

land of
ranges



ANNUAL REPORT SUMMARY 2021/22



Annual Report Summary

This Annual Report Summary is the year end snapshot of the Council's activities, finances, and performance results for the financial year ended 30 June 2022.

The information this Summary contains is taken from the Annual Report 2021/22 itself, which was adopted by Council on 28 June 2023. The Annual Report 2021/22 provides detailed information on the Council's service and financial performance at year end.

This summary report cannot be expected to provide as complete an understanding as provided by the Annual Report of the full financial statements and service performance of the Council. Both this summary and the full Annual Report can be viewed on the Council's website: www.tararuadc.govt.nz

This summary has been audited by the Council's independent auditors to ensure consistency with the full Annual Report for 2021/22. The audited information, excluding the Council Services statement, received an unmodified audit opinion on 28 June 2023 with an emphasis of matter on uncertainty over the water services reform program and the extent of damage from extreme weather events yet to be determined. The Council Services statement received a qualified opinion due to incomplete information about the number of complaints for some services



The Mayor and Chief Executive's message

**He tina ki runga,
he tāmore ki raro.**

In order to flourish above,
one must be firmly rooted below.

It has been another busy year and we have been resolute in our efforts to improve lifestyles, support livelihoods, and take our district forward. Reviewing our annual reports and reflecting on all the activity of the previous year is always interesting. It's all too easy to move on to the next thing, without reflecting on our achievements and challenges. Looking back on this financial year, it's fair to say we have had our share of both.

Off the back of another year of Covid-19, the resilience and can-do attitude of the Tararua community has served our district well as we all responded to last year's challenges. Our teams across council have worked hard to uphold our services and to plan for further growth in our district.

The effects of Covid-19 continue to play a significant part of what we do and how we do it. Staff have worked hard to deliver the capital works projects in a challenging economic environment in which there is a shortage of contractors and materials; one of the effects of the pandemic and the effect it has had on global supply chains. However, for the most part we have been able to roll with the punches and stay within sight of our predicted timelines.

One of the highlights of this year was the establishment of the first Māori Ward in our district, which will be filled in the local elections in October. We have further strengthened our relationship with iwi, Rāngitāne o Tamaki nui ā Rua and Ngāti Kahungunu ki Tāmaki nui-a-Rua, with regular operational and governance meetings taking place. Both continue to play a very important part in the welfare responses in our district. This was highlighted by the incredible response to the pandemic, in particular reaching out to vulnerable communities, which has saved lives. Iwi, Council, and food distribution organisations continue working hard to fill in the gaps when people face hardship. Together we continue to seek opportunities for the betterment of our communities.

The Mayor's Taskforce for Jobs Workforce Programme in the Tararua District has come to the end of its second year running, and there's so much to be proud of. Since starting in mid- 2020, the programme has supported 155 young people into employment across 125 local businesses. This financial year 82 young people were helped into jobs. This is a huge success which could not have been achieved without all the local businesses that have employed local people. Another work scheme funded by the Ministry of Social Development, focussing on support for long-term job seekers, has allowed us to help even more people into jobs. There is nothing more satisfying than helping people to get employment and becoming a more confident person. Overall, our unemployment numbers are well below the national average.

More jobs have opened up with the two major roading projects in our district. The hills near Woodville are buzzing with construction activity, which reminds us that the Te Ahu a Turanga – Manawatū Tararua Highway construction works are in full swing. The completion

The Mayor and Chief Executive's message continued.

date is set for the end of 2024, and changes are already starting to happen in our district. The new highway is one of the reasons why our population is on the rise. The new highway opens up significant opportunities for our district and we anticipate to see continued growth in the years to come.

The other major roading project in our district is the Huarahi Tūhono – Weber to Wimbledon roading programme along Route 52. Planning and construction works continue to progress, with the project on schedule for completion in April 2024. The extreme rainfall this year has caused significant damage to large sections of the road. This again highlighted the lack of resilience in the road network and why improvements are needed. Where possible, local contractors and suppliers are used to restore the road's condition. Every dollar spent in our rural communities goes around up to eight times in our local economy. In addition to the \$14.6 million Government fund, our teams are also actively working with Waka Kotahi NZ Transport Agency to secure the additional funding needed to address the damage caused by multiple storm events.

It has been exciting to see the new Land of Ranges signage along the exit and entry points of our district and 13 towns. The Land of Ranges brand was developed as the overarching brand for Tararua District. The objective is to grow a district identity that our people can get behind and that visitors will readily recognise. Using the new brand, we consulted with our communities to create vibrant, modern signs that show our beautiful landscape, but also keep the identity of each town with images that are iconic to them. When people visit our places, and know the name of the town they have been to, they are more likely to tell their friends and family and more people will come to visit.

As part of our commitment to provide excellent services, we have been working hard on a complete overhaul of Council's website. The website was redesigned to reflect the new district identity and revamped to enhance accessibility and usability. Since its launch, it has become an important tool for the public to quickly search information and to provide feedback. This included developing new

functionalities, and digitising forms to streamline and simplify processes. Feedback on the new website has been overwhelmingly positive and our teams continue to look for opportunities that uplift our customer experience, and ways to create efficiencies and enable users to self-service their inquiries.

The last year has seen a whirl of change coming our way. Most notably in the areas of Three waters, the Resource Management Act, and how Local Government itself operates. We are very concerned about the shape of these reforms and we continue to work hard to stay on top of things. This means we have to remain agile, continuing to steer a steady ship through uncertain waters to deliver the best outcomes for our communities. We intend to ensure that Tararua's voice is heard clearly in this process. Our approach to reform is to make ourselves as ready as we can be, to adapt and benefit from any proposed change. Keeping abreast of these changes comes at a significant cost for Council.

As our population grows, so will the demand for tap water. As mentioned previously, Central Government is increasing water policies and regulations that Councils must follow. Our water systems also need to be able to withstand droughts, floods, and other climate events which could happen. The construction of upgraded water treatment plants in Eketāhuna, Dannevirke and Woodville is step in the right direction. However, other parts of our water infrastructure are aging and underperforming due to many legacy issues around under investment and under-resourcing. This has become particularly evident in Dannevirke and Eketāhuna, where our water infrastructure has not been performing well. This is causing increasing frustration, and rightfully so. As we are experiencing now, the costs of doing nothing will likely end up being higher in the long run. Through a variety of measures our teams have been trying hard to understand, what, how, when and where to maintain, repair, replace and improve the components of our water infrastructure. This will support



*Tracey Collis
Mayor*



*Bryan Nicholson
Chief Executive*

improvements in long term investment and planning, whether the plans are implemented by the Tararua District Council or by a different entity.

In addition to the challenges around the age and condition of some of our infrastructure, we are also facing the direct and indirect effects of Covid-19, increasing extreme weather events, strong inflation, supply chain disruption and a dreadful war in Ukraine. The result of these challenges is the 11.22% rates increase. We would rather be writing this introduction telling you we can continue to have small rates increases and that everything will be fine. However, this is not the case. It is time for us as a district to face up to some cold hard facts. We have tough times ahead of us as a Council, as a district and as a country. It's about taking one step at a time and finding the most efficient path forward to improve. We will need to make some hard decisions together and always remember that we stay strong if we are united – he waka eke noa!

As a Council, we remain dedicated to making sure our strategies reflect the changes happening around us – and there's certainly a lot of ongoing change right now, shaping our district and leading us forward into the future. This year there were many consultations/ engagements on a wide range of very important matters, i.e. Annual Plan 2022/23, District Strategy, Housing Strategy, Library Strategy, Water Supply Bylaw, Dog Control Policy & Bylaw,

the Gambling Venues Policy, Water Tanks, Water Supply Bylaw, and the Sports and Recreation Strategy. We had a lot of great ideas from our communities and several important directions were chosen for the future of our District. The wheels are now in motion to further develop our district in a way that supports our people and their livelihoods, as well as the environment.

Doing what's right for people and protecting our beautiful environment is of the utmost importance to Council. Residents of our district can now tread a little lighter on the planet, thanks to the new urban recycling service. It is a big step forward that our district now has a kerbside recycling service. Solid waste makes up the bulk of Council's emissions and recycling is an effective way to reduce methane and carbon dioxide emissions from landfills. The new recycling service and its uptake have shown great results and feedback has been very encouraging.

Overall, we had a very productive year in the face of so many unprecedented challenges. We encourage you to read the full report to get a fuller understanding of our achievements and challenges in 2021/22. We've built stronger relationships with our community and together we are in a good place to be facing all the challenges and opportunities ahead.

Finally, we would like to thank the hard-work, skills and efforts of many, including elected members, staff and volunteers this year. We look forward to working together in 2022/23 and beyond, to continue to make Tararua the district of choice for lifestyle and opportunity.

Our scorecard

Progress towards the strategies in our Long Term Plan

In the 2021–2031 Long Term Plan, Council adopted a new vision.



Underpinning this vision is the Strategic Focus for Council.

Council first adopted its Vision and the underlying three limbs of strategy in the 2012–2022 Long Term Plan – Core Network Infrastructure, Economic Development, and Financial Prudence. In the three years that followed, Council made significant progress on these strategies. The 2015–2025 Long Term Plan maintained the same three strategies. Through consultation with the community, in the 2018–2028 Long Term Plan, Council prioritised, refocussed, and expanded on the strategies given new challenges and achievements.

The four main strategies

01.

DELIVERING RESILIENT INFRASTRUCTURE

02.

PRUDENT FINANCIAL MANAGEMENT

03.

GROWING STRONG COMMUNITIES

04.

BUILDING A VIBRANT ECONOMY

In the 2021–2031 Long Term Plan, Council started the same three strategies. But through consultation with the community, prioritised, refocussed and expanded on the strategies given the progress, the new challenges and opportunities ahead. This saw a change to our previous strategy promoting and facilitating economic development to build a vibrant economy and the addition of growing strong communities strategy,

01. DELIVERING RESILIENT INFRASTRUCTURE



To ensure public roads and footpaths are safe, reliable and resilient.

Footpaths

Community satisfaction survey was 61%, a significant drop compared to 74% last year. Main reasons were safety related (uneven / trip hazard / slippery / not suitable for the elderly and disabled / cleanliness poor) and maintenance (cracked from tree roots/ pothole).

Investments to improve safety included over 600 m² of further footpath renewals were completed across the district.

Investments in footpath infrastructure were \$188,000 for renewal (\$808,000 last year) and \$132,000 for development (\$2.3m last year).

Council also removed 55 pedestrian hazards such as potholes, uneven joints, gaps and issues at or around utility covers. Lichen and Debris removal was also carried out.

Roading

From July 2021 to May 2022, the Tararua District experienced 4 events of the scale which were classified were defined as “qualifying events” under the Waka Kotahi’s Emergency Works category. Additional to the 4 events recorded, two other emergency events occurred in June ’22 and July ’22. Initial estimates for these 2 events current sits at \$2,482,915, with damage to the network still being identified and valued.

The total value of damage to the network across the district has been valued at \$10,769,704.

To date \$9.8M of the total \$14.6M has been received for the Huarahi Tūhono – Weber to Wimbledon project, with the next contract milestone and payment of \$4.1M scheduled for December 2022. This is a multi-year project from 2021 to 2024 intended to upgrade the road, deliver positive impacts on community wellbeing, unlock long-term social benefits, improve road safety, and help lift the economy of Tararua district.

Total investments in roading infrastructure were \$8.2m for renewal (\$7.2m last year) and \$4.6m for development (\$3.9m last year).

Community satisfaction survey was 51% for urban roads (last year as 65%) and 46% for rural roads (last year as 47%). Significant decline in satisfaction was noted in the urban roads. Roads across the district have been impacted by weather events which also reduce the time to do maintenance. Plus the ongoing rain fall increases the development of potholes and require more frequent intervention. The standard of the state highways also impacts this measure although they are outside Council’s control.

For rural roads dis-satisfaction comments related mainly to maintenance, width of roads and vegetation control.

2021/22 Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

Council was also not able to achieve its target for percentage of the sealed local network that is resurfaced. Increased material and bitumen prices have increased cost and we were unable to achieve our planned reseal programme.

This is reflected in the overall decline in the smooth travel exposure (STE) results – Smooth travel exposure for urban roads was 91% (last year was 87%), whereas for rural roads it was 93% (last year was 97%).

Roughness (which STE is derived from) is predominantly improved through pavement rehabilitation as well as a targeted pavement maintenance programme. This has been impacted by increasing costs, adverse weather events, the impact of Covid-19 on staffing and resource restraints.

01. DELIVERING RESILIENT INFRASTRUCTURE



To ensure a reliable supply of safe drinking water to our communities.

Investments in infrastructure were \$1.3m for renewal {\$1m last year) and \$3.5m for development {\$1.9m last year).

Major upgrades of the Dannevirke, Woodville and Eketāhuna water treatment plants were completed and commissioned during the year. These upgrades were carried out to help ensure compliance with the drinking water standards, improve plant capacity, and improve overall reliability and resilience of the water supplies. The SCADA system which monitors and controls each plant was also upgraded, to a cloud-based software, to improve plant management and ensure reliable automatic reporting of the data required for determining drinking water standards compliance.

Non-intrusive and non-destructive testing was completed on a representative sample of the most vulnerable reticulation network in Dannevirke, Pahiatua, Woodville and Eketāhuna. This work was done to assess the condition of water pipes. Leak detection on the selected pipe sections was also undertaken as part of the survey, and 283 water leaks were identified and subsequently actioned.

Abnormal leakage was detected from the impounded supply in mid-2021. Staff managed the situation through various mechanisms, including water restrictions being applied and comprehensive communications to support water demand reductions. Further investigation and planning continues for a permanent

solution to the impounded supply, which will not be a 'quick fix'. Ensuring Dannevirke has a reliable supply of water is a key part of this, so the project may incorporate additional storage, treatment processes, and/or alternate water sources.

To better understand system capacity limitations and ensure reticulation networks can meet current and future growth needs, this year Council engaged consultants to conduct a comprehensive 3-Waters infrastructure planning study. The final reports and models produced for the study will be delivered to Council at the end of August 2022 and inform the infrastructure investments for the next Annual Plan and more importantly the 2024-34 Long Term Plan.

An additional benefit of the study is Council will have up to date, calibrated hydraulic models of the water supply networks that can be used to inform future infrastructure planning decisions.

We complied with Part 4 of the drinking water standards (bacteria compliance criteria) at all water supplies.

Part 5 of the drinking water standards was non-compliant as 12 months of continuous data is required from the start of each financial year (July) to be available for assessment. The upgrades for the water supply schemes has been completed this year so will allow Council to be able to report on this measure in 2022/23.

2021/22 Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

01. DELIVERING RESILIENT INFRASTRUCTURE



To ensure efficient and reliable wastewater treatment that meets environmental outcomes.

Investments in wastewater infrastructure were \$1.3m for renewal (\$1.3m last year) and \$226,000 for development (\$921,000 last year).

Wastewater Treatment Strategy

Through the Department of Internal Affairs 3-Waters Stimulus Fund, Council invested in the development of the Wastewater Treatment Strategy. This included a thorough assessment of the capacity and performance for all seven wastewater treatment plants against current and predicted future environmental requirements (acknowledging the new National Policy Statement for Freshwater Management).

Council’s iwi partners were involved, as we sought to understand their long-term aspirations about Council’s wastewater management. The project also included options analysis for future treatment systems/ processes, sludge management, and potential consolidation of treatment plants.

This project will assist with immediate decision making, but will mostly be useful in informing Council’s 2024-34 Long Term Plan.

3-Waters infrastructure planning study

To understand system capacity limitations and ensure reticulation networks can meet current and future growth needs, this year Council engaged consultants to conduct a comprehensive

2021/22 Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

3-Waters infrastructure planning study. The final reports and models produced for the study will delivered to Council at the end of August 2022 and inform the infrastructure investments for the next Annual Plan and more importantly the 2024-34 Long Term Plan.



01. DELIVERING RESILIENT INFRASTRUCTURE



To ensure efficient stormwater network capacity.

During the year Council had no habitable floors flooded compared to two last year.

Investments in infrastructure was \$29,000 for renewal (\$782,000 last year) and \$352,000 for development (\$53,000 last year).

To better understand system capacity limitations and ensure reticulation networks can meet current and future growth needs, this year Council engaged consultants to conduct a comprehensive 3-Waters infrastructure planning study.

The final reports and models produced for the study were delivered to Council on 21 September 2022. These reports will be used to help inform the infrastructure investments for the next Annual Plan and more importantly the 2024-34 Long Term Plan.

Constructed bio-gardens in Pahiatua as part of their Main Street upgrade project. This will improve the stormwater network in the central business district of Pahiatua.

2021/22 Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

01. DELIVERING RESILIENT INFRASTRUCTURE



To provide safe and functional public facilities.

Overall satisfaction with parks and reserves declined to 88% from 95% last year. The main reasons were maintenance, keeping grounds tidy and presentable to the public, more walking track.

Council's investments in public infrastructure was \$2.98m for capital (last year was \$1.47m) and for maintenance/operation spend (excluding staff cost) was \$2.62m (last year was \$2.85m)

A more robust inspection process was completed this year by playground safety specialists and more issues were identified as a result - 69% of our playground

equipment did not meet playground safety standards. Once these faults are rectified, future inspections are expected to meet the required measure.

Council completed the biannual audit from IANZ and continue to be accredited as a building authority. This allows council to continue to provide inspection and consenting services.

Asset inventory data improvements are also being carried out to enable development of renewal programme and improved investment decision making in the future.

2021/22 Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

01. DELIVERING RESILIENT INFRASTRUCTURE



To support the improvement of digital connectivity within the district.

Council provided a grant of \$40,000 to provide technical data to support Connect Taranua to support the ongoing project to improve the cell phone coverage with the District.

The digital radio network rollout has continued with the purchase of a further 24 digital radios. These will be installed into our rural schools and community halls in the upcoming year. The digital radio system increases communication coverage significantly to 95-98% of the district.

DigitalSpaces, located in the i-SITE space in Woodville, opened in December 2020 with funding from Kānoa – REDIU and

is now firmly established with the 1 year celebration held in December 2021.

The DigitalSpaces Activator provides hands-on training and support on a range of business development topics. The type of training that has been held are: Excel, Word, HR Services, Various Marketing Courses including SOE's, Social Media, Web Site design, Google My business and Trip Advisor.

The District Library also ran a Digital Literacy programme focussed on online gaming. Children were able to use the Library chromebooks to play solo or with others in the Library.

2021/22 Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT



02. PRUDENT FINANCIAL MANAGEMENT



To ensure rates reflect the services expected by our communities.

Rates for Year 1 of the LTP was 9.82% increase which was higher than the rates limit in the Financial Strategy. This was from 2.5% rates in 2020/21 year due to Council's response to Covid-19. The planned increases higher than the rates limit was for catch up on the historical low investment in infrastructure, resilience in our infrastructure in response to climate change and growth, increasing emergency reserves for our roading network, accelerating debt repayment in response to ensuring sufficient headroom and interest rates risk management and increased focus on the well-being.

To balance the burden of increasing costs on ratepayers, Council reviewed its fees and charges against the pricing strategy to recover the cost of activities that direct users can be identified through fees and charges. A significant increase in user charges were for building and planning services, cemeteries, pensioner housing and dog registration fees.

2021/22
Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

02. PRUDENT FINANCIAL MANAGEMENT



To ensure debt is maintained within prudent levels.

Council's debt level is \$51 million compared to a budget of \$53.9 million.

Council's headroom is \$29 million as per the financial benchmark calculations

Council introduced funding to accelerate the repayment of external debt to ensure there is sufficient debt headroom in the future and to reduce the impact from future interest rate increases.

2021/22
Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

02. PRUDENT FINANCIAL MANAGEMENT



To optimise the amount of external funding received to reduce the financial burden on ratepayers.

Council received \$9.6 million from external agencies.

- \$4.3 million from the Provincial Growth Fund for the upgrade of Route 52 project
- \$2.6 million from Department of Internal Affairs for the three water reform projects council has undertaken
- \$500,000 for the Mayor's task force for jobs funds
- \$1.8 million from Waka Kotahi funding for emergency works as a result of weather events that our district faced

2021/22 Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT



03. GROWING STRONGER COMMUNITIES



To promote, support and facilitate safe, caring communities.

Total grants provided to community groups was \$318,000 compared to \$232,000 last year.

Investment in CCTV cameras continued during the year with 14 cameras replaced and 3 new cameras installed .

After three years of planning and negotiation completed a Memorandum of Understanding between the Council and Te Awa Community Foundation. The objectives are to provide individuals, businesses and community organisations to meet the future needs of communities in the Tararua District. This will be achieved by using the trust infrastructure

to build charitable endowed funds to support social, cultural, environmental, amateur sport and other community organisations working in the district.

Recognised the contribution of community volunteers through Council's district civic honours and Wackrow Memorial Youth Award presented by Dannevirke Community Board.

99% of known dogs were registered. Multiple articles were published to provide dog education. Articles covered dog registration, dog safety, nuisance barking, microchips, and preferred ownership.

2021/22 Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

03. GROWING STRONGER COMMUNITIES



To promote and develop resilience in our communities.

Our emergency management capacity and capability has continued to grow, demonstrated by the staff training results and the emergency operations centre activation elaborated further below. We continue to improve engagement with partner agencies and community groups ensuring we remain well placed to respond to future events.

Council continues to support active community civil defence groups. Emergency management community highlights for this year include our civil defence school radio programme and promotion of Shakeout 2021.

Maintained foundation level civil defence training well above the 80% benchmark. Twenty Nine staff attended the Integrated Training Framework Foundation training course, 24 attended the Integrated Training Framework intermediate level training course and fifteen staff attended specialist emergency operation centre function training. Two staff members were deployed to assist with the Westport flood emergency.

Mayors Taskforce for Jobs funding that supported 85 young people into employment across the district. Two rounds of Project in the Community funding from Ministry of Social Development. This funded two groups of unemployed people over 12 weeks to gain work experience with Tararua Alliance.

The Food Secure Communities Plan supported by the Ministry of Social Development (MSD) was completed this year. The research of how organisations in the district could, and do, work together to distribute food to those who need it, both on a day-to-day basis and in emergencies has resulted in this Plan being developed. This Plan also details how organisations can link in to the regional and national food distribution network. The Plan aims to develop a future proofed plan for food security for the district.

Fundraising programme to support Ukrainian refugees. A month-long series of fundraising activities in June and July raised \$10,200, which was transferred to the Mayor of Pahiatua's twin town Kazimierz-Dolny. The Polish town is near the Ukrainian border and has seen an influx of Ukrainian refugees.

2021/22 Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

03. GROWING STRONGER COMMUNITIES



To provide community and recreation facilities to our communities.

Council initiated the Play, Active Recreation and Sport Strategy in early 2022 and progressed throughout the financial year. The Strategy will provide the strategic vision, direction and determine the priorities for the District's future development of play, active recreation and sport.

The overarching outcome of the development of the Strategy is to establish evidence-based guidance and recommendations about what should be done and crucially, what should not be

done, with a clear outline of priorities. The Strategy will be a planning document that informs district and regional decision making with regard to enabling effective planning for subsequent projects to achieve the District's vision and community outcomes.

Investment in CCTV cameras continued during the year with 14 cameras replaced and 3 new cameras installed.

2021/22 Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT



03. GROWING STRONGER COMMUNITIES



To promote and support our cultural histories.

Memorandum of Partnerships

Council has a longstanding Memorandum of Partnership with Rangitāne o Tamaki nui a Rua. This covers processes for engagement in decision-making, and the relationship reached a milestone in 2020 through its 20th anniversary.

Engagement is taking place with Rangitāne o Tamaki nui a Rua through discussion with them on refreshing the Memorandum of Partnership and its meaning in terms of working together collaboratively.

A Memorandum of Partnership was signed with Ngati Kahungunu ki Tamaki nui a Rua Trust in September 2019 at a joint function held in the Council Chamber for that purpose.

Through entering into these agreements Council formalised the basis of providing closer working relationships with both of the district's iwi, thereby recognising the outcome of the Crown treaty settlement process which acknowledged both Rangitāne o Tamaki nui a Rua and Ngati Kahungunu ki Tamaki nui a Rua iwi distinctly and separately.

Establishment of a Māori Ward

Following requests from both Rangitāne o Tamaki nui a Rua and Ngati Kahungunu ki Tamaki nui a Rua, and after hearing from several speakers with a large attendance in the Council Chamber, Council resolved to establish a Māori Ward for the Tararua District and included this decision in its representation review.

Building capacity

To support and build capacity within our Iwi partners towards community and council led projects Council will be committing money from the \$3.8million Better Off Grant Fund.

Approved financing a one-million-dollar loan to Pukaha National Wildlife Centre for the construction of Te Waananga Taiao (Education and Accommodation Centre) project.

2021/22 Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

04. BUILDING A VIBRANT ECONOMY



To promote our district identity

We continue to develop the Land of Ranges district brand in all our marketing collateral for Tararua. During the year we installed district entry signage in Norsewood and Eketāhuna to support the brand.

During the year we also undertook extensive consultation with our communities to design new town entry signage across the district. Signage began being installed shortly after the end of this financial year.

Council supported the second year of the Jazz in the Park concert series across the district. The series stages jazz music in public spaces and is free for the community to attend. The events generated significant media buzz within the district and were well attended.

2021/22 Progress report:

ON TRACK

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NEEDS MORE EFFORT

04. BUILDING A VIBRANT ECONOMY



To promote our district as a visitor destination.

The Must-do Walks and Rides guide for the district has proven to be a popular resource for visitors and locals alike. More than 3,500 copies were distributed. The 42 walks and tracks in the guide were reviewed for the August 2021 reprint.

Council continues to maintain its relationship with members of the NZMCA. Tararua District is home to 3 of the 50+ Motorhome Friendly Towns

in New Zealand, with Dannevirke, Woodville, and Pahiatua all qualifying. NZMCA members are a key target market for visitors to Tararua District.

2021/22 Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

04. BUILDING A VIBRANT ECONOMY



To support and promote business growth and diversity.

Council operates the Tararua Business Network to support business owners in Tararua District. The priority is supporting small to medium enterprises to either establish or grow.

Council has begun discussions with the business community to explore the opportunity to establish a 'for business by business' entity to represent their interests in the district, region and nationally.

2021/22 Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

04. BUILDING A VIBRANT ECONOMY



To support and facilitate education and training opportunities.

Council received funding of \$500,000 from Mayors Taskforce for Jobs to support NEET's (young people who are Not in Employment, Education, or Training) aged between 18-24 and Covid-19 displaced people into employment. The funding is targeted

at employers to remove the barriers to employ people as well as providing pastoral care support to employees. Between July 2021 and June 2022, the programme exceeded the target of 50 by supporting 85 people into full or part-time work placements.

2021/22 Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

How we spent your rates

We provide a variety of services to the district ranging from animal control, building consenting authority, libraries, service centres, public conveniences, sports and recreation facilities, emergency management, and maintaining our infrastructure like roading, footpaths, water and stormwater.

This page presents the significant projects we delivered to our community this year, and the amount spent providing Council services to the community, based on average yearly rates for a ratepayer in the district and does not include subsidies, fees and charges, or other revenue Council receives to fund these activities.

KEY:  Increase from 2020/21  Decrease from 2020/21  No change from 20120/21



STORMWATER

2%
\$57


69% Community satisfaction; Vegetation control of 52 km of open drain spraying and 575 m of mechanical cutting completed; 64 open drain grates cleared; Eketāhuna Main Street stormwater improvements completed; Master Planning stormwater planning study underway for Dannevirke, Woodville, Pahiatua and Eketāhuna (funded by Central Government).



TREASURY AND SUPPORT

0%
\$(1)


Council met its Balanced Budget benchmark and made a net surplus of \$16.6 million; total borrowings increased to \$51 million (driven by investment capital projects) at an average interest rate of 2.67% (reflecting increasing interest rates).



REGULATORY SUPPORT

7%
\$173

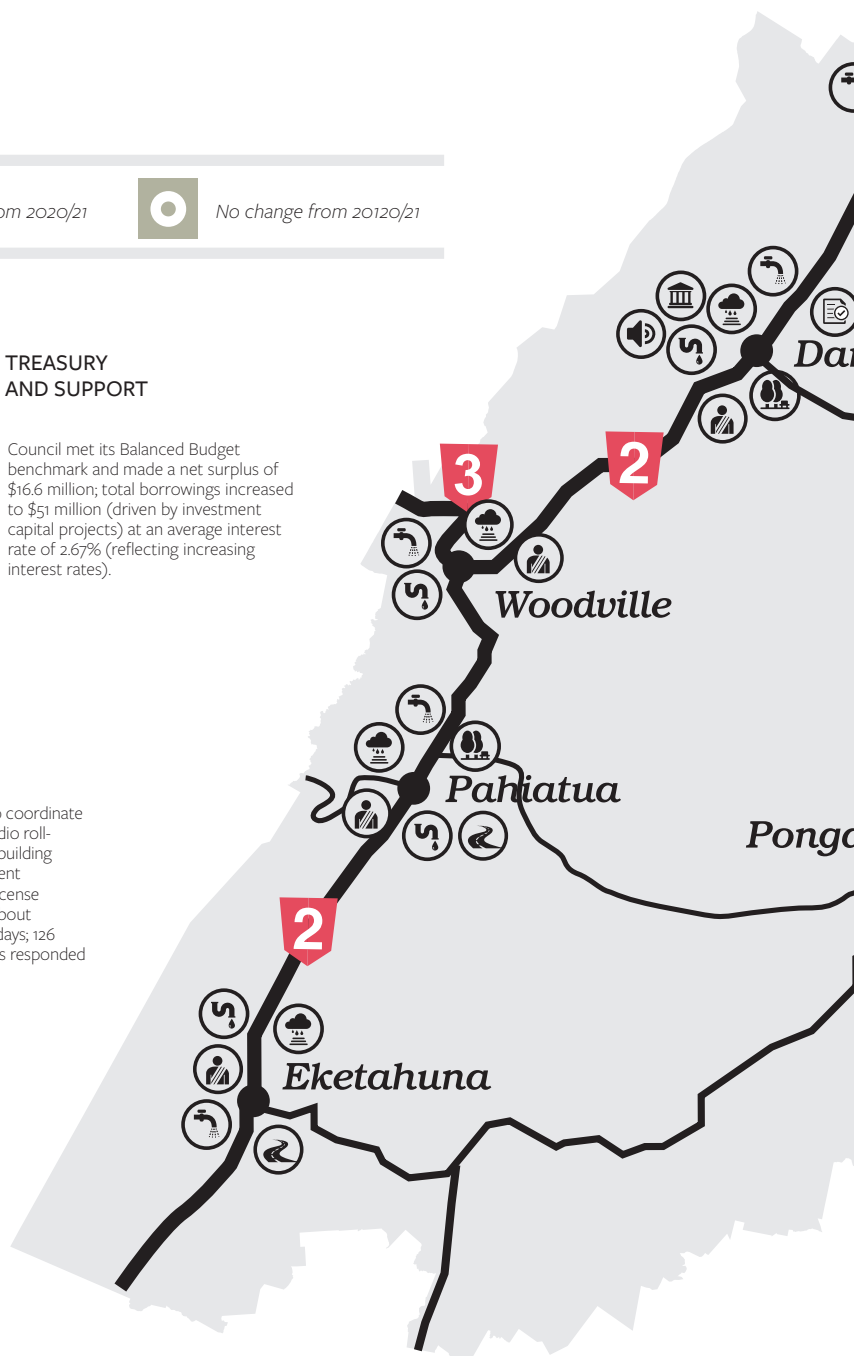

The Emergency Operations Centre was activated in March 2022 to coordinate the supply of clean drinking water to town residents. The digital radio roll-out continued with the purchase of a further 24 digital radios. 357 building consents processed over an average of 14 days; 184 resource consent application received; 108 food safety plans registered; 114 alcohol license applications granted (includes renewals); 63 complaints received about abandoned cars with 87.3% being responded to within target of 3 days; 126 complaints received about illicit dumping, with 79.4% of complaints responded to within target of 3 days.

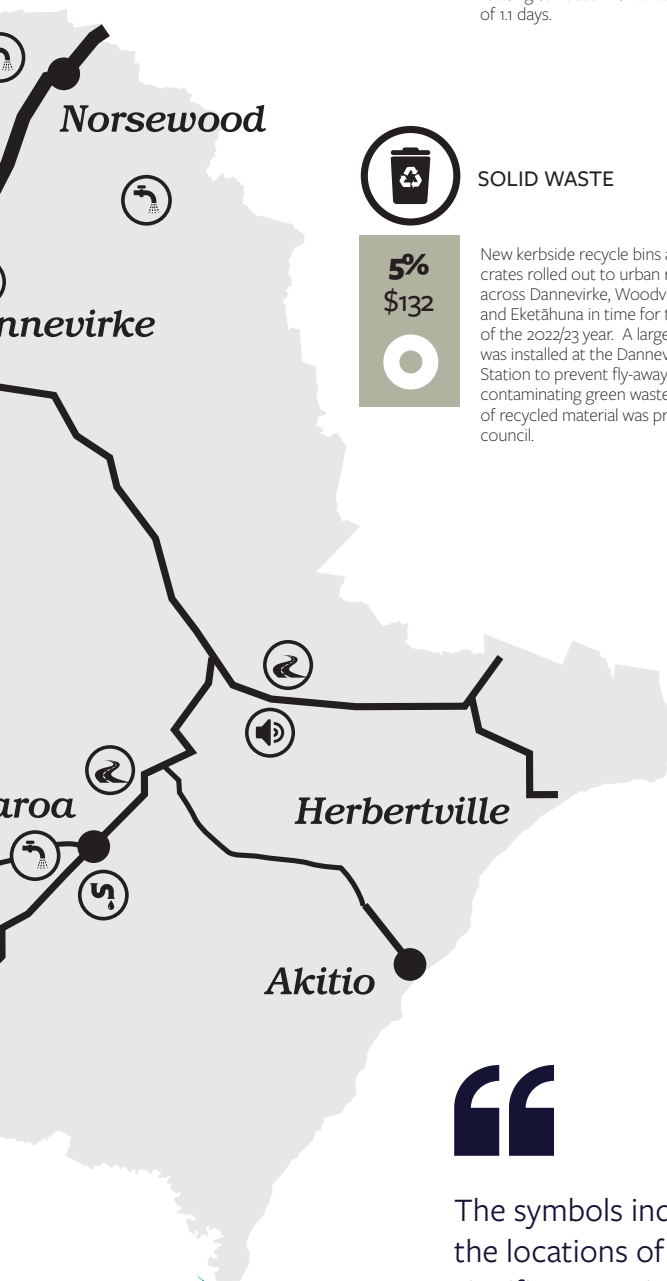


BUILDING COMMUNITIES AND LEADERSHIP

11%
\$262


\$318,000 granted to community groups; Accessed \$30,000 from Department of Internal Affairs to undertake community led development; Secured funding for from Creative NZ to develop an Arts Strategy for the district; Agreement with Waka Kotahi NZTA to maintain the Saddle Road, Pahiatua Track and Balance Valley Road; Planned a fundraising programme which raised \$10,199 for Pahiatua's twin town of Kazimierz-Dolny to be used for Ukrainian Refugees.





ROADING AND FOOTPATHS



\$13.2 million in capital investment; \$16.2 million of subsidies received; Removal of 55 pedestrian/footpath hazards; Over 600 m2 of footpath renewals completed; 4,000 potholes filled; 2,000 km of roads graded and 12,500 m2 of maintenance metal applied to unsealed roads; Resurfacing of 280,000 m2 of sealed roads, over 52 km by length; 1,219 customer service requests relating to roads with an average response rate of 11 days.



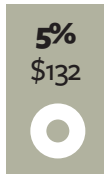
COMMUNITY AND RECREATION FACILITIES



94% satisfaction with libraries; 7,734 customer service requests received from 25,850 calls for the financial year; 96% pensioner housing occupancy; 1,200 children took part in Winter and Summer reading programmes; Mangatainoka Reserve toilet block completed in May 2022.



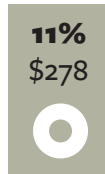
SOLID WASTE



New kerbside recycle bins and glass crates rolled out to urban ratepayers across Dannevirke, Woodville, Pahiatua and Eketāhuna in time for the beginning of the 2022/23 year. A large barrier net was installed at the Dannevirke Transfer Station to prevent fly-away debris contaminating green waste. 1,192 tonnes of recycled material was processed by council.



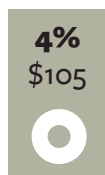
WASTEWATER



83% community satisfaction with wastewater management; \$1.7 million investment in capital projects; 61 customer service requests relating to wastewater with an average response rate of 35 minutes and an average 150 minutes to resolve. All wastewater ponds were surveyed for sludge levels – as a result Pahiatua’s wastewater pond was de-sludged. Planning for the installation of a Dissolved Air Flotation unit is underway at the Dannevirke treatment plant. Eketāhuna and Pahiatua wastewater treatment plant consents were renewed. 23 sewer main blockages were addressed, 160 meters of sewer main renewed in Main Street Dannevirke.



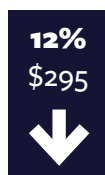
DISTRICT PROMOTION AND ECONOMIC DEVELOPMENT



\$200,000 of external funding received for projects; Started the roll out of district signage project with the installation of entry signage in Norsewood and Eketāhuna; 364 welcome packs distributed; Supported the Jazz in the Park concert series; Mayor’s Taskforce for jobs funding supported over 80 young people into employment; Funding from Ministry of Social Development funded two groups of unemployed people over 12 weeks gain work experience at Tararua Alliance; Forestry assets valued at \$1.7 million.



WATER SUPPLIES



\$4.9 million of capital investment; major upgrades of the Dannevirke, Woodville and Eketāhuna water treatment plants completed and commissioned to ensure compliance with drinking water standards, improve plant capacity and overall reliability. Leakage detected from the Dannevirke Impounded Supply – initial repairs completed but further investigation and planning continues for a permanent solution. Works included repair of 283 water leaks, 7 fire hydrants, 610 meters of water main, 6 sluice valves, 66 water laterals and 324 water tobies replaced.

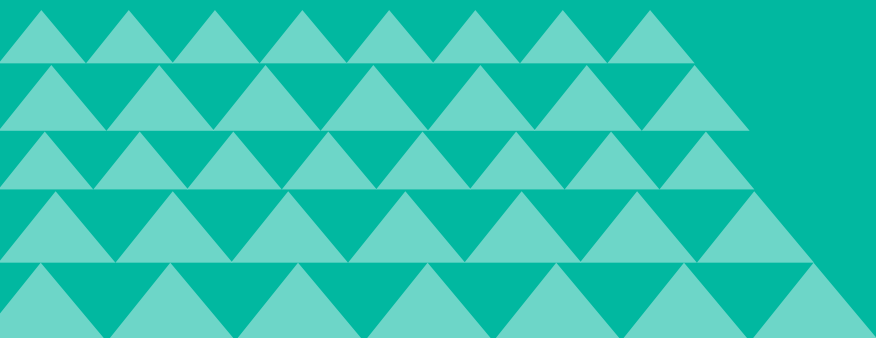


The symbols indicate the locations of significant projects.

Financial performance scorecard

The 2021 Financial Strategy provides the framework and context for decision-making, with the focus for Council in the coming years being delivery of services in an efficient and effective manner, and involving new and innovative approaches to ensure we maintain affordability.

Our vulnerability to climate events, the impacts of changing regulations, and the projection of population growth in our district are key issues requiring prudent and sustainable financial management.





Operating performance

Council achieved an unfavourable operating result to budget of \$8.2 million because of both lower than budgeted operating revenue and higher than expected expenditure.

Roading subsidy funding received was \$2.2 million less than budgeted, largely attributable to a \$4.23 million shortfall in funding from the Provincial Growth Fund for the Route 52 upgrade project compared to budgeted funding of \$8.03 million. This shortfall is a difference between budgeted and actual timing of receiving funds.

This was boosted by unbudgeted funding of \$1.9 million received from Waka Kotahi for emergency works and roading renewals. This is due to continued severe weather events causing faults such as slips and wash outs on the roading network. The additional emergency roading works resulted in not only increased subsidy revenue, but also additional operating costs for Council.

Overall, roading had higher operating costs than budget of \$1.3 million.

Water supply operating expenses were \$507,000 over budget due to extraordinary maintenance costs and additional Three Waters reform expenses that were not budgeted for.

Depreciation and amortisation expenses are \$3.12 million over budget, reflecting higher capitalisations that took place in the previous financial year which had not been finalised when preparing the budgets for the current financial year, as well as a further revaluation of infrastructure assets to reflect the fair value of these assets at 30 June.

Forestry harvesting expenses of \$520,000 were not expected this financial year and this is offset by revenue.

2021/22 Progress report:

ACHIEVED

MINOR VARIATION

SIGNIFICANT VARIATION

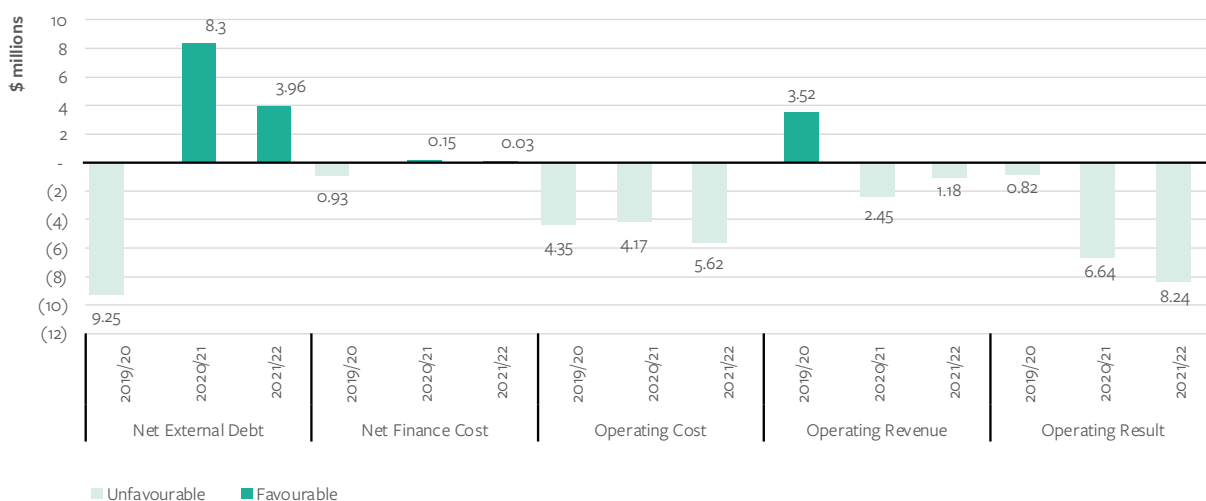
2020/21

MINOR VARIATION

2019/20

MINOR VARIATION

FINANCIAL PERFORMANCE ACTUAL VS BUDGET VARIANCE





Treasury performance

A strategic focus for Council is cost control. We have actively managed our cost of debt by having strategies that allow participation in the historic low interest rate environment and ensuring sufficient long-term protection from risk of increasing interest rates by utilising swap instruments. The Interest Rate Performance graph (below) highlights that we have been able to achieve reducing average interest rates year-on-year for the prior three years, from 3.67% to 2.67%. However the pressure on interest rates at the end of the year show that Council needs to continue the active management of debt costs.

The Treasury and Risk Management Policy Council adopted in May 2020 has provided Council with the ability to pre-fund maturing debt within 18 months of maturity.

This provides Council certainty and ensures it is not exposed to credit margin volatility on the day of maturing debt. To offset the predicted increase in interest rates Council at balance date had pre-funded \$3 million of debt that is scheduled to mature in October and April.

Our external debt increased less than expected this year, from \$44 million to \$51 million, against a projected \$53.9 million debt forecast. This slight decrease in Council debt level is a result of Council capital expenditure being lower than budgeted. Our cash balance at balance date was \$8.2 million.

Our strong balance sheet leaves us well placed to achieve Council’s long-term strategy by having sufficient headroom of \$29 million to invest in core infrastructure going forward.

2021/22 Progress report:

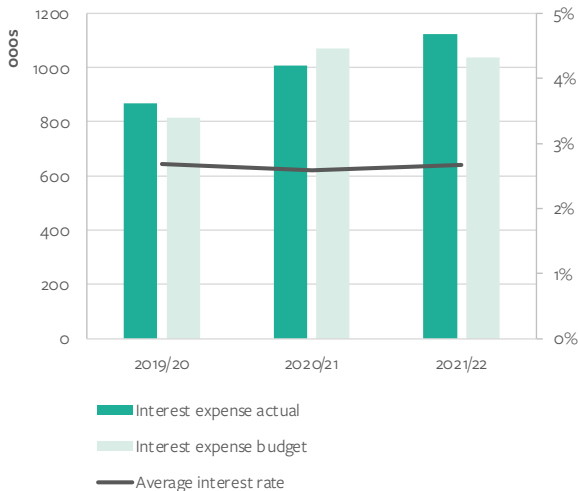
ACHIEVED

MINOR VARIATION

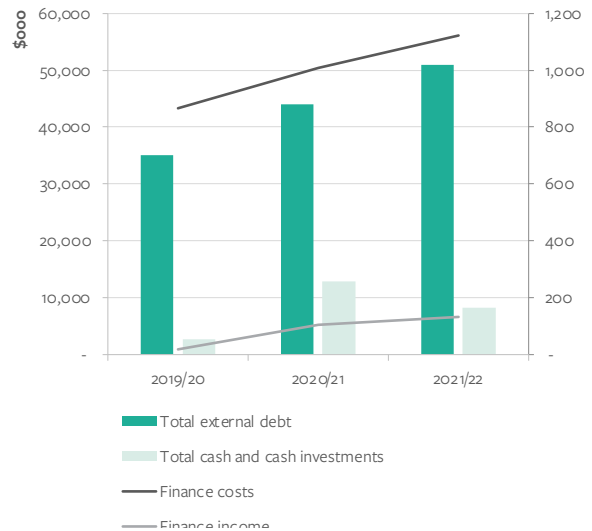
SIGNIFICANT VARIATION

2020/21	ACHIEVED
2019/20	MINOR VARIATION

INTEREST RATE PERFORMANCE



DEBT AND CASH INVESTMENT POSITION





Capital expenditure performance

One of the strategic objectives of Council in the 2021-2031 Long Term Plan is Delivering Resilient Infrastructure. In 2021/22 year, 82% of spending was on core infrastructure (roading, footpaths, water, wastewater, stormwater).

Delivery of our capital expenditure programme excluding unplanned emergency works has remained the same as 2021/22 at 64%. Of the 36% of work not delivered, the majority is made up of Council's Route 52 upgrade, which is a multi-year project that Council had budgeted for in the current financial year and has an anticipated carry forward into the 2022/23 financial year of \$5 million.

The remaining reduction is due to issues with supply chain and suppliers unable to deliver the projects along with restrictions in planning resourcing for new projects. This has resulted in a carry forward to 2022/23 of \$10.6 million.

Total capital expenditure for 2021/22 was \$24 million against a \$33.4 million budget inclusive of \$5.2 million of carry forward budget from the previous year. This is compared to \$24.1 million spent in 2020/21. \$1.3 million of spending consisted of unplanned emergency renewals from significant weather events.

2021/22 Progress report:

- ACHIEVED**
- MINOR VARIATION**
- SIGNIFICANT VARIATION**

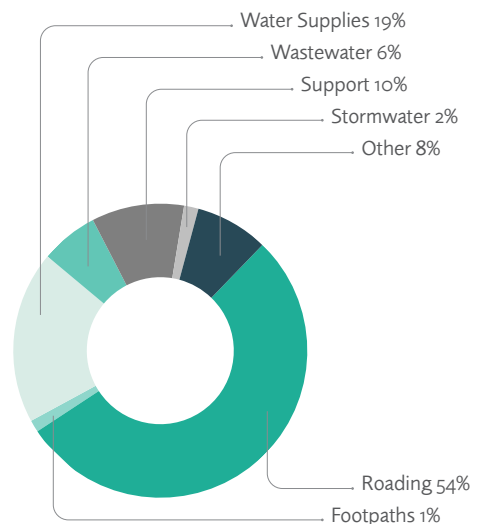
2020/21: **MINOR VARIATION**

2019/20: **ACHIEVED**

HOW MUCH CAPITAL EXPENDITURE WAS SPENT?



WHERE WAS CAPITAL EXPENDITURE SPENT?



Service performance scorecard

We use a range of service performance measures to monitor the service levels we deliver to our customers.



Service performance

We use a range of service performance measures to monitor the service levels we deliver to our customers.

Overall, Council achieved 59% of its service performance measures. This is a slight reduction from 66% achieved in 2020/21. A highlight for the year is Council achieving 71% of the Department of Internal Affairs mandatory performance measures.

Council reviewed its service performance measures as part of the Long Term Plan. This saw 28 measures removed, and 16 new measures introduced from 2021/22 onwards, reflecting Council's updated vision and strategies in the Long Term Plan.

Of the performance measures not achieved, Council has plans in place to improve a number of these. We were successful with an application to the

Provincial Growth Fund for \$14.6 million to upgrade Route 52 in 2020/21. This is planned to be completed over the next two years. This project would help improve satisfaction with rural roads and overall resilience of this section of road. We completed a solid waste audit last year to better understand our waste stream and identify opportunities to reduce waste and increase recycling volumes. As a result, we planned as part of the Long Term Plan to improve recycling services from 2022/23.

Council achieved 28 out of 38 Council measures across the activities. Of the 10 measures not met, 2 were due to staffing shortages. 3 measures were not met due to increased quality of inspections in Community Facilities which highlighted issues that need fixing. Also in Solid Waste the number of kgs of waste sent to landfill increased to 277kg per resident.

2021/22 Progress report:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

2020/21

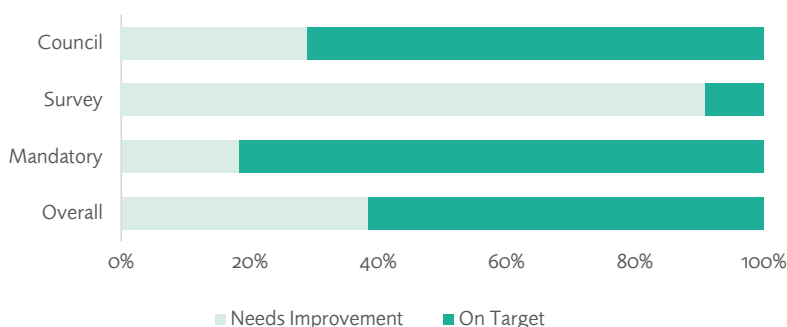
NEED TO CATCH UP

2019/20

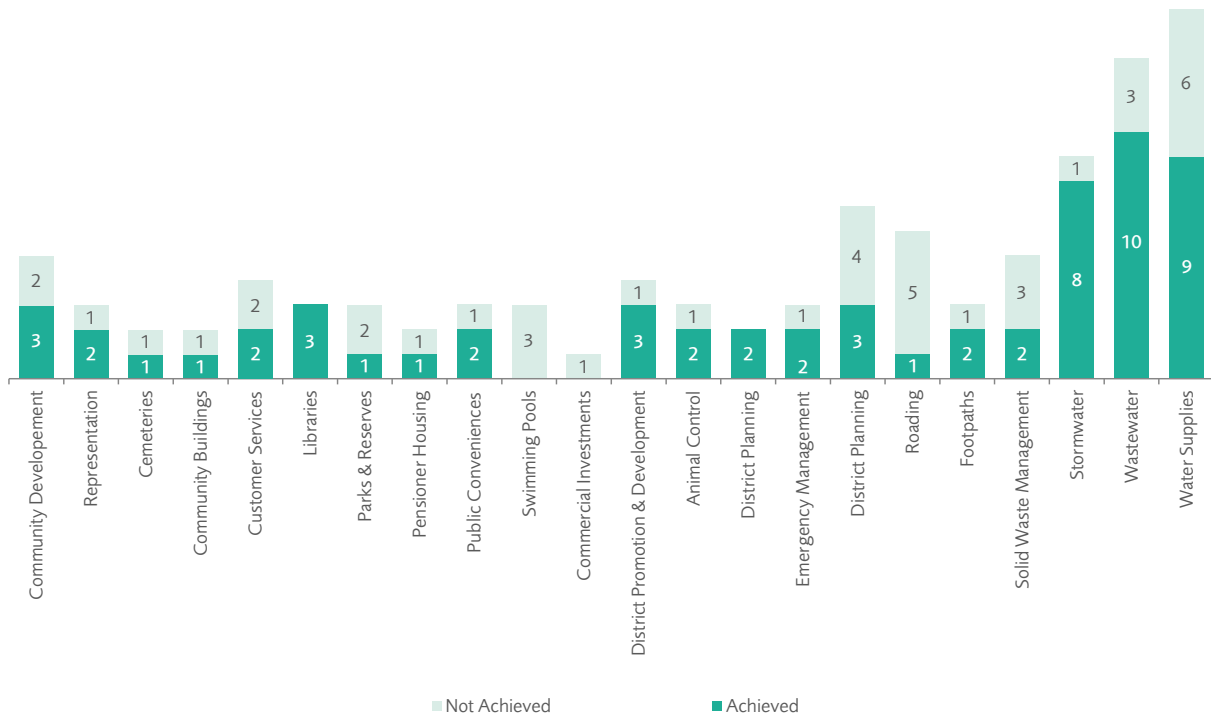
NEED TO CATCH UP

For details on Council performance for the service performance measures, refer to the 'Activities and Service Performance' section of the 2021/2022 Annual Report.

SERVICE PERFORMANCE MEASURES FOR THE YEAR BY COUNCIL ACTIVITIES



SERVICE PERFORMANCE MEASURES FOR THE YEAR BY COUNCIL ACTIVITIES



Community scorecard

Council continued to engage an external research provider to undertake the community survey, measuring the actual results against the same targets applied in the previous Annual Report.

OBJECTIVES

The objectives of the community survey were:

- Provide a robust measure of satisfaction with the Council's performance in relation to service delivery.
- Determine performance drivers and assist Council to identify the best opportunities to further improve satisfaction, including satisfaction among defined groups within the district.
- Assess changes in satisfaction over time and measure progress towards the long-term objectives.

Three surveys were completed over the prior 12 months – September, January, and May. A total of 451 were surveyed over telephone, split evenly with roughly 113 people surveyed each quarter. The reason for doing the survey at different times in the year is to see trends and seasonal impact on resident satisfaction.

The results are an indication of ratepayers' general satisfaction with the various services, infrastructure, and facilities that are provided and maintained by Council.

FEEDBACK

Feedback from the results of the survey has been used to determine appropriate strategies to address and/or manage the community expectations. These include:

- Roading – Council was successful with its funding application to the Provincial Growth Fund to upgrade Route 52 as part of Shovel Ready Projects, resulting in \$14.6 million being approved with the upgrade programmed for completion in 2024.
- Feedback on recycling methods used by residents, along with the upcoming waste stream audit, will help inform decisions on how to enhance and encourage recycling services.

COMMUNITY SURVEY RESULTS



2022 | 22 questions



2021 | 23 questions



2020 | 23 questions

2022 FEEDBACK

The results of the surveys are included in the service performance measures detailed in the 'Activities and Service Performance' section of this report. We also took the opportunity to seek feedback on other aspects of Council that are of strategic significance and these are listed below:

STRATEGIC SIGNIFICANCE

Satisfied with vision and leadership	69%	2021: 77%	2020: 81%
Satisfied with overall Council performance	64%	2021: 80%	2020: 82%
Satisfied with staff	75%	2021: 87%	2020: 86%
Satisfied with overall quality of services	67%	2021: 79%	-
Satisfied with availability of water	64%	2021: 81%	2020: 86%
Satisfied with financial management	55%	2021: 69%	2020: 73%
Satisfied with being kept informed and involved in any decision-making process	57%	2021: 74%	2020: 78%
Feel safe from dogs	73%	2021: 82%	2020: 82%
Satisfied with Council playgrounds	90%	2021: 95%	2020: 95%
Satisfied with Council community buildings	89%	2021: 94%	2020: 94%
People that have used Council playgrounds	91%	2021: 87%	2020: 83%
People that have used Council community buildings	93%	2021: 85%	2020: 83%
Satisfied with library services	94%	2021: 97%	2020: 98%
Satisfied with managing and issuing building consents	53%	2021: 74%	2020: 86%
Satisfied with provision of dedicated walkways/cycleways	62%	2021: 79%	2020: 77%
Satisfied with rural roads	51%	2021: 50%	2020: 50%
Satisfied with urban roads	53%	2021: 65%	2020: 75%

Financial overview and major variances

Explanations for major variances from Council's budget figures in Year 1 of the 2021–2031 Long Term Plan are detailed below.

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Revenue

- Subsidies are \$2 million lower than budgeted. Funding for Three Waters reform projects was \$670,000 less than expected during the year due to timing of project spending and receiving funding. Roading subsidies were \$2.1 million lower than expected due to lower Provincial Growth Fund subsidies (\$4.3 million) being received for Route 52 against a budget of \$8 million, but this was partially offset by additional funding of \$1.6 million for emergency works from Waka Kotahi. The lower subsidies were offset by higher than expected subsidies received for Mayors Taskforce for Jobs (\$500,000), District Promotions (\$70,000) and Wage subsidies (\$84,000).
- Other revenue is \$260,000 above budget, this is primarily due to receiving unbudgeted revenue for the Pahiatua Main Street refresh, Arts Strategy, insurance proceeds and refunds received for Covid-19 response expenditure.
- Finance income received is \$114,000 over budget. This is largely due to having more funds on term deposit than budgeted.
- No forestry revenue was budgeted for this year. Council harvested the Mangaone block (2.8 ha), Kaiparoro Woodlot (3.7 ha of total 26.7 ha) and the Kelvin Grove JV (1.7 ha), receiving income of \$524,000.

Expenditure

Other operating expenditure is higher than budget by \$3.269 million. Significant variances are explained below:

Deduct unfavourable budget variances	\$000s
Emergency roading works due to weather related events	(1,284)
Three Waters reform funded town water supply improvements	(988)
Three Waters reform funded sewerage improvements	(646)
Forestry harvest expenses explained under forestry costs	(520)
Budget variance	(3,438)

- Depreciation expense was higher than budget by \$3.12 million due to higher than budgeted capitalisation that took place in the previous financial year which had not been finalised when preparing the budgets for the current financial year. As well as a further revaluation of infrastructure assets to reflect the fair value of these assets at 30 June.
- Personnel costs were \$590,000 over budget. This is primarily due to Alliance staff (employed by Tararua District Council) being excluded from the budget.

Other Gains and Losses

- Other Gains & Losses expenses are \$2 million over budget. This is largely due to a favourable unbudgeted non-cash adjustment (\$2.515 million) of the fair value of derivatives (swaps). The remainder of the variance is due to a large valuation gain of \$730,000 on investment properties. This is partially offset by the reduction in value of Forestry assets (see note below).

Gains and losses on asset revaluations

- Gains and losses on asset revaluations are over budget by \$107 million – this is a result of Council completing a revaluation to 30 June 2022 to reflect fair value of the infrastructure assets at year end.

SUMMARY STATEMENT OF FINANCIAL POSITION

Assets

- Cash and cash equivalents is higher than budgeted by \$1.2 million primarily due to pre-funding debt for capital projects.
- Other financial assets (current portion) are more than budgeted by \$670,000. This is due to financial derivative balances held.
- Non Current Assets held for resale of \$437,000 was not budgeted for. This reflects the value of property (67 Wakeman Street, Pahiatua) that had a signed agreement for sale but had not settled as at balance date.
- Other financial assets (non-current portion) are higher than budgeted by \$1.5 million. This is due to holding more long-term deposits at year end.
- Investment in CCOs and similar entities are more than budgeted as these are not budgeted as part of the annual plan process.
- Investment property values are \$780,000 ahead of budget. The increase in fair value of these assets reflects independent valuation at balance date, and was greater than budgeted.

- Council forestry assets have been valued lower than budgeted by \$780,000 - this is due to a reduction in forest area (due to harvesting and excluding blocks that are no longer economic to harvest), new yield tables and increased cartage costs. Higher overall log prices have offset some of these factors.
- Intangible assets are lower than budgeted by \$1.1 million, mainly due to the increase in value of carbon credits Council holds.
- Property, plant and equipment is \$120 million more than budgeted primarily due to the additional re-valuation to 30 June to reflect fair value of the infrastructure assets at year end.

Liabilities

- Payables and deferred revenue is \$5 million more than budgeted, this is due to timing of payments falling due with our creditors at year end, as well as the recognition of revenue received in advance for our Three Waters Reform funding received.

- Employee entitlements (both current and non-current) are higher than budget by \$309,000 due to the timing of accrued pay and higher than expected value of employee annual leave balances.
- Borrowings are \$2.8 million less than budgeted due to less capital expenditure being spent than planned

Equity

- Accumulated funds are \$19.8 million lower than budgeted due to a planned higher surplus for the year ended 30 June 2022 and different actual opening balance to budgeted opening balance.
- Asset revaluation reserves are higher than budgeted by \$145 million due to the revaluation being higher than budget, as well as the completion of valuation of the infrastructure assets at 30 June 2022 to reflect their fair value.
- Special funded reserves are higher than budgeted by \$1.7 million due to lower renewals undertaken during the year.

SUMMARY STATEMENT OF CASHFLOWS

Operating activities

Net cash inflow from operating activities is lower than budget by \$3.2 million. This is primarily driven from lower than budgeted subsidies received as detailed above under revenue explanation and operating costs being higher than budgeted detailed in the expenditure explanation above also.

Investing activities

Net cash outflow from investing activities is \$1.7 million lower than planned, driven by lower capital expenditure than budgeted.

Financing activity

Net cash inflow from financing activities is lower than budget by \$1.9 million, driven by higher borrowings to fund capital development projects.

Summary financial statements

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

	2020/21 Actual - Restated* \$000	2021/22 Actual \$000s	2021/22 Plan \$000s
OPERATING REVENUE			
Rates	23,838	26,687	26,608
Grants and subsidies	19,172	20,002	22,093
Finance revenue	105	132	18
Dividends and subvention	-	-	-
Other revenue	4,656	4,997	4,276
Total operating revenue	47,771	51,818	52,995
EXPENDITURE			
Other operating expenses	21,449	24,895	21,626
Depreciation and amortisation	15,182	18,224	15,109
Employee benefit costs	6,867	7,725	7,129
Finance cost	1,007	1,122	1,038
Total operating expenditure	44,505	51,966	44,902
Other asset gains/(losses)	1,492	2,095	116
Share of associate surplus/(deficit)	(1)	15	-
Surplus/(deficit) before tax	4,757	1,962	8,209
Taxation expense	-	-	-
Net surplus/(deficit)	4,757	1,962	8,209
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
Gains on infrastructure assets revaluation	35,056	139,218	32,594
Fair value through equity	-	-	-
Tax on equity items	-	-	-
Total Comprehensive Revenue and Expense	39,813	141,180	40,803

* Certain amounts shown here do not correspond to the 2021 Financial Statements and reflect adjustments made. Refer to the prior year corrections and other re-classification accounting disclosure (page 36).

SUMMARY STATEMENT OF FINANCIAL POSITION

	2020/21 Actual - Restated* \$000	2021/22 Actual \$000s	2021/22 Plan \$000s
Current assets	17,857	15,424	13,710
Non-current assets	1,006,853	1,158,880	1,029,248
Total assets	1,024,710	1,174,304	1,042,958
Current liabilities	14,681	16,054	10,073
Non-current liabilities	43,321	50,365	51,764
Total liabilities	58,002	66,419	61,837
Equity	966,708	1,107,885	981,121
Total equity	966,708	1,107,885	981,121
Total liabilities and equity	1,024,710	1,174,304	1,042,958

SUMMARY STATEMENT OF CHANGES IN EQUITY

	2020/21 Actual - Restated* \$000	2021/22 Actual \$000s	2021/22 Plan \$000s
Balance at 1 July	926,895	966,708	940,318
Adjustment	-	-	-
Adjusted balance at 1 July	926,895	966,708	940,318
Total comprehensive revenue and expense previously reported	39,813	141,180	40,803
Total Balance at 30 June	966,708	1,107,885	981,121
Comprising of:			
Accumulated funds	348,839	348,604	368,331
Asset revaluation reserves	581,639	720,857	576,109
Special funded reserves	36,179	38,343	36,635
Trust funds	51	81	46
Total Equity	966,708	1,107,885	981,121

SUMMARY STATEMENT OF CASHFLOWS

	2020/21 Actual - Restated* \$000	2021/22 Actual \$000s	2021/22 Plan \$000s
Net cash flow from operating activities	25,078	16,927	23,202
Net cash flow from investing activities	(25,759)	(30,367)	(32,054)
Net cash flow from financing activities	9,000	7,000	8,853
Net increase/(decrease) in cash held	8,319	(6,440)	1
Opening balance	1,334	9,653	2,017
Total cash resources at 30 June	9,653	3,213	2,018

* Certain amounts shown here do not correspond to the 2021 Financial Statements and reflect adjustments made. Refer to the prior year corrections and other re-classification accounting disclosure (page 36).

Accounting disclosures

These summary financial statements are a summary of the 2021/22 Annual Report and cover the period from 1 July 2021 to 30 June 2022.

These summary financial statements do not provide as complete an understanding as provided by the full 2021/22 Annual Report. A full copy is available on the Council website at www.taranuadc.govt.nz. The information included in this report has been prepared in accordance with PBE FRS 43; Summary Financial Statements.

The Summary reports were authorised for issue on 30 August 2023, by Council.

REPORTING ENTITY

Taranua District Council is a New Zealand territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

Accordingly, Council has designated itself as a public benefit entity for financial reporting purposes.

Taranua District Council has an associate, Manawatu-Wanganui LASS Limited, a 14% owned associate – public benefit entity. They are domiciled and incorporated in New Zealand.

The financial statements of Council are for the year ended 30 June 2022. The full financial statements were adopted by Council on 28 June 2023.

BASIS OF PREPARATION

Statement of compliance

The financial statements of Taranua District Council in the full Annual Report have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). These financial statements in the full Annual Report have been prepared in accordance with NZ GAAP. They comply with NZ Public Benefit Entity International Public Sector Accounting Standards, and are prepared in accordance with Tier 1 PBE Standards.

Measurement base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets, financial instruments (including derivative instruments), and carbon credits.

Functional and presentation currency

The financial statements are presented in the functional currency, which is New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$'000).

Disclosure regards Taranua Aquatic Centre Trust

The Office of the Auditor General (OAG) has assessed that the Taranua Aquatic Centre Trust (TACT) continues to be controlled by Council and should be consolidated into Council group financial statements. The Council does not agree with this assessment and has sought independent advice, and based on this advice has decided that for the 2021/22 Annual Report it will not prepare a consolidated Annual Report.

The financial statements in the 2021/22 Annual Report are of Council only.

COMMITMENTS

Commitments

Council's commitments on projects where contracts have been entered into but goods or services have not been received are:

	2020/21 Council \$000s	2021/22 Council \$000s
Capital commitments	128	1,065
Operating leases as lessor	350	281
Operating leases as lessee	1,903	1,418

Contingent liabilities

Council has the following contingent liabilities:

New Zealand Local Government Funding Agency (NZLGFA)

The Council is a guarantor of NZLGFA. The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. It has a current credit rating from Standard and Poor's of AA+.

As at 30 June 2022, Tararua District Council is one of 68 local authority guarantors of the NZLGFA. Together with the other guarantors, Tararua District Council is a

guarantor of all of NZLGFA's borrowings. At 30 June 2022, NZLGFA had borrowings totalling \$15,789 million (2021: \$13,610 million).

PBE Accounting Standards require the Group and the council to recognise the guarantee liability at fair value. However, the Council have been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Group and the Council consider the risk of the NZLGFA

defaulting on repayment of interest or capital to be very low on the basis that:

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

Building claims/determinations

Council has a contingent liability for potential claims relating to alleged errors in Council issuing of consent and code compliance certificates.

Council has made submissions accepting that there were errors with both consenting and code compliance processes. The Ministry's findings and admissions by

Council could give rise to a civil claim and Council's insurers have been notified.

One application has been lodged for a building determination with the Ministry of Business, Innovation and Employment (the Ministry) regarding issues with consent and code compliance processes. The Ministry's determination is currently pending.

As Council is not able to reliably quantify the potential liability at this stage of the process, a contingent liability has been estimated for the value of \$100,000 to account for any further increases of cost.

RELATED PARTY DISCLOSURE

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 condition no more or less favourable than those that it is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances.

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

BREACH OF STATUTORY DEADLINE

The Tararua District Council was required under Section 98 of the Local Government Act 2002 to complete its audited full financial statements and service performance information by 31 December 2022. This timeframe was not met due to:

- Late confirmation about the requirement to have the compliance about Parts 4 and 5 of the Drinking Water Standards independently assessed.
- Internal staffing changes has extended the time taken to complete year end reconciliations and analysis.

The Local Government Act 2002 requires the summary annual report to be published within one month of the full financial statements being adopted (i.e by 28 July 2024). This timeframe was not met due to delays in audit clearance.

EVENTS AFTER THE BALANCE DATE

Cyclone Gabrielle

On 14th February 2023 Tararua District Council declared a State of Emergency (a National Statement of Emergency was also declared on this day) as a result of the devastating weather event that hit New Zealand - Cyclone Gabrielle. Significant damage was sustained to our region, particularly our coastal townships and many of the assets that the Council owns or manages. Many residents were severely affected by the flooding, slips, fallen trees and the accumulation of silt and debris. Council's immediate priority is to keep its residents safe, after which it will move into the recovery phase. Some of the response and recovery costs will be substantial, however it will take some time to determine the exact impact. Costs will include spend on the flood response, emergency relief funds to support communities experiencing hardship, recovery work, demolition and waste removal costs, and costs to repair or renew damaged assets. Council requires both a reassessment and re prioritization of capital spend to repair the damage and to restore the water and roading networks.

Council will look to recover many costs from insurance (where applicable) and certain emergency management costs are reimbursable by central government agencies, and transport related emergency works are anticipated to be co-funded with Waka Kotahi NZ Transport Agency.

There are no other material events after the reporting period that would require adjustment or disclosure by the group.

Three Waters

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

- The Water Services Entities Act 2022, which establishes four publicly owned water services entities and sets out their ownership, governance and accountability arrangements. The establishment date is 1 July 2024, or earlier by Order in Council. This Act received Royal Assent on 14 December 2022.
- The Water Services Legislation Bill, which will provide for the transfer of water services assets and liabilities to the water services entities, and is currently before Parliament.
- The Water Services Economic Efficiency and Consumer Protection Bill, which will provide the economic regulation and consumer protection framework for water services. It is currently before Parliament.

On 13 April 2023, the Government announced its intention to increase the number of water services entities and to stagger their establishment dates, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. On 16 June 2023, the Water Services Entities Amendment Bill was introduced to Parliament to amend the Water Services Entities Act 2022. Until the Bill is passed, the establishment date remains 1 July 2024, or earlier by Order in Council.

Prior Year Correction

As part of the 2022 audit it was identified that the way in which external funding Council received from Provincial Growth Fund for the Route 52 upgrade project and Department of Internal Affairs for the Three Waters Reform projects was recognised in the 2021 annual report was incorrect. The amount of funding received and reflected as revenue in the annual report should have only been to up to the amount that had been spent on these projects with the remainder of this funding being recognised as revenue received in advance (current liability). This has resulted in the 2021 financial statements required to be restating for the correction of this error. Refer to note 40 in the Annual Report for more detailed explanation.

Other Re-classification

In the financial statements for the previous reporting period, gains/(losses) on fair value of derivatives during the year on derivative instruments were previously presented under finance costs. To better reflect the movement in fair value of derivatives and in line with IPSAS 30, Council has reclassified the portion of the gain/(loss) on fair value of derivatives to Finance Revenue and Finance Costs leaving the movement that directly relates to the movement in Fair Value on Council's derivative instruments recognised under Other gains and losses. Refer to notes 3, 7 and 40 of the Annual Report for more detailed explanation.

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Tararua District Council summary of the annual report for the year ended 30 June 2022

The summary of the annual report was derived from the annual report of the Tararua District Council (the District Council) for the year ended 30 June 2022.

The summary of the annual report comprises the following information on pages 6 to 19 and 26 to 36:

- the summary statement of financial position as at 30 June 2022;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cashflows for the year ended 30 June 2022;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary service performance information of the District Council contained in "our Scorecard" and "Service Performance scorecard"

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

However, the summary service performance information includes a limitation of scope to the equivalent extent as the full audited statement of service performance (included within the *Activities and Service Performance* section of the Annual Report). This limitation is explained below in *The full annual report and our audit report thereon section*.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed a qualified opinion on the statement of service performance included within the *Activities and Service Performance* section of the Annual Report, and an unmodified opinion on the other audited information in the full annual report for the year ended 30 June 2022 in our auditor's report dated 28 June 2023. The basis for our qualified opinion on the statement of service performance is explained below.

Activities and Service Performance statement: Our work was limited with respect to the verification of the number of complaints for some services

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These mandatory performance measures include the total number of complaints (per 1,000 connections) received about the following:

- drinking water clarity, taste, odour, pressure or flow, continuity of supply, and the District Council's response to any of these issues;
- sewerage odour, sewerage system faults and blockages, and the District Council's response to issues with the sewerage system; and
- the performance of the stormwater system.

These measures are important because the number of complaints is indicative of the quality of services received by ratepayers.

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including on how to count complaints. Our audit testing found that the District Council has not been counting complaints in accordance with this guidance and that the District Council's method of counting was likely to have understated the actual number of complaints received both in the current year and in the comparative year to 30 June 2021.

Complete records for all complaints made to the District Council were not available for the full performance year and we were unable to determine whether the District Council's reported results for these performance measures were materially correct. As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the number of complaints reported against these three performance measures.

Our opinion on these performance measures was also qualified for the 2021 performance year.

Emphasis of matters

Without further modifying our opinion, our auditor's report on the full annual report also includes emphasis of matters paragraph drawing attention to the following disclosures.

Uncertainty over the waters services reform programme

The Water Services Entities Act 2022 established four publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. The Water Services Legislation Bill provides for the transfer of these assets and liabilities. The Bill is currently before Parliament, but until it is passed, the financial impact of the transfer on the District Council remains uncertain.

On 16 June 2023, the Water Services Entities Amendment Bill was introduced to Parliament to increase the number of water services entities and change their establishment dates. Until the Bill is passed, the establishment date remains 1 July 2024, or earlier by Order in Council, as per the Water Services Entities Act 2022.

This matter is disclosed on page 36 of the summary financial statements.

Extent of damage from extreme weather events is yet to be determined

Extreme weather events, which occurred after 30 June 2022 in the Tararua District, caused significant damage to the Council's assets. The financial impact of the damage is yet to be determined, but the Council expects these costs to be significant. The Council expects to recover many of the costs through insurance and from central government agencies.

This matter is disclosed on page 36 of the summary financial statements.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.

40. Tararua District Council Summary document

Annual Report 2021/22

In addition to reporting on the summary and full annual reports, we have performed a limited assurance engagement related to the District Council's debenture trust deed. This engagement is compatible with those independent requirements.

Other than these engagements, we have no relationship with, or interests in the District Council.



Debbie Perera
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand
30 August 2023





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**Woodville Service Centre
& Library**

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Pahiatua Service Centre

136 Main Street, Pahiatua
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