footnote below each activity throughout the Statement of Service Performance reporting. The National benchmarking results are reported at 95% confidence level +/- 4 - 5% however

excludes Auckland, Wellington, Christchurch and Dunedin councils. The National survey data is collected throughout the year so that annual results can be presented without seasonal bias. The data is collected using a 1 -10 scales: satisfaction percentages are aggregated 6-10 ratings.

Each activity group has a limited amount of funding and resources to achieve the identified outcomes. The performance targets that are set, come directly from Council’s Long-Term Plan 2021-2031 and the 2023/24 performance targets relate to year three, of the Long-Term Plan.

This section of the Annual Report details:

- The achievement of both financial and performance targets for the activities and their respective functions. The service performance targets provide comparisons with the previous years achievements.
- The reasons for any significant variance between actual service provision and expected service provision.
- The reasons for any significant changes in the capital acquisitions and replacement programmes.

## QUALITY

Each activity group includes performance measures which incorporate elements of quality. Quality processes are a standard feature of management control systems.

Specifically:

- **Capital Works** - are constructed to design specifications. Inspection of works is undertaken by suitably qualified engineers.
- **Maintenance Works** - are undertaken by employees or by contract under the supervision of suitably qualified and experienced engineers and monitored thereafter in accordance with maintenance programmes.
- **Regulatory Functions** - are undertaken by suitably qualified and experienced employees in accordance with legislative requirements.

## SUMMARY OF PERFORMANCE FOR YEAR

During the 2023/24 year, Council achieved 45 (71%) of the non-financial performance targets.

Activity	2023/24			2022/23 Achievement Rate
	No. of targets	End of Year Result		
Democracy	3	2	67%	20%
Economic & Community Development	5	5	100%	83%
Environmental Services	11	5	45%	64%
Roading	7	3	43%	0%
Stormwater	3	3	100%	100%
Water Supply	13	10	77%	86%
Wastewater	7	6	86%	50%
Solid Waste Management	2	2	100%	40%
Leisure and Recreation	12	9	75%	38%
<b>TOTAL*</b>	<b>63</b>	<b>45</b>	<b>71%</b>	<b>52%</b>

\* Excludes the N/A targets

The following actions are being taken to address the targets that were not achieved:

### Democracy

There was one target not met, which was completion of significant projects in the annual work programme, of which 25 (73%) were completed. The uncompleted projects will be carried out in 2024/25.

## Economic and Community Development

All targets were met.

## Environmental Services

There were six targets that were not achieved:

- response times for dog complaints
- response times to noise complaints
- response times to other environmental health service complaints
- inspection of licensed premises for compliance
- inspection of registered premises for compliance
- % of staff trained to respond to an emergency

The reason that most of these targets were not achieved was due to reliance on external providers for response times to: dog, environmental health and noise complaints and availability of premise owners for inspections.

## Roading

Council did not achieve the targeted timeframes for responding to all streetlight outages, pothole repairs and footpath complaints. Council is reliant of a contractor to complete the streetlight outages and continues to work with the contactor to address the delays. Also, there were staffing shortages during the year which delayed the responses potholes and damaged footpaths.

Due to resourcing shortages, roading reseals were again delayed.

## Stormwater

All targets were met.

## Water Supply

All targets were met for water supply, except for water complaints. There were 7.6 water clarity complaints received per 1,000 connections (target < 4 per 1,000) and number of water pressure complaints was 0.3 per 1,000 connections (target < 2 per 1,000).

Council did not meet the new rules for bacterial and protozoal criteria due to the treatment plant not meeting the DWQAR requirements for UV disinfections for bacteria and protozoal due to the absence of continuous monitoring for UV transmittance and the absence of monthly checks. From 16 April 2024 onwards the UV sensors have been working correctly with no further issues.

## Wastewater

Council complied with six of the seven targets. The not achieved target was due to two dry weather overflow events during the year (Target: 0).

## Leisure and Recreation

Council achieved 75% of its targets for leisure and recreation during the year. The targets not achieved related to the library membership and items purchased and the hall availability of the Ron Hardie Rec Centre which was closed for 10 weeks due to the gas monitor malfunctioning.

# DEMOCRACY

## ACTIVITIES IN THE GROUP AND IMPACT ON COMMUNITY WELL-BEINGS

The Democracy group of activities is the political arm of Kawerau District Council. It includes the following activities:

### **The Council**

Comprising the Mayor and eight Councillors, Council meets monthly to develop and monitor policy, objectives and outcomes for the District. The Mayor and eight Councillors are elected by registered electors in the District every three years.

### **Regulatory and Services Committee**

This standing committee is responsible for matters relating to Council regulation and services. The Committee meets monthly on alternate fortnights to Council meetings. All nine Elected Members of Council are members of the Regulatory and Services Committee, which then elects a Chairperson at the commencement of each triennium.

### **Audit & Risk Committee**

The responsibilities of the audit and risk committee include ensuring Council fulfils its legal responsibilities, monitors existing corporate policies and recommends new policies, provides a communication link between management, council and auditors, monitors performance and internal controls and ensures that Council's risk is appropriately managed.

### **Community Engagement**

The consideration of community views is fundamental to Council decision making. Legislation requires Council to use a special consultative procedure in some circumstances. A community consultation process contained in Council's consultation policy is used to seek input into other decisions.

### **Local Elections**

Council is responsible for holding the elections for District Council representatives every three years, concurrent with Regional Council. In October 2022, the election was held, with the Mayor being appointed unopposed and the two new councillors joining Council.

### **Impact on Community Well-beings**

The democracy activity impacts on all four well-beings (Social, Cultural, Environmental and Economic) as this activity is responsible for the provision, levels of service and overview of all council activities. Also, it ensures that Council provides sustainable services which have minimal impact on the environment, that are affordable for the community and finally making sure that iwi is consulted and provided a forum that allows participation in Council's decision-making.

## NATURE AND SCOPE

Democracy involves the elected members making decisions and advocating on behalf of the needs and interests of the Kawerau Community both in the present and for the future.

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Democracy group of activities contributes principally to Kawerau's Community Outcomes of:

- *Council advocates within and beyond the district and governs for community needs and interest.*
- *Council embraces involvement from all sectors of the community in its democracy and decision making.*

## IDENTIFIED EFFECTS OF THIS GROUP OF ACTIVITIES ON THE COMMUNITY

The Democracy activity includes balancing the needs and wants of community members when making decisions.

Council endeavours to achieve the best outcome for the community and maximise the community's wellbeing.

## THE YEAR IN SUMMARY

Highlights for the Democracy group of activities in 2023/24 were:

- Three staged Representation review, including confirming the voting system and Māori Wards. The representation review continues to determine number of Councillors and the number of wards.
- Preparation, consultation and adoption of the 2024/25 Annual Plan as a transitional optional.
- The adoption of the 2022/23 Annual Report.
- Holding citizenship ceremonies and welcoming new residents to the community.
- Adoption of a number of policies and strategies throughout the year for the betterment of the town and residents.

In 2023/24, Council used the special consultative procedure and/or community consultation process when adopting the following:

- Annual Plan 2024/25 – due to the changes to 3 waters legislation.
- Representation review for Māori Wards and voting system

Other policies and strategies that were adopted during the year, included:

- Council's Fraud, Corruption and Bribery Policy



*Representation Review, Initial Proposal consultation hui with Kawerau and Districts Ageing in Place (KADAP) 2024*



# DEMOCRACY

## PERFORMANCE

During the year there were eleven ordinary Council meetings, eleven Regulatory and Services Committee meetings, six meetings of the Audit and Risk Committee.

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comments
The community has confidence in the quality of democracy and representation provided by elected members	Community satisfaction with the Mayor and councillors	N/A	N/A	Not achieved <sup>1</sup>  Community satisfaction 57%  69% satisfaction by respondents who are aware of Council.	Survey not applicable for 2023/24, as survey completed every three years.
Financial management is prudent, effective and efficient	Community satisfaction with way rates are spent	N/A	N/A	Not Achieved <sup>2</sup>  Community satisfaction 53%  64% satisfaction by respondents who are aware of Council	
Financial management is prudent, effective and efficient	Percentage completion of the annual work programme <sup>3</sup>	>90%	Not achieved (73%)	Not achieved (41%)	There were 34 significant projects in the annual work programme, of which 25 (73%) were completed. Staff shortages impacted the completion of some projects, The uncompleted projects will be carried out in 2024/25, with an intended full complement of staff.
Council informs the community about key issues and activities.	Number of newsletters	At least 20 publications for year	Achieved	Not achieved (19 published)	21 newsletters published.
Council encourages the community to contribute to Council decision-making	Provision of a public forum at council and committee meetings.	Public forum available at every meeting	Achieved	Achieved	Public forums were available in person throughout the year, with regular attendance by the public.

<sup>1</sup> Triennial Community Survey results have a margin of error of +/-6%

<sup>2</sup> Triennial Community Survey results have a margin of error of +/-6%

<sup>3</sup> The significant projects for the year are those significant capital expenditure projects detailed in the Annual Plan for 2023/24, a total of 34. This measure is included as a performance target to ensure the community can assess Councils performance in completing capital projects.

# KAWERAU DISTRICT COUNCIL DEMOCRACY

## Funding Impact Statement for the year ended 30 June 2024

	2023	2024	
	Long Term Plan	Long Term Plan	Actual
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, UAGC and rate penalties	725,400	739,030	832,743
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	375,000
Fees and charges	0	0	0
Internal charges and overheads recovered	1,170	1,180	2,253
Local authorities fuel tax, fines, infringements and other receipts	15,000	0	0
<b>TOTAL OPERATING FUNDING (A)</b>	<b>741,570</b>	<b>740,210</b>	<b>1,209,996</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payment to staff and suppliers	463,140	457,190	923,439
Finance costs	390	370	1,377
Internal charges and overheads applied	260,810	265,350	325,222
Other operating funding applications	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>724,340</b>	<b>722,910</b>	<b>1,250,038</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>17,230</b>	<b>17,300</b>	<b>(40,042)</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure:			
- to meet additional demand	0	0	0
- to improve level of service	0	0	0
- to replace existing assets	0	0	0
Increase/(decrease) in reserves	17,230	17,300	(40,042)
Increase/(decrease) of investments	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>17,230</b>	<b>17,300</b>	<b>(40,042)</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(17,230)</b>	<b>(17,300)</b>	<b>40,042</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

There was no capital expenditure for this activity in the current year.

# ECONOMIC AND COMMUNITY DEVELOPMENT

## ACTIVITIES IN THE GROUP AND IMPACT ON COMMUNITY WELLBEINGS

### Economic Development

Council is involved in economic development activity at the sub-regional level and is also taking a leadership role in local economic development initiatives.

Council works closely with the Opotiki and Whakatane District Councils and the BOP Regional Council as an active member of the Eastern BOP economic development agency, Toi EDA.

### Events Management

Council supports a diverse range of events in the District and provides a strategic framework to meet future needs and demands. Council's involvement in events management takes advantage of and showcases the District's resources and helps to build capability and capacity of Community volunteers.

### Grants and Funding

Council administers various grants which help to:

- Support Community organisations to help maintain Community services
- Promote artistic development
- Assist event organisers to organise new and innovative Community-run events, and
- Fund small business entrepreneurs to conduct feasibility studies of proposed new business ventures in the District.

### Information Centre

The Information Centre provides services to residents and visitors ranging from tourism information, event information, travel bookings and forest permits and information. The Centre also maintains the town centre public toilets.

### Youth Development

Council's youth development activities include selecting recipients and presenting Young Achievers Awards, coordinating activities during school holidays and supporting Kawerau Youth Council activities, which are funded by the Ministry of Youth Development.

### Kawerau Youth Council

Established in 2009, the Youth Council aims to create confident youth leaders who will monitor successive generations. Members meet each month to organise activities and provide a voice on matters affecting youth in our District. The Youth Council has up to 20 members aged between 14 and 24 years, for whom nominations are called each year.

### Impact on Community Well-beings

The Economic and Community Development activity impacts mostly on the social and economic well-beings in the community.

The activity is responsible for encouraging and facilitating economic growth in the community thereby ensuring the community grows and council services remain affordable. Also, the activity encourages the social development of the community through such initiatives as the youth council, events and community grants.

## NATURE AND SCOPE

Council considers it appropriate that it should be involved in local economic development. Activities in this group focus on promoting and encouraging industrial development, marketing the District as a desirable place to live and developing and extending current event activities.

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Economic and Community Development group of activities contributed mainly to Kawerau's Community Outcomes of:

- *Council works in partnership to attract people to visit, live and do business in Kawerau and to enhance economic and employment opportunities in the district.*
- *Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activities*

## IDENTIFIED EFFECTS OF THIS GROUP OF ACTIVITIES ON THE COMMUNITY

The Economic Development activity provides funding to a number of agencies that seek to further economic development in the District including the Eastern Bay of Plenty Regional Economic Development Trust.

## THE YEAR IN SUMMARY

Major highlights for the Economic and Community Development group of activities in 2023/24 were:

- Porritt Glade Lifestyle Village project was a finalist at the Taituarā Local Government NZ Excellence Award in the Beca Placemaking Category and received excellent feedback on the entry.
- Completion of the Bell Street Duplexes.
- Progress on the Stoneham Park Subdivision.
- Confirmation of Boundary Change – with additional of properties to join the Kawerau District.

Other achievements included:

- Continuing to manage and obtaining funding for “Christmas in the Park”.
- Delivering a strong calendar of events
- Appointment of the Kawerau Youth Council and providing support for its activities.
- Administering and providing grants to community groups for projects which benefit Kawerau residents.



*Kawerau Community Awards presented by Her Worship Faylene Tunui and Councillors during Manawātia a Matariki 2023.*

# ECONOMIC AND COMMUNITY DEVELOPMENT

## PERFORMANCE

Levels of Service	Measures	Target 2023/24	Results 2023/24	Results 2022/23	Comment
Council is actively involved in the Eastern Bay of Plenty Regional Development Agency	Representation at trustee meetings	90% of trustee meetings	Achieved	Achieved	Economic & Community Development Manager attended all trust meetings during the year.
Council encourages positive perceptions of Kawerau by supporting local events.	Frequency of events from February to December	At least 1 per month	Achieved	Achieved	There was at least one event held each month, with more than 1 event held as follows: July = 1 August = 4 September = 3 October = 4 November = 6 December = 2 February = 2 March = 3 April = 5 May = 1 June = 2
Council provides an information centre which suits the community's need	Community satisfaction with the information centre	N/A	N/A	Not achieved Community satisfaction 67% Achieved for user satisfaction 88	Survey not applicable for 2023/24, as survey completed every three years.
Council provides a local information centre which is accessible to visitors and the local community	Number of days open each year <sup>4</sup>	At least 360 days	Achieved	Achieved	The information centre was open 365/366 days for the year
Council supports young people to develop skills and attitudes needed to take a positive part in society	Youth council in place	Annual appointments made	Achieved	Achieved	New Youth Council appointed in March 2024 for the year.
	Satisfaction with youth council collaboration from collaborating groups	>95% satisfaction	Achieved 95%	Achieved 95%	Survey undertaken of collaborating groups which reported 95% satisfaction with Youth Council collaboration.

<sup>4</sup> Council's target for the local information centre being open at least 360 days of the year is to ensure high accessibility for all visitors, residents and ratepayers to the Information Centre (isite). The Information Centre - isite was only closed on Christmas Day.

**KAWERAU DISTRICT COUNCIL**  
**ECONOMIC AND COMMUNITY DEVELOPMENT**  
**Funding Impact Statement**  
**for the year ended 30 June 2024**

	2023	2024	
	Long Term Plan	Long Term Plan	Actual
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, UAGC and rate penalties	877,040	981,220	1,176,970
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	474,411
Fees and charges	558,370	604,860	279,649
Internal charges and overheads recovered	0	0	7,384
Local authorities fuel tax, fines, infringements and other receipts	550,000	550,000	0
<b>TOTAL OPERATING FUNDING (A)</b>	<b>1,985,410</b>	<b>2,136,080</b>	<b>1,938,414</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payment to staff and suppliers	1,350,490	1,371,120	1,018,118
Finance costs	23,000	18,950	97,523
Internal charges and overheads applied	526,550	559,810	572,478
Other operating funding applications	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>1,900,040</b>	<b>1,949,880</b>	<b>1,688,119</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>85,370</b>	<b>186,200</b>	<b>250,295</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale/lease of assets	1,920,000	1,280,000	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	1,125,000
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>1,920,000</b>	<b>1,280,000</b>	<b>1,125,000</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure:			
- to meet additional demand	1,560,000	1,040,000	0
- to improve level of service	0	0	0
- to replace existing assets	11,640	11,830	7,532
Increase/(decrease) in reserves	433,730	414,370	1,367,763
Increase/(decrease) of investments	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>2,005,370</b>	<b>1,466,200</b>	<b>1,375,295</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(85,370)</b>	<b>(186,200)</b>	<b>(250,295)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

Capital expenditure during the year that relates to this activity is as follows:

<u>2022/23</u>	<b>CAPITAL RENEWALS</b>	<b>Budget (LTP)</b>	<b>2023/24</b>
82,110	Building Renewals - various	0	7,532
3,537,376	Porritt Glade Lifestyle Village Construction	1,040,000	0
<b>3,619,486</b>		<b>1,040,000</b>	<b>7,532</b>
	<b>FUNDED BY:</b>		
2,329,600	Unit sales – (Occupation Right Agreements)	1,040,000	0
1,289,886	Depreciation Reserve Funding	0	7,532
<b>3,619,486</b>		<b>1,040,000</b>	<b>7,532</b>

In April 2023, three years after the project began, all 29 units were constructed and completed at the Council-owned Porritt Glade Lifestyle Village, which was ahead of the schedule planned in the Long Term Plan. This retirement village project aimed to provide quality and affordable living for seniors over 60 and free up the family homes for other whānau. As at 30 June 2024, 27 of the units have been leased with a Right to Occupy.

The Porritt Glade Lifestyle Village – Sustainable Living project was a finalist in the Taituarā Local Government Excellence Awards for 2023/24.



*Porritt Glade Lifestyle Village – a finalist in the Taituarā Local Government New Zealand Awards In the Beca Placemaking Category.*

# ENVIRONMENTAL SERVICES

## ACTIVITIES IN THE GROUP AND IMPACT ON COMMUNITY WELLBEINGS

The activities in the Environmental Services group are:

### **Resource Management Planning**

Resource Management Planning aims to ensure responsible stewardship of natural and physical resources. Council's resource management responsibilities include ongoing review of policies, objectives and rules contained in the District Plan as well as information management and associated environmental monitoring.

### **Resource Consents**

Council issues land use and subdivision consents for activities which balance development opportunities against the need to minimise adverse environmental effects. Consents are issued with regard to policies, objectives and rules in the District Plan.

### **Building Control**

The Building Control activity regulates buildings to ensure public safety and health. Council's functions are to consent, inspect, monitor and certify building work and building safety.

### **Environmental Health Services**

This activity promotes, safeguards and enhances public health by achieving compliance with environmental health and associated legislation and bylaws in particular food safety, water supply, noise control, liquor licensing and gambling.

### **Dog Registration and Control**

Dog Registration activity is a statutory obligation under the Dog Control Act 1996 for Council to keep a register of dogs kept in the District. Dog Control activity is a community safety service focused on the control of dogs in the district and the enforcement of the Dog Control Act and Council's Dog Control Bylaw.

### **Civil Defence**

The Civil Defence activity provides local planning for and management of civil defence emergencies. It relates to readiness, response, reduction and recovery.

### **Impact on Community Well-beings**

The environmental services activity impacts mostly on the social and environmental well-beings in the community.

The activity is responsible for both providing and monitoring the necessary measures to ensure that the environment is maintained for future generations in a sustainable manner and that is affordable for residents. Also, the activity ensures that the community's social needs are met by establishing the necessary bylaws or provisions in the district plan that enable residents to live together in harmony.

## **NATURE AND SCOPE**

Council has regulatory and enforcement duties and powers under several acts of Parliament including the Local Government Act, the Health Act, the Building Act, the Dog Control Act and the Resource Management Act. Warranted officers work autonomously and in conjunction with enforcement authorities such as the police and public health, to uphold environmental, health and safety standards.

## **CONTRIBUTION TO COMMUNITY OUTCOMES**

The Environmental Services group of activities contributes primarily to the Community Outcomes of:

- *Council sustainably manages Kawerau's environment through its stewardship, planning and consents.*
- *Council regulates, monitors and acts to protect public health and safety, to prevent harm and nuisance and to improve standards in Kawerau's home, commercial and public environment*



## IDENTIFIED EFFECTS OF THIS GROUP OF ACTIVITIES ON THE COMMUNITY

Council is committed to the protection and enhancement of the environment, and the promotion, protection and enhancement of public health and safety.

### THE YEAR IN SUMMARY

Major highlights for the Environmental Services group of activities in 2023/24 were:

- Continued provision of good quality regulatory services to meet legislative requirements and the needs of the community.

Other achievements included:

- Carrying out, on average, more than one patrol each day to identify illegally dumped litter, abandoned vehicles and health nuisances.
- On-going spatial plan development in collaboration with Whakatane and Opotiki District Councils.
- Commence comprehensive review of district plan
- Impounding 251 dogs during the year for various statutory breaches
- Responding to and investigating 409 noise complaints in accordance with statutory requirements and practice guidelines.
- Maintaining Building Consent Authority Accreditation.
- Participation in the shared service arrangement to deliver civil defence management capability across the Eastern Bay of Plenty.



*Kawerau District Council Dog Rangers Treivaan Taiapa and Braydon Hakegaiki.*

# ENVIRONMENTAL SERVICES

## PERFORMANCE

### Building Control

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comments
Council provides in-house building consent, inspection and approval services.	Bi-annual Building Consent Authority accreditation re-assessment <sup>5</sup>	Accreditation and registration retained	Achieved	Achieved	Building Control Authority accreditation and registration retained.
Service users consider Council's building control activity to be effective	Satisfaction* of service users – Building Inspection Processes	>90% satisfaction	Achieved 4/4 (100%)	Not Achieved 8/10 (80%)	There were a total of 28 survey forms sent out and 4 responded with all scoring the service as being predominantly good or excellent.
	Satisfaction* of service users – Building Consents Processes	>90% satisfaction	Achieved 4/4 (100%)	Achieved 8/8 (100%)	There was a total of 27 survey forms sent out and 4 responded with all scoring the service as being predominantly good or excellent.
Kawerau buildings requiring Building Warrant of Fitness (WOF) are compliant	Number of buildings audited for Building Warrant of Fitness (WOF) requirements <sup>6</sup>	At least 35% audited	Achieved	Achieved (28/80)	29/80 (36%)

\*The questions asked in the survey to determine user satisfaction were:

1. Getting you quickly and directly to someone you could explain your needs to
2. How knowledgeable that person was about your request
3. The time it took for us to do what we said we could for you
4. How well our response or actions solved the matter for you
5. How friendly and interested we were

### Environmental Health

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comments
Premises licensed under the Sale and Supply of Alcohol Act 2012 comply with license conditions	Inspection of licensed premises for compliance <sup>7</sup>	100% annually	Not Achieved 12/13 (92%)	Achieved 14/14 (100%)	12/13 (92%). Final inspection unable to be completed as premise closed at the time of inspection.
Registered premises comply with statutory requirements	Inspection of registered premises for compliance with the relevant standards <sup>8</sup>	100% annually	Not Achieved 5/7 71%	Achieved 6/6 (100%)	5/7 (71%) Two hairdressers were unable to be inspected by 30 June 2024 but were inspected the following week.

<sup>5</sup> Accreditation as a Building Control Authority allows Council the ability to provide in-house Building Control Services. This requires meeting the Building Act requirements, which includes being audited every 2 years by International Accreditation New Zealand (IANZ)

<sup>6</sup> Auditing of Building Warrant of Fitness ensures that buildings are complying with that specific buildings Building Warrant of Fitness Requirements including specific systems. There is no set number of audits required to be completed each year, the target of 35% set by Council ensures all audits are completed triennially.

<sup>7</sup> All premises with a license under the Sale and Supply of Alcohol Act are inspected yearly to ensure compliance with their license conditions.

<sup>8</sup> The registered premises are Hairdressers and Funeral Homes, who are inspected annual to ensure compliance with the relevant legislation applicable to the business type.

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comments
	Audit of food premises operating Food Control Plans <sup>9</sup>	100% annually	Achieved (23/23 100%)	Achieved (23/23 100%)	23/23 (100%)
Council responds to complaints and service requests for environmental health conditions (noise complaints, nuisance conditions and health risks)	Response to noise complaints	80% within 20 minutes and 98% within 30 minutes	Not Achieved	Not Achieved (60% within 20 minutes and 74% within 30 minutes)	48% responded to within 20 minutes and 67% within 30 minutes. Noise complaints are attended by Council's external contractor Council.
	Response to other Environmental Health service requests/ complaints	100% within 1 working day	Not achieved (9/10 = 90%)	Not Achieved. (80%)	1 response (July) exceeded 1 working day.

### Dog Control and Registration

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comments
Council maintain community satisfaction levels for the dog control service	Community satisfaction with dog control services	N/A <sup>10</sup>	N/A	Not Achieved Community satisfaction 43% User satisfaction 34%	Survey not applicable for 2023/24, as survey completed every three years.
Service requests about uncontrolled dogs are actioned	Adherence to complaint response process to respond, investigate and record the complaint and advise the complainant of progress or outcome within 24 hours	80% within 20 minutes and 98% within 30 minutes	Not achieved (66% within 20 minutes and 77% within 30 minutes)	Not achieved (66% within 20 minutes and 76% within 30 minutes)	66% responded to within 20 minutes, 77% responded to within 30 minutes The afterhours response to dog complaints is provided by an external contractor. The contractor delays resulted from staffing, vehicle and new software issues.

<sup>9</sup> All food premises are inspected either every year, 18 months or two years. The regularity of the inspections is determined by the grading they receive in compliance with the Food Safety Standards. The number of non-compliance standard determines the inspection timeframes, if more non-compliance the shorter the inspection period applies.

<sup>10</sup> Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2014, 2017 and 2020 Community survey results (by NBR)

## Civil Defence

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comments
Council provides community education initiatives to increase public awareness and readiness for local and regional hazards	% of residents that have an understanding of what the consequences would be if a disaster struck their area	N/A	N/A	Achieved 100%	Survey undertaken every 2 years (completed in 2022/23 year)
	% of residents that have taken any action to prepare for an emergency	N/A	N/A	Achieved 100%	Survey completed in 2022/23 year.
Council will maintain capability to effectively respond to an emergency <sup>11</sup>	Council is prepared for and can respond to an emergency	>78%	Not Achieved 63%	Not achieved 67%	Council has trained 63% of staff. Target set to drive continued improvement. Council has sufficient staff to man a shift while undertaking emergency works (eg infrastructure, 3 waters, clearing trees, etc). Due to the size of Council levels above this are difficult to achieve. Emergency Management Group are aware of shortfall and will help in an event with relief staff.

<sup>11</sup> Capacity to respond relates to the percentage of staff assigned, trained and available for civil defence emergencies. This target is set by CDEM Group.

# KAWERAU DISTRICT COUNCIL ENVIRONMENTAL SERVICES

## Funding Impact Statement for the year ended 30 June 2024

	2023 Long Term Plan	2024 Long Term Plan	2024 Actual
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, UAGC and rate penalties	975,680	1,031,830	1,141,360
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	160,000
Fees and charges	184,180	187,950	245,671
Internal charges and overheads recovered	50	50	91
Local authorities fuel tax, fines, infringements and other receipts	0	0	0
<b>TOTAL OPERATING FUNDING (A)</b>	<b>1,159,910</b>	<b>1,219,830</b>	<b>1,547,122</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payment to staff and suppliers	701,850	737,560	891,468
Finance costs	7,740	7,430	3,396
Internal charges and overheads applied	407,960	432,000	447,230
Other operating funding applications	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>1,117,550</b>	<b>1,176,990</b>	<b>1,342,094</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>42,360</b>	<b>42,840</b>	<b>205,028</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure:			
- to meet additional demand	0	0	0
- to improve level of service	0	0	0
- to replace existing assets	0	0	0
Increase/(decrease) in reserves	42,360	42,840	205,028
Increase/(decrease) of investments	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>42,360</b>	<b>42,840</b>	<b>205,028</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(42,360)</b>	<b>(42,840)</b>	<b>(205,028)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

There was some additional activity expenditure due to additional grant funding for Council's district and spatial plans.

# ROADING

## ACTIVITIES IN THE GROUP AND IMPACT ON COMMUNITY WELLBEINGS

The roading group of activities aims to provide and maintain a system of roads and footpaths which provides safe and comfortable passage for all users. Activities in the group are:

- Managing and monitoring the transport network
- Repairing and maintaining assets and structures
- Operating roading activity assets, and
- Planning to improve operations and meet future requirements.

Council's roading group of activities provides a network of roads/footpaths for the safe and comfortable passage of vehicles and vulnerable road users such as pedestrians, cyclists and mobility scooters in and through the District.

### Impact on Community Well-beings

The roading activity impacts mostly on the social and economic well-beings for the community.

This activity is responsible for providing and maintaining the roading network within the community to ensure that economic activity can continue and that residents are able to maintain their social networks.

Also, the roading activity is provided in a sustainable manner to ensure that it is affordable.

## STRATEGY

Council has developed a Roding Asset Management Plan which provides for the efficient and effective management of the roading asset. This Plan allows Council to allocate detailed funding to properly maintain the asset while also making provision for the longer term financing required.

## NATURE AND SCOPE

The roading network comprises approximately 43 kilometres of roads and associated infrastructure such as bridges, streetlights, kerbing, signs and markings, car parks and footpaths.

Control over the District's roads is vested in Council by the Local Government Act 2002. Waka Kotahi subsidises much of Council's roading expenditure, including street cleaning and the maintenance of roads and associated lighting systems. In addition to this work, Council also maintains Kawerau's footpaths and a substantial paved area in the town centre. Waka Kotahi is responsible for State Highway 34.

## GOALS

To provide and maintain a system of roads/footpaths for the safe and comfortable passage of vehicles, pedestrians, cyclists and other vulnerable road users (including mobility scooters) in and through the District.

## CONTRIBUTION TO COMMUNITY OUTCOMES

The roading group of activities contributes mainly to Kawerau's Community Outcomes of:

- *Council infrastructure and services are accessible, age and disability friendly, effective, efficient and affordable now and for the future.*

## IDENTIFIED EFFECTS OF THIS GROUP OF ACTIVITIES ON THE COMMUNITY

The Roding activity delivers an efficient transport network that has minimal impact on the environment. During the year, Council carried out its programmed reseals, street lighting upgrades, road marking and safety improvements.

Significant negative effects on the roading network are traffic accidents. To reduce numbers and severity, Council is a partner in the Eastern Bay of Plenty Road Safety Management System. Council has developed the Eastern Bay of Plenty Road Safety System, which undertakes safety audits and provides street lighting, signage and pavement marking.

## THE YEAR IN SUMMARY

Achievements for the Roding group of activities in 2023/24 were:

- Ongoing renewals of reseals, footpaths and upgrading streetlights to improve safety for residents
- Resealing of pool carpark
- Construction of dewatering solution in Hardie Ave to reduce future flood damage to Council footpaths and roads.



*Road works being completed along Tamarangi Drive and State Highway 34.*

# ROADING

## PERFORMANCE

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comments
Council maintains community satisfaction for the roading activity	Community satisfaction with roading assets	N/A <sup>12</sup>	N/A	Not Achieved  Community satisfaction 56%  User satisfaction 57%	Survey not applicable for 2023/24, as survey completed every three years.
Council provides a network of roads which facilitates the safe movement of people and vehicles around the district	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	Increase of zero or less	Achieved <sup>13</sup>	Not Achieved (3 serious crash events with 4 serious injuries)	There were no fatalities, with one serious injury recorded, on the roads controlled by Council for this financial year. This is a decrease on the 3 serious crash events resulting in 4 serious injuries in 2022/23.
Road quality	The average quality of ride on a sealed local road network, measure by smooth travel exposure (STE) <sup>14</sup>	No less than 95%	Achieved 95%	Not Achieved (89%)	The Road Roughness Survey was undertaken in May 2024 with a result of 95% STE
Road maintenance	The percentage of the sealed local road network that is resurfaced.	>5% per annum	Not achieved	Not achieved	Resealing was scaled back due to staffing shortages (1.0%). Resealing and pavement rehabilitation works completed for River Road in June 2024.
Response to service requests	The percentage of customer service requests relating to roads to which Council responds within the time frame specified	Potholes: 90% within 14 days and 100% within 28 days	Not achieved	Not Achieved	27 potholes reported – 9 (33%) responded to within 14 days, 18 (67%) within 28 days, and 9 exceeded 28 days to repair due to staff shortages.
		Streetlights 90% within 14 days and 100% within 28 days	Not achieved	Not achieved	67 streetlight outages reported, 49 repaired within 14 days (73.1%), 61 repaired within 28 days (91%) - 6 exceeded 28 days - Contractor delays

<sup>12</sup> Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2011, 2014 and 2017 Community survey results (by NBR)

<sup>13</sup> DSI numbers may differ for the same time period due to dependency on Waka Kotahi's Crash Analysis System which is updated continuously.

<sup>14</sup> The percentage of vehicle kilometers travelled in the district exposed to roads with roughness less than the threshold for urban roads set by the National State Highway Strategy



Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comments
Response to service requests	The percentage of customer service requests relating to footpaths to which Council responds within the time frame specified.	Footpaths 100% within 14 days	Not achieved 70%	Not Achieved (70%)	33 service requests received with 1 (3%) repaired within 14 days. 32 exceeded 14 day response. Delays in responses were due to staffing shortage.
Footpath condition	Percentage of footpaths that fall within the level of service for the condition of footpaths set out in the Long Term Plan*	95%	Achieved 99%	Not Achieved (survey not done)	The survey was undertaken in May 2024, with a result of 99%.
Council provides an appropriate network of footpaths for pedestrian use	Community satisfaction with footpaths	N/A <sup>15</sup>	N/A	Not Achieved 19 Community satisfaction 59% User satisfaction 60%	Survey not applicable for 2023/24, as survey completed every three years.

**Note:** \*20 lips equates to 5% that are outside the service standard for footpath condition.

<sup>15</sup> Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2014, 2017 and 2020 Community survey results (by NBR)

# KAWERAU DISTRICT COUNCIL ROADING

## Funding Impact Statement for the year ended 30 June 2024

	2023 Long Term Plan	2024 Long Term Plan	2024 Actual
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, UAGC and rate penalties	1,059,090	1,084,810	1,125,061
Targeted rates	0	0	0
Subsidies and grants for operating purposes	234,900	234,900	226,929
Fees and charges	17,000	17,000	87,153
Internal charges and overheads recovered	18,080	18,270	30,367
Local authorities fuel tax, fines, infringements and other receipts	72,170	74,340	62,860
<b>TOTAL OPERATING FUNDING (A)</b>	<b>1,401,240</b>	<b>1,429,320</b>	<b>1,532,370</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payment to staff and suppliers	521,550	526,380	439,747
Finance costs	0	0	720
Internal charges and overheads applied	601,590	622,650	568,431
Other operating funding applications	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>1,123,140</b>	<b>1,149,030</b>	<b>1,008,898</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>278,100</b>	<b>280,290</b>	<b>523,472</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	620,250	587,290	396,185
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>620,250</b>	<b>587,290</b>	<b>396,185</b>
<b>APPLCATIONS OF CAPITAL FUNDING</b>			
Capital expenditure:			
- to meet additional demand	0	0	0
- to improve level of service	330,000	280,000	0
- to replace existing assets	542,510	549,920	625,239
Increase/(decrease) in reserves	25,840	37,660	294,418
Increase/(decrease) of investments	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>898,350</b>	<b>867,580</b>	<b>919,657</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(278,100)</b>	<b>(280,290)</b>	<b>(523,472)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

Capital expenditure during the year for this activity is as follows:

<b><u>2022/23</u></b>	<b>CAPITAL RENEWALS</b>	<b><u>Budget (LTP)</u></b>	<b><u>2023/24</u></b>
67,024	Streetlights renewals and upgrade	32,000	23,754
174,463	Kerbs & Footpaths renewals	245,000	151,069
0	Reseals & carparks	130,000	132,938
<u>333,657</u>	Other renewals	<u>422,920</u>	<u>317,478</u>
<b><u>575,144</u></b>	<b>Total Infrastructural</b>	<b><u>829,920</u></b>	<b><u>625,239</u></b>
	<b>FUNDED BY:</b>		
256,311	Depreciation Reserve Funding	242,630	229,054
<u>318,833</u>	Subsidies and grants for capital purposes	<u>587,290</u>	<u>396,185</u>
<b><u>575,144</u></b>		<b><u>829,920</u></b>	<b><u>625,239</u></b>

# STORMWATER

## ACTIVITIES IN THE GROUP AND IMPACT ON COMMUNITY WELL-BEINGS

The purpose of the stormwater activity is to dispose of stormwater in a manner which protects the community from flooding and minimises negative impacts to the environment. Activities in the group include:

- Disposal of stormwater from the roading network
- Repairing or replacing unsound pipes and other stormwater structures
- Cleaning pipes and cesspits
- Planning to meet future requirements and improving operations

### Impact on Community Well-beings

The stormwater activity impacts mostly on the social and environmental well-beings for the community.

This activity is responsible for providing and maintaining the stormwater network within the community to ensure that the risk of flooding is mitigated as much as possible, and residents are kept safe.

Also, the stormwater activity is provided in a sustainable manner to minimise the impact on the environment and to ensure that it is affordable for residents.

## STRATEGY

Council has adopted a stormwater Asset Management Plan which provides for the efficient and effective management of stormwater assets. This Plan allows Council to properly maintain the asset at the optimum level while also making provision for the longer term financing required.

## NATURE AND SCOPE

The stormwater system is a network of pipes, manholes and cesspits which collects stormwater from roads and transports it to natural water courses. The network is divided into six zones based on the estimated average date at which each zone was developed. Each zone is given the same installation date and the same replacement date.

Most of the stormwater network is made of concrete pipes and the rate of deterioration is very slow. To resist corrosion in the small geothermal area in the CBD, the network has a mixture of glazed earthenware and High Density Polyethylene (HDPE) black plastic pipes, which are more resistant to the sulphur.

## GOALS

To provide and maintain a system for the disposal of stormwater in a manner which the community from flooding and minimises the negative impacts to the environment.

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Stormwater activity contributes mainly to Kawerau's Community Outcomes of:

- *Council infrastructure and services are accessible, age and disability friendly, effective, efficient and affordable now and for the future.*

## IDENTIFIED EFFECTS OF THIS GROUP OF ACTIVITIES ON THE COMMUNITY

The stormwater activity delivers an efficient network that has minimal impact on the environment. During the year, Council carried out its programmed renewal work.

The significant negative effects for the collection and discharge of stormwater are that it contains contaminants from road surfaces. However, the receiving water (Tarawera River) is large, clear and fast flowing and capable of dealing with the discharges.

Flooding from the stormwater network can cause property damage for residents.

## THE YEAR IN SUMMARY

Stormwater pipe renewals in CBD & Geothermal area (zone 6) completed.

# STORMWATER

## PERFORMANCE

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comments
Council provides an effective stormwater network which removes stormwater to protect dwellings from flooding (System adequacy)	The number of flood events that occur in the district.	No more than 10	Achieved	Achieved	There were no flooding events where habitable dwellings were flooded
	For each flood event, the number of habitable floors affected.	N/A	N/A <sup>16</sup>	N/A	Kawerau properties are not connected to Council's stormwater system
Council provides an effective stormwater network which removes stormwater to protect dwellings from flooding (Customer satisfaction)	The number of complaints received by Council about the performance of its stormwater system.	N/A	N/A <sup>17</sup>	N/A	Kawerau properties are not connected to Council's stormwater system
Response Times	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	Less than one hour	Achieved	Achieved	There were no flooding events.
Discharge compliance	Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of: <ul style="list-style-type: none"> <li>• abatement notices</li> <li>• Infringement notices</li> <li>• Enforcement orders, and</li> <li>• Convictions</li> </ul> received by Council in relation to those resource consents	No notices, orders or convictions	Achieved	Achieved	Council complied with all conditions of its resource consent. Council did not receive any notices, orders or convictions.

<sup>16</sup> Mandatory measure however is not applicable as Kawerau properties are not connected to Council's stormwater system.

<sup>17</sup> Mandatory measure however is not applicable as Kawerau properties are not connected to Council's stormwater system.

# KAWERAU DISTRICT COUNCIL STORMWATER

## Funding Impact Statement for the year ended 30 June 2024

	2023	2024	
	Long Term Plan	Long Term Plan	Actual
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, UAGC and rate penalties	258,920	255,480	67,186
Targeted rates	0	0	0
Subsidies and grants for operating purposes	23,250	19,500	24,072
Fees and charges	0	0	0
Internal charges and overheads recovered	3,950	4,860	10,409
Local authorities fuel tax, fines, infringements and other receipts	0	0	0
<b>TOTAL OPERATING FUNDING (A)</b>	<b>286,120</b>	<b>279,840</b>	<b>101,667</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payment to staff and suppliers	31,000	26,000	33,805
Finance costs	0	0	30
Internal charges and overheads applied	9,310	8,090	12,010
Other operating funding applications	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>40,310</b>	<b>34,090</b>	<b>45,845</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>245,810</b>	<b>245,750</b>	<b>55,822</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	0	0	282,062
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>0</b>	<b>0</b>	<b>282,062</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure:			
- to meet additional demand	0	0	0
- to improve level of service	0	0	0
- to replace existing assets	250,000	50,000	376,092
Increase/(decrease) in reserves	(4,190)	195,750	(38,208)
Increase/(decrease) of investments	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>245,810</b>	<b>245,750</b>	<b>337,882</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(245,810)</b>	<b>(245,750)</b>	<b>(55,822)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

Expenditure capitalised during the year that relates to this activity is as follows:

<u>2022/23</u>	<b>CAPTIAL RENEWALS</b>	<b><u>Budget (LTP)</u></b>	<b><u>2023/24</u></b>
67,348	Pipework Cesspits/Manhole renewals	50,000	376,092
<b>67,348</b>	<b>Total Infrastructural</b>	<b>50,000</b>	<b>376,092</b>
<b>FUNDED BY:</b>			
16,837	Depreciation Reserve Funding	50,000	94,030
50,511	Subsidies and grants for capital purposes	0	282,062
<b>67,348</b>		<b>50,000</b>	<b>376,092</b>



*Renewals of drinking water reticulation continue throughout the district continue as per the Long Term Plan 2021-2031.*

# WATER SUPPLY

## ACTIVITIES IN THE GROUP AND IMPACT ON THE COMMUNITY WELL-BEINGS

The Water Supply group of activities is concerned with sourcing, treating and supplying potable (drinkable) water to more than 2400 households, four large industries and approximately 200 other businesses in the District.

### Impact on Community Well-beings

The water activity impacts mostly on the social, environmental and economic well-beings for the community.

This activity is responsible for providing potable water to the community in a sustainable manner to ensure that it is affordable and meets the necessary health standards.

## NATURE AND SCOPE

The District water supply is sourced from two springs on privately owned land, one in town and the other 3.5 km to the southwest. From there, water is pumped to a treatment plant for UV disinfection and chlorination to comply with Drinking Water Standards of NZ guidelines. After treatment, water is pumped to three reservoirs, two on Monika Lanham Reserve and one above Beattie Road, and then gravity-fed to premises around Kawerau.

In times of peak demand, additional water can also be obtained from a bore field in Tarawera Park.

The Water Supply activity also involves:

- Managing Water Supply assets: pipes, structures and plant
- Monitoring and reporting water quality
- Planning to improve operations and meet future requirements.

## CONTRIBUTION TO COMMUNITY OUTCOMES

The supply of good quality water is fundamental to Community wellbeing. This group of activities contributes mainly to the Community Outcomes of:

- *Council infrastructure and services are accessible, age and disability friendly, effective, efficient and affordable now and for the future.*

## IDENTIFIED EFFECTS OF GROUP OF ACTIVITIES ON THE COMMUNITY

The provision of potable water is fundamental to a community's health and well-being.

Kawerau's water supply is not considered a "secure" supply as defined by the Drinking Water Standards New Zealand (DWSNZ) due to historical detection of faecal coliforms in the source water and the inability to prove that the water has been underground for more than twelve months or is not directly affected by surface or climate influences in the environment. Previously, contaminations, when detected, were temporarily treated with a shock dose of chlorine to the water supply.

Council after considering all the potential risks to the community resolved to chlorinate the water supply from 1 July 2018 in order to comply with the DWSNZ.

## THE YEAR IN SUMMARY

Achievements for the Water Supply group of activities in 2023/24 were:

- Continuation (year 4) of 6 year programme to replace AC and steel pipes in town – 4.2 km renewed
- Continuing programme of valve and toby replacement and head works upgrade.
- Replacement of lime dosing with caustic soda plant to improve water quality
- Construction of fluoride dosing plant to improve dental health for community



# WATER SUPPLY

## PERFORMANCE

Levels of Service	Measures	Target 2023/24	Results 2023/24	Results 2022/23	Comments
Provision of a quality water supply	Community satisfaction with water supply	N/A <sup>18</sup>	N/A	Not Achieved <sup>19</sup>  Community satisfaction 36%  User satisfaction 36%	Survey not applicable for 2023/24, as survey completed every three years.
Customer satisfaction	The total number of complaints received about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply, and f) Council's response to any of these issues expressed per 1,000 connections to the networked reticulation system	a) No more than 4 per 1,000 connections b) No more than 2 per 1,000 connections c) No more than 1 per 1,000 connections d) No more than 2 per 1,000 connections e) No more than 2 per 1,000 connections f) 0 per 1,000 connections	Not achieved	Not achieved (per 1,000 connections )  a) 91.8 b) 0 c) 0 d) 0.7 e) 0 f) 0	Council has 2,903 connections. To date Council received (per 1,000): a) 7.6 water clarity complaints b) 0 water taste complaints c) 0 water odour complaints d) 0.3 water pressure complaints e) 0 continuity of supply complaints f) 0 complaints regarding Council's responses.
Safety of drinking water <sup>20</sup>	The extent to which Council's drinking water supply complies with: a) part 4 of the 2008 drinking-water standards (bacteria compliance criteria), and b) part 5 of the 2008 drinking-water standards (protozoal compliance criteria)	a) no more than 1 instance of bacteria criteria non-compliance, and b) no instance of protozoal criteria non-compliance	N/A	a) Achieved  b) Achieved	See new water standards requirements below.
<p>The result below is reported in line with Taumata Arowai's drinking water quality and assurance rule (DWQAR) aesthetic values and the new drinking water standards applicable from 14 November 2022. However, Council elected to apply them from 1 January 2023 to 30 June 2023.</p>					

<sup>18</sup> Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2011, 2014 and 2017 Community survey results (by NBR)

<sup>19</sup> Triennial Community Survey results have a margin of error of +/- 6%

<sup>20</sup> The information about the old rules (DWSNZ) can be found at:

[https://www.moh.govt.nz/notebook/nbbooks.nsf/0/0B9917ABBB22BE387CC2583B2007928FE/\\$file/dwsnz-2005-revised-mar2019.pdf](https://www.moh.govt.nz/notebook/nbbooks.nsf/0/0B9917ABBB22BE387CC2583B2007928FE/$file/dwsnz-2005-revised-mar2019.pdf) .

Further details are about the new standards (DWQAR) can be found at: <https://www.taumataarowai.govt.nz/for-water-suppliers/new-compliance-rules-and-standards/>

Levels of Service	Measures	Target 2023/24	Results 2023/24	Results 2022/23	Comments
Safety of drinking water	New standard equivalent to the extent to which the Council's drinking water supply complies with part 4 of the drinking water standards (bacteria compliance criteria)	Water supply complies with standards for bacteria	Not Achieved	Not Achieved	Council did not meet the new rules for bacterial and protozoal criteria due to the treatment plant not meeting the DWQAR requirements for UV disinfections for bacteria and protozoal due to the absence of continuous monitoring for UV transmittance and the absence of monthly checks. From 16 April 2024 onwards the UV sensors have been working correctly with no further issues.
Safety of drinking water	New standard equivalent to the extent to which the Council's drinking water supply complies with part 5 of the drinking water standards (protozoal compliance criteria)	Water supply complies with standards for protozoal	Not Achieved	Not Achieved	
Maintenance of the reticulation network	The percentage of real water loss from the Council's networked reticulation system, measure using the minimum night flow (MNF) analysis method contained in the DIA Guidelines <sup>21</sup>	<200 litres per connection per day	Achieved	Achieved (154 litres per connection per day)	Average water loss for the year is 154 litres per connection per day.
Demand management	The average consumption of drinking water per day per resident within the district.	<0.6 m <sup>3</sup>	Achieved (0.449m <sup>3</sup> )	Achieved (0.42m <sup>3</sup> )	The average consumption was 0.449m <sup>3</sup> per person per day.
Fault response times	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response times are:				
	a) attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and	Less than 2 hours	Achieved	Achieved (2 urgent call outs and response time was 27 minutes)	There was one urgent call out received and response time was 29 minutes.
	b) resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption. <sup>22</sup>	Less than 8 hours	Achieved	Achieved (median resolutions was 3 hours 12 minutes)	One urgent call out, resolved in 1 hour and 59 minutes.
	c) Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and	24 hours	Achieved	Achieved (461 callouts median response time 26 minutes)	107 non-urgent call outs and median response time of 30 minute (all less than 24 hours)

<sup>21</sup> Taumata Arowai introduced new Drinking Water Quality Assurance Rules (DWQAR from 12 November 2022. The reporting again it started from 1 January 2023.

<sup>22</sup> An urgent call-out is one that leads to a complete loss of supply of drinking water. A non-urgent call-out is one where there is still a supply of drinking water.

	d) Resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	48 hours	Achieved	Achieved (Median resolution time was 1 hour 55 minutes)	107 non-urgent call outs and median resolution time 2 hours (all less than 48 hours).
Levels of Service	Measures	Target 2023/24	Results 2023/24	Results 2022/23	Comments
Water is sourced with minimal environmental effects	Compliance with BOP Regional Council water supply resource consents as reported in annual "consents and compliance field sheet"	Compliance <sup>23</sup>	Achieved	Not Achieved	There was compliance with all BOP Regional Council water consents.
The water supply is reliable and has minimal disruptions	Number of unplanned shutdowns - reticulation	No more than 12	Achieved	Achieved (1 shutdown)	1 unplanned shutdown occurred.
	Number of unplanned shutdowns – pump stations	None	Achieved	Achieved (None)	There were no unplanned shutdowns of pump stations during the year
	Number of water main breaks	No more than 8	Achieved	Achieved (2 breaks)	1 water main break occurred.

\* Results are based on attendance and resolution times recorded by Council staff responding to the call-outs, however there is no process to independently verify the information.

<sup>23</sup> BOPRC inspection reports state either compliance or non-compliance

**KAWERAU DISTRICT COUNCIL**  
**WATER SUPPLY**  
**Funding Impact Statement**  
**for the year ended 30 June 2024**

	2023	2024	
	Long Term Plan	Long Term Plan	Actual
General rates, UAGC and rate penalties	1,290,120	1,356,710	1,207,825
Targeted rates	214,650	220,710	201,664
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	30,777
Internal charges and overheads recovered	52,470	52,280	101,748
Local authorities fuel tax, fines, infringements and other receipts	0	0	0
<b>TOTAL OPERATING FUNDING (A)</b>	<b>1,557,240</b>	<b>1,629,700</b>	<b>1,542,014</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payment to staff and suppliers	498,230	486,530	821,826
Finance costs	75,000	125,000	203,070
Internal charges and overheads applied	401,460	408,380	489,371
Other operating funding applications	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>974,690</b>	<b>1,019,910</b>	<b>1,514,267</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>582,550</b>	<b>609,790</b>	<b>27,747</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	0	0	524,682
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	2,000,000	2,000,000	2,000,000
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,524,682</b>
<b>APPLCATIONS OF CAPITAL FUNDING</b>			
Capital expenditure:			
- to meet additional demand	0	0	0
- to improve level of service	0	0	0
- to replace existing assets	2,580,780	2,729,720	2,548,628
Increase/(decrease) in reserves	1,770	(119,930)	3,801
Increase/(decrease) of investments	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>2,582,550</b>	<b>2,609,790</b>	<b>2,552,429</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(582,550)</b>	<b>(609,790)</b>	<b>(27,747)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

Capital expenditure for this activity during the year included:

<u>2022/23</u>	<u>CAPITAL RENEWALS</u>	<u>Budget (LTP)</u>	<u>2023/24</u>
1,249,662	Pipework Replacement	1,993,625	2,033,884
45,895	Toby Replacement	165,218	36,210
147,795	Valve Replacement	44,058	18,274
168,542	Refurbish Pumps	19,055	14,185
11,259	UV Tube Replacement	14,620	20,544
141,800	Reservoir, Headworks & Hydrants	493,444	202,599
0	Other renewals	0	222,932
<b><u>1,764,952</u></b>	<b>Total Infrastructural</b>	<b><u>2,729,720</u></b>	<b><u>2,548,628</u></b>

**FUNDED BY:**

0	Subsidies and grants for capital purposes	0	524,682
2,000,000	Loan	2,000,000	2,000,000
<b>(235,048)</b>	Depreciation Reserve Funding	<b>729,720</b>	<b>23,946</b>
<b><u>1,764,952</u></b>		<b><u>2,729,720</u></b>	<b><u>2,548,628</u></b>

The pipework replacement project made significant progress during the year and the second loan to fund this project was raised in October 2023.



*Group Manager, Operations and Service Riaan Nel and Three Waters Team Leader Glen Penny flushing potable (drinking) water lines.*

# WASTEWATER

## ACTIVITIES IN THE GROUP AND IMPACTS ON COMMUNITY WELLBEINGS

The Wastewater group of activities involves the collection and disposal of wastewater (including sewage). Council's wastewater system is a network of pipes, manholes, cleaning eyes, pumps and a treatment plant. Wastewater is collected from almost all properties in the district and treated and disposed of in accordance with consent conditions.

The wastewater activities are:

- The treatment of wastewater from properties in the district
- Repairing or replacing unsound pipes and other wastewater structures
- Cleaning pipes
- Planning to meet future requirements and improving operations

### Impact on Community Well-beings

The wastewater activity impacts mostly on the social, environmental and cultural well-beings for the community.

This activity is responsible for providing wastewater disposal services for the community in a sustainable manner that is not culturally offensive, ensuring that it meets the necessary environmental standards and is affordable for residents.

## NATURE AND SCOPE

Council is involved in wastewater collection and disposal to fulfil a range of legislative duties imposed by the Health Act, the Building Act and the Local Government Act. Council's aims in providing a wastewater disposal system are to enhance public health in the District and to safeguard the local environment.

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Wastewater group of activities contributes mainly to Kawerau's Community Outcomes of:

- *Council infrastructure and services are accessible, age and disability friendly, effective, efficient and affordable now and for the future.*

## IDENTIFIED EFFECTS OF GROUP OF ACTIVITIES ON THE COMMUNITY

The Wastewater activity contributes to the good health and safety of the Community.

## THE YEAR IN SUMMARY

Achievements in the Wastewater group of activities in 2023/24 were:

- Continuous provision of service to high standard
- Renewal of pumps at treatment plant
- Renewal of wastewater pipe for the year

# WASTEWATER

## PERFORMANCE

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comment
Provision of domestic wastewater collection and primary treatment	Community satisfaction with wastewater disposal	N/A <sup>24</sup>	N/A	Not Achieved <sup>25</sup> Community satisfaction 70% User satisfaction 82%	Survey not applicable for 2023/24, as survey completed every three years.
Customer satisfaction	The total number of complaints received about any of the following: a) sewage odour b) sewerage system faults c) sewerage system blockages, and d) Council's response to issues with its sewerage system, expressed per 1000 connections to the sewerage system.	a) No more than 1 per 1,000 connections b) No more than 15 per 1,000 connections c) No more than 15 per 1,000 connections d) 0 per 1,000 connections	Achieved a) 0.0 per 1,000 b) 0 per 1,000 c) 2.4 per 1,000 d) 0 per 1,000	Achieved a) 0.3 per 1,000 b) 0 per 1,000 c) 1.7 per 1,000 d) 0 per 1,000	Council has 2,880 connections a) 0 odour issues (0 per 1,000) b) 0 faults reported (0 per 1000) c) There were 6 blockages (2.4 per 1000) d) There were no complaints about responses (0 per 1,000)
System Adequacy	The number of dry <sup>26</sup> weather sewage overflows from Council's sewerage system, expressed per 1000 connections to that sewerage system <sup>27</sup>	0 per 1,000 connections to the sewerage system	Not Achieved (0.3 overflows)	Not Achieved (1 overflow)	There were 1 dry weather overflow reported during the year.

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comment
Fault response times	Where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, the median response times are:				
	a) attendance time: from the time that Council receives notification to the time that service personnel reach the site, and	Less than 1 hour.	Achieved	Achieved (1 overflow attended to in 15 minutes)	There were 2 sewerage overflows which were attended to in 5 minutes.

<sup>24</sup> Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2011, 2014 and 2017 Community survey results (by NBR)

<sup>25</sup> Triennial Community Survey results have a margin of error of +/- 6%

<sup>26</sup> Dry weather sewerage overflow means sewage that escapes a territorial authority's sewerages system and enters the environment during periods of dry weather.

<sup>27</sup> Sewage overflow means sewage that escapes Council's sewerage system and enters the environment.

	b) resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	Less than 8 hours.	Achieved	Achieved (1 overflow resolved within 2 hours)	2 sewerage overflows occurred, median resolution time attendance 1 hour and 53 minutes, both resolved within 2 hours and 25 minutes.
Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comment
Council provides a reliable domestic wastewater collection and disposal service	Number of disruptions to wastewater collection service	No more than 50.	Achieved	Achieved No disruptions to service during year	There were no disruptions to wastewater collection service during the year.
Discharge compliance	Compliance with resource consents for discharge from Council's sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders, and d) convictions, received in relation those resource consents.	No notices, orders or convictions.	Achieved a) 0 b) 0 c) 0 d) 0	Not Achieved a) 0 b) 1 c) 0 d) 0	Council did not receive any abatement notices, enforcement orders nor convictions during the year.
The wastewater treatment plant operates effectively	Compliance with wastewater treatment plant resource consents as reported in annual Consents and Compliance Field Sheet	Compliance. <sup>28</sup>	Achieved	Not achieved (Component failure at treatment plant – Infringement notice issued)	Council complied with all conditions of the resource consent.

\* Results are based on attendance and resolution times recorded by Council staff responding to the call-outs, however, there is no process to independently verify the information.

<sup>28</sup> BOPRC inspection reports state either compliance or non-compliance.



# KAWERAU DISTRICT COUNCIL WASTEWATER

## Funding Impact Statement for the year ended 30 June 2024

	2023 Long Term Plan	2024 Long Term Plan	Actual
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, UAGC and rate penalties	1,306,370	1,334,930	1,291,330
Targeted rates	459,290	472,350	383,890
Subsidies and grants for operating purposes	0	0	0
Fees and charges	51,700	52,790	116,960
Internal charges and overheads recovered	32,270	24,260	56,621
Local authorities fuel tax, fines, infringements and other receipts	0	0	0
<b>TOTAL OPERATING FUNDING (A)</b>	<b>1,849,630</b>	<b>1,884,330</b>	<b>1,848,801</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payment to staff and suppliers	750,900	765,040	744,245
Finance costs	0	0	600
Internal charges and overheads applied	576,480	596,800	607,661
Other operating funding applications	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>1,327,380</b>	<b>1,361,840</b>	<b>1,352,506</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>522,250</b>	<b>522,490</b>	<b>496,295</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure:			
- to meet additional demand	0	0	0
- to improve level of service	0	0	0
- to replace existing assets	1,209,700	1,428,660	1,276,724
Increase/(decrease) in reserves	(687,450)	(906,170)	(780,429)
Increase/(decrease) of investments	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>522,250</b>	<b>522,490</b>	<b>496,295</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(522,250)</b>	<b>(522,490)</b>	<b>(496,295)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

The capital expenditure during the year that relates to this activity is as follows:

<u>2022/23</u>	<b>CAPITAL RENEWALS</b>	<b>Budget (LTP)</b>	<b>2023/24</b>
357,741	Wastewater Pipework	746,120	540,154
276,291	Other renewals	682,540	736,570
<b>634,032</b>	<b>Total Infrastructural</b>	<b>1,428,660</b>	<b>1,276,724</b>
<b>FUNDED BY:</b>			
634,032	Depreciation Reserve Funding	1,428,660	1,276,724
0	Subsidies and grants for capital purposes	0	0
<b>634,032</b>		<b>1,428,660</b>	<b>1,276,724</b>

# SOLID WASTE

## ACTIVITIES IN THE GROUP AND IMPACT ON COMMUNITY WELLBEINGS

The Solid Waste group of activities involves the collection and disposal of solid waste to maintain public health avoid public nuisance and retain aesthetic values in the district.

The solid waste activities are:

- The weekly residual household waste collection.
- The operation of a local transfer station which accepts all types of waste. Residual waste is transported to Tirohia landfill on the Hauraki Plains.
- A weekly “zero-waste” kerbside collection of recyclable materials and a fortnightly green waste collection

### Impact on Community Well-beings

The solid activity impacts mostly on the social, environmental and cultural well-beings for the community.

This activity is responsible for providing solid waste disposal services for the community in a sustainable manner that is not culturally offensive, ensuring that it meets the necessary environmental standards and is affordable for residents.

### NATURE AND SCOPE

Council is involved in refuse collection to provide the community with a convenient method to remove unwanted materials from their properties, thereby upholding public health and hygiene standards.

The aim of refuse disposal is to dispose of refuse in an environmentally acceptable manner.

The recycling/zero waste activity aims to reduce the volume of waste going to the landfill by maximising the material going to reusable waste streams thereby minimising some of the negative environmental effects of human consumption.

### CONTRIBUTION TO COMMUNITY OUTCOMES

The Solid Waste group of activities contributes mainly to Kawerau’s Community Outcomes of:

- *Council infrastructure and services are accessible, age and disability friendly, effective, efficient and affordable now and for the future.*

### IDENTIFIED EFFECTS OF THIS GROUP OF ACTIVITIES ON THE COMMUNITY

The potential negative effects for this group of activities are:

- Odour
- Health risks
- Vermin infestation
- Visual pollution.

### THE YEAR IN SUMMARY

Achievements in the Solid Waste group of activities in 2023/24 were:

- Refuse and recycle collections continued throughout the year without disruption
- Council continues to look at ways to reduce the volumes of material having to go to landfill.

# SOLID WASTE

## PERFORMANCE

### Refuse Collection and Disposal

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comment
Provision of cost effective refuse collection and disposal that will encourage a healthy, clean and tidy district	Community satisfaction with refuse collection	N/A <sup>29</sup>	N/A	Not Achieved <sup>30</sup>  Community satisfaction 90%  User satisfaction 90%	Survey not applicable for 2023/24, as survey completed every three years.
	Community satisfaction with refuse disposal	N/A	N/A	Not Achieved  Community satisfaction 68%  User satisfaction 78%	
Council's refuse collection and disposal services meet the needs of the Kawerau community and help maintain public health and a clean environment.	Level of compliance with BOP Regional Council refuse disposal resource consents as reported in annual consents and compliance field sheets	Compliance	Achieved	Achieved	No notices, abatement notices, enforcement orders or convictions.

### Recycling (Zero Waste)

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comment
Material that would otherwise go to the landfill as household refuse is collected by the recycling collection service.	Average amount of recyclable material collected from each household <sup>31</sup>	No less than 178 kg per annum	Achieved	Achieved (188 kg per household)	2,880 households and 210 kg per household on average.

<sup>29</sup> Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2011, 2014 and 2017 Community survey results (by NBR)

<sup>30</sup> Triennial Community Survey results have a margin of error of +/- 3%

<sup>31</sup> This performance target is set to encourage recycling, which reduces the amount of refuse disposed of to landfill. The minimum amount set was selected in the LTP as an initial starting point to encourage household recycling. The average is determined by the total amount of recyclable material dived

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comment
Council's refuse collection and disposal services meets the needs of the Kawerau community and helps maintain public health and a clean environment	Community satisfaction with recycling services	>92% <sup>32</sup>	N/A	Not Achieved <sup>33</sup> Community satisfaction 76% User satisfaction 81%	Survey not applicable for 2023/24, as survey completed every three years.



*Entrance to Kawerau Transfer Station comprising refuse, greenwaste and recycling operations.*

<sup>32</sup> Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2011, 2014 and 2017 Community survey results (by NBR)

<sup>33</sup> Triennial Community Survey results have a margin of error of +/- 5%

# KAWERAU DISTRICT COUNCIL SOLID WASTE

## Funding Impact Statement for the year ended 30 June 2024

	2023 Long Term Plan	2024 Annual Plan	2024 Actual
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, UAGC and rate penalties	781,830	809,660	1,349,768
Targeted rates	527,350	542,380	598,107
Subsidies and grants for operating purposes	0	0	4,416
Fees and charges	613,120	625,380	1,023,516
Internal charges and overheads recovered	48,870	49,890	2,060
Local authorities fuel tax, fines, infringements and other receipts	0	0	0
<b>TOTAL OPERATING FUNDING (A)</b>	<b>1,971,170</b>	<b>2,027,310</b>	<b>2,977,867</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payment to staff and suppliers	1,347,070	1,372,580	2,018,601
Finance costs	4,140	3,750	9,354
Internal charges and overheads applied	587,790	618,270	1,069,188
Other operating funding applications	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>1,939,000</b>	<b>1,994,600</b>	<b>3,097,143</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>32,170</b>	<b>32,710</b>	<b>(119,276)</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure:			
- to meet additional demand	0	0	0
- to improve level of service	0	0	0
- to replace existing assets	0	0	10,346
Increase/(decrease) in reserves	32,170	32,710	(129,622)
Increase/(decrease) of investments	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>32,170</b>	<b>32,710</b>	<b>(119,276)</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(32,170)</b>	<b>(32,710)</b>	<b>119,276</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

More fees were received for waste disposal than originally budgeted in the Long Term Plan due to the significant increase in disposal costs which are also higher than budgeted.

# LEISURE AND RECREATION

## ACTIVITIES IN THE GROUP AND IMPACT ON COMMUNITY WELLBEINGS

The Leisure and Recreation group of activities includes community halls and facilities, the district library and museum, the swimming pool complex, Kawerau's many parks and gardens and the cemetery. The activities are:

### Community Halls and Public Facilities

Council owns and maintains four public halls for recreational and cultural pursuits, four clubroom/pavilion buildings on reserves used by various sporting codes and 3 public toilet facilities on reserves. All these halls and facilities are available for public hire at reasonable rates.

### District Library and Museum

The Kawerau District Library and Sir James Fletcher Kawerau Museum is a key facility which supports Community information needs, recreation, cultural interests and lifelong learning.

### Parks and Reserves

Council owns and maintains a number of recreation reserves which include sports fields, passive reserves and children's playgrounds. Specimen trees and flowerbeds on roadside and amenity reserves further enhance the visual beauty of the District. Council also provides the Kawerau Cemetery to accommodate Community interment needs.

### Swimming Pools Complex

Popular both with locals and visitors, the Maurie Kjar Memorial Swimming Pools Complex is a year-round facility with geothermally heated swimming and spa pools. Entry is free.

## IMPACT ON COMMUNITY WELLBEING

The leisure and recreation activity impacts mostly on the social, cultural and economic well-beings for the community.

This activity group is responsible for providing leisure and recreation services for the community to meet their social and cultural needs and also promote both physical and mental health. The activities in this group are provided by Council to make them available and affordable for residents.

## NATURE AND SCOPE

Council maintains sporting, leisure and recreational facilities to enhance the nature of Kawerau as a recreation and leisure-conscious Community and to maximise opportunities for the Community to participate in recreational and cultural pursuits. Because this group of activities can potentially improve the quality of life of the whole Community in some way, it is important to Council that a wide range of services is provided.

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Leisure and Recreation group of activities contributes mainly to Kawerau's Community Outcomes of:

- *Council infrastructure and services are accessible, age and disability friendly, effective, efficient and affordable now and for the future.*
- *Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity.*

## IDENTIFIED EFFECTS OF THIS GROUP OF ACTIVITIES ON THE COMMUNITY

The Leisure and Recreation group of activities provides the people of Kawerau with a quality of life second to none. The level of quality and extent of these services directly improves the quality of life of the community.

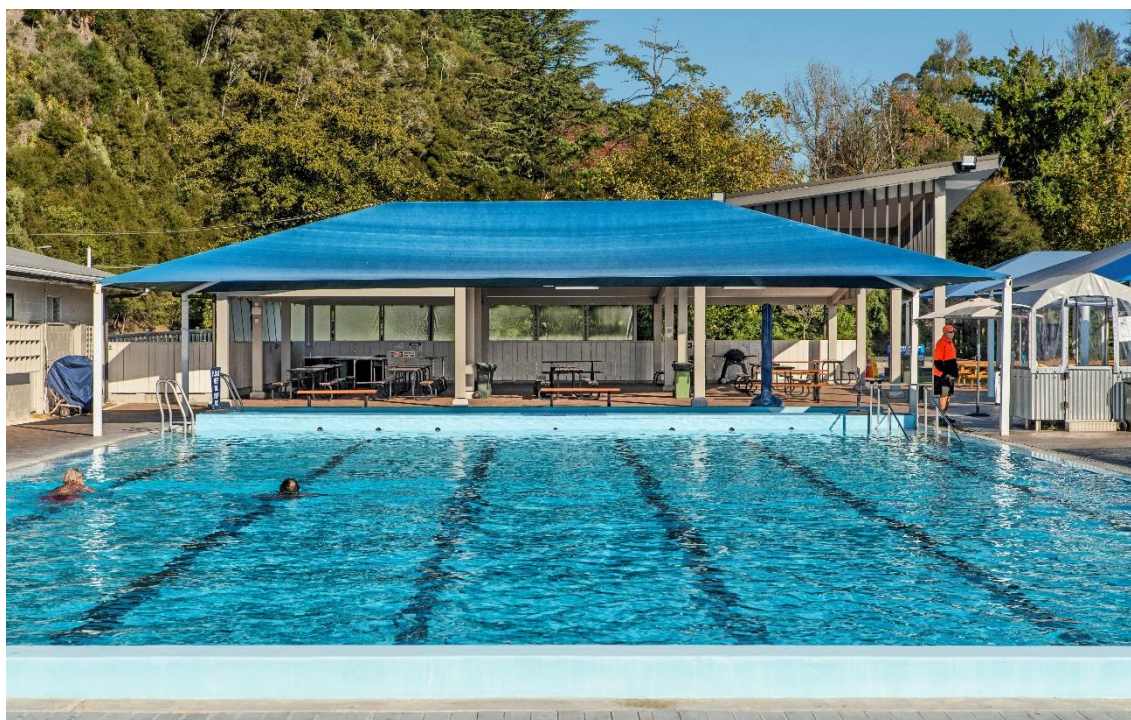
## THE YEAR IN SUMMARY

Major highlights for the Leisure and Recreation group of activities in 2022/23 were:

- Completion of the Rangī Delamere Centre (replacing the previous Netball Pavilion)
- Renewal of children and adult books at the library and completion of upgrade to reception area
- On-going renewals at the swimming pool
- Maintenance of Council's gardens, parks and sports fields.



*Maurie Kjar Aquatic Centre*





# LEISURE AND RECREATION

## PERFORMANCE

### Public Library

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comment
The library is accessible to the public	Percentage of the population who are active members of the library <sup>34</sup>	>25%	Not achieved (18.0%)	Not achieved (18.1%)	At the end of June 2024, there were 1,330 active users of the library (18.0%)
	New items per 1,000 population added to the collection each year <sup>35</sup>	500	Not achieved (458 new items per 1,000)	Not achieved (411 new items per 1,000)	There were 458 new items (per 1,000 of population) added to the collection (total of 3,345).
Council provides public library services and resources which suit community needs	Community satisfaction with the public library	N/A <sup>36</sup>	N/A	Not Achieved <sup>37</sup> Community satisfaction 73% User satisfaction 90%	Survey not applicable for 2023/24, as survey completed every three years.



Angus Longhurst and Jaxon Marshall enjoying the school holiday programme at the Kawerau District Library.

<sup>34</sup> Based on those who have used the library services in the past two years.

<sup>35</sup> The target for new books is to ensure there are new library book stocks available, ensuring the books are new and relevant to meet the needs of the library users. The target was set in the LTP and took into consideration historic knowledge on collection levels.

<sup>36</sup> Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2014, 2017 and 2020 Community survey results (by NBR)

<sup>37</sup> Triennial Community Survey results have a margin of error of +/- 4%

## Museum

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comment
Council provides a museum service which reflects community needs	Number of exhibitions held	6 exhibitions held for year	Achieved (6 exhibitions)	Achieved (6 exhibitions)	There were 6 exhibitions held during the year
	Number of objects processed per annum	200	Achieved (267 objects)	Achieved (234 objects)	There were 267 objects accessioned into the museum collection
	Community satisfaction with the museum	N/A <sup>38</sup>	N/A	Not Achieved <sup>39</sup> Community satisfaction 37% User satisfaction 77%  (NB the community satisfaction includes 44% of respondents who were unsure)	Survey not applicable for 2023/24, as survey completed every three years.

<sup>38</sup> Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2014, 2017 and 2020 Community survey results (by NBR)

<sup>39</sup> Triennial Community Survey results have a margin of error of +/- 9%

## Swimming Pools

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comment
Council provides a swimming pool complex which is accessible to the Community	Weeks open per year	Open at least 48 weeks	Achieved (49/52)	Not achieved (39/52)	Pool was open, apart from 3 weeks to undertake annual maintenance.
Swimming pool water meets water quality standards	Level of compliance with standards <sup>40</sup>	Full compliance in 95% of tests	Achieved (98%)	Achieved (97%)	There was 98% compliance for tests
Council provides a swimming pool complex which reflects community needs	Community satisfaction with public swimming pool	N/A <sup>41</sup>	N/A	Not Achieved <sup>42</sup> Community satisfaction 63% User satisfaction 72%	Survey not applicable for 2023/24, as survey completed every three years.

## Public Halls and Facilities

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comment
Council provides public halls and facilities which reflects community needs	Community satisfaction with public halls <sup>43</sup>	N/A	N/A	Not Achieved <sup>44</sup> 57%	Survey not applicable for 2023/24, as survey completed every three years.
	User satisfaction with the public halls	N/A	N/A	Not Achieved <sup>31</sup> 83%	
	Community satisfaction with public toilets	N/A	N/A	Not achieved <sup>31</sup> 57%	
	User satisfaction with the public toilets	N/A	N/A	Not achieved <sup>31</sup> 79%	

<sup>40</sup> The water quality standards are to comply with Standard for Pool Water Quality – NZS 5826:2010

<sup>41</sup> Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2014, 2017 and 2020 Community survey results (by NBR)

<sup>42</sup> Triennial Community Survey results have a margin of error of +/- 6%

<sup>43</sup> Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2014, 2017 and 2020 Community survey results (by NBR)

<sup>44</sup> Triennial Community Survey results have a margin of error of +/- 6%

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comment
Four Community halls available for hire: Ron Hardie Recreation Centre, Town Hall, Concert Chambers and the Bert Hamilton Hall	Number of weeks public halls available for hire	Each hall is available for 50 weeks	Not Achieved  Achieved for all halls except for Ron Hardie Rec Centre	Achieved  52/52	All halls were available for 52 weeks to 30 June 2024, apart from the Rec Centre which was closed for 10 weeks due to gas monitor malfunction.
Clean public toilets are provided in the central business district	Town centre public toilets are open for at least 360 days	Open at least 360 days	Achieved (366/366)	Achieved (365/365)	The town centre public toilets were open 365/365 days at end of June.

## Parks and Reserves

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comment
Council provides parks and reserves which meets community needs	Community satisfaction with parks and reserves <sup>45</sup>	N/A	N/A	Not Achieved <sup>46</sup>  Community satisfaction 78%  User satisfaction 82%	Survey not applicable for 2023/24, as survey completed every three years.
Sport field playing surfaces meet the requirements of codes for which they are used	Implementation of recommendations of NZ Sports Turf Institute advisory reports.	100%	Achieved	Achieved	Sports fields inspected and recommendations implemented
Bedding displays are attractive and updated to suit the season	Number of bedding displays <sup>47</sup>	2 (1 summer and 1 winter)	Achieved	Achieved	Summer (October) and winter displays (May) were planted
Playground equipment is safe for children to use	Monthly inspections of all playground equipment	12 inspections conducted	Achieved	Not achieved (only 10 inspections)	12 inspections were carried out during year.

<sup>45</sup> Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2014, 2017 and 2020 community survey results (by NBR)

<sup>46</sup> Triennial Community Survey results have a margin of error of +/- 5%

<sup>47</sup> Bedding displays are the garden plant displays around the District. To keep the town looking attractive a winter and summer display is Council target for all year round attractive gardens.

Levels of Service	Measures	Target 2023/24	Result 2023/24	Result 2022/23	Comment
The Kawerau Cemetery meets community interment needs in the present and the medium term	Number of burial plots available	At least enough available for the next 5 years	Achieved	Achieved	There are currently enough plots for approximately a further 10 years.
	Community satisfaction with the cemetery	N/A <sup>48</sup>	N/A	Not Achieved <sup>49</sup> Community satisfaction 64% User satisfaction 91%	Survey not applicable for 2023/24, as survey completed every three years. The triennial survey was completed in 2022/23 with a new service provider to ensure a better set of results that represent a fairer and more accurate measure of residents sentiments. Comparisons with previous targets are largely lower and these differences can be attributed to a mixed-mode of collection allowing different demographics to be heard in 2023



*Mayor Faylene Tunui and Kauri Thornton, (Rangi Delamere's brother) unveil the new sign at the Rangī Delamere Centre reopening in 2024.*

<sup>48</sup> Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2011, 2014 and 2017 survey results (by NBR)

<sup>49</sup> Survey results have a margin of error of +/- 5%

**KAWERAU DISTRICT COUNCIL**  
**Leisure and Recreation**  
**Funding Impact Statement**  
**for the year ended 30 June 2024**

	2023	2024	
	Long Term Plan	Long Term Plan	Actual
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, UAGC and rate penalties	4,107,550	4,190,530	4,364,608
Targeted rates	0	0	0
Subsidies and grants for operating purposes	920	940	1,462
Fees and charges	196,850	69,680	67,005
Internal charges and overheads recovered	16,400	17,910	28,171
Local authorities fuel tax, fines, infringements and other receipts	0	0	0
<b>TOTAL OPERATING FUNDING (A)</b>	<b>4,321,720</b>	<b>4,279,060</b>	<b>4,461,246</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payment to staff and suppliers	2,365,890	2,254,570	2,519,521
Finance costs	41,760	39,160	71,667
Internal charges and overheads applied	1,281,330	1,289,140	1,550,178
Other operating funding applications	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>3,688,980</b>	<b>3,582,870</b>	<b>4,141,366</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>632,740</b>	<b>696,190</b>	<b>319,880</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	0	0	300,000
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>0</b>	<b>0</b>	<b>300,000</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure:			
- to meet additional demand	0	0	0
- to improve level of service	0	0	0
- to replace existing assets	265,370	234,200	1,523,920
Increase/(decrease) in reserves	367,370	461,990	(904,040)
Increase/(decrease) of investments	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>632,740</b>	<b>696,190</b>	<b>619,880</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)</b>	<b>(632,740)</b>	<b>(696,190)</b>	<b>(319,880)</b>
<b>FUNDING BALANCE ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

Expenditure capitalised during the year that relates to this activity is as follows:

<b><u>2022/23</u></b>	<b><u>CAPITAL RENEWALS</u></b>	<b><u>Budget (LTP)</u></b>	<b><u>2023/24</u></b>
67,743	Library Stock Renewals	75,890	65,006
704	Other Library/Museum	27,720	3,161
270,775	Swimming Pool - Fences/Changing Rooms / Filtration	7,600	170,903
4,778	Recreation Centre Upgrades	16,860	62,862
0	Town Hall Upgrades	8,660	0
9,874	Concert Chamber Upgrade	14,370	0
0	Public Toilets	0	10,142
53,454	Sports-fields – Rangī Delamere Centre	23,150	1,143,316
84,251	Passive Reserves Improvements	55,970	49,528
33,575	Playground Renewals	3,980	3,628
0	Cemetery	0	15,374
<b><u>525,154</u></b>	<b><u>Total Operational</u></b>	<b><u>234,200</u></b>	<b><u>1,523,920</u></b>
<b>FUNDED BY:</b>			
0	Grants for capital renewals	0	300,000
<b><u>525,154</u></b>	<b><u>Depreciation Reserve Funding</u></b>	<b><u>234,200</u></b>	<b><u>1,223,920</u></b>
<b><u>524,154</u></b>		<b><u>234,200</u></b>	<b><u>1,523,920</u></b>

There were some carried forward projects done during the year which included the Rangī Delamere Centre to replace the Netball Pavilion, which was burnt down in 2020, and renewals at the Aquatic Centre.



*Council Cultural Advisor Te Haukakawa Te Rire mihi to whānau and community during the Rangī Delamere Centre reopening.*

# COUNCIL CONTROLLED ORGANISATIONS

## BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES

### Background

The Council Controlled Organisation was formally established in January 2008. The Company was set up by the eight local authorities in the Bay of Plenty region to foster collaboration between Councils in the delivery of services particularly back office or support services.

As a Council Controlled Organisation, the Bay of Plenty Local Authority Shared Services (BOPLASS) is a separate legal entity from Council and is responsible for delivering in accordance with an agreed Statement of Intent. The Company is governed by a Board of Directors who are the Chief Executives of the constituent local authorities.

FINANCIAL PERFORMANCE FOR THE YEAR ENDED 2024		
	Parent 2023/24 \$000s	Parent 2022/23 \$000's
Revenue	2,461	1,927
Expense	(2,462)	(1,951)
Net (Deficit)/Surplus Year	(1)	(24)
Less Tax Expenses	0	0
<b>Net Surplus/(Deficit) after Tax</b>	<b>(1)</b>	<b>(24)</b>

### Statement of Intent and Performance

The company has complied with section 64 of the Local Government Act 2002 (LGA) and had a Statement of Intent for 2023/24 and associated budget formally adopted by the directors at the meeting held 30 June 2021.

The following is a report of performance against targets set in the Statement of Intent for 2023 to 2026.

Performance Targets for 2023/24		
Targets	Measure	Progress as at 30 June 2024
Investigate new joint procurement initiatives for goods and services for BOPLASS councils.  Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.	A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to participating councils.	<b>Achieved.</b> The new procurement initiatives which have been investigated during the year are as follows: <ul style="list-style-type: none"> <li>• Internal Audits</li> <li>• Schedule of Values (SOVs) - data Enhancement</li> <li>• Above Ground Earthquake Loss Modelling</li> <li>• Business Continuity Planning</li> <li>• Protected Disclosures</li> <li>• GIS Technical Advisory Group</li> <li>• CCTV Monitoring</li> <li>• Waste Operator and Licensing Data System – Information Management System</li> <li>• Waste Operator and Licensing Data System – Administration Service</li> <li>• Infrastructure Insurance</li> <li>• Media Monitoring Services</li> </ul>

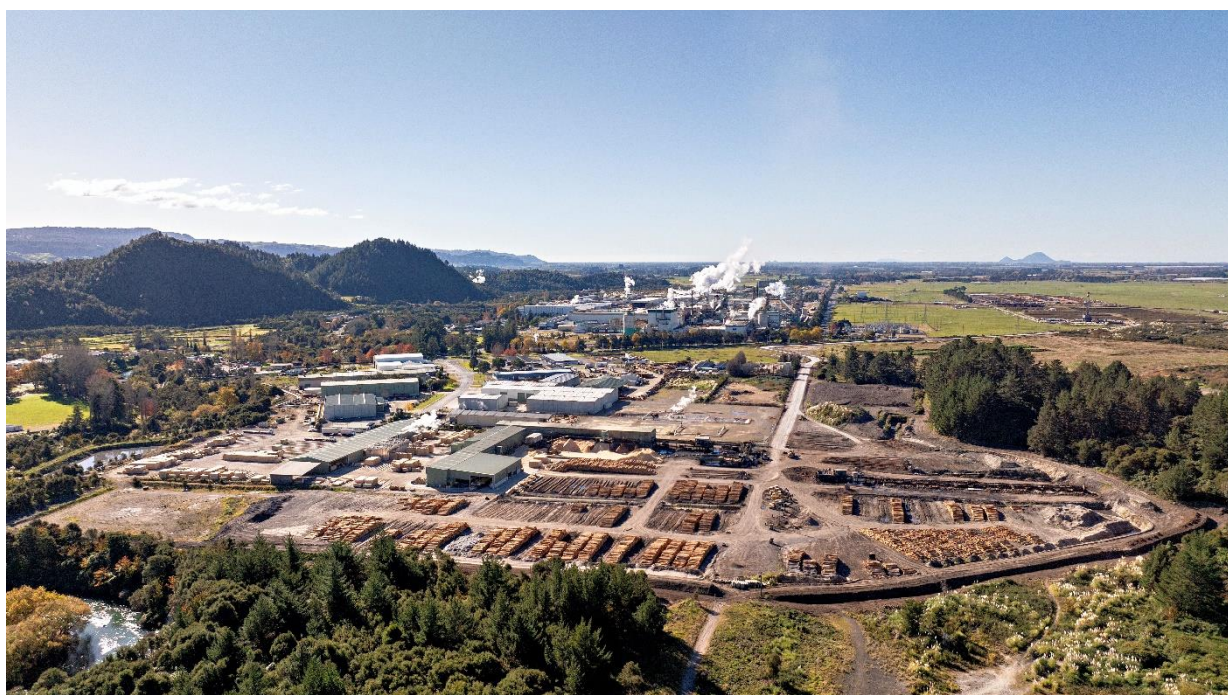


Targets	Measure	Progress as at 30 June 2024
<p>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.</p>	<p>BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.</p> <p>Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.</p>	<p><b>Achieved.</b></p> <p>BOPLASS continues to work closely with MW LASS and Co-Lab engaging regularly and formally meeting on a quarterly basis. Shared services projects offered to BOPLASS councils include:</p> <ul style="list-style-type: none"> <li>• Debt Management</li> <li>• Archives</li> <li>• Building Consent Services</li> <li>• Health and Safety training</li> </ul> <p>BOPLASS is leading or managing, on behalf of other LASS:</p> <ul style="list-style-type: none"> <li>• Waste Operator Licencing Data System</li> <li>• H&amp;S Management System</li> <li>• Staff Wellbeing Portal</li> <li>• Regional Contractor Database</li> <li>• Rate Collections</li> <li>• Inter – Council Secondment</li> <li>• Occupational Health Services</li> <li>• Insurance Markets Joint Communications</li> <li>• Managing Conflict and Aggression</li> <li>• Motor Vehicle Monitoring</li> <li>• LGOIMA requests</li> <li>• Health and Safety training</li> <li>• Insurance Forum</li> <li>• Engagement with other Local Government Collaborative Groups</li> </ul>
<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils</p>	<p>Manage and/or renegotiate existing contracts.</p> <p>Contracts are reviewed annually to test for market competitiveness.</p> <p>New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	<p><b>Achieved.</b></p> <p>Contracts negotiated and/or renewed for:</p> <ul style="list-style-type: none"> <li>• VertiGIS Studio</li> <li>• Aerial Imagery</li> <li>• Inter-Council Network (ICN)</li> <li>• Zoom Conferencing Service</li> <li>• Health and Safety Management Software</li> <li>• GIS software and services</li> <li>• My Everyday Wellbeing</li> <li>• Media Copyright Agency</li> <li>• Cyber Insurance</li> <li>• N3 – Collective Purchasing Group</li> <li>• Standards NZ</li> <li>• NAMS+ subscription</li> <li>• IPWEA membership</li> <li>• GIS Training</li> </ul>

Targets	Measure	Progress as at 30 June 2024
<p>Communicate with each shareholding council at appropriate levels.</p>	<p>Meeting with members of Executive Leadership Team, at least one meeting per year.</p>	<p><b>Achieved.</b> BOPLASS continues to regularly engage with our constituent councils, senior management, and shareholders to ensure opportunities continue to be developed to the benefit of stakeholders.</p> <p>In addition, BOPLASS chairs and coordinates meetings and activities for specific council advisory groups that manage or lead new collaborative initiatives. These groups generally comprise of managers from each council</p>
<p>Further develop and extend the collaboration portal for access to and sharing of, project information and opportunities from other councils and the greater local government community to increase the breadth of BOPLASS collaboration.</p> <p>Increase the use of the Collaboration Portal by providing support and training material for new and existing users.</p> <p>Proactively market the benefits to councils.</p>	<p>Number of listed projects to increase by 5% per year.</p> <p>Number of active users to increase by 5% per year.</p>	<p><b>Achieved.</b> Collaborative projects continue to be added to the MahiTahi LG Collaboration Portal along with several specific Teams or Channels established for confidential projects being run outside of the main portal.</p> <p>Continued promotion of the MahiTahi LG Collaboration Portal has seen a 5% increase in registered users with numbers increasing with numbers increasing from 485 to 507.</p> <p>On-boarding and training Material has been developed for creating a smooth transition for any new member.</p> <p>The Te URU hub (regional and unitary authorities) has continued to grow and is hosted within the same environment as the MahiTahi Collaboration Portal. There are now over 2,800 users within the wider portal</p>

Targets	Measure	Progress as at 30 June 2024
Ensure current funding model is appropriate.	<p>Review BOPLASS expenditure and revenue and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	<p><b>Achieved.</b></p> <p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.</p> <ul style="list-style-type: none"> <li>• Council contributions were levied with annual council contributions now CPI adjusted.</li> <li>• Contributions were received from activities producing savings.</li> <li>• An annual contribution from Co-Lab, MW LASS, Regional Software Holdings (RSHL) and BOPLASS councils is received for membership of the MahiTahi Local Government Collaboration Portal *.</li> <li>• Monthly and quarterly performance reviewed.</li> <li>• Financial statements and budget variances reported and reviewed at Board meetings.</li> <li>• Financial position year end 30 June 2024: \$1,323 deficit.</li> </ul>

\* The MahiTahi Collaboration Portal is an initiative to assist in accelerating growth of shared service strategies and projects throughout Local Government in New Zealand by increasing visibility of councils' opportunities to collaborate.



*View of Sequal Lumber Limited operation in Manukorihi Drive stretches to Oji Fibre Solutions and Putauaki Trust Industrial Zone in the distance.*

## Toi-EDA (Economic Development Agency)

Toi-EDA is the Eastern Bay of Plenty Regional Economic Development Agency. It was set up by the three territorial authorities (Kawerau, Opotiki and Whakatane), the regional council (Bay of Plenty Regional Council) and Te Rūnanga o Ngāti Awa on behalf of Mataatua Iwi Forum.

Toi-EDA operates under a Deed of Trust. It has six experienced business people and community leaders as board members or trustees. The Trust operates under the umbrella of the new Bay of Plenty regional partnership with two other groups: Tauranga's Priority One and Destination Rotorua Economic Development.

Toi-EDA is responsible for economic development activities across the Eastern Bay of Plenty Region.

Toi-EDA adopted a three-year strategic plan with a strong focus on enhancing the Eastern Bay of Plenty's economic growth and resultant wealth for its people. It is a conduit in the Eastern Bay for Central Government economic development funding and has been involved in designing an action plan of projects for funding from New Zealand Trade and Enterprise.

The work of Toi-EDA supports Kawerau District Council's community outcome "Council encourages economic and employment opportunities for the community."



*The roundabout on State Highway 34 developed for entry into the Putauaki Trust Industrial Zone.*

## MONITORING OF PROGRESS TOWARDS ACHIEVING COMMUNITY OUTCOMES

One of the approaches Council uses to determine how well it is performing is by obtaining community feedback by conducting a structured survey with the community. For the 2022/23 survey this was conducted for the first time by SIL with a new methodology (see detailed explanation of the changes under the Statement of Service Performance). The results for the January 2020 survey were collected by the National Research Bureau's 'Communitrak' survey. The overall satisfaction below is based on user satisfaction, which is more consistent with the NBR results for 2020. To further assess Council's performance comparisons against the national benchmarks are included below.

Measure (Community satisfaction with)	Very/ Fairly Satisfied 2020 %	Very/ Fairly Satisfied 2023 %	Very/ Fairly Satisfied National Benchmark 2023 %
Performance of the Mayor and Councillors in the last year	83	69	53
The way rates are spent on services and facilities provided by Council	89	62	39
Consultation and Community Involvement - The way Council involves the public	65	64	51
Dog Control Service	81	34	63
Public Library	87	83	N/A
Refuse disposal (Refuse Transfer Station)	78	78	66
Rubbish collection	97	90	73
Recycling services	91	81	N/A
Community attractiveness and beautification	98	84	N/A
Museum	58	77	N/A
Quality of life in Kawerau	91	67	N/A
Kawerau is definitely or mostly a safe place to live	88	84	58
Kawerau as a place to live is the same or better than it was three years ago	92 (agree)	67 (agree)	N/A
Emergency management – Percentage of households which have an emergency management kit	49	50	N/A
Water supply	73	40	73
Parks and reserves	93	82	82
Swimming pool	90	72	69
Roads	95	57	43
Footpaths	81	60	60
Wastewater (sewage disposal)	95	82	74
Cemetery	76	91	79
Public toilets	80	79	67
Community spirit	86	75	N/A
Public halls	80	83	N/A

Council also undertook monthly surveys of users of its services throughout the 2022/23 year. There continued to be a high level of user satisfaction with all Council services. The Summary of these survey results is as follows:

**ALL SERVICES**

2022/23	Customer Service Satisfaction Survey (CSSS)	2023/24
592	CSSS forms posted out	485
133	CSSS forms returned	125
22.4%	Response rate	25.8%
<b>Feedback received from Customers</b>		
78	Predominantly Excellent	75
36	Predominantly Good	31
8	Predominantly Only Fair	7
6	Predominantly Poor	8
1	Not applicable	3
4	No boxes ticked	2
<b>Conclusion</b>		
85.7%	% customers satisfied (Excellent/Good)*	84.8%
10.5%	% customers unsatisfied (Fair/Poor)*	12.0%

\*The not applicable boxes and no boxes ticked categories have not been included in the percentage figures



Mayors' Taskforce for Jobs supports youth into sustainable work within the Kawerau Rohe. Jones and Cole Electrical Ltd is one of the local businesses to support this initiative.



**KAWERAU  
DISTRICT COUNCIL**  
Te Kaunihera ā rohe o Kawerau

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