

Finance & Corporate Committee Public Agenda

28 March 2023

Council Chambers
Waipā District Council
101 Bank Street
Te Awamutu



Chairperson
AW Brown

Members
Her Worship the Mayor SC O'Regan, LE Brown,
PTJ Coles, RDB Gordon, ML Gower, MG Montgomerie, MJ Pettit, EM Stolwyk, CS St Pierre, BS
Thomas, Vacancy

28 March 2023 01:00 PM

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APOLOGIES



DISCLOSURE OF MEMBERS' INTERESTS

Members are reminded to declare and stand aside from decision making when a conflict arises between their role as an elected member and any private or other external interest they may have.



LATE ITEMS

Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be dealt with at a subsequent meeting on the basis of a full agenda item. It is important to note that late items can only be dealt with when special circumstances exist and not as a means of avoiding or frustrating the requirements in the Act relating to notice, agendas, agenda format and content.



CONFIRMATION OF ORDER OF MEETING

Recommendation

That the Finance and Corporate Committee confirms the order of the meeting.

COMMITTEE AGENDA



To: The Chairperson and Members of the Finance and Corporate Committee

From: Governance

Subject: **CONFIRMATION OF MINUTES**

Meeting Date: 28 March 2023

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

The local authority, its committees, subcommittees and any local and community boards must keep minutes of their proceedings. These minutes must be kept in hard or electronic copy, authorised by a Chairperson's manual or electronic signature once confirmed by resolution at a subsequent meeting. Once authorised the minutes are the prima facie evidence of the proceedings they relate to.

The only topic that may be discussed at a subsequent meeting, with respect to the minutes, is their correctness.

2 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the open minutes of the Finance and Corporate Committee meeting held on 21 February 2023, having been circulated, be taken as read and confirmed as a true and correct record of that meeting.

3 ATTACHMENT - ĀPITITANGA

Finance and Corporate Open Minutes – 21 February 2023

COMMITTEE MINUTES



Committee: Finance and Corporate
Time: 1.00pm
Date: Tuesday 21 February 2023
Meeting: Council Chambers,
101 Bank Street, Te Awamutu

PRESENT

Chairperson
AW Brown

Members

Her Worship the Mayor SC O'Regan, LE Brown, PTJ Coles, RDB Gordon [joined the meeting at 2.01pm], MG Montgomerie, MJ Pettit, CS St Pierre, EM Stolwyk, BS Thomas

1 APOLOGIES

RESOLVED

3/23/01

That the apology for non-attendance from Councillor Gower who on a personal basis was assisting with the Cyclone Gabrielle recovery in Wairoa, and the apology for lateness from Councillor Gordon be received.

Councillor L Brown / Councillor Coles

2 DISCLOSURE OF MEMBERS' INTERESTS

Item 6 – Councillor Stolwyk
Item 7 – Councillor Stolwyk

3 LATE ITEMS

Nil

COMMITTEE MINUTES



4 CONFIRMATION OF ORDER OF MEETING

RESOLVED

3/23/02

That the order of the meeting be confirmed.

Councillor St Pierre / Councillor Thomas

5 CONFIRMATION OF MINUTES

RESOLVED

3/23/03

That the open minutes of the Finance and Corporate Committee meeting held on 6 December 2022, having been circulated, be taken as read and confirmed as a true and correct record of that meeting.

Councillor L Brown / Mayor O'Regan

6 MIGHTY RIVER DOMAIN 2022 ANNUAL REPORT

Liz Stolwyk, in her capacity as Mighty River Domain Manager spoke to the Mighty River Domain 2022 Annual Report.

RESOLVED

3/23/04

That the Finance and Corporate Committee receive the report of Ken Morris, Deputy Chief Executive / Group Manager Business Support, titled 'Mighty River Domain 2022 Annual Report' (document number 10953751), together with the 'Mighty River Domain, GL Events Ltd 2022 Annual Report' (document number 10960167), as presented by Domain Manager Liz Stolwyk.

Councillor L Brown / Councillor Coles

7 PROCUREMENT PLAN – MIGHTY RIVER DOMAIN SITE MANAGEMENT SERVICE

[Councillor Stolwyk left the meeting for this item at 1.17pm]

Deputy Chief Executive and Group Manager Business Support Ken Morris spoke to his report, in particular highlighting the importance of recommendation b), given the legislative obligation to consider the best means of service delivery.

COMMITTEE MINUTES



Mr Morris advised the Committee that the existing service delivery arrangement between Council and the incumbent contractor (GL Events Ltd) for the provision of the Service would expire on 30 June 2023. It was intended that a new Service contract would be procured and in operational effect as at 1 July 2023.

After further discussion the Committee members requested a copy of the Horwath HTL report and the recommendations dated 5 December 2016 be forwarded to them.

RESOLVED

3/23/05

That the Finance and Corporate Committee

- a) *Receives the report of Chris Ryan, Manager Property Services, titled 'Procurement Plan - Mighty River Domain Site Management Service', (document number 10955771);*
- b) *Notes that the Site Management Services delivery arrangement by way of a Management Contractor is currently, and will continue to be, the most cost-effective option to support the governance, funding and service delivery for the Mighty River Domain, Lake Karapiro.*
- c) *Notes and endorses the implementation of the Procurement Plan as outlined in the document 'Mighty River Domain Site Management Contract – Contract Delivery Outline', attached as Appendix 1 to this report (document number 10964567).*

Councillor Thomas / Councillor St Pierre

8 QUARTELY PROPERTY SERVICES REPORT (01/07/22-31/12/22)

[Councillor Stolwyk re-joined the meeting at 1.35pm]

The purpose of this report was to provide the Committee with a quarterly update on the Property Services and Property Projects activities.

Deputy Chief Executive and Group Manager Business Support Ken Morris advised the Committee members that there had been a reporting error on page 48 of the agenda with the Non Urgent Pensioner Housing Requests. He indicated it was estimated that around 90 per cent of the 272 CRMs would have been service requests.

RESOLVED

3/23/06

That the Finance and Corporate Committee receives the report of Chris Ryan, Interim Manager Property Services, titled 'Quarterly Property Services Report (01/07/22 – 31/12/22)' (document number 10924567).

COMMITTEE MINUTES



Councillor Pettit / Councillor St Pierre

9 KIHIKIHI STOCKADE RESERVE – URBAN DESIGN PROPOSAL

The purpose of this report was to seek funding to develop a conceptual masterplan for a potential housing development on the Stockade Reserve in Kihikihi.

This planning work would also incorporate consideration of the possibility of the planned new Kihikihi skatepark being sited on this same property.

RESOLVED

3/23/07

That the Finance and Corporate Committee

- a) *Receives the report of Ken Morris, Deputy Chief Executive/ Group Manager Business Support, titled 'Kihikihi Stockade Reserve - Urban Design Proposal', (document number 10955861);*
- b) *Approves the use of up to TWENTY-SIX THOUSAND DOLLARS (\$26,000) of general funds cash surplus to fund the Urban Design Master Planning work described in this report.*

Mayor O'Regan / Councillor L Brown

10 FINANCIAL REPORT PERIOD ENDED 31 JANUARY 2023

[Councillor Gordon joined the meeting at 2.01pm]

Financial Accountant Nada Milne provided highlights from the Financial report to 31 January 2023.

The Committee congratulated the Rates Team on the good work done.

RESOLVED

3/23/08

That the Finance and Corporate Committee receive the report of Nada Milne, Financial Accountant, titled 'Financial Report for the period ended 31 January 2023', (document number 10964239).

Councillor St Pierre / Councillor Pettit

COMMITTEE MINUTES



11 TE KANOHI REMUNERATION

Manager Governance, Jo Gread took the Te Kanohi Remuneration report as read and took questions from the Committee members.

RESOLVED

3/23/09

That the Finance and Corporate Committee

- a) *Receives the report of Jo Gread, Manager Governance, titled Te Kanohi Remuneration (ECM Number 10963870);*
- b) *Approve the following provisions for the payment of remuneration and expenses of Te Kanohi on Council's Strategic Planning and Policy Committee, Service Delivery Committee, Finance and Corporate Committee, and Regulatory Committee, once the appointments to the Te Kanohi positions for the 2022-2025 triennium for these Committees have been completed:*
 - a. *For Resource Management Act 1991 (RMA) hearings, Te Kanohi shall be paid on completion of an expense form at the same rate and under the same provisions as elected members are paid for RMA hearings under Council's Elected Member Expense and Allowance Rules;*
 - b. *A meeting fee of \$450 for attendance at a Service Delivery Committee meeting, or a Finance and Corporate Committee meeting, or a Regulatory Committee meeting which does not involve a RMA hearing, including any workshops held after the committee meeting;*
 - c. *For Strategic Planning and Policy Committee attendance, a meeting fee of \$450 where the duration of the committee meeting and workshops on the day is under 4 hours and a meeting fee of \$550 where the duration of the committee meeting and workshops is 4 hours and over. The additional rate for the Strategic Planning and Policy Committee Te Kanohi reflects the additional workload of this committee;*
 - d. *Where a committee meeting is over multiple days, the meeting fee is paid for each day attended;*
 - e. *The meeting fee covers:*
 - i. *all preparatory and other work associated with the committee meeting, including reading time,*
 - ii. *connecting with people and communities on issues before and after the committee meeting,*
 - iii. *attending relevant workshops (whether they are on the Te Kanohi's committee day or on any other day); and*

COMMITTEE MINUTES



- iv. *Te Kanohi connecting with other Te Kanohi on other Council committees, the Māori Ward Councillor and with mana whenua and Iwi, as this is seen as an important part of obtaining an understanding of broader issues relevant to the role*
- f. *The meeting fee for a committee can only be claimed by the Te Kanohi appointed to that committee;*
- g. *The relevant meeting fee is payable on completion of an expense form and only verification of attendance at the relevant committee meeting via the meeting minutes is required for the meeting fee to be paid; and*
- h. *Mileage expenses will be paid on the same basis as for elected members as set out in the Council's Elected Member Expense and Allowance Rules.*

Councillor Pettit / Councillor L Brown

12 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLVED

3/23/10

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
13. Confirmation of Public Excluded Minutes – 6 December 2022 14. Property Sale Pirongia 15. Acquisition of Land and Easement in C3 16. Maungatautari Ecological Island Trust Quarterly Report as at 31	Good reason to withhold exists under section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

COMMITTEE MINUTES



December 2022

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, or Sections 6, 7 or 9 of the Official Information Act 1982, as the case may be, which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, are as follows:

Item No.	Section	Interest
13	Section 7(2)(i)	<i>To enable the council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</i>
13,16	Section 7(2)(b)(ii)	<i>To protect information which if public would unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information.</i>
13,14,15	Section 7(2)(h)	<i>To enable the council to carry out, without prejudice or disadvantage, commercial activities.</i>

Councillor Thomas / Councillor St Pierre

The meeting went into Public Exclusion at 2.19pm.

There being no further business the meeting closed at 2.43pm.

CONFIRMED AS A TRUE AND CORRECT RECORD

CHAIRPERSON: _____

DATE: _____

COMMITTEE REPORT



INFORMATION ONLY

To: The Chairperson and Members of the Finance and Corporate Committee

From: Group Manager Customer and Community Services

Subject: **Hamilton and Waikato Tourism 6-monthly report to 31 December 2022**

Meeting Date: 28 March 2023

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

Hamilton and Waikato Tourism (HWT) is the region's Regional Tourism Organisation (RTO), whose role is to generate competitive economic benefit through visitor sector strategies focussed on increasing visitor length of stay and spend. HWT is a subsidiary company under the Council Controlled Organisation of Waikato Regional Airport Limited. HWT has a commercial board with Richard Leggat the Chair. Chief Executive Nicola Greenwell will be in attendance to speak to this report.

HWT is funded through a public/private partnership with the region's tourism industry and six local authorities including Hamilton City, Matamata-Piako, Ōtorohanga, Waikato, Waipā and Waitomo.

2 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Finance and Corporate Committee receive the report of Sally Sheedy, Group Manager Customer and Community Services titled Hamilton and Waikato Tourism 6-monthly report to 31 December 2022 (document number 10974181);

3 COMMENTARY - KŌRERO

HWT 6 month report from 1 July to 31 December 2022 outlines the initial results seen post the lifting of COVID-19 restrictions and the re-opening of borders for international visitors. HWT have continued to deliver a number of marketing activities, campaigns and gaining media coverage.

An overview of key highlights, visitor statistics, marketing, events and destination management are included in Appendix 1.

4 APPENDIX ĀPITITANGA

No:	Appendix Title
1	Hamilton Waikato Tourism 6-Monthly Report to 31 December 2022 (document number 10976832)



Approved by Sally Sheedy

GROUP MANAGER CUSTOMER AND COMMUNITY SERVICES

APPENDIX 1

Hamilton & Waikato Tourism Six-Monthly Report to 31 December 2022
(document number 10976832)



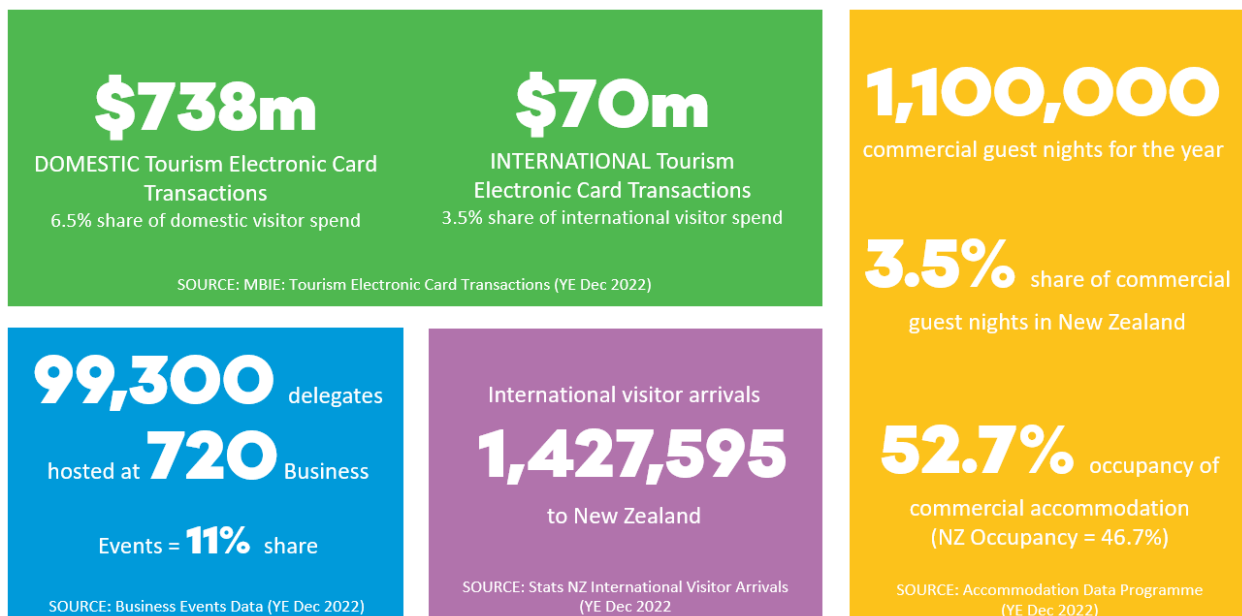
Six Month Update to Waipā District Council 1 July – 31 December 2022

Hamilton & Waikato Tourism (HWT) is the region's Regional Tourism Organisation (RTO) whose role is to generate competitive economic benefit through visitor sector strategies focused on increasing visitor length of stay and spend.

Hamilton & Waikato Tourism is a subsidiary company under the Council Controlled Organisation (CCO) of Waikato Regional Airport Limited. It has a commercial board with Richard Leggat appointed as the Chair in December 2021. Nicola Greenwell was appointed as Chief Executive from 1 July 2022.

HWT is funded through a public/private partnership with the region's tourism industry and six local authorities including Hamilton City, Matamata-Piako, Ōtorohanga, Waikato, Waipā and Waitomo. This is the six-month report covering the period from 1 July 2022 through to 31 December 2022.

Key highlights (July to December 2022)





Executive summary

During the first six months of the financial year we have seen strong return of visitation across the country, and our own region. When the borders opened in August and our Covid restrictions were lifted in September, a sigh of relief was heard and felt across the tourism, events and hospitality sector. We had been looking ahead to the 2023 calendar year with positivity, albeit cautiously.

We have challenges to realising a full recovery. Labour shortages across the sector continue to impact deliverability and availability of some experiences and services. While not part of this six-month reporting period, the weather impacts during January and February have been devastating in our neighbouring regions and across parts of our own region. Waikato District Council declared a State of Emergency with severe damage to the main road access to Raglan; Waitomo District Council also declared a State of Emergency with particular focus on Te Kuiti and Waitomo Village; Matamata-Piako suffered flooding; the waterways were deemed unsuitable to engage with for a week; and some individual operators suffered damage to properties. The longer-term impacts are yet to be realised from resulting State of National Emergency.

Looking ahead, we have some incredible events that bring opportunities for our visitor sector. The FIFA Women's World Cup 2023™ event, with five games being hosted in Kirikiriroa Hamilton, will bring visitation right across region. An estimated \$18 million will be pumped into the Waikato region during the FIFA Women's World Cup 2023™. The spending is projected to come from both international and domestic visitors throughout the main tournament.

Waikato Stadium will host five matches between 20 July – 20 August 2023 and it's estimated the region will see 12,500 unique international visitors spend \$13.7 million in the region. In addition, these matches will see many domestic visitors, who will contribute \$3.9 million into the region economy. These estimates do not include the additional Play Off Tournament being hosted in Hamilton in February.

The FIFA Women's World Cup 2023™ will be the largest women's sporting event ever held globally. TV viewership alone is forecast to be two billion compared to 1.2 billion in France in 2019.

The benefit from hosting provides the opportunity to create legacy for our city and region – for example, the people watching on the other side of the world may be inspired to visit. Those visitors attending the event, if we host them well and offer a great experience in our region, will head home and share their stories with friends and family, increasing our international profile and likelihood of return and future visitation.

The Central Government funding received by all Regional Tourism Organisations was originally required to be utilised by December 2022. Due to many projects being delayed with Covid restrictions, we have an extension for some projects to be delivered by June 2023. Once this funding has been fully utilised, our activity will return to 'business as usual', based on our council funding and industry contributions.

As HWT continues to lead the sector in managing the ongoing impacts of COVID-19 and recovery, key focus areas for the upcoming period include embedding the Destination Management Plan into our regular activities, as well as assisting and encouraging operators to embed Regenerative Tourism and sustainability measures into their own activity.

HWT recognises its role to support event organisers, venues and suppliers with the ongoing challenges with hosting events, including those already experienced in the current year. We will also be continuing to work more broadly with our industry to develop enhanced capability for hosting additional events, both business and major events, in region through the Business Events Strategy for Waikato and the Thermal Explorer Regional Event Fund. With much change in the political and regulatory environment, continue to lobby and advocate for the tourism sector with Government.



Performance targets

Hamilton & Waikato Tourism (HWT) have eight performance targets which are set in the 'Schedule of Services for Local Government 2022-2023'. The results are provided below.

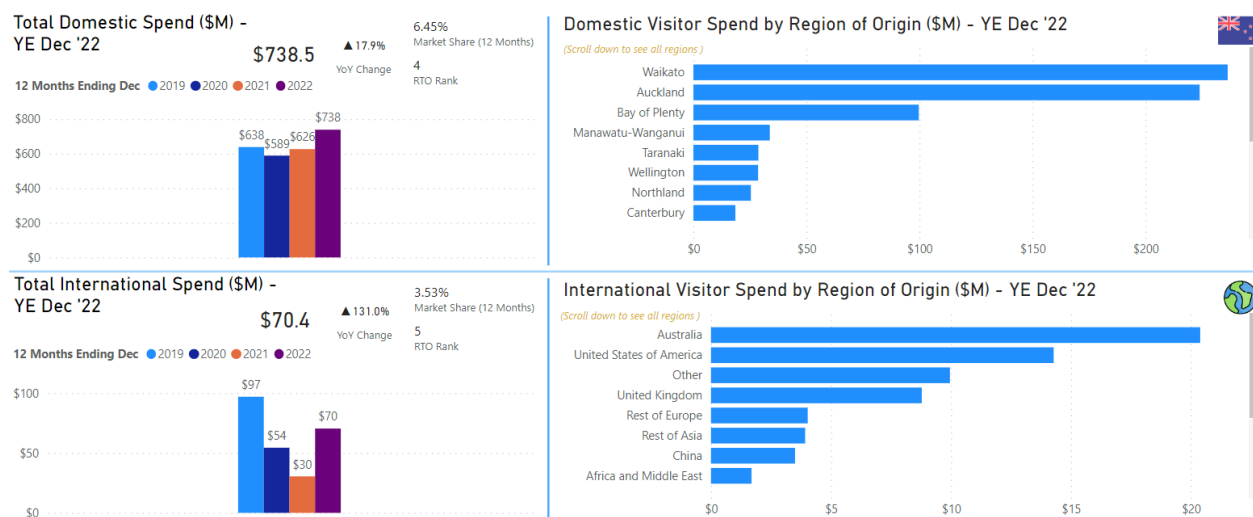
Measure	Result	Measure	Result
Visitor nights Hold total visitor nights compared to previous year <small>SOURCE: MBIE, Accommodation Data Programme Note: Excludes MIQ hotels and MSD motels</small>	1.1million visitor nights (YE Dec 2022) 52.7% occupancy (NZ: 46.7%)	Media & travel trade 10 media outlets hosted 150 travel trade trained or hosted	22 media outlets hosted 34 agents hosted and 174 agents trained (as at 31 Dec)
Visitor spend electronic card transactions 5% increase in total visitor spend across region compared to previous year <small>SOURCE: MBIE, Tourism <u>Electronic Card Transactions</u> TECT does not capture ALL spend, ie: pre-paid accommodation/experiences or cash purchases, are not included</small>	DOMESTIC 18% increase on last year 16% increase on 2019 \$738million 6.5% market share INTERNATIONAL 131% increase on last year 27% decrease on 2019 \$70million 3.5% market share (YE Dec 2022)	Govt funded projects Successfully deliver STAPP and RESET funded projects	99% of funding allocated/spent MBIE have approved extended timeframes to June 2023 for Capability Building and Destination Management projects
Conventions & business events Rebuild and restore market share of total business events to 5% <small>SOURCE: Business Events Data Programme</small>	11% market share of business events 11% of delegates (YE Dec 2022)	Regional Events Fund (REF) Successfully deliver year one of the REF for Waikato, Rotorua, Ruapehu & Taupo	Workshops held in Ruapehu and Waikato Small Contestable funding round opened January 2023 – utilising returned/unutilised allocated funding
Industry investment \$100,000 of industry contributions towards marketing activities	\$156,000 partnership \$73,000 Visitor Guide (As at 26 Jan 2023)	Cashflow To ensure the company has sufficient cash to fund activity for the year without recourse to the shareholder	Cashflow maintained



Visitor statistics

Visitor expenditure in Waikato Region

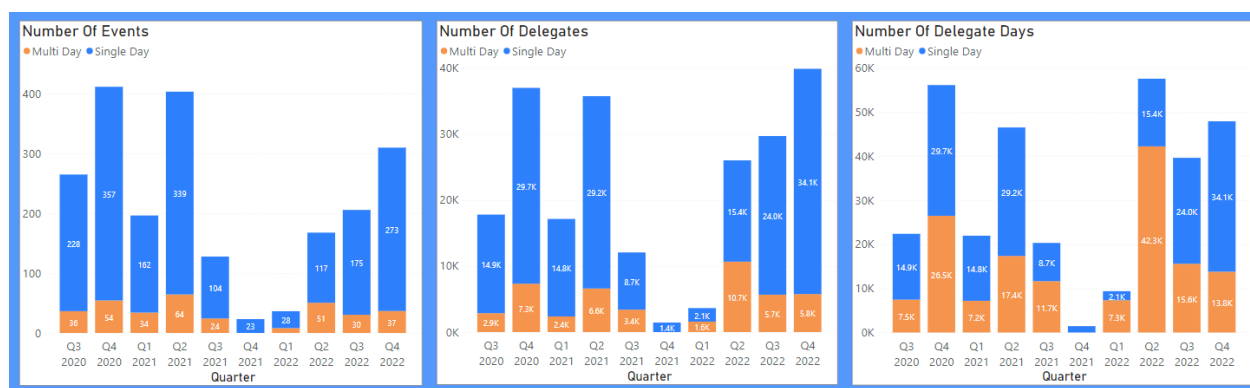
Domestic visitation contributed \$738.5m per annum to the regional economy, an increase of 17.9% on 2021. This ranks the Waikato region fourth against other RTOs and achieves 6.45% market share of all domestic spend in the country. International visitation contributed \$70.4m per annum to the regional economy; an increase of 131% on 2021. This has Waikato region ranked 5th, with 3.5% market share of international spend.



Source: Tourism Electronic Card Transactions, MBIE (Dec 2022) The Ministry of Business, Innovation and Employment (MBIE) have discontinued the Monthly Regional Tourism Estimates (MRTes) as they were becoming unreliable within the COVID-19 environment. They have replaced the data with an interim data set capturing electronic card transactions. The key difference is that this data does not make any estimates for online or cash spending.

Business Events in Waikato Region

Waikato hosted 720 business events; 11% of NZ events. These events hosted 99,300 delegates; 10% market share. Delegates spent an average of \$438 each. For the third quarter of 2022 (October-December) – we achieved 12% market share of events hosted, 10% market share of delegates hosted, 9% market share of delegate days.



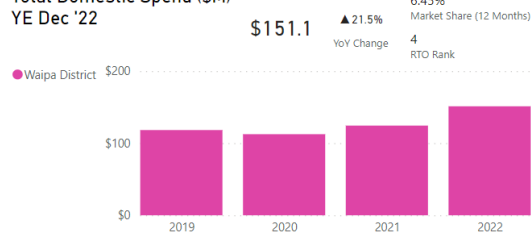
Explanation: The Business Events Data Plan (BEDP) is another new data set developed by Fresh Info; this replaces the older Business Events Research Programme (BERP). The development was co-funded by RTNZ and MBIE, with RTOs contributing annually for access. As per the ADP above, venue are not obliged to provide their data.

Hamilton & Waikato TOURISM

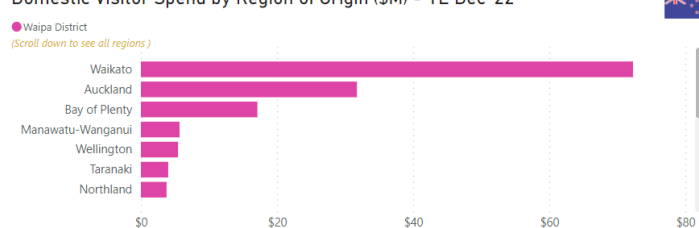
Visitor expenditure in Waipā

Domestic visitation contributed \$151.1m per annum to Waipā, an increase of 21.5% from December 2021. International visitation contributed \$9.6m per annum, an increase of 162.9% from December 2021.

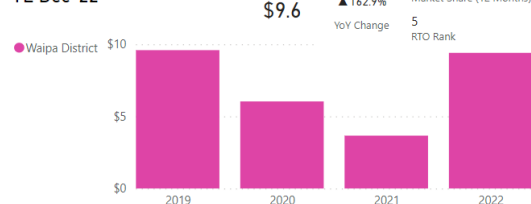
Total Domestic Spend (\$M) -
YE Dec '22



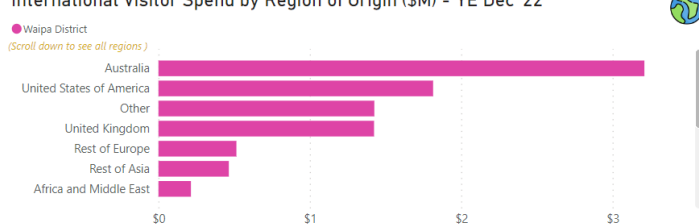
Domestic Visitor Spend by Region of Origin (\$M) - YE Dec '22



Total International Spend (\$M) -
YE Dec '22



International Visitor Spend by Region of Origin (\$M) - YE Dec '22

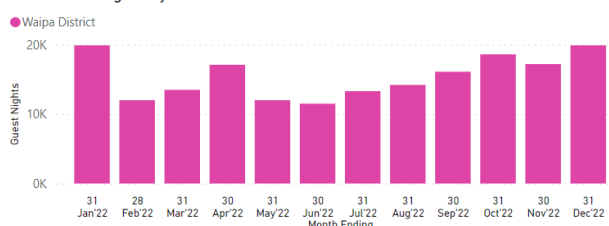


Source: Tourism Electronic Card Transactions, MBIE (Dec 2022)

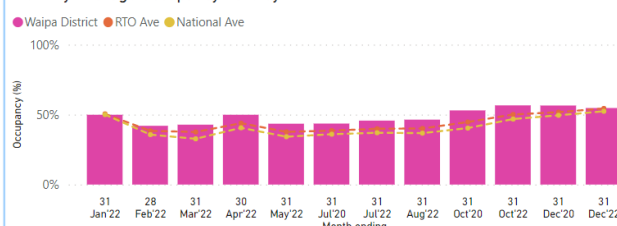
Commercial accommodation in Waipā

Based on Accommodation Data Programme (commercial accommodation), Waipā achieved 54.5% occupancy rate for the month of December 2022, an increase of 55.8% on December 2021. The district provided 19,900 guest nights in December 2022, an increase of 44.2% on December 2021.

Total Guest Nights by TA



Monthly Average Occupancy Rate by TA

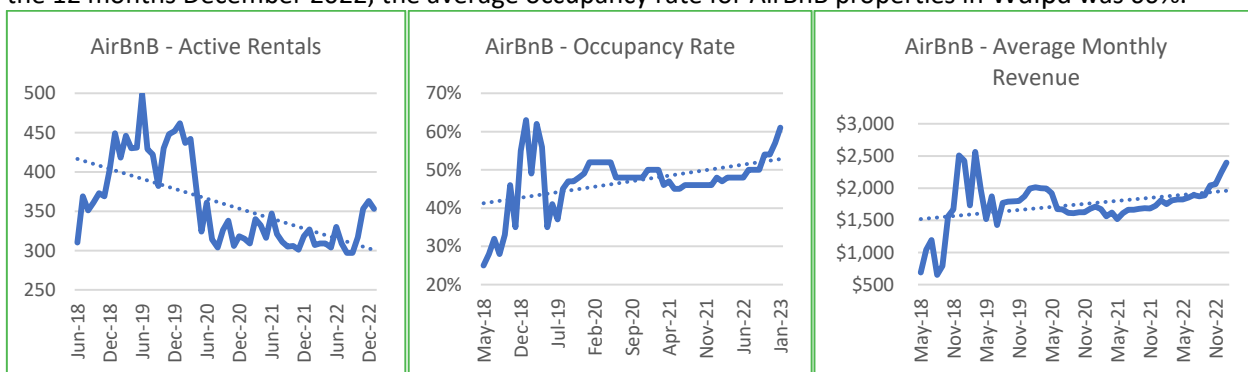


Source: Accommodation Data Plan, MBIE (Dec 2022)

Non-commercial accommodation in Waipā

Waipā also had 472 properties listed on AirBnB during December 2022 as alternative accommodation to the traditional commercial offerings. This has increased by 99 listings from December 2021.

These properties experienced 73% occupancy during December 2022, 11% more than December 2021. For the 12 months December 2022, the average occupancy rate for AirBnB properties in Waipā was 66%.



Source: AirDNA (Jan 2023)



Destination management

Destination management brings together different stakeholders to achieve the common goal of developing a well-managed, sustainable visitor destination. It is an ongoing process that requires destinations to plan and considers the social, economic, cultural and environmental risks and opportunities.

Adopting a destination management approach enables communities and destinations to respond to changing conditions and determine the type of tourism they would like to have and the benefits they would like to receive, taking an active role in managing these.

Destination management requires a holistic and integrated approach across the following 16 components:



A 12-page Destination Management Plan “[Snap Shot](#)” is available on our website. The document provides operators with a brief description of what the management plan entails and how their tourism activities contribute to achieving the common goal of developing a well-managed, sustainable visitor destination.

Positioning Project

Our Positioning Project is now underway with Miles Partnership. Underpinning the DMP, this project will create a destination positioning strategy which identifies three to four key pillars on which the current and future destination marketing and management decisions will be based.

Using our Mighty Waikato brand as a foundation the project will look at what the region ‘owns’ in regards to domestic and international tourism, and how we can position ourselves as a destination going forward ie what we want to become known for.

This is not about a brand, campaign, logo or tagline. It is not about one event, attraction or experience; it is about creating a long-term thematic or values-based framework that will base our destination positioning on.

It is important that this framework supports the short- and long-term goals of Waikato stakeholders and communities and authentically reflect what the Waikato stands for.

It will shape how we develop and market the region going forward in all aspects – from consumer, business events, travel trade and media activities to product development and regenerative tourism initiatives.



Leisure & Trade Marketing

Domestic marketing

HWT has undertaken a number of marketing campaigns between July and December 2022 to keep Waikato at the front of minds for those looking to travel domestically, and to highlight key experiences, events, F&B and passion points for locals and visitors as they progress through the travel decision-making process. HWT has targeted the drive markets of Auckland, Bay of Plenty, Manawatu and Taranaki; and the fly markets of Wellington and Christchurch; as well as our own Waikato residents. We implemented hero/impact campaigns to drive travel over the summer and winter periods as well as an 'always on' demand layer campaign through Facebook and Google. Similar to our 'always-on' Facebook approach, HWT also undertakes year-round activity through Weibo to promote visiting the Waikato to the Chinese New Zealanders community, predominantly in Auckland.

Matariki

From 10 June to 17 July HWT profiling experiences, accommodation and activities as well as all the fantastic events taking place across the region through Matariki ki Waikato. Working in partnership with Matariki ki Waikato, activity targeted Waikato residents and key drive markets via digital channels and printed newspaper ads. Print ads ran in the Waikato Herald, Bay of Plenty Times, Hamilton Press, Cambridge Edition, Piako Post, Taupo Times, Waikato Times, King Country News and TA Courier with a total reach of 320,856.

Berry Activation

'Berry' has been identified as a key pillar of the region's F&B narrative in our Food & Beverage Tourism Market Development Plan. As such, and in partnership with the F&B Advisory Group, HWT launched the inaugural 'Berry Month' campaign in late November to highlight all the places in the region where Waikato locals can pick your own, try tasty berries on the menu, grab a real fruit ice cream or purchase fresh berries to take home. This campaign was scaled back from initial concept due to the devastating frost that impacted the blue berry producers, but the aim is to expand this activity further in 2023.

Events

HWT continues to support HCC, FIFA and Tourism NZ with tourism related activities in the lead up to the FIFA Women's World Cup 2023 Play-Off Tournament in February and the FIFA Women's World Cup 2023 Tournament in July-August. Alongside Hamilton Central Business Association and Hamilton City Council, HWT co-hosted a FIFA Women's World Cup 2023 information evening on 22 November for retail, hospitality and tourism providers, from around Hamilton and the Waikato region. The purpose of this evening was to allow businesses to learn more about this major event and how they can get involved.

HWT has supported regional events during July-December by profiling them in campaign activity, on social media and coverage on waikatonz.com. Events are an important driver for domestic visitation as well as local expenditure, and post-COVID provide great reasons for repeat visitation to a region. In partnership with the Waikato i-SITE network, HWT exhibited at the Motorhome & Caravan show in September to promote the activities and attractions in the region.

Annual Visitor Guide

50,000 copies of the 2023 Official Regional Visitor Guide were distributed in late December 2022 and early January 2023. They have been distributed nationally through i-SITEs and airports, displayed at visitor attractions, used at trade shows, and conference delegate packs. This guide remained a cost-neutral project with advertising sales funding production and distribution.

Hamilton & Waikato TOURISM

Media

HWT has continued to work on a number of media pitches over the last six months. Born out of our Mighty Local campaign, we have managed to secure a regular editorial spot in the Waikato Herald to showcase our local tourism operators and hospitality. We continue to be successful in pitching to domestic publications including Good Magazine, Motorhomes, Caravans and Destinations Magazine, and Dish Magazine with additional features being worked on for early 2023. International media attention has also increased in line with the border enabling the planning for several key broadcast opportunities in late 2022 and in to 2023 including the Today Show from Australia.

Communications Specialist

HWT employed a 12month Communications Specialist in November 2021. This role was funded from central Government funding. This role sat within the marketing team and created content for all departments across the organisation including media releases and pitches, case studies/testimonials, articles, e-newsletters, web copy and promotional collateral. This was a very welcome addition to the team and allowed HWT to capitalise on further content and media opportunities. Now that this funding has been fully utilised, this contracted position has also ended. The consequence is that we will no longer have the resources to elevate our media/content creation to this same level unless additional funding is able to be secured.

Travel Trade

With international borders opening, we have experienced a hybrid model of trade training and sales activity with on- and off-shore travel trade in the last six months. HWT travelled to North America as part of the 70pax strong NZ contingent for the first Tourism New Zealand KiwiLink event in three years. We represented the region and the wider Thermal Explorer International Marketing Alliance (TEH IMA) of Waikato, Rotorua, Taupo and Ruapehu. HWT also attended KiwiLink Asia; was represented by TEH IMA partner regions at KiwiLink UK/Europe; and undertook several virtual webinars updating North American and Australian travel sellers about the Waikato's tourism experiences and accommodation offering. The last few months have also seen the re-introduction of international trade famils into NZ, with several leisure and incentive famils from the US, UK/Europe and Singapore markets spending time in the region.

HWT had the unparalleled opportunity to host over 100 Tourism New Zealand staff on who were in New Zealand for their Global Hui in November. We hosted 89 staff on a 'surprise and delight' mini famil at Hamilton Gardens, while another group of 19 key TNZ off-shore staff spent two days exploring the region in more depth with us.

Marketing activity for Waipā

A summary of specific trade and leisure marketing for Waipā is detailed below.

Target market	Campaign or activity	Waipā experiences profiled
Media – domestic & international famils + coverage	Media coverage, hosting and famils profiling Waipā: <ul style="list-style-type: none"> TNZ Global Hui Waikato Herald – 24 stories between July-Dec 2022 Motorhome, Caravans & Destinations Magazine Waikato Business News Stuff.co.nz 	Sanctuary Mountain Maungatautari, Te Awa – The Great NZ River Ride, Te Ara Wai Journeys, Cambridge township, Cambridge Farmers Market, Punnet, Fieldays, Mystery Creek Events Centre, Alpino, Vilagrad Wines, Monavale Blueberries, Velodrome, Te Miro Mountain Bike Park, Tieke Golf Estate, Te Awamutu Space Museum, Pirongia Forest Park, Lake Ngaroto, Te Awamutu Rose Gardens, Alpha Lavender

Hamilton & Waikato TOURISM

Travel Trade – webinars & training	<p>International trade events and webinars profiling/attended:</p> <ul style="list-style-type: none"> eXplore virtual event –AU & NZ wholesalers ECNI Down Under Endeavours virtual training KiwiLink North America KiwiLink Asia KiwiLink UK/Europe <p>Hosted in region:</p> <ul style="list-style-type: none"> Singapore incentive famil TNZ UK ‘launch’ famil TNZ US ‘launch’ famil TNZ Global hui – 2 x famils 	Trade-ready products: Sanctuary Mountain Maungatautari, Hidden Lake Hotel, Rural Tours, Podium Lodge, Camjet, Helicorp, JetPark, SkyDive Hamilton, Riverside Adventures (Te Awa River Ride packages, cycle hire and shuttles)
Domestic consumer -Local, Hamilton & Waikato	<ul style="list-style-type: none"> Matariki June – July 2022 Always On Facebook Motorhome & Caravan Show Berry Activation 	Sanctuary Mountain Maungatautari, Hidden Lake Hotel, Te Awa – The Great NZ River Ride, Festival One, Te Miro Mountain Bike Park, Velodrome, Berry Picking, Cambridge township, Lake Karapiro, Camjet, Riverside Adventures (Te Awa River Ride packages, cycle hire and shuttles), Alpino, Punnet, Fieldays, Monavale Blueberries, What the Food
Domestic consumer - External Drive & Fly Markets	<ul style="list-style-type: none"> Matariki June – July 2022 Winter Campaign Always On Facebook Motorhome & Caravan Show 	Sanctuary Mountain Maungatautari, Hidden Lake Hotel, Te Awa – The Great NZ River Ride, Te Miro Mountain Bike Park, Velodrome, Berry Picking, What the Food, Cambridge township, Lake Karapiro, Camjet, Alpino, Punnet, Fieldays, Monavale Blueberries, Riverside Adventures (Te Awa River Ride packages, cycle hire and shuttles)
Domestic consumer – Chinese New Zealanders	Ongoing campaign activity has continued through our Weibo social media channel, blogs, community forums etc	Cambridge, Lake Te Koo Utu, Te Awa River Ride, What the Food, Alphra Lavender.
Domestic & International consumer and trade	2023 Hamilton & Waikato Regional Visitor Guide	Waipa profiled in ‘Regional Highlights’ section and ‘Cambridge’ and ‘Te Awamutu’ sections. Waipa based tourism operators advertised in their respective sections. Events based in Waipa have also been profiled in the ‘Events’ section.
Domestic & international consumer, travel trade and media	Quarterly e-newsletters distributed to our consumer, trade and media databases featuring: Hamilton Airport, Festival One, Long Course Weekend New Zealand, Lake Te Koo Utu Cambridge town, Fieldays 2022, Mystery Creek Events Centre, Camjet, Hidden Lake Hotel, Jet Park Hotel Hamilton Airport, Berry picking, Alphra Lavender, Sika Show, Te Awa River Ride, Riverside Adventures	
Domestic & International consumer	<p>Waipā profiled through HWT’s website and various social profiles including Facebook, Instagram, Twitter & YouTube, including:</p> <p>Fieldays 2022, Sanctuary Mountain Maungatautari, Te Awamutu, Te Ara Wai Journeys, Te Awamutu Rose Gardens, Te Awamutu Space Centre, Lake Ngaroto and Lake Serpentine , Alphra Lavender, Regent Theatre, Lake Ngaroto, Mt Pirongia Forest Park, Kaniwhaniwha Caves, Monavale Blueberries, Te Awa River Ride, Alpino Cambridge, Jet Park Hotel Hamilton Airport, Lake Te Koo Utu, Leamington, Lake Karapiro, Maungakawa Scenic Reserve, Tauwhare Berry Farm, Ruapane Lookout, Mount Pirongia, Mt Pirongia, Jet Park Hotel Hamilton Airport</p> <p>Events featured on social media: NZMCA Motorhome, Caravan & Leisure Show, Ride Holidays Karapiro 100K Flyer, Oktoberfest at the Raceway, Sika Show, Aladdin - The True-ish Story, Run The Runway, Cambridge New World Christmas Parade, Mad Doggerel Cabaret, Slow Fashion Op Shop Tour to Cambridge, Te Awamutu Annual Craft Fair, Music in the Vines.</p>	



Events and Incentives

Business Events

The HWT partnership model has been reconsidered with the restructured model successfully rolled out and included joint face to face meetings with partners. We have held two successful partner breakfast events.

We have presented seven regional conference bids in the last six months; proposals are proving hard to win due to funds provided from some of our other regional competitors.

The HWT Business Events team have attended MEETINGS, Corporate PA Summit, Office PA Show, AuSAE Linc Conference and tradeshow representing the Waikato as a business events destination to New Zealand and Australian buyers. Have also attended two AuSAE networking events and the BEIA Industry Conference.

We hosted two prestigious business events in region over the past six months, Tourism Summit Aotearoa and the NZ Tourism Awards. We also hosted a number of buyers along with some of our regional business events partners at our annual Wellington Soiree. Other joint hosted activities have included a Christchurch PCO dinner, International Hobbit Day, Wellington Association Executives lunch and an Auckland PCO luncheon. We also wrapped sales calls around those hosting visits and have met with event professionals in Auckland, Wellington, Christchurch and Waikato over the last six months.

We welcomed attendees to Tourism Summit Aotearoa on three pre famil itineraries and in early December we held a Waikato Mega Famil (first since 2019) which saw 13 quality buyers spend two days with us learning what the Waikato has to offer future delegates, we have already had numerous event business confirmed from this.

We have started to grow our regional business events image library with a joint Woundcare Conference shoot at Claudelands Conference & Exhibition Centre. We also grew image capacity with capturing our regional Mega famil as well as a shoot at Hamilton Gardens and Jet Park Hotel Hamilton. We have more imagery planned to shoot in the next 6 months including Riverside Adventures and Grassroots Trust Velodrome.

Thermal Explorer Regional Events Fund

The four regions of the Thermal Explorer Highway collective including Waikato, Rotorua, Taupō and Ruapehu were approved \$3.75 million for regional events by Tourism Minister Stuart Nash on 18 December 2020. The Regional Tourism Organisations (RTOs), alongside their council partners, developed a collaborative regional events investment plan to drive additional domestic visitation into their regions.

Hamilton & Waikato Tourism were selected as the Lead Entity for the Regional Events Fund across the four regions. The collaboration between Waikato, Rotorua, Taupō and Ruapehu has led to a strong and compelling event proposition for our four regions.

The bulk of the \$3.75 million fund has been allocated through a contestable funding process with successful events being supported over a three-year period. Two rounds of contestable funding have now been allocated. These two rounds have resulted in 34 events being allocated \$2.9million. This sees the contestable fund aspect fully utilised and allocated. There have been a number of events that have not been able to go ahead which has caused previously allocated funds to be returned. In December the panel agreed to move forward with a third contestable funding round. However, this round will be much smaller than previous rounds and is now open, due to close June 2023.

ThermEx capability workshops have been held online and in person over the last six months. Capability will continue for this sector over the next two years including a Thermal Explorer roadshow being planned centred around capability building, event development and feasibility initiatives.



Development and support

Product support provided to cultural operators across the region

The team have provided a variety of support services to our Maori tourism operators. Some of this support has been funded by STAPP/RESET funds allocated to provide consultants; attendance at capability building workshops; and other support has been by the way of one-on-one support with the HWT team:

- Te Ahurei Maori Tourism – now BRONZE Qualmark certified
- Sands of Kawhia Hotel
- Tainui Waka Tourism Inc
- Rangiriri Development
- Okū Tea
- Te Puna Wai Tours
- Move Your Tinana Kawhia (event)
- NZ Maori Tourism connections and strong relationship developing
- IBCPC Dragon Boat Event – connected organisers with local hapu for assistance

In addition, the HWT team have been working more with NZ Maori Tourism and have undertaken Te Reo lessons with Fraser High Schools's Adult Learning team.

Capability Building for the Industry

Our central Government STAPP and RESET funding has provided us with the opportunity to offer an accelerated capability building programme. Symposiums, workshops, webinars and one-on-one support has been provided to a range of operators throughout the region.

The funding timeframe was extended until June 2023 for this activity therefore, we have many more opportunities scheduled for the remainder of this financial year.

Ambassador programmes

Designed for anyone engaging with manuhiri (visitors) who come to the Waikato, our Ambassador Programmes help create storytellers and ambassadors who can connect with people and authentically engage with what all New Zealanders understand as 'manaakitanga' and 'kaitiakitanga'. There are five unique location centric programmes that will support Kirikiriroa Hamilton, Waikato, Waipā, Waitomo-Ōtorohanga and Matamata-Piako. Programmes have been promoted and commence in March 2023.

Regenerative Tourism

The Mighty Waikato Sustainability Programme has been developed in conjunction with InStep and has been launched to our operators late January. The Programme provides guidance to operators to measure what they do and identify changes to their business to achieve better regenerative outcomes. Operators will sign up by donating \$50 to Waikato RiverCare, then attend an individual sustainability coaching session with InStep. InStep will provide a report of the operator's sustainability actions, carbon emissions and recommendations for improvements. Our aim is to encourage 100 Waikato operators to participate in the programme.

We have introduced a Regenerative tourism section of waikatonz.com for operators, providing advice and resources to assist operators on their journey. The visitors section is underway.



Food & Beverage Tourism Strategy

We utilised STAPP funding to produce a Food & Beverage Tourism Market Development Strategy for the region. The strategy was developed with consultation from producers, hospitality sector, event managers and caterers. We are now implementing the strategy's action plan including:

- Development of an Advisory Group to share in the ownership of the strategy, to help guide direction for the action plan and collaborate on specific projects
- Content creation – new content created and existing refreshed for waikatoz.com, social media content created including Reels, specific media pitching and coverage (see above marketing media section)
- Image library asset creation – photo and video shoot in May in Hamilton, Raglan and Cambridge areas
- Development of a Waikato Provenance Mark – research project currently underway to explore if and what a provenance mark for the Waikato could look like.
- Conducting feasibility work towards developing a new event for the region.

Visitor Perceptions and Positioning

We engaged Angus & Associates to conduct research to ascertain what potential visitors think that Waikato has to offer. The research was updated with new survey data for the year ending December 2022. Key findings:

- 21% of NZers who travelled around NZ last year, visited Waikato
- 48% of NZ travellers associate Waikato with “Gardens, Parks and Reserves”
- 55% of NZ travellers agree that Waikato is a great place to visit for a short-term break
- 36% of NZ travellers agree that they would pay more for a regenerative tourism experience over an otherwise equivalent experience
- 71% agree that Waikato is either “highly appealing” or “somewhat appealing” as a destination to visit.
- However, 83% of those who have recently visited, said that the region is either “highly or somewhat” appealing.

And of our Australia visitors:

- 16% of Australians who travelled to NZ last year, visited Waikato
- 37% of Australian travellers associate Waikato with “Walking & Hiking”
- 65% of Australian travellers agree that Waikato is a great place to visit for a short-term break
- 50% of Australian travellers agree that they would pay more for a regenerative tourism experience over an otherwise equivalent experience
- 71% agree that Waikato is either “highly appealing” or “somewhat appealing” as a destination to visit.
- However, 97% of those who have recently visited, said that the region is either “highly or somewhat” appealing.

This research will now inform the work we are conducting with Miles Partnership to confirm what our Positioning Pillars are and how we then include these in our activity moving forward.

Residents Sentiment towards Tourism

This is another substantive research project carried out by Angus & Associates – this time ascertaining what our residents consider to be the benefits of tourism, and what are the challenges that tourism brings to their community. The first survey period was summer 2021/22, which has already been shared with councils. The results from the new survey, conducted over summer 2022/23, will be shared as results become available.

Insights tool

HWT partnered with Bay of Plenty, Ruapehu, Taupō and Tairāwhiti to develop a data/insights dashboard. This is simple to use, provides interactive filters to produce data for each district/TLA (where its available). This will help our reporting in the future.



Weather related State of Emergency

At the time of writing this report, a National State of Emergency has just been announced in response to the damage caused (and ongoing) from Cyclone Gabrielle, which has followed closely behind Cyclone Hale and been even more devastating.

With official advice being “delay travel” and only travel if absolutely necessary, visitation over the two long weekends has been much lower than we would have expected for this time of year. Our operators will be greatly impacted at a time when they had hoped to have some form of recovery over the summer period.

MBIE instigated the Visitor Support Emergency Advisory Group (VSEAG) to support visitors to Auckland. They then invited us, Northland and Coromandel to join the meeting; and extended again to include Tairāwhiti and Hawkes Bay. This group consists of TEC, TIA, TNZ, MBIE, NEMA, MFAT, DOC, Ministry of Education, Immigration NZ etc. The purpose of VSEAG is to support the emergency response when the emergency impacts large numbers of visitors and managing the response for those visitors; and then some small part in the “recovery” afterwards.

Sustainable Funding

Post Central Government Funding

As you are aware, HWT received funding from central Government as part of COVID recovery funding packages, as did all RTOs. This additional funding elevated our existing mahi and allowed further workstreams to be implemented. This funding has now been utilised, with some projects being granted extended timeframes to June 2023.

With this funding concluded, returning to our normal levels of funding will see our activity also return to pre-covid levels. Therefore, the projects/workstreams impacted are:

- Food & Beverage – we now have a fantastic Food & Beverage Tourism Market Development Strategy for the region and have created powerful assets. We will include the food and beverage offering within our usual work but will be unable to elevate further or fully realise the recommendations of the Strategy.
- Regenerative Tourism/Sustainability – we are providing our Mighty Waikato Sustainability Programme for operators until June, and then will need to cease any major work towards this including subsidising the operator assessments.
- Communications Specialist – this was a 12-month fixed term position which enabled increased content creation and cut-through with media articles and coverage. This activity will return to pre-covid levels.
- Ambassador programmes – the 4 additional programmes have been created and workshops will be provided free of charge while this funding is available until the end of June 23. After this funding, we will need to charge an attendance fee to cover the associated costs.
- Capability Building - work will continue as per pre-covid plans – two symposiums per year and our Development Manager available to support operators. However, the extensive and intensive workshop programme which was provided to operators free of charge will no longer be possible to deliver.
- Marketing campaigns - domestic, international and business events promotional activities were elevated and increased in frequency with this funding. This activity will return to pre-covid levels.

Hamilton & Waikato TOURISM

- Mighty Local campaign – this activity was launched during Covid. Building on existing efforts the increased focus on targeting locals proved incredibly beneficial in building ongoing awareness of our visitor offerings. This activity will return to pre-covid levels.
- Attraction of Business Events was increased during this period. We were able to host more event buyers in region and out of region than we are typically able to with usual levels of funding.

We are grateful for the funding we receive, however sustainability delivering to the now elevated stakeholder expectations while also managing rising implementation costs will become challenging. We will need to work with councils to either seek increased funding or decrease expectations.

The above information and comments are not provided for resolution for this council reporting period but are intended to highlight the discussions that we'll be seeking during the next Long Term Plan process.

Conclusion

As we continue to lead the sector with recovering from the impacts of covid, and now cyclones, our key focus areas for the remainder of the financial year and the coming year includes:

- further embedding the Destination Management Plan into our activities
- continuing to assist and encourage operators to embed Regenerative Tourism and sustainability measures into their activity
- delivering the new Ambassador programmes for Waipā, Ōtorohanga-Waitomo, Waikato and Matamata-Piako districts
- supporting event organisers, venues and suppliers with new methods of hosting events
- continuing to work with our industry to develop capability
- delivering enhanced capability building opportunities with the Regional Events Fund for Waikato, Rotorua, Ruapehu and Taupō
- delivering the remaining programmes of work funded under STAPP/Reset
- continuing to lobby and advocate for the tourism sector with Government.

On behalf of the board and management of Hamilton & Waikato Tourism, we thank Waipā District Council, our local government partners and the industry for their continued support. Your proactive support is greatly appreciated by the tourism sector and our community.

Nicola Greenwell

Chief Executive
Hamilton & Waikato Tourism
March 2023

COMMITTEE REPORT



To: The Chairperson and Members of the Finance and Corporate Committee

From: Financial Accountant

Subject: **Eight Month Report to 28 February 2023**

Meeting Date: 28 March 2023

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

The Eight Month Report for the period ended 28 February 2023 is included as Appendix 1.

2 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Finance and Corporate Committee

- a) *Receives the report of Nada Milne, Financial Accountant, titled 'Eight Month Report to 28 February 2023', (document number 10981297); and*
- b) *Approves the following 2022/23 funding requests and budget changes:*
 - *A decrease of FIVE MILLION, TWO HUNDRED AND SEVENTY-ONE THOUSAND DOLLARS (\$5,271,000) for Development and Reserve Contributions revenue, due to delays in development timing. This will result in less funds in the Development Contributions Reserves;*
 - *An increase of ONE MILLION, TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$1,250,000) for the Wastewater budget for Hautapu East (C10) Wastewater Development, this is bringing forward this funding from the 2024/25 year. This will be funded from Development Contributions;*
 - *An increase of ONE MILLION DOLLARS (\$1,000,000) for the Water Treatment & Supply budget for Cambridge Fire and LOS upgrades, this is bringing forward this funding from the 2023/24 year. This will be loan funded;*
 - *An increase of ONE MILLION DOLLARS (\$1,000,000) for the Water Treatment & Supply budget for District Wide Reservoir Renewals, this is bringing forward this funding from the 2023/24 year. This will be funded from the Water Supply reserve;*

- An increase of ONE MILLION DOLLARS (\$1,000,000) for the Transportation budget for C1 Structure Plan Roothing, this is bringing forward this funding from the 2023/24 year. This will be funded from Development Contributions;
- An increase of FIVE HUNDRED AND NINETY EIGHT THOUSAND DOLLARS (\$598,000) for the Wastewater budget for Cambridge Growth Cell Wastewater Provision, this is bringing forward this funding from the 2023/24 year. This will be funded from Development Contributions;
- An increase of THREE HUNDRED AND SEVENTY THOUSAND DOLLARS (\$370,000) for the Stormwater budget for Cambridge Growth Cell SW Development Provision C1, this is bringing forward this funding from the 2023/24 year. This will be funded from Development Contributions; and
- An increase of THREE HUNDRED THOUSAND DOLLARS (\$300,000) for the Parks & Reserves budget for Storm Damage. This will be funded from the General Insurance reserve.

3 COMMENTARY - KŌRERO

This Eight Month Report is for the period ended 28 February 2023.

The financial statements show the results for the eight months ended 28 February 2023 compared with the 2022/23 budget and the forecast to the end of the financial year.

The Eight Month Report also provides an indication of the progress made with the measures, targets and key projects set out in the 2021-31 Long Term Plan.

The non-financial reporting features the traffic light indicator system. Updates on exceptions from the Organisational Plan, Key Performance Indicators, community engagement strategy and a non-financial performance overview are also included in this report.

4 APPENDIX - ĀPITITANGA

No:	Appendix Title
1	Eight Month Report to 28 February 2023 (10975165)



Nada Milne
FINANCIAL ACCOUNTANT



Reviewed by Jolanda Hechter
MANAGER FINANCE



Approved by Ken Morris
DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

APPENDIX 1

Eight Month Report to 28 February 2023 (document number 10975165)



EIGHT MONTH REPORT

FOR THE PERIOD ENDED
28 FEBRUARY 2023

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Financial Overview

For the period ended 28 February 2023

The financial statements show the results for the eight months ended 28 February 2023 compared with the annual budget and the forecast to year end. The forecasted operating surplus of \$23.6 million is \$21.6 million lower than the budget of \$45.2 million, reasons for the variance are set out below:

Total operating revenue is forecast to be approximately \$16 million lower than budget, with the following key factors contributing to this:

- Fees and charges revenue is forecast to be \$2.7 million higher than budget. This is mainly due to:
 - Increase in revenue for property sales of \$1.3 million.
 - Increase in revenue for forestry harvesting of \$800,000.
 - Increase in revenue for Residential House Rent of \$355,000.
 - Increase in revenue for Waste Minimisation of \$320,000 due to additional external funding.
 - Increase in revenue for non-core properties of \$269,000 for the sale of paper roads.
 - Decrease in revenue for Building fees of \$262,000 due to downturn in current growth climate.
 - Decrease in revenue for Resource Consent fees of \$115,000 due to downturn in current climate.
- Development and Reserve contributions are forecast to be \$13.7 million lower than budget based on revised estimates of development timing.
- Subsidies and Grants are forecast to be \$5.2 million lower than budget. This is made up of:
 - Decrease in external funding revenue of \$2.1 million for Te Ara Wai.
 - Decrease in external funding revenue of \$1.9 million for cemetery land.
 - Decrease in external funding revenue of \$1.4 million for the Cycling Te Awamutu/Ngaroto/Pirongia connection.

Total operating expenditure is forecast to be \$5.6 million higher than budget. This is mainly due to the following:

- Employee Benefit expenses are forecasted to be \$1 million lower than budget due to vacant positions. This is offset by an increase in consultancy costs and agency staff coupled with a decrease in internal charging.
- Other expenses are forecast to be \$5.7 million higher than budget. This category includes costs such as maintenance, administration and consulting. The major variances relate to:
 - Operating carry forwards of \$2.8 million from 2021/22. This includes balances for the Community Board Grants, Community Arts, District Promotion Fund grants, Town Concept Plans and Structure Plans.
 - Increase in operating expenditure for District Plan consultancy of \$835,300.
 - Increase in expenditure for agency staff and consultancy of \$658,000.
 - Increase in expenditure for 'as a service software' maintenance of \$538,000.
 - Increase in expenditure for commercial property seismic building assessments of \$379,000.
 - Increase in expenditure for parks and reserve Cyclone Gabrielle storm damage of \$300,000.
 - Increase in expenditure for building legal dispute costs of \$258,000.
 - Increase in expenditure for Joint Management of Treaty Settlement sites of \$257,000.
 - Decrease in expenditure for forestry replanting of \$296,000.
 - Decrease in expenditure for District-Wide Wastewater Pipe Condition assessment & infiltration study of \$200,000 due to savings in budget from decreased costs.
 - Decrease in expenditure for District-Wide leak & Condition investigation of \$150,000 due to savings in budget.
- Finance costs are forecasted to be \$898,000 higher than budget due to higher than anticipated interest rates.

Full variance explanations for each Activity are in the Group of Activities section of this report under the Cost of Service Statements.

Capital Expenditure

Capital expenditure is forecasted at \$158.5 million compared to a budget of \$187.9 million. The table below summarises the capital forecast movements.

Capital forecast movement	\$000
Carry forwards from 2021/22 to the current year to complete contracts	26,809
Capital Work brought forward	7,769
Capital work not budgeted for – includes cost of work that is higher than what was anticipated	11,027
Savings in project costs	(150)
Projects deferred to future years	(74,561)
Total net changes	(29,106)

Explanation of significant capital variances – also detailed under each activity.

- The significant variances in capital work brought forward relate to:

Changes since 4 month report (October 2022)

- \$1.25 million brought forward from 2024/25 for Hautapu East C10 Wastewater development as we seek to bring forward construction.
- \$1 million brought forward from 2023/24 for Cambridge Fire & Water LOS upgrades to align with the construction program.
- \$1 million brought forward from 2023/24 for District Wide Reservoirs Renewal due to development timing.
- \$1 million brought forward from 2023/24 for C1 Structure Plan Rooding due to development timing.
- \$598,000 brought forward from 2023/24 for Cambridge Growth Cell Wastewater Provision due to development timing.
- \$370,000 brought forward from 2023/24 for Cambridge Growth Cell Stormwater Development Provision C1 due to development timing.
- \$200,000 brought forward from 2024/25 for Hautapu East (C10) Water Development due to construction starting this year.
- \$100,000 brought forward from 2023/24 for Collective Hydro Lakes to complete construction this year.

Previously reported in the 4 month report:

- \$550,000 brought forward from 2024/25 for Sport Field Improvement due to development timing.
- \$500,000 brought forward from 2023/24 for Existing Hautapu Industrial Area Stormwater due to development timing.
- \$475,000 brought forward from 2025/26 for C8 Hautapu Industrial Reserve Land due to development timing.
- \$460,000 brought forward from future LTP years for Alpha Street Water Treatment Plant upgrade due to development timing.

2. The significant variances in capital work not budgeted relates to:

Changes since 4 month report (October 2022):

- \$824,000 increase in forecast for development land purchase Grasslands Drive as per council resolution.
- \$720,000 increase in forecast for the purchase of 22 Milicich Place as per council resolution.
- \$685,000 increase in forecast for Cambridge Growth Cell roading land purchases as per council resolution.

Previously reported in the 4 month report:

- \$3.1 million increase in forecast for Cambridge Growth Cell Wastewater provision C2/C3. This is funded from development contributions.
- \$2 million increase in forecast for Cambridge Growth Cell Roding land purchases C1. This is funded from development contributions.
- \$1.8 million increase in forecast for Community Property purchases – 106 Herbert Street, Kihikihi. This is loan funded.
- \$1.2 million increase in forecast for the Victoria Bridge Repainting and Structural repairs. This is funded from reserves/external funding.
- \$565,000 increase in forecast for the Western arterial purchase of land. This is loan funded.
- \$115,000 increase in forecast of the Maungatautari – Hicks Road formation. This is loan funded.

3. The significant variances in capital budget savings relate to:

Changes since 4 month report (October 2022):

- \$150,000 for T1/T2 Water Servicing due to cost savings in budget from contract mainly complete.

4. The significant projects deferred to the 2023/24 year and beyond are:

Changes since 4 month report (October 2022):

- \$14.5 million for Hautapu growth projects due to development timing.
- \$2.1 million for District wide pipe upgrades Cambridge Rd to Christie Ave due to timing of construction.
- \$1.million for Victoria Bridge Painting Substructure due to development timing.
- \$1 million for Bond Rd stormwater culvert upgrades due to land purchase under negotiations.
- \$750,000 for Design & Build Te Ara Wai to align with development timing.
- \$700,000 for playground reserve land CB North due to development timing.
- \$500,00 for Dog pound development due to delays with property location.
- \$375,000 for the Cambridge water tower upgrade due timing delays.
- \$300,000 for Stormwater land purchases due to development timing.

Previously reported in the 4 month report:

- \$13 million of Cambridge Growth Cell due to development timing.
- \$8.3 million of Hautapu Growth projects due to development timing.
- \$5.8 million for Cycling – Te Awamutu/Ngāroto/Pirongia Connection due to timing of construction.
- \$3.7 million for Cambridge North Growth Cell projects due to development timing.
- \$2.7 million for Picquet Hill Plan Change Roding due to development timing.

- \$2.4 million for Cambridge Growth Cell Wastewater provision C2/C3
- \$2.1 million for New Pensioner housing construction due to development delays.
- \$1.6 million for T9/T10 New Collector Road and walkway due to development timing.
- \$1.4 million for Finlay Detention Ponds/Houchens Pond due to development timing.
- \$850,000 for Frontier Road Plan Change Rooding due to development timing.
- \$826,000 for Colgan Street Property development due to timing delays.
- \$575,000 for district wide cycling projects due to development timing.

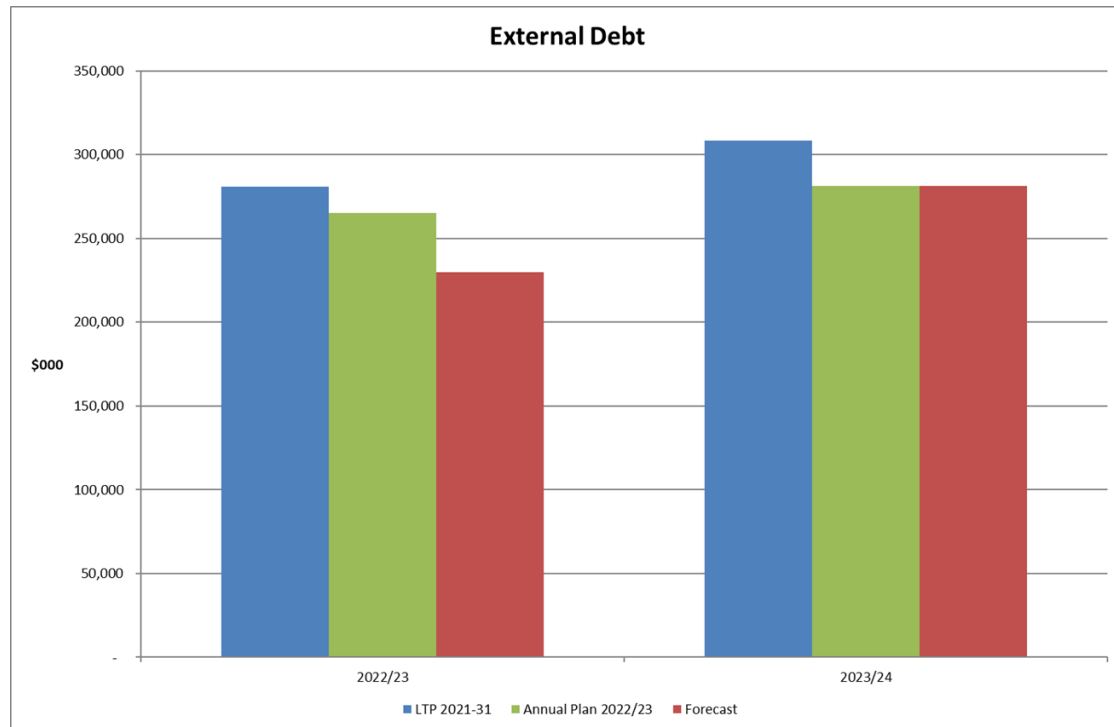
Treasury Management

The balance of external loans as at 28 February 2023 is \$191 million. It is anticipated Council will take out a further \$39 million of external loans this financial year, the year-end balance is forecast to be \$230 million. \$265 million of external closing debt was originally budgeted in the Annual Plan (2022/23).

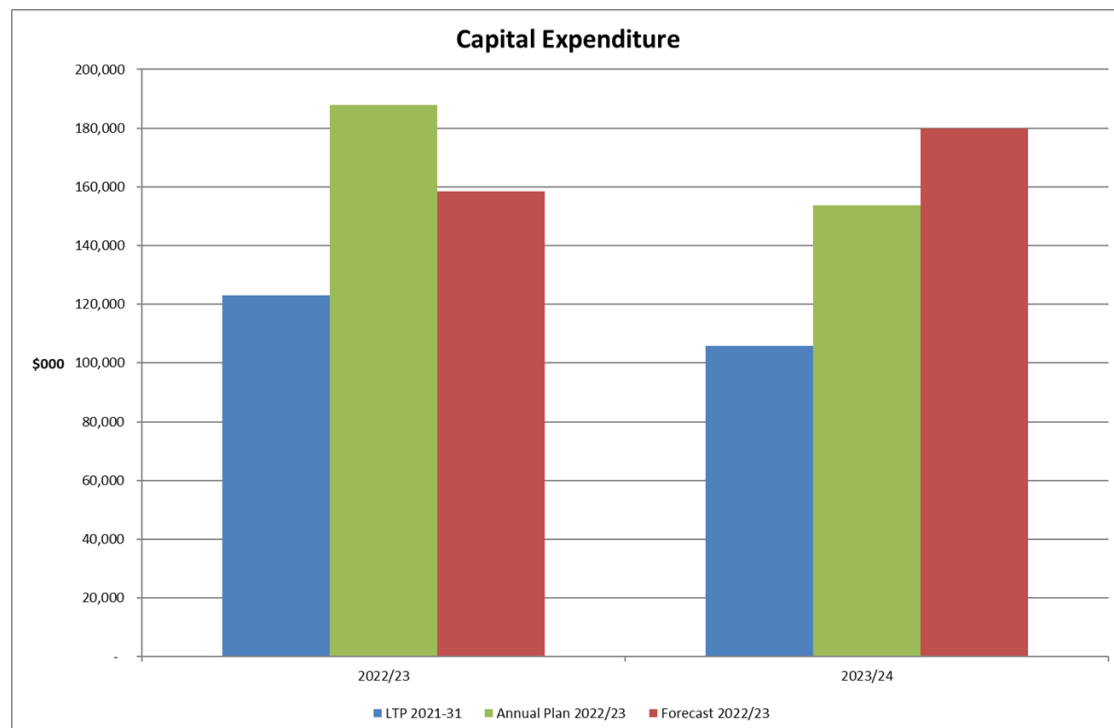
Debt movement		\$000
Opening cash position Annual Plan 2021/22		5,383
Less:	Capital Project increases after February forecast	(28,591)
Plus:	Timing of Trade Payables / Trade Receivables	3,338
	Expenditure lower than February Forecast (includes employee benefits and other expenses)	10,856
	Revenue higher than February Forecast (includes DC's, interest, subsidies and grants)	26,692
Opening cash balance 1 July 2022		17,678

Debt movement		\$000
Opening cash balance 1 July 2022		17,678
Less:	Carry forwards from 2021/22	(26,809)
	Cash movement in revenue and expenditure – October & February Forecast	(22,945)
Plus	Capital expenditure movement – October & February Forecast (excluding External Funding)	55,915
	Timing of Trade Payables / Trade Receivables	5,846
Adjustment to Cash and/or Debt		29,685
Represented by:		
External Debt Decrease		35,000
Decrease in Cash Balance		(5,315)

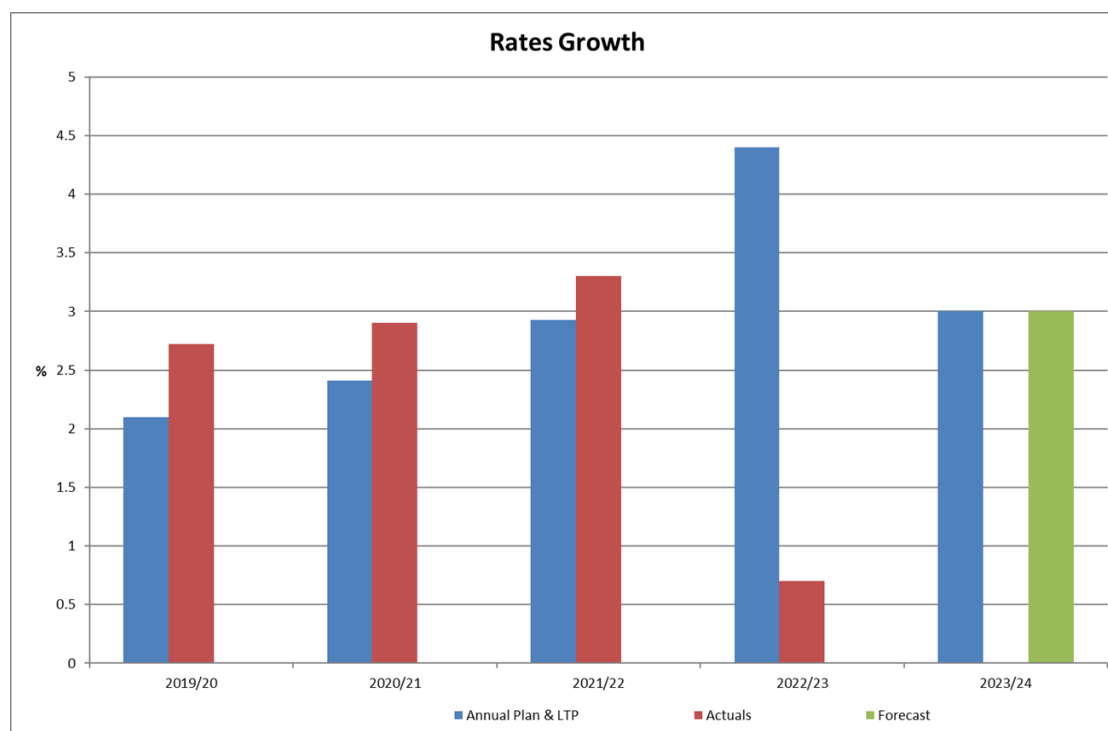
Financial Planning Implications of Forecast Changes Going Forward



The changes in level of external debt have been derived from the February 2023 forecast. The 2022/23 and 2023/24 forecasts have been updated to reflect the revised timing of capital spend.



The changes in capital expenditure have been derived from the February 2023 forecast. The 2022/23 and 2023/24 forecasts have been updated to reflect the revised timing of capital spend.



The level of growth achieved in the 2022/23 year to date is 0.7 percent. At this stage we remain hopeful of achieving the 4.4 percent estimate although we recognise there is risk in this. Our current expectation is also that we achieve our 2023/24 year target.

Financial Risks

Risk	Assumptions 2022/23 (Annual Plan)	Status Update
Borrowing & Interest Rates	1.93 percent	Council's current average borrowing rate is 3.10 per cent, this is higher due to increased borrowing rates
Development Contribution Revenue	\$23 million	Forecast at \$10.7m due to changes in development timing
Growth – Impact on Rates	4.4 percent	We have currently achieved 0.7 percent but are hopeful to achieve target by year end
Inflation	2.0 percent	No change in assumption, but will be higher
Central Government Subsidy Payments	\$10 million	No change in assumption

Statement of Comprehensive Income

For the period ended 28 February 2023

	2022/23	2022/23		2022/23	Budget	Budget	Budget	2021/22
		Full Year		Full Year	Variance	Variance	Variance	YTD
	Notes	Actual	Forecast	Forecast	Carryforward	Previously	This Period	Last Year
		\$000	\$000	%	\$000	from 21/22	\$000	\$000
OPERATING INCOME								
Rates, excluding targeted water supply rates		43,596	64,546	68%	64,546	-	-	40,155
Fees, charges, and targeted rates for water supply		19,051	39,269	49%	36,617	-	3,134	18,415
Reserve contributions		372	1,219	31%	2,152	-	(272)	247
Development contributions		2,482	10,661	23%	23,388	-	(7,456)	3,485
Gain on revaluation of investment properties & forestry		-	450	0%	450	-	-	-
Vested assets		10,518	12,126	87%	12,126	-	-	2,911
Discovered assets		7,247	-		-	-	-	15
Dividends		83	20	415%	20	-	-	3
Finance income		274	191	143%	15	-	176	31
Subsidies and Grants		4,642	11,745	40%	16,928	-	(3,116)	10,446
Other revenue		275	454	61%	453	-	-	244
Total Operating Income		88,540	140,681	63%	156,695	-	(7,534)	75,952
OPERATING EXPENDITURE								
Employee benefit expenses		19,064	31,103	61%	32,147	-	(11)	18,050
Depreciation & amortisation		22,271	31,848	70%	31,848	-	-	20,003
Other expenses		38,669	50,358	77%	44,610	2,831	2,125	23,318
Finance costs		3,047	3,790	80%	2,892	-	898	1,175
Total Operating Expenditure		83,051	117,099	71%	111,497	2,831	3,012	62,546
OPERATING SURPLUS		5,489	23,582	23%	45,198	(2,831)	(10,546)	13,406
Other Comprehensive Income recognised directly in Equity								
Property Plant and Equipment								
Revaluation gains/(losses) taken to equity		-	81,490	0%	81,490	-	-	-
Cash flow hedges		-	1,292	0%	1,292	-	-	-
Total Other Comprehensive Income for the year		-	82,782	0%	82,782	-	-	-
Total Comprehensive Income for the year		5,489	106,364	5%	127,980	(2,831)	(10,546)	13,406

* Any Operating surpluses generally come from non-cash items. Council budgets for a general funds cash breakeven position.

- Increase in fees and charges revenue of \$2.7 million is mainly due to:
 - Increase in revenue for property sales of \$1.3 million.
 - Increase in revenue for forestry of \$800,000 due to timing of harvesting.
 - Increase in revenue for additional residential house rent of \$355,000 due to purchase of additional residential housing.
 - Increase in revenue for Waste Minimisation of \$320,000 due to additional external funding.
 - Increase in revenue for non-core paper road sales of \$269,000.
 - Decrease in revenue for building fees of \$262,000 due to downturn in current economic climate.
 - Decrease in revenue for resource consents of \$115,000 due to downturn in current economic climate.
- Development and Reserve contributions are forecast to be \$13.7 million lower than budget based on revised estimates of development timing.
- Subsidies and Grants are forecast to be \$5.2 million lower than budget. This is mainly due to:
 - Decrease in external funding revenue of \$2.1 million for Te Ara Wai deferred to the 2023/24 year.

- Decrease in external funding revenue of \$1.9 million for cemetery land acquisition, with these funds due to come from a property sale which has been delayed.
 - Decrease in external funding revenue of \$1.4 million for the cycling Te Awamutu/Ngaroto/Pirongia connection which has been deferred to the 23/24 year.
4. Decrease in Employee Benefit expenses of \$1 million lower than budget due to current vacant positions. This is offset by an increase in consultancy costs and agency staff coupled with a decrease in internal charging.
5. Increase in other expenses of \$5.7 million, the major variances are:
- Operating carry forwards of \$2.8 million from 2021/22. This includes balances for the Community Board Grants, Community Arts, District Promotion Fund grants, Town Concept Plans and Structure Plans.
 - Increase in agency staff and consultancy of \$658,000 offset by lower employee benefits.
 - Increase in expenditure for 'as a service software' maintenance of \$538,000 due to additional licenses required.
 - Increase in expenditure for commercial property seismic building assessments of \$379,000.
 - Increase in expenditure for parks and reserve storm damage of \$300,000.
 - Increase in expenditure for building legal dispute costs of \$258,000.
 - Increase in expenditure for Joint Management of Treaty Settlement sites of \$257,000.
 - Decrease in expenditure for forestry replanting of \$296,000.
 - Decrease in expenditure for DW Wastewater Pipe Condition assessment & infiltration study of \$200,000 due to savings in budget from decreased costs.
 - Decrease in expenditure for DW leak & Condition investigation of \$150,000 due to savings in budget.
6. Finance costs are forecasted to be \$898,000 higher than forecast due to higher than anticipated interest rates.

Summary Cost of Service

For the period ended 28 February 2023


	2022/23	2022/23		2022/23	Budget	Budget	Budget	2021/22
		Full Year		Full Year	Variance	Variance	Variance	UserDefined
	Actual	Forecast	Forecast	Budget	Carryforward	Previously	This Period	Last Year
	\$000	\$000	%	\$000	from 21/22	Reported	\$000	\$000
Revenue								
Governance & Strategic Direction	50	111	45%	112	-	4	(5)	44
Planning and Regulatory	4,125	6,561	63%	7,023	-	(14)	(448)	3,922
Community Services and Facilities	4,119	17,349	24%	19,686	-	(270)	(2,067)	3,250
Roads and Footpaths	4,878	11,335	43%	11,332	-	27	(24)	4,584
Stormwater	10	9	111%	9	-	-	-	31
Wastewater Treatment and Disposal	939	1,363	69%	1,363	-	-	-	421
Water Treatment and Supply	9,295	13,123	71%	13,123	-	-	-	6,426
Support Services*	285	371	77%	106	-	270	(5)	7,971
GROSS REVENUE	23,701	50,222	47%	52,754	-	17	(2,549)	26,649
Less Internal Charges	(10,896)	(16,343)	67%	(16,343)	-	-	-	(7,917)
NET INCOME	12,805	33,879	38%	36,411	-	17	(2,549)	18,732
Expenditure								
Governance & Strategic Direction	6,775	11,179	61%	9,503	1,525	167	(16)	5,214
Planning and Regulatory	7,357	12,512	59%	11,806	195	653	(142)	5,011
Community Services and Facilities	20,276	32,776	62%	31,132	882	566	196	11,421
Roads and Footpaths	21,231	24,570	86%	24,286	-	345	(61)	13,258
Stormwater	4,418	4,656	95%	4,698	-	(42)	-	3,746
Wastewater Treatment and Disposal	11,059	14,460	76%	14,764	-	(304)	-	5,297
Water Treatment and Supply	10,080	14,115	71%	14,347	-	(232)	-	7,592
Support Services	12,103	19,069	63%	18,096	229	960	(216)	8,104
GROSS EXPENDITURE	93,299	133,337	70%	128,632	2,831	2,113	(239)	59,643
Less Internal Charges	(10,896)	(16,343)	67%	(16,343)	-	-	-	(7,917)
Less rates charged to Council properties	(744)	(1,459)	51%	(1,459)	-	-	-	(270)
NET EXPENDITURE	81,659	115,535	71%	110,830	2,831	2,113	(239)	51,456

* This includes internal charges

Refer individual Costs of Service Statements for explanation on variances.

Statement of Equity

For the period ended 28 February 2023

	2022/23 Year to Date Actual \$000	2022/23 Full Year Forecast \$000	Forecast %	2022/23 Full Year Budget \$000	Budget Variance \$000	2021/22 Full Year \$000
Balance at 1 July	2,020,393	2,020,393	100%	1,863,165		1,849,590
Total comprehensive income previously reported	5,489	106,364	5%	127,981	(21,617)	170,803
Balance at 30 June	2,025,882	2,126,757 	95%	1,991,146	(21,617)	2,020,393

Statement of Financial Position

As at 28 February 2023

	Notes	2022/23 Year to Date Actual \$000	2022/23 Full Year Forecast \$000	Forecast %	2022/23 Full Year Budget \$000	2021/22 Full Year \$000
ASSETS						
Current Assets						
Cash and cash equivalents	1	19,033	12,363	154%	2,615	17,678
Other financial assets		-	-		-	-
Investments in CCO's		3,478	-		-	-
Assets held for sale		-	85	0%	-	85
Trade and other receivables		1,428	2,276	63%	790	7,015
Total Current Assets		23,939	14,724	163%	3,405	24,778
Non Current Assets						
Trade and other receivables		-	11	0%	13	11
Property plant and equipment		2,129,613	2,278,858	93%	2,217,267	2,084,565
Intangible Assets		4,924	4,588	107%	2,913	4,588
Forestry Assets		3,388	3,428	99%	3,075	3,388
Investment Properties		35,521	35,846	99%	19,823	35,436
Investments in CCO's		33,568	36,308	92%	25,323	36,308
Total Non Current Assets		2,207,014	2,359,039	94%	2,268,414	2,164,296
Total Assets		2,230,953	2,373,763	94%	2,271,819	2,189,074
LIABILITIES						
Current Liabilities						
Trade and other payables		10,592	13,396	79%	12,470	15,605
Provisions		128	162	79%	162	128
Employee benefit liabilities		2,623	2,721	96%	2,032	2,721
Borrowings	2	57,500	57,500	100%	37,000	45,500
Derivative financial instruments		-	-		-	-
Total Current Liabilities		70,843	73,779	96%	51,664	63,954
Non Current Liabilities						
Trade and other payables		-	-		250	-
Derivative financial instruments		174	174	100%	-	174
Provisions		553	553	100%	759	553
Borrowings	2	133,500	172,500	77%	228,000	104,000
Total Non Current Liabilities		134,227	173,227	77%	229,009	104,727
Total Liabilities		205,070	247,006	83%	280,673	168,681
EQUITY						
Retained Earnings		609,103	656,382	93%	605,987	603,877
Other reserves		1,416,780	1,470,375	96%	1,385,159	1,416,516
Total Equity		2,025,883	2,126,757	95%	1,991,146	2,020,393

1. Refer to table on page 8 showing factors in debt and cash movements.
2. The balance of external loans as at 28 February is \$191 million. It is anticipated that Council will take out a further \$39 million of external loans this financial year bringing the forecast end of financial year loan balance to \$230 million. Refer to table on page 8 showing factors in debt and cash movements.

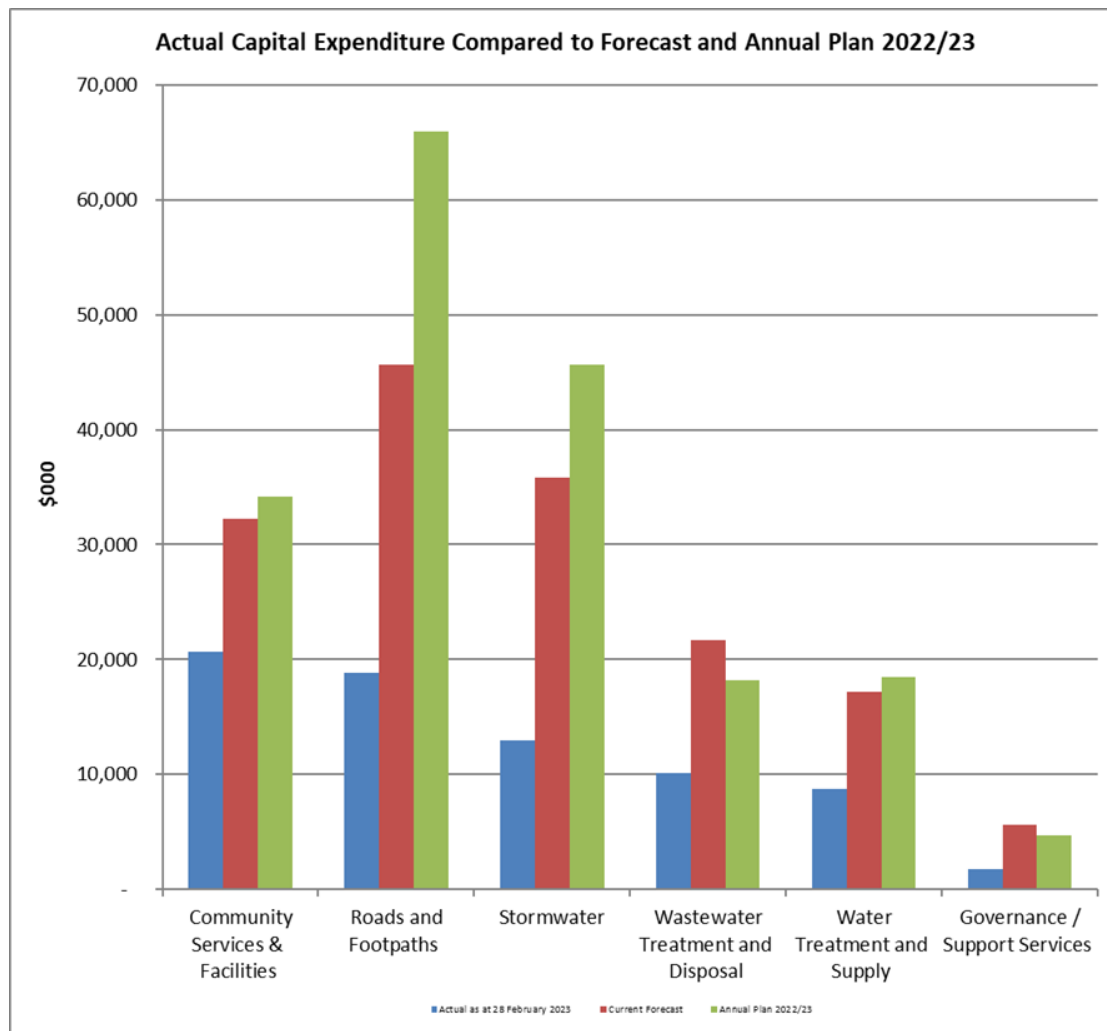
Statement of Capital Expenditure

As at 28 February 2023

	Full Year			Full Year	Budget	Budget	Budget	YTD
	Actual	Forecast	Forecast	Budget	Variance Carryforward from 21/22	Variance Previously Reported	Variance This Period	Last Year
	\$000	\$000	%	\$000	\$000	\$000	\$000	\$000
Water treatment and supply	8,761	17,219	51%	18,470	1,930	(3,871)	690	6,152
Waste water	10,113	21,644	47%	18,234	6,958	(3,854)	307	5,819
Transportation	18,816	45,649	41%	65,987	4,836	(24,467)	(706)	21,884
Stormwater	12,963	35,858	36%	45,674	5,452	(15,152)	(116)	15,194
Community Services & Facilities	20,671	32,289	64%	34,169	5,774	(8,144)	491	10,535
Governance	129	-	0%	-	-	-	-	-
Support services	1,620	5,569	29%	4,712	1,729	(140)	(732)	1,114
Planning & Regulatory	51	246	21%	616	130	(500)	-	21
	73,124	158,474	46%	187,862	26,809	(56,128)	(66)	60,719
Vested Assets (included above)					Carryforward from 21/22	Previously Reported	This Period	
Water treatment and supply	2,066	2,826	73%	2,826	-	-	-	727
Waste water	2,234	1,876	119%	1,876	-	-	-	640
Roads and Footpaths	1,644	4,509	36%	4,509	-	-	-	1,013
Stormwater	3,784	2,914	130%	2,914	-	-	-	532
	9,728	12,125	80%	12,125	-	-	-	2,912
Totals excluding Vested					Carryforward from 21/22	Previously Reported	This Period	
Water treatment and supply	6,695	14,393	47%	15,644	1,930	(3,871)	690	5,425
Waste water	7,879	19,768	40%	16,358	6,958	(3,854)	307	5,179
Roads and Footpaths	17,172	41,140	42%	61,478	4,836	(24,467)	(706)	20,871
Stormwater	9,179	32,944	28%	42,760	5,452	(15,152)	(116)	14,662
Community Services & Facilities	20,671	32,289	64%	34,169	5,774	(8,144)	491	10,535
Governance	129	-	0%	-	-	-	-	-
Support services	1,620	5,569	29%	4,712	1,729	(140)	(732)	1,114
Planning & Regulatory	51	246	21%	616	130	(500)	-	21
	63,396	146,349	43%	175,737	26,809	(56,128)	(66)	57,807

Capital expenditure is forecast at \$158.4 million compared to a budget of \$187.9 million. Capital expenditure to date is \$73.1 million which is 46% of the forecast.

The graph below summarises the capital expenditure for each significant activity.



Treasury Management Report

INVESTMENT POLICY (Treasury Management Policy)

1. Market Commentary

The Official Cash Rate is 4.75% set 22 February 2023.

2. Cash and Treasury Investments

	S&P Rating - Short (Long) Term	Total Short Term Investments	Policy Limit (\$)	%	Policy Limit (%)	Policy Compliance
Registered Banks						
ASB Bank Limited	A-1+(AA-)	19,026,661	40,000,000			✓
ANZ Bank New Zealand Limited	A-1+(AA-)	-	40,000,000			✓
Bank of New Zealand	A-1+(AA-)	-	40,000,000			✓
Westpac Banking Corporation	A-1+(AA-)	-	40,000,000			✓
Total Registered Banks		19,026,661		100.0%	≤100%	✓
Local Authorities	N/A	-	10,000,000			✓
Total Local Authorities and Other Issuers		-		0.0%	≤50%	✓
Total Investments		19,026,661		100%		

Commentary

There are no policy breaches.

Cash and Cash Equivalents on the Statement of Financial Position is \$19 million which includes bank accounts and LGFA borrower notes. LGFA borrower notes are excluded from the local authorities actuals as they relate to borrowing not to investment.

BORROWING POLICY (Treasury Management Policy)

3. External Borrowing Maturity Profile

	Total Debt	2022/23	2023/24	2024/25 Onwards
Total Existing	191,000,000	57,500,000	28,000,000	105,500,000
Total Forecast Borrowing at year end	230,000,000	-	57,500,000	172,500,000

Commentary

Existing borrowing maturing this financial year is \$57.5 million. It is anticipated that Council will take out a further \$39 million of new debt this financial year.

4. Refinancing

Existing Debt to be Refinanced this year

-

Policy Compliance

✓

Policy Parameters - No more than \$70 million of outstanding external debt is subject to refinancing over the next 12 months or any rolling 12 month period thereafter.

5. Weighted Average Borrowing Rate

3.10%

Other Treasury Matters

Internal Loans

	28/02/2023	30/10/2022	30/06/2022
	\$000	\$000	\$000
Development Contribution Loans	79,950	79,591	79,315
Governance	1,473	1,473	1,870
Planning & Regulatory	676	676	760
Community Services & Facilities	40,262	40,262	42,019
Roads & Footpaths	13,395	13,395	15,173
Stormwater	-	-	-
Wastewater	18,249	18,249	20,261
Water Treatment & Supply	24,197	24,197	24,857
Support Services	9,447	9,447	10,073
Arbitrage Debt	-	-	-
Total Debt	187,649	187,290	194,328
Less External Debt	191,000	174,000	149,500
Arbitrage Debt	-	-	-
Balance External Debt	191,000	174,000	149,500
Internal Loans	-	3,351	13,290
			44,828

Net Debt

	28/02/2023	31/10/2022	30/06/2022	28/02/2022	31/10/2021	30/06/2021	28/02/2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total External Loans	191,000	174,000	149,500	129,500	114,000	151,869	151,869
Less Total Investments	22,500	25,400	17,678	21,400	5,110	13,979	13,979
Net Debt	168,500	148,600	131,822	108,100	108,890	137,890	137,890

Forecast 30 June 2023 Net Debt

	30/06/2023
	\$000
Total External Loans	230,000
Less Total Investments	12,363
Net Debt	217,637

Organisational Performance Overview

A brief overview of organisational achievements for the four months November 2022 to February 2023 is outlined below.

The 2021-22 Annual Report was adopted by Council with a new look and feel in December 2022. Council continued progress on the delivery of the second year of the capital works program adopted through Council's 2021-31 Long Term Plan and work accelerated on Ahu Ake, Council's Community Spatial Plan with community engagement commenced. Once completed, Ahu Ake will provide a district wide platform for the development of Council's 2024-34 Long Term Plan.

While Waipā was fortunately less affected than some surrounding regions Cyclone Gabrielle did cause some damage across the District, mainly related to trees falling or being compromised. Clean up is expected to take some months and cost approximately \$300,000. Waipā District Council staff supported the emergency management response in the Western Waikato area and at a regional level.

Level of service results continue to be disrupted by the unexpected closure of the Te Awamutu Annex and Museum for health and safety reasons. This continues to adversely impact the ability for museum related activities to meet the performance measure targets set out in the Long Term Plan for the 2022-23 year.

The details of performance levels and key achievements for the period are set out in each of the Group of Activity areas in the report. The following outlines some key highlights;

- Council continued to focus on delivering the ambitious capital works portfolio programmed for the year and progressing key plans to support the development of the 2024-34 LTP.
 - The Cambridge skatepark was partially opened in December 2022 with new features including a flow bowl, a step up quarter pipe with a flat ledge, a bank, pump dump and many more.
 - After a blessing, on-site work commenced on the repaint of Cambridge's Victoria St Bridge, the first in 22 years.
 - The Cambridge Connections project, that will define the shape of Cambridge's transport infrastructure for the next 30 years, began canvassing ideas through a series of stakeholder information sessions. These ideas will be used to generate a list of transport options to test in early 2023.
 - An interim draft of Ahu Ake – Waipā's Community Spatial Plan was completed with a preferred draft scenario selected based on feedback received from stakeholders and partners across the district. A series of Ahu Ake roadshow events are now underway, going out to communities to seek their input on the

draft scenario and what is important for their town or village and the district as a whole.

- Focus was maintained on continuous improvement; making processes easier for both Council's staff and customers with an ongoing focus on digital improvement:
 - Waipā District Libraries released a new smartphone app, enabling patrons to self-issue books from either library site as well as renew current issues.
 - Waipā's values based organisational charter Pou Tātaki was launched to the organisation, creating the link between the work we do and how we do it to enable us to achieve Council's vision.
 - Software continues to be upgraded as part of Council's digital roadmap; of note is the planned migration of Council's payroll system onto CiAnywhere technology and implementation was completed on a new asset management system to enable strategic asset management for the Property Services department.
 - Council continues to expand on staffs' digital knowledge and capabilities via a Digital Literacy Programme.
- Risks continued to be actively managed:
 - Policy rationalisation and simplification continues with the aim of ensuring staff are focused on key expectations and processes applicable to their roles.
 - The ComplyWith system was implemented with the first attestation survey of legislative compliance completed and reporting issued. The survey indicated a high-level of legislative compliance across the organisation.
 - A suite of on-line risk management training modules was also launched to all staff; a part of Council's risk management improvement programme.

Council continues to deliver solid performance and remains committed to continuing to improve on behalf of the community.

Community Engagement Strategy

Engagement

The period between 1st November to 28th February 2023 has been a busy time for the Communication and Engagement team with external and internal projects, initiatives and campaigns carried out. While many projects have reached significant milestones or have been completed, just as many continue to be ongoing.

Completed community/stakeholder projects:

- Waipā playground surveys

Internal communications projects:

- Pou Tātaki roll out
- Staff accommodation relocated from Annex to Rickit Road

Ongoing projects

- Free online courses in business sustainability
- Draft Cemetery Concept Plans
- Draft Sainsbury Road Reserve Management Plan
- Kihikihi pathway
- Cambridge pathway
- Cambridge skatepark upgrade (partial opening)
- John Rochfort playground
- Cambridge Corridor
- Cambridge Connections
- Cambridge skatepark opening
- Te Awa River Ride opening
- Smart Water
- Sportsfield lease review
- Waste Minimisation Strategy

Events

November through to February is the peak event time of the year, but with very intense and wet weather on the cards, thanks to Cyclone Gabrielle, some events had to downscale their plans.

District Promotion and Community Events that occurred from July to October included:

- Country Music Festival
- Memorial Rowing Regatta

- Blues Festival
- Black Friday Blowout
- Club Rowing Regatta
- Cambridge Christmas Festival
- Christmas Rowing regatta
- Christmas Event at the races
- Waka Ama
- NI Rowing Championships
- Festival One
- Long Course Weekend
- International Polo
- Hydro Thunder Champs
- TR Car Register
- Rangiaowhia commemorations
- Junior Rowing regatta

Support has been provided to these events in the way of funding, use of Council equipment, planning advice and promotion support.

Public events (non-funded) on public land, that require applications to Council's event advisor for advice, review and approval are also on the rise with 29 of these events held across the district from July to October.

Website

The website has seen continual uptake in the last four months. The response to the website continues to be very positive, with the online payment gateway use continuing to increase year on year.

There were 87,279 users on our site, resulting in:

- 186,487 sessions
- Spending an average of 2m 06s on the website
- Viewing a total number of 406,049 pages
- 60.1% of website users visit the page organically (i.e., straight to the website, not a link click) and 23.6% through direct channels
- 13.1% of users are coming through to the website via our social media channels
- Apart from the home page and the search page, the most searched pages are
 - Recycling Collection Day finder - 20,449
 - Waipā District Plan - 13,308
 - Maps online - 10,455
 - Make a payment - 8,352

- Mobile has taken over the desktop as our most used device with 52.9%, followed by 43% of visitors on desktop and 3% on tablets
- On average people are most active on our site between 9am - 3pm
- 57% of users are female
- The highest group by age is 45-54.

Social media

Facebook

Please note that due to changes in Facebook's metrics, analytics and algorithm, the way data is recorded may look different to previous reports. This has been reflected in the shift to monthly reporting.

Waipā District Council page as at February 28

- 242,935 Facebook page reach, during the period
- 46,656 Facebook page visits, during the period
- 788 Facebook page new likes, a significant increase from previous months
- 46,120 paid reach
- 86,257 paid impressions
- 12,414 Facebook followers
- 70.9% are women
- 29.1% are men

The post with the highest reach was about the Te Awamutu Walk of Fame inductees, which saw a 109,295 reach with 164 likes/reactions. The most liked/reacted to post was the Kihikihi new playground content with 646 likes/reactions.

Council's Facebook page's content has increased and so has community interaction. We consistently seek to proactively inform about upcoming works and the completion of projects via our Facebook channel.

Instagram

Our Instagram content focuses on the showcasing and promoting of events, experiences and tourism.

The content is well received and enjoyed by our online community of 1,827 followers. We have continued developing our Instagram profile to showcase all things we love about our district, with most of the content being produced by locals and reshared by our team.

Ad hoc and Emergency Work

These work requests have been generated as a result of Council meetings/workshops or Councillor requests, or from the Chief Executive or Executive team that are outside of budgeted work programmes or emergency work.

Ad hoc work request	Impact / update	Budget Implications
Cyclone Clean-Up	Additional budget for the clean-up from cyclone Gabrielle.	\$300,000 funded from insurance reserve.

Top Risks 2022/23

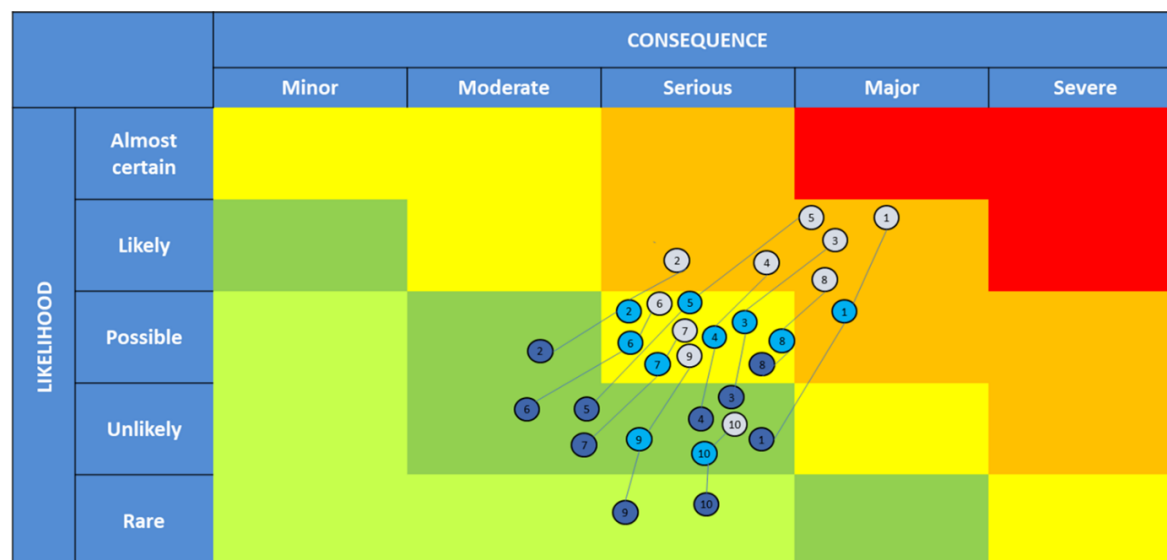
Waipa District Council's Top Risks – Updated February 2023

WDC's Top Risks are reviewed and monitored by the Executive Team and ARC on a quarterly basis.

The top risks to the achievement of Waipa District Council's 2022/23 strategic priorities are shown in the table to the right.

Monitoring and Review:

- Planned activity monitoring will occur through the existing business plan monitoring mechanism.
- Quarterly Executive Team and Audit and Risk Committee reporting on risk management.



Key: Current Residual Risk Risk Appetite Interim Target Risk

#	Risk Area and Statement	Residual (current) level	Trend
1	Inadequate staffing capacity and capability to deliver Council's objectives: If Council is not adequately resourced, both in terms of capacity and capability, then this under resourcing may contribute to failure and/or significantly increased costs to deliver service levels and key projects.	Very High	➡
2	Failure to deliver the programme of capital works: If Council fails to plan for and deliver the proposed programme of capital works as prioritised then this will impact the overall delivery of infrastructure to support growth, level of service improvements and asset replacement.	Very High	➡
3	Risk to Financial Sustainability: If Council does not have sufficient liquidity and/or funding or debt levels are at a limit; has not planned effectively for growth, including timing of infrastructure; has not completed planned asset sales; or if an unseen event such as a disaster required funding then delivery of service levels and key projects may be significantly impacted.	Very High	⬆
4	Failure to effectively engage with the community: If Council does not effectively engage with the community, then the impacts of Council decisions will not be understood, and with the current level of change fatigue Council's reputation and community engagement may be negatively impacted.	Very High	➡
5	Failure to manage an effective response to climate change impacts: If Council does not actively understand climate change impacts and manage an effective response to these impacts then this may have significant financial and reputational effects as well as adverse economic and social impacts on the community.	Very High	➡
6	Failure to give effect to Te Tiriti and build successful hui/Mana Whenua partnerships: If Council fails to give effect to Te Tiriti and build and sustain partnerships with hui/Mana Whenua, including support of developing capability and capacity internally and within Mana Whenua, then Council will fail to meet its governance obligations and the ability to operate and deliver key projects will be significantly impacted.	High	➡
7	Failure of relationships with key stakeholders: If Council has a breakdown in relationships with key stakeholders, then Council's ability to operate and deliver services and projects effectively and within reasonable timeframes will be significantly impacted with negative flow on impacts to the community.	High	➡
8	Failure to manage response to and the impacts of central government reforms: If Council does not prepare for, understand impacts, and manage the response and transition to the reforms being led by central government then this may have significant financial and reputational effects on the organisation, as well as adverse economic and social impacts on the community.	Very High	➡
9	Failure to manage Health and Safety and Wellbeing: If Council does not have a strong health and safety and wellbeing culture and commitment to keeping staff, contractors and members of the public safe and well for Council controlled activities then there will be unacceptable injuries, poor mental wellbeing and potentially fatalities with legal consequences.	High	➡
10	Failure to protect information management assets: If information management assets are compromised through actions of staff or other parties including cyber-security attacks, privacy breaches, data loss or corruption, or non-compliance of legislated obligations then Council's delivery of services and reputation will be negatively impacted.	Moderate	➡

Strategic Priority Indicators

The following outlines the year to date status of the confirmed 2022/23 internal and external Strategic Priorities.

In summary there are a total of 26 Strategic Priority Lag Indicators (organisational KPIs) and 41 Lead Indicators. In total, 37 lead measures are considered on track or complete. The majority of lag measures are evaluated at end of year, those which are off track are outlined below with commentary.

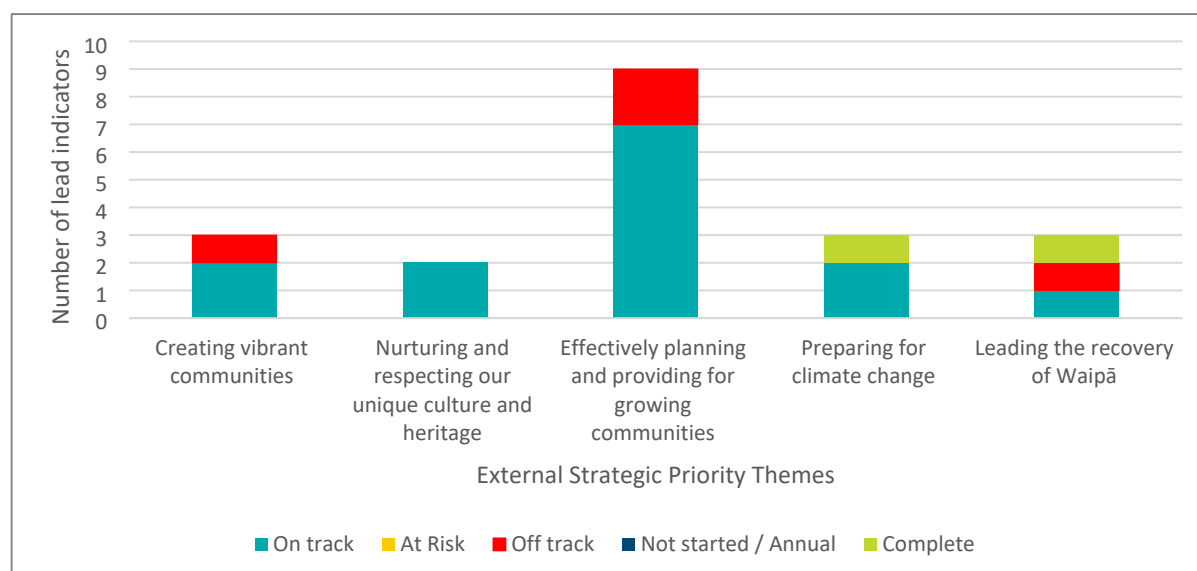


Figure 1: External Strategic Priority Lead Indicators (Actions)

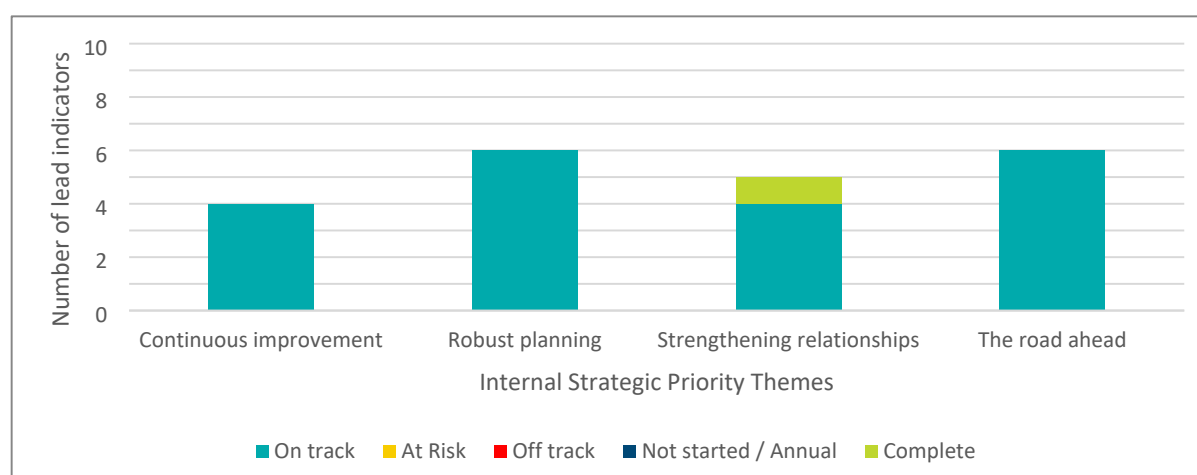


Figure 2: Internal Strategic Priority Lead Indicators (Actions)

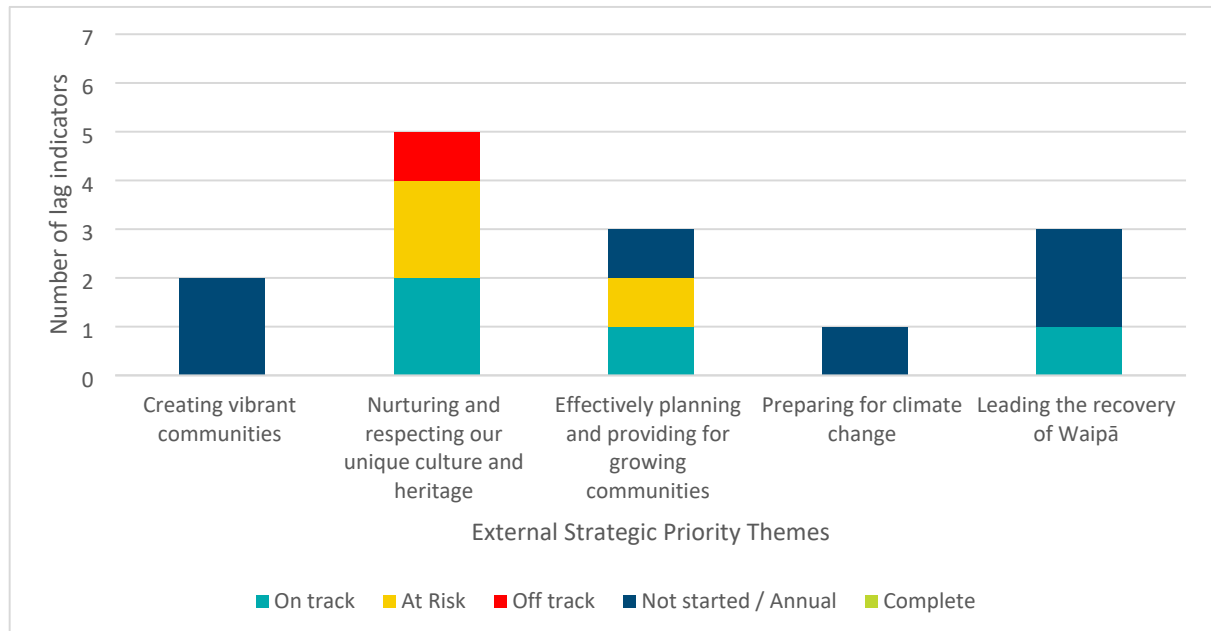


Figure 3: External Strategic Priority Lag Indicators (Measures of Success)

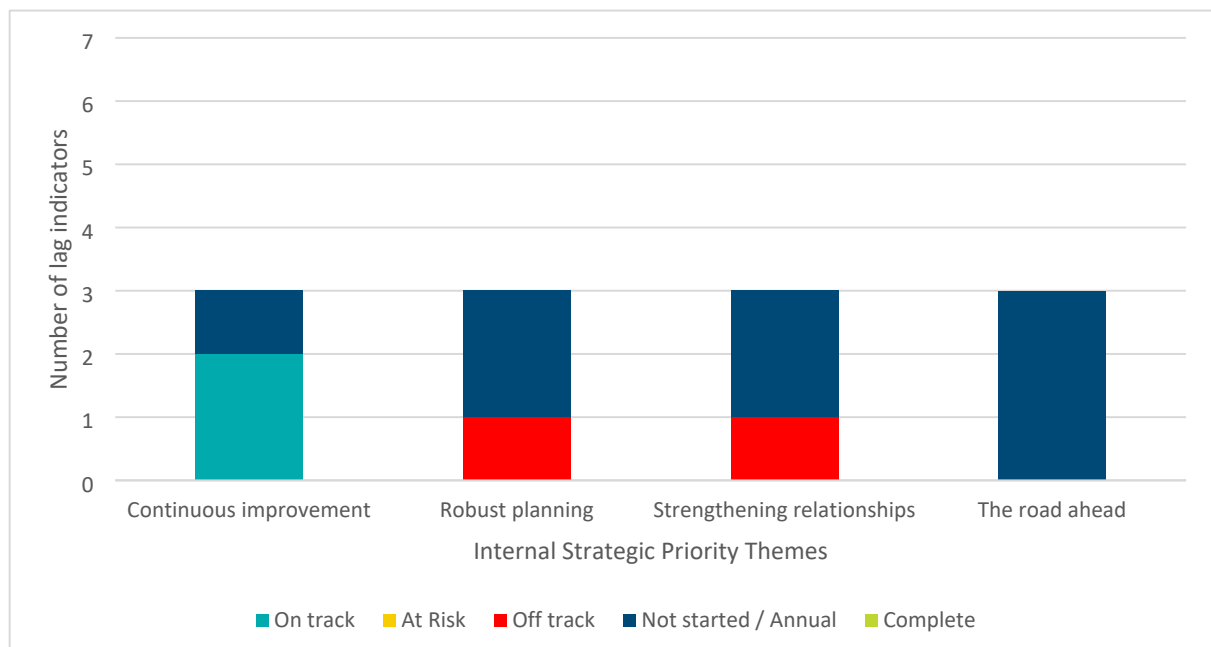


Figure 4: Internal Strategic Priority Lag Indicators (Measures of Success)

The off track exceptions with associated commentary are outlined below.

Table 1: Strategic Priority Lead Indicators exceptions









Strategic Priority Statement	Comment	Status
Property sales are achieved in line with the Property Strategy which sets the course for realising asset sales revenue and ensuring the highest best use and optimised returns from council owned properties.	The Manager Property Projects role became vacant 21 October 2022, which has slowed this activity down. A permanent replacement has been recruited and will commence 6 th March 2023. A number of properties have been identified for disposal and will assist in gaining momentum in near future.	
Lead the development of the Environment Strategy (including implementation plan) for adoption by 30 June 2023.	Work is progressing on the development of a Vision, Goals and Priorities, with a further piece of work undertaken to ensure alignment with the development of the preferred future scenario being developed for Ahu Ake. It is acknowledged that the Strategy will be delayed due to the timing for the adoption (now September 2023) of Ahu Ake and the need to be consistent with the same.	
Complete the review and commence the implementation of the Economic Wellbeing Strategy.	This project has experienced delays. Work undertaken to date is being reviewed to ensure alignment with the preferred scenario being developed for Ahu Ake.	
Cycling – Te Awamutu/ Nga Roto/ Pirongia connection.	Design work progressing, alongside consents and land agreements however overall the project is delayed.	

Table 2: Strategic Priority Lag Indicators exceptions

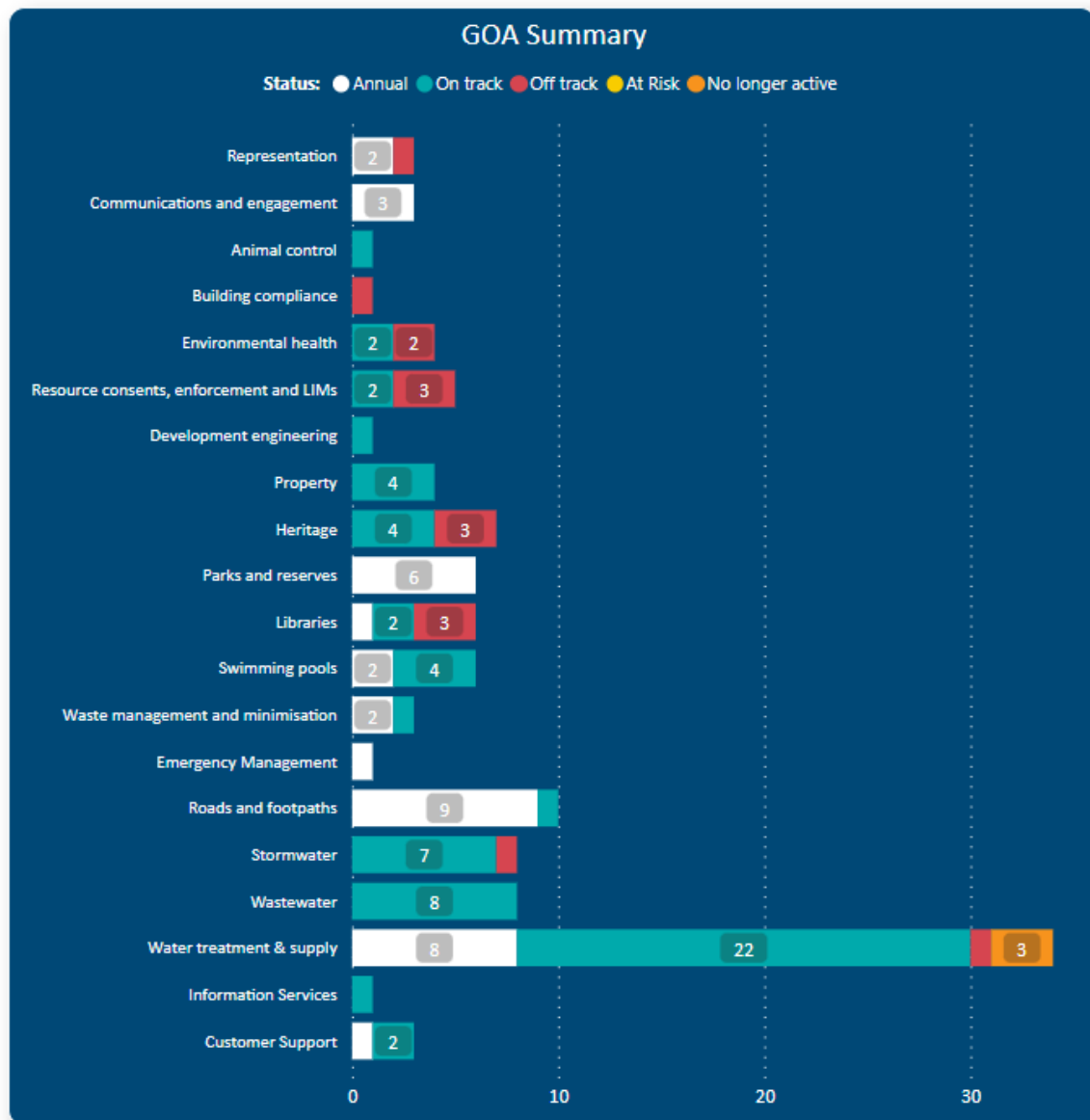
Strategic Priority Statement	Comment	Status
Number of annual visitors to key heritage sites - Lake Ngā Roto.	Lake Ngā Roto was closed to the public from March to late July due to flooding, and repairs were delayed due to the extremely high lake levels eventually being completed in August. More heavy rainfall in October left the western part of the track soggy underfoot and submerged in areas. On January 25th Waipā District Council warned people to be cautious after cyanobacterial bloom was found in Lake Ngā Roto and advised water based activities should not be undertaken. Te Whatu Ora Waikato has issued a public health warning.	
Number of annual visitors to key heritage sites - Te Awamutu Museum.	Visitor numbers were tracking well toward target, however the closure of the Te Awamutu Annex and Museum due to health & safety reasons has impacted Te Awamutu Museum visitor numbers from October and will continue to do so for some time.	
50% staff to have carried out Tikanga training.	Further work is to be undertaken with Manager Strategic Partnerships to progress this work. Currently tracking behind targeted numbers.	
All financial benchmarks or reforecast benchmarks are met.	Forecasts are met. Financial benchmarks such as average interest rate are off track.	

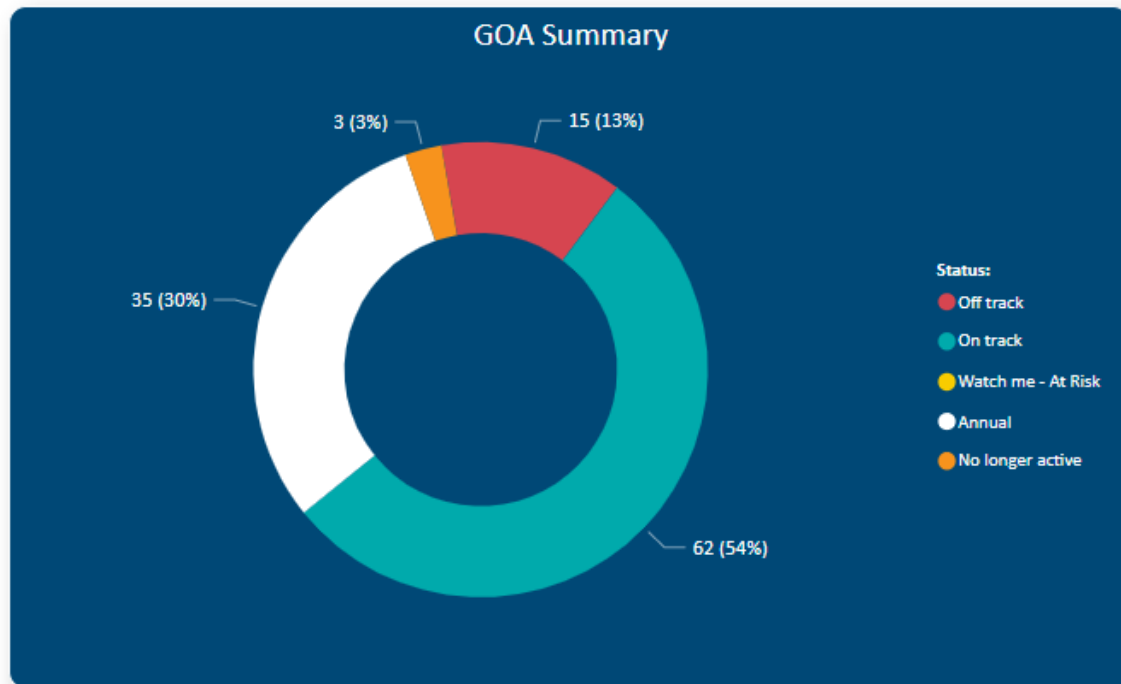
Non-financial performance summary

From a total of 115 non-financial performance measures which span 8 groups of activity, 62 measures, which equates to 54% are currently considered 'On Track'. 35 measures are measured annually, therefore results will be available at the end of the year. Three measures are no longer reported on as the water treatment plants which they relate to are no longer active;

- Two measures relating to the Maungatutari water treatment plant; and
- One measure relating to the Parallel Road water treatment plant are no longer active and therefore will not be reported on moving forward.

Of the remaining performance measures, 15 are currently considered Off Track.





Group of Activity - Governance

Council governance is the decision-making of the elected Council, it's committees and community boards. This work is supported by the Strategy and Customer and Community Services Groups and the Legal and Governance Support departments.

The following outlines the year-to-date status of the level of service performance measures for the governance group of activities. In summary there are a total of 6 performance measures for the group, 5 measured annually and 1 considered off track.

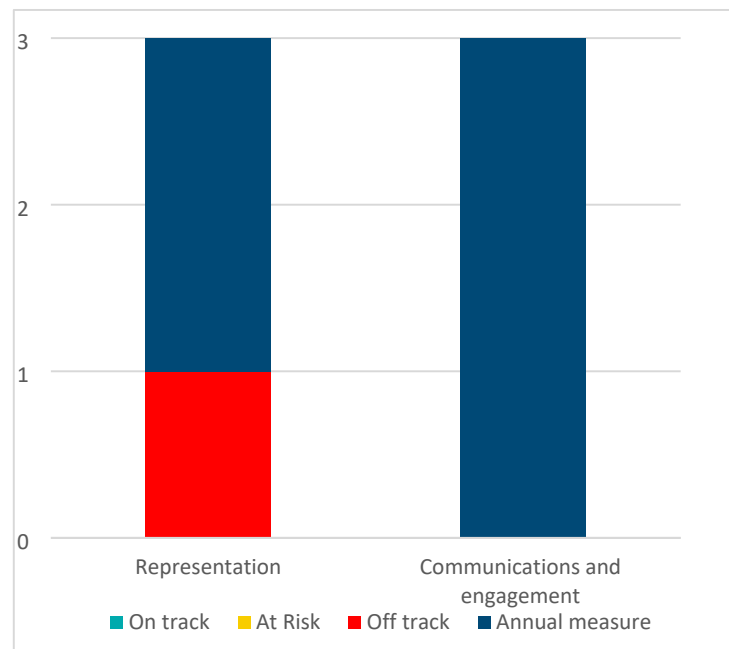



Figure 7: Governance key performance indicator graph

The exception with associated commentary is outlined below.

Table 3: Governance key performance indicator exceptions

Measure	Comment	YTD Target	YTD Actual	Status
The percentage of official information requests responded to within statutory timeframes.	Of 233 LGOIMA's total, 3 have not met target. One LGOIMA response was sent out in October with one day's delay - the request was declined under sections 7(2)(g) and 17(a) of the Local Government Official Information and Meetings Act 1991 Waipa District Council - legal privilege. One LGOIMA response was completed in time, however there was a delay by staff in delivery of the response which resulted in the request being 2 days over the 20 day timeframe. The other request was noted as late due to an administrative error – as the correspondence should have been categorised as an investigation from the Ombudsman, not a LGOIMA request.	100 percent	98.71 percent	

Operating and Capital Costs

	2022/23 Year to Date	2022/23 Full Year		2022/23 Full Year	Budget Variance Carryforward from 21/22	Budget Variance Previously Reported	Budget Variance This Period	2021/22 YTD
Notes	Actual \$000	Forecast \$000	Forecast %	Budget \$000	\$000	\$000	\$000	Last Year \$000
REVENUE								
Council & Committees	2	12	17%	12	-	-	-	9
Elections	1	52	2%	56	-	-	(4)	-
Community Grants	47	47	100%	43	-	4	-	60
TOTAL REVENUE	50	111	45%	111	-	4	(4)	69
OPERATING EXPENDITURE								
Council & Committees	2,129	3,283	65%	3,265	1	16	1	1,980
Cambridge Community Board	174	238	73%	240	-	(2)	-	139
Te Awamutu Community Board	145	233	62%	224	-	8	1	125
Elections	209	212	99%	206	-	6	-	9
Community Grants	1 663	1,106	60%	696	414	(5)	1	413
Strategic Planning	2 1,597	3,266	49%	2,299	1,070	(86)	(17)	1,266
Community Relationships	3 1,385	2,038	68%	1,791	20	228	(1)	1,022
Strategic Relationships	472	803	59%	782	20	1	-	326
TOTAL EXPENDITURE	6,774	11,179	61%	9,503	1,525	166	(15)	5,280
OPERATING SURPLUS/(DEFICIT)	(6,724)	(11,068)	61%	(9,392)	(1,525)	(162)	11	(5,211)
CAPITAL EXPENDITURE								
Capital Expenditure (excluding Vested)	129	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	129	-	-	-	-	-	-	587

Explanation of significant cost of service variances

1. Increase in budget of \$414,000 from carry forwards not spent in 2021/22 for community grants.
2. Increase in budget of \$1.1 million for carry forward of funds not spent including \$920,000 for spatial plans, \$71,000 for cost for the Annual Plan and LTP and \$36,000 for the Council Strategy Programme.
3. Increase in budget of \$247,000 which is mainly due to an additional budget for agency staff to cover vacant positions.

Group of Activity - Planning and Regulatory

The planning and regulatory group of activities covers resource management, building compliance, environmental health, animal control and development engineering. We provide these services to manage the natural and physical resources of the district, and promote and protect the health and safety of our communities and the general public. The avoidance or mitigation of natural hazards is a core service of our Council and is a central concern of this group of activities.

The following outlines the year-to-date status of the level of service performance measures for the Planning and Regulatory group of activities. In summary there are a total of 12 performance measures for the group, of which 6 are considered on track.

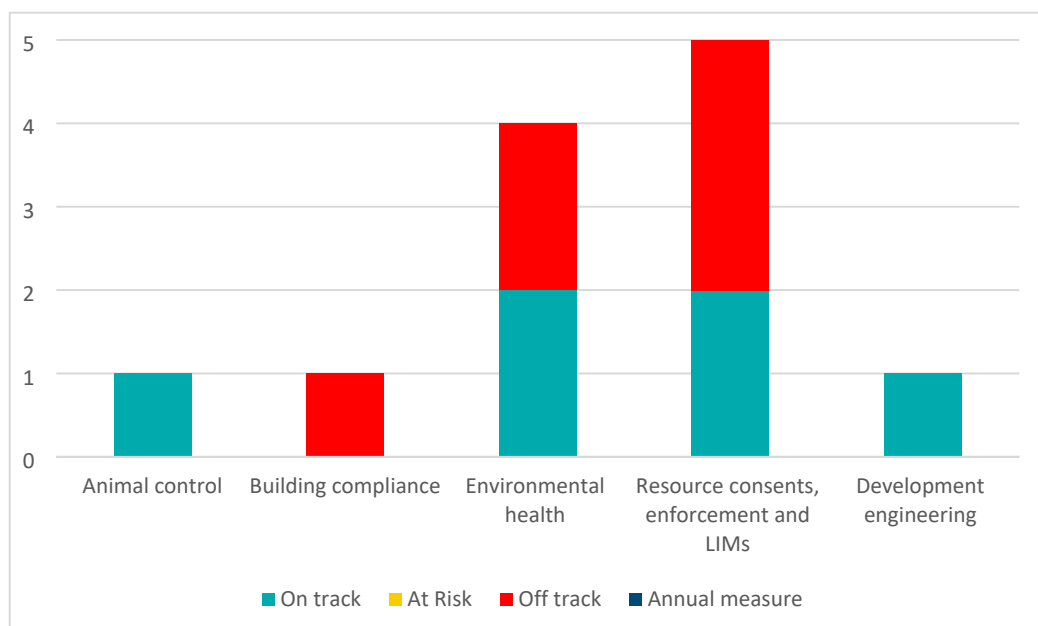


Figure 8: Planning and regulatory key performance indicator graph

The exceptions with associated commentary are outlined below.

Table 4: Planning and regulatory key performance indicator exceptions

Measure	Comment	YTD Target	YTD Actual	Status
Building consent applications are processed within statutory timeframes.	100% of consents issued throughout October to February were issued within the statutory timeframes. Those which exceeded the 20 day timeframe in prior months were a result of temporary software issues which have since been resolved and human error. Training has been carried out to prevent reoccurrence of the errors made by staff.	100 percent	99.75 percent	
The percentage of resource consents are processed within statutory timeframes.	There has been a total of 366 resource consents issued year to date, 17 of which have not met target due to complexities and specific issues with the applications. All consents issued throughout January and February 2023 have met the statutory timeframes.	100 percent	94.59 percent	
Requests for general resource consent information and planning enquiries are responded to within 10 working days.	There have been 1,375 enquiries, of which 1,324 were responded to within 10 working days. The overall year is tracking below target however there has been an improvement in the response time over the last four months as the volume of calls has reduced.	100 percent	96.29 percent	
We will inspect 500 swimming pool barriers per annum.	The Enforcement team is aware of the shortfall, however has been unable to address this over the last few months due to the seriously inclement weather experienced. Inspections are being scheduled to address this situation.	333	248	
The percentage of excessive noise complaints investigated within 1 hour.	While there has been gradual improvement in response times throughout the year, some responses were delayed for legitimate reasons such as waiting for assistance at earlier calls. There were also eight calls (six on one evening) which have been recorded as off target as no electronic report was received due to technical issues.	95 percent	88.89 percent	
All premises that sell food to the public are registered.	This is reflective of normal turnover of business ownership and late registration applications or payments.	100 percent	98.80 percent	

Operating and Capital Costs

		2022/23 Year to Date	2022/23 Full Year		2022/23 Full Year	Budget Variance	Budget Variance	Budget Variance	2021/22 YTD
		Actual	Forecast	Forecast	Budget	Carryforward from 21/22	Previously Reported	This Period	Last Year
	Notes	\$000	\$000	%	\$000	\$000	\$000	\$000	\$000
REVENUE									
Resource Management	1	1,125	1,984	57%	2,169	-	-	(185)	1,577
Building Control	2	1,738	2,838	61%	3,100	-	(12)	(250)	2,104
Environmental Health		313	482	65%	498	-	(3)	(13)	291
Animal Control		592	616	96%	615	-	1	-	542
Development Engineering		358	641	56%	641	-	-	-	313
TOTAL REVENUE		4,126	6,561	63%	7,023	-	(14)	(448)	4,827
OPERATING EXPENDITURE									
Resource Management	3	2,597	4,792	54%	4,067	195	781	(251)	2,355
Building Control		2,555	3,998	64%	4,006	-	(117)	109	2,262
Environmental Health		865	1,420	61%	1,409	-	11	-	833
Animal Control		647	1,044	62%	1,052	-	(8)	-	582
Development Engineering		693	1,259	55%	1,272	-	(13)	-	683
TOTAL EXPENDITURE		7,357	12,513	59%	11,806	195	654	(142)	6,715
OPERATING SURPLUS/(DEFICIT)		(3,231)	(5,952)	54%	(4,783)	(195)	(668)	(306)	(1,888)
CAPITAL EXPENDITURE									
Capital Expenditure (excluding Vested)	4	51	246	21%	616	130	(500)	-	-
TOTAL CAPITAL EXPENDITURE		-	246	0	616	130	(500)	-	-

Explanation of significant cost of service variances

1. Decrease in Resource Management revenue of \$185,000 which is mainly due to decrease in the number of resource consents issued from the economic downturn.
2. Decrease in Building Control Income of \$262,000 due to an decrease in the number of building consents issued resulting from the economic downturn.
3. Increase in resource management costs of \$976,000 due to carry forwards of \$195,000 for the Waipa district plan. Other increases in expenditure of \$781,000 include additional budget for District Plan changes housing supply act of \$685,000 and Papakainga of \$150,000 offset by and reduction in budget for cost recoveries due to lower than anticipated spend.

Explanation of significant capital variances

4. Decrease in budget for dog pound development which has been deferred to the 23/24 year due to delays in development.

Group of Activity - Community Services and Facilities

The community services and facilities group of activities provides recreational benefit and promotes the health and safety; and social and environmental wellbeing of our communities. Libraries, museums, reserves, and other recreational facilities are recognised by our Significance and Engagement Policy as significant activities of Council. In addition, the Policy also recognises the housing for the elderly units as strategic assets.

The following outlines the year-to-date status of the level of service performance measures for the Community Services and Facilities group of activities. In summary there are a total of 33 performance measures for the group, of which 12 are annual and 15 are considered on track.

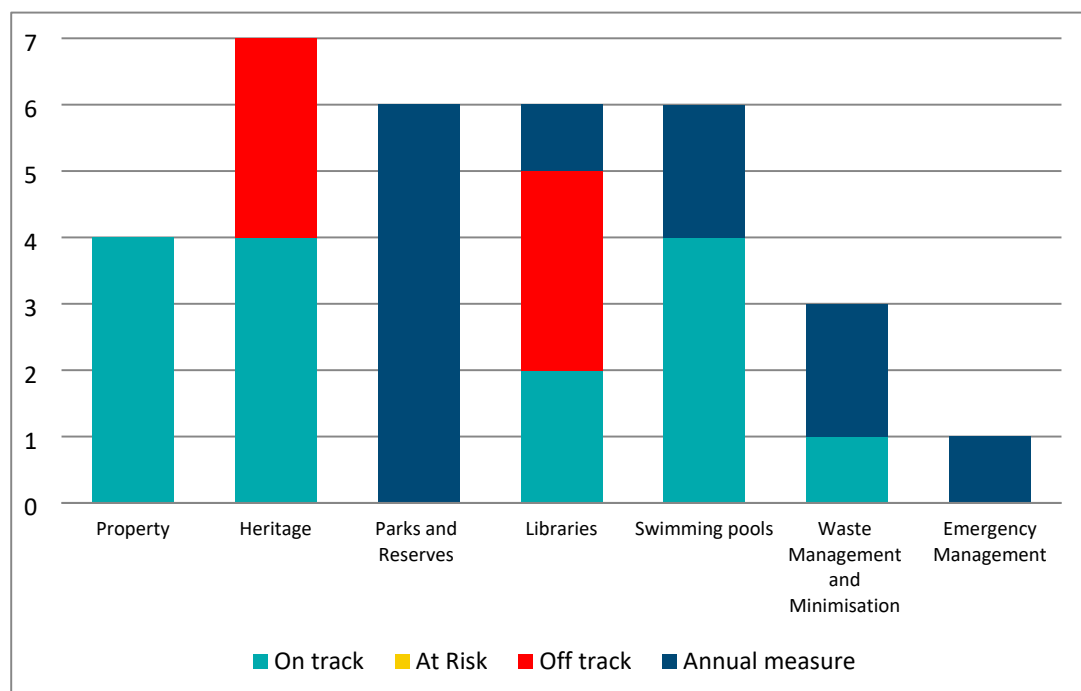



Figure 9: Community services and facilities key performance indicator graph

The exceptions with associated commentary are outlined below.

Table 5: Community services and facilities key performance indicator exceptions

Measure	Comment	YTD Target	YTD Actual	Status
Size of the Library collection compared to the LIANZA standard of 3 items per resident.	Due to space restrictions now causing health and safety issues, the number of items withdrawn from CB Library will have to be increased and as a result the Level of Service Measure is not likely to be achieved.	2.95 - 3.05	2.75	
The number of walk-in library visitors per annum – Te Awamutu	New security gates became operational on 21 st October 2022. The new gates are unable to record individuals who enter closely together in a large group (considered to have low impact). Those attending events/activities are not recorded in this total as these are not held within the library space.	66,664	23,681	
The number of walk-in library visitors per annum – Cambridge	New security gates became operational 21 st October 2022. The new gates are unable to record individuals who enter closely together in a large group (considered to have low impact). Those attending events/activities are not recorded in this total as these are not held within the library space.	68,664	23,907	
The number of annual visitors to key Heritage sites – Te Awamutu Museum (excluding school students).	Visitor numbers were tracking well toward target however the closure of the Te Awamutu Annex and Museum due to health and safety reasons has impacted Te Awamutu Museum visitor numbers toward the end of October.	3,503	1,743	
The number of annual visitors to key Heritage sites – Lake Ngā Roto	Lake Ngā Roto was closed to the public from March to late July due to flooding and repairs were delayed due to the extremely high lake levels, eventually being completed in August. More heavy rainfall in October left the western part of the track soggy underfoot and submerged in areas. On January 25th Waipā District Council warned people to be cautious after cyanobacterial bloom was found in Lake Ngā Roto and advised water based activities should not be undertaken. Te Whatu Ora Waikato has issued a public health warning.	39,175	24,736	

Measure	Comment	YTD Target	YTD Actual	Status
The number of school students experiencing Heritage based education through the LEOTC programme	Te Awamutu museum numbers were tracking well toward target however the closure of the Te Awamutu Annex and Museum has impacted visitor numbers toward the end of October. Some LEOTC sessions have been carried out offsite.	2,658	1,324	

Operating and Capital Costs

	2022/23 Year to Date	2022/23 Full Year		2022/23 Full Year	Budget Variance	Budget Variance	Budget Variance	2021/22 YTD
	Actual	Forecast	Forecast	Budget	Carryforward from 21/22	Previously Reported	This Period	Last Year
Notes	\$000	\$000	%	\$000	\$000	\$000	\$000	\$000
REVENUE								
Parks and Reserves	-	-		10	-	-	(10)	1,003
Mighty River Domain	687	863	80%	893	-	(30)	-	194
District Museums	73	234	31%	2,155	-	135	(2,056)	118
District Libraries	64	184	35%	184	-	-	-	203
District Pool Te Awamutu	266	306	87%	306	-	-	-	165
District Pool Cambridge	187	286	65%	286	-	-	-	353
Heritage	-	-		1,400	-	(1,400)	-	-
Cemeteries	232	366	63%	2,356	-	(1,990)	-	198
Properties	1,198	12,162	10%	10,286	-	1,876	-	542
Pensioner Housing & Own your Own Housing	924	1,358	68%	1,358	-	-	-	834
Forestry	-	803	0%	3	-	800	-	-
Rural Fire/Civil Defence	109	219	50%	219	-	-	-	138
Waste Management	381	569	67%	230	-	339	-	205
TOTAL REVENUE	4,121	17,350	24%	19,686	-	(270)	(2,066)	3,953
OPERATING EXPENDITURE								
Parks and Reserves	5,080	9,352	54%	8,535	568	(41)	290	4,419
Mighty River Domain	1,137	1,771	64%	1,753	19	-	(1)	855
District Museums	837	1,423	59%	1,340	56	37	(10)	776
District Libraries	1,491	2,359	63%	2,430	-	(21)	(50)	1,481
District Pool Te Awamutu	1,844	2,221	83%	2,221	-	-	-	1,385
District Pool Cambridge	2,228	2,932	76%	2,932	-	-	-	1,771
Heritage	189	720	26%	442	31	248	(1)	145
Cemeteries	306	490	62%	547	26	(36)	(47)	258
Public Toilets	578	823	70%	815	-	-	8	462
Properties	2,675	4,733	57%	3,950	182	595	6	1,764
Pensioner Housing & Own your Own Housing	1,675	2,141	78%	2,142	-	(1)	-	1,195
Forestry	99	145	68%	441	-	(296)	-	47
Rural Fire/Civil Defence	241	388	62%	387	-	1	-	273
Waste Management	1,888	3,267	58%	3,187	-	80	-	1,863
National Cycle Centre of Excellence	8	11	73%	11	-	-	-	5
TOTAL EXPENDITURE	20,276	32,776	62%	31,133	882	566	195	16,699
OPERATING SURPLUS/(DEFICIT)	(16,155)	(15,426)	105%	(11,447)	(882)	(836)	(2,261)	(12,746)
CAPITAL EXPENDITURE								
Capital Expenditure (excluding Vested)	20,264	30,648	66%	32,812	5,844	(8,499)	491	10,556
TOTAL CAPITAL EXPENDITURE	20,264	30,648	66%	32,812	5,844	(8,499)	491	10,556

Explanation of significant cost of service variances

1. Decrease in revenue for external funding for Te Ara Wai to align with development timing.
2. Decreased revenue in external funding for the Cycling Te Awamutu/Ngāroto/Pirongia connection deferred to the 2023/24 year.
3. Decrease in revenue for Cemetery Land acquisition of \$2 million now deferred to the 2023/24 year.
4. Increase in revenue of \$1.9 million for Properties, including an increase in revenue of \$4.6 million for Property development and sales. This is offset by a decrease in revenue of \$3.4 million due to the sale of other proposed developments and sales being deferred to 2023/24. An Increase in revenue of \$269,000 for non-core paper road sales and an increase in revenue of \$355,000 for additional residential housing rent due in new rental properties purchases.
5. Increase in revenue for foresting of \$800,000 due to the timing of harvesting. A reduction in expenditure of \$296,000 due to the replanting costs deferred to the 2023/24 year.
6. Increase in revenue for waste management of \$339,000 due to additional funding of the waste ministration levy.
7. Increase in budget mainly from carry forward from 2021/22 of \$568,000 including \$423,000 for Lake Te Ko Utu. An additional increase in budget mainly due to the additional expenditure required for the cyclone clean up.

8. Increase in budget mainly due to seismic building assessment on 101 Bank Street and 150 Wilson Street buildings.

Explanation of significant capital variance

9. Capital budget variance of \$1 million mainly due to:
 - Increases in capital budgets from projects carried forward from 2021/22 of \$5.8 million due to delays in development. This includes \$1.4 million for Reserves C1,C2,C3, \$789,000 for New Pensioner Housing Construction, \$697,000 for C8 Hautapu Industrial reserve land only, \$565,000 for TA/Ngāroto/Pirongia Cycleway, \$271,000 for C8 Industrial Land Acquisition and development, \$268,000 for Lake Te Ko Utu, \$265,000 for Library RFID technology, \$261,000 for Play Provision Outside Structure Plan, \$166,000 for Memorial Park, \$155,000 for Cycleway Te Awamutu/Pirongia section 2 and \$105,000 for Park renewals.
 - A reduction in budget of \$8 million including a reduction in budget for Te Awamutu/Ngāroto/Pirongia Cycleway of \$5.8 million due to development deferred to the 2023/24 year, decrease in budget for New Pensioner Housing Construction of \$2.1 million due to development deferred to the 2023/24 year, reduction in budget for Colgan Street Development of \$825,500 due to development deferred to 2023/24, a reduction in budget for design & build Te Ara Wai of \$750,000 deferred to 2023/24 due to development timing, a reduction in budget for playground reserve land CB North of \$700,000 deferred to 2024/25 to align with growth cell development, a reduction in budget for Lake Te Ko Utu of \$617,000 deferred to 2024/25 due to timing of development offset by an increase in budget for the purchase of 106 Herbert Street, Kihikihi of \$1.7 as per council resolution, an increase in budget for Land Western arterial purchase of \$565,000 as per council resolution, an increase in budget for Sports fields improvements of \$550,000 brought forward from the 2024/25 year due to development timing, an increase in budget for C8 Hautapu Industrial reserve land only of \$475,000 brought forward from the 2025/26 year due to development timing.

Group of Activity – Roads and Footpaths

The roads and footpaths group of activities are the primary service provider for the construction and maintenance of the local transport network within the district. Our work in the road corridor includes road and footpath construction and maintenance, road safety, cycling and walking, car parks, street lights and passenger transport. This group of activities is a core service for Council and is recognised as a significant activity by our Significance and Engagement Policy.

The following outlines the year-to-date status of the level of service performance measures for the roads and footpaths group of activities. In summary there are a total of 10 performance measures for the group, of which 9 measures are reported at the end of the financial year and the remaining measure is currently considered on track.

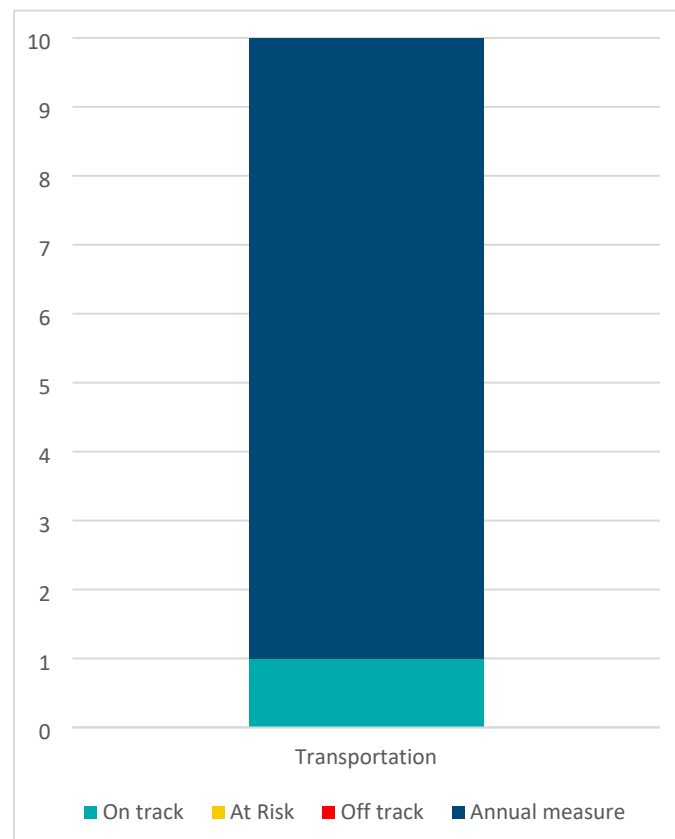


Figure 10: Roads and footpath key performance indicator

Operating and Capital Costs

	2022/23 Year to Date	2022/23 Full Year		2022/23 Full Year	Budget Variance	Budget Variance	Budget Variance	2021/22 YTD
	Actual	Forecast	Forecast	Budget	Carryforward from 21/22	Previously Reported	This Period	Last Year
Notes	\$000	\$000	%	\$000	\$000	\$000	\$000	\$000
REVENUE								
Activity Revenue	4,878	11,335	43%	11,332	-	27	(24)	7,436
TOTAL REVENUE	4,878	11,335	43%	11,332	-	27	(24)	7,436
OPERATING EXPENDITURE								
Depreciation and Amortisation	7,528	11,590	65%	11,590	-	-	-	7,453
Activity Expenses	1 12,267	10,792	114%	10,459	-	394	(61)	5,646
Internal Charges and Overheads	1,247	1,829	68%	1,878	-	(49)	-	1,157
Finance Costs	189	359	53%	359	-	-	-	141
TOTAL EXPENDITURE	21,231	24,570	86%	24,286	-	345	(61)	14,397
OPERATING SURPLUS/(DEFICIT)	(16,353)	(13,235)	124%	(12,954)	-	(318)	37	(6,961)
CAPITAL EXPENDITURE								
Capital Expenditure (excluding Vested)	2 17,172	41,140	42%	61,478	4,836	(24,467)	(707)	20,871
Vested Assets	1,644	4,509	36%	4,509	-	-	-	1,013
TOTAL CAPITAL EXPENDITURE	18,816	45,649	41%	65,987	4,836	(24,467)	(707)	21,884

Explanation of significant cost of service variances

1. Increase in expenditure of \$330,000 is mainly due an increase in the roading maintenance program.

Explanation of significant capital variances

2. The capital variance is mainly due to:
 - Increase for capital budgets of \$4.8 million due to carried forward from 2021/2022 due to delays in development. This includes \$1 million for C2 & C3 Structure Plan Roding, \$768,000 for Cambridge Road Urbanisation, \$522,000 for T9/T10 New Collector Road & walkway, \$427,000 for Cambridge urban cycling projects, \$316,000 for C2/C3 Collector Roads and green belt connection land, \$298,000 for Ohaupo safety improvements, \$235,000 for Bruntwood Peake Intersection, \$207,000 for minor roading safety, \$201,000 for culverts and headwalls and \$179,000 for Structural Bridge Works.
 - A further decrease in budget of \$25.2 million due to development timing including a decrease in budget of \$16.5 million for Hautapu Growth Cell projects C8, C9, C10 deferred to the 2023/24 year, a decrease in budget of \$5.1 for C1 Norfolk Road & Victoria Road Urbanisation deferred to the 2023/24 year, a decrease in budget of \$2.7 million for Picquet Hill Plan Change deferred to the 2023/24 year, a decrease in budget of \$1.6 million for T9/T10 New Collector Road & walkway deferred to the 2023/24 year, a decrease in budget of \$850,000 for Frontier Road Plan Changes deferred to the 2023/24 year, a decrease in budget of \$575,000 for district wide cycling project deferred to the 2024/25 year, a decrease in budget of \$468,000 for Town Concept Plans Te Awamutu deferred to the 2023/24 and 2024/25 years. A decrease in budget of \$317,000 for Ngahinapouri SH39 Intersection & N1/N2 Development deferred to the 2023/24 year and a decrease in budget of \$230,000 for structural bridge works due to savings in budget offset by an increase in budget of \$2.7 million for Cambridge Growth Cell Land Purchases due to the timing of development as per council resolution.

Group of Activity - Stormwater

Typically, stormwater is described as being rainfall that runs off roofs, roads and other surfaces and then into gutters and stormwater collection systems such as pipes, culverts, open drains/swales and detention structures. The stormwater network infrastructure is a core service of Council and stormwater management is recognised by our Significance and Engagement Policy as a significant activity of Council.

The following outlines the year-to-date status of the level of service performance measures for the stormwater group of activities. In summary there are a total of 8 performance measures, of which 7 are considered on track.

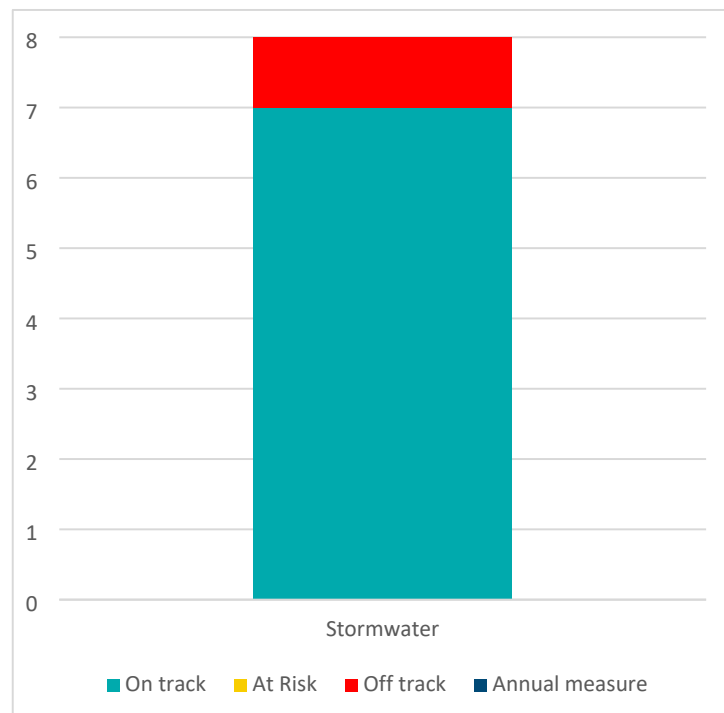



Figure 11: Stormwater key performance indicators

The exception with associated commentary is outlined below.

Table 6: Stormwater key performance indicator exception

Measure	Comment	YTD Target	YTD Actual	Status
Compliance with the resource consents for discharge from the stormwater system - Number of Abatement notices	There has been one abatement notice issued throughout the period for unlawful discharge of sediment to the unnamed tributary of the Mangaohoi Stream, this applies to the location of the Kihikihi Domain.	0	1	

Operating and Capital Costs

	2022/23 Year to Date	2022/23 Full Year		2022/23 Full Year	Budget Variance	Budget Variance	Budget Variance	2021/22 YTD	
	Actual	Forecast	Forecast	Budget	Carryforward from 21/22	Previously Reported	This Period	Last Year	
Notes	\$000	\$000	%	\$000	\$000	\$000	\$000	\$000	
REVENUE									
Activity Revenue	10	9	111%	9	-	-	-	1	
TOTAL REVENUE	10	9	111%	9	-	-	-	1	
OPERATING EXPENDITURE									
Depreciation and Amortisation	1,361	2,001	68%	2,001	-	-	-	1,269	
Activity Expenses	2,342	1,887	124%	1,977	-	(42)	(48)	1,545	
Internal Charges and Overheads	714	764	93%	716	-	-	48	556	
Finance Costs	-	4	0%	4	-	-	-	1	
TOTAL EXPENDITURE	4,417	4,656	95%	4,698	-	(42)	-	3,371	
OPERATING SURPLUS/(DEFICIT)	(4,407)	(4,647)	95%	(4,689)	-	42	-	(3,370)	
CAPITAL EXPENDITURE									
Capital Expenditure (excluding Vested)	1	9,179	32,944	28%	42,760	5,452	(15,152)	(116)	14,662
Vested Assets		3,784	2,914	130%	2,914	-	-	-	532
TOTAL CAPITAL EXPENDITURE		12,963	35,858	36%	45,674	5,452	(15,152)	(116)	15,194

Explanation of significant capital variances

1. The capital variance is mainly due to:

- An increase in capital budgets from projects carried forward from 2021/22 of \$5.5 million due to delays in development. This includes \$3.8 million for Stormwater Land Purchases, \$700,000 for Cambridge Growth Cell SW Development C1, \$530,000 for District Wide Stormwater renewals and \$500,000 for Construct Victoria Road swale.
- A further decrease in budget of \$15.3 million due to development timing including a decrease in budget for C8 SW land purchases of \$5.5 million deferred to the 2023/324, a decrease in budget of \$5.4 million for Cambridge Growth Cell SW Development C1,C2,C3 deferred to the 2023/24 year, a decrease in budget of \$1.4 million for Finlay Detention Ponds/Houchens Pond deferred to the 2023/24 year, a decrease in budget of \$1 million for Truck Reticulation Connector Road deferred to the 2023/24 year, a decrease in budget for Bond Road SW culvert upgrade of \$1 million deferred to the 2024/25 year and a decrease in budget of \$400,000 for District wide stormwater renewals deferred to the 2023/24 year.

Group of Activity - Wastewater Treatment and Disposal

The wastewater treatment and disposal activity include the reticulation network for the collection of sewage and trade waste and its treatment and disposal. The wastewater network infrastructure is a core service of Council and wastewater treatment and disposal is recognised by our Significance and Engagement Policy as a significant activity of Council.

The following outlines the year-to-date status of the level of service performance measures for the wastewater treatment and disposal group of activities. In summary there are a total of 8 performance measures for the group, all of which are considered on track.

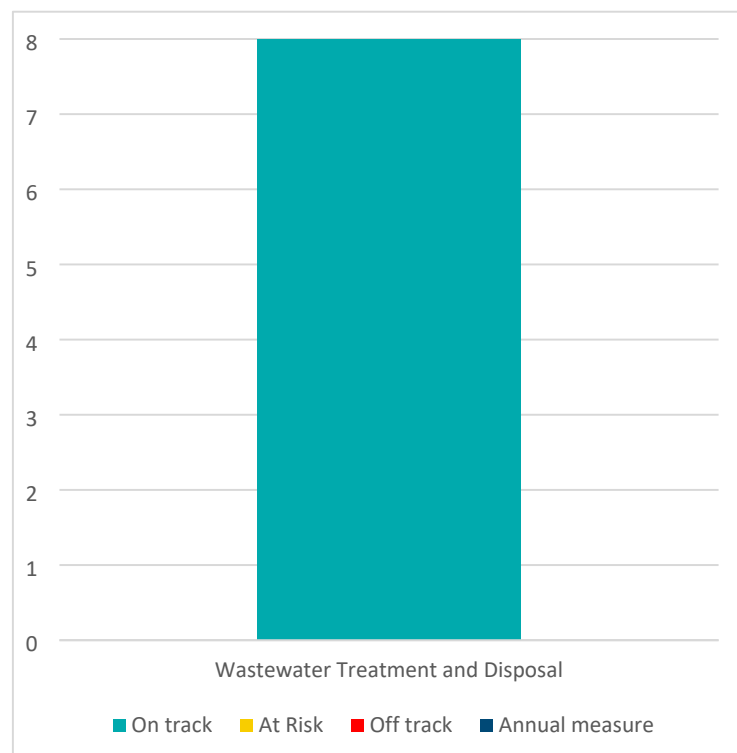


Figure 12: Wastewater treatment and disposal key performance indicator graph

Operating and Capital Costs

	2022/23 Year to Date	2022/23 Full Year		2022/23 Full Year	Budget Variance	Budget Variance	Budget Variance	2021/22 YTD
	Actual	Forecast	Forecast	Budget	Carryforward from 21/22	Previously Reported	This Period	Last Year
Notes	\$000	\$000	%	\$000	\$000	\$000	\$000	\$000
REVENUE								
Activity Revenue	939	1,363	69%	1,363	-	-	-	718
TOTAL REVENUE	939	1,363	69%	1,363	-	-	-	718
OPERATING EXPENDITURE								
Depreciation and Amortisation	4,445	5,984	74%	5,984	-	-	-	3,798
Activity Expenses	1 5,580	7,177	78%	7,571	-	(304)	(90)	3,049
Internal Charges and Overheads	773	927	83%	837	-	-	90	763
Finance Costs	261	371	70%	371	-	-	-	181
TOTAL EXPENDITURE	11,059	14,459	76%	14,763	-	(304)	-	7,791
OPERATING SURPLUS/(DEFICIT)	(10,120)	(13,096)	77%	(13,400)	-	304	-	(7,073)
CAPITAL EXPENDITURE								
Capital Expenditure (excluding Vested)	2 7,879	19,768	40%	16,358	6,958	(3,854)	306	5,179
Vested Assets	2,234	1,876	119%	1,876	-	-	-	640
TOTAL CAPITAL EXPENDITURE	10,113	21,644	47%	18,234	6,958	(3,854)	306	5,819

Explanation of significant cost of service variances

1. Decrease in activity expenses of \$394,000 mainly due to a savings in budget for District Wide pipe condition assessment & infiltration study.

Explanation of significant capital variances

2. The capital variance is mainly due to:
 - Increases in capital budgets from projects carried forward from 2021/22 of \$6.9 million due to delays in development. This includes \$2.5 million for Hautapu Industrial Wastewater Provision, \$1.4 million for Cambridge Growth Cell WW Provision C2, C3, \$860,000 for Cambridge Wastewater Treatment Plant, \$735,000 for District Wide Wastewater Pump Station Renewals, \$581,000 for District Wide WW Treatment Plant Renewals and \$364,000 for District Wide Pipe Upgrades Feasibility Study.
 - Other changes of a reduction of \$3.9 million include a decrease in budget for Cambridge Growth Cell Wastewater provision of \$2.4 million deferred to the 2023/24 year, a decrease in budget for DW WW pipe upgrades CB Road to Christie Ave of \$2.1 million deferred to the 2023/24 year due to development timing, a decrease in budget for Cambridge North Wastewater Provision of \$848,000 deferred to the 2023/24 due to development timing, a decrease in budget for WW Hautapu Industrial WT Provision C8, C9 of \$800,000 deferred to the 2024/25 year, a decrease in budget for DW Wastewater treatment plant renewal of \$600,000 deferred to the 2023/24 year, a decrease in budget for Te Awamutu Wastewater Treatment Plant consent and upgrade of \$218,000 deferred to the 2026/27 year due to development timing offset by an increase in budget for Cambridge Growth Cell Wastewater provision of \$ 3.1 million due to timing of development as per council resolution.

Group of Activity - Water Treatment and Supply

The water treatment and supply group of activities includes all the services involved in abstracting, treating, storing and distributing water to users through the reticulation network. The water network infrastructure is a core service of Council and water treatment and supply is recognised by our Significance and Engagement Policy as a significant activity of Council.

The following outlines the year-to-date status of the level of service performance measures for the water treatment and supply group of activities. In summary there are a total of 34 performance measures for the group, of which 22 are considered on track and 8 measures are to be reported at the end of the financial year. Three measures are no longer reported on.

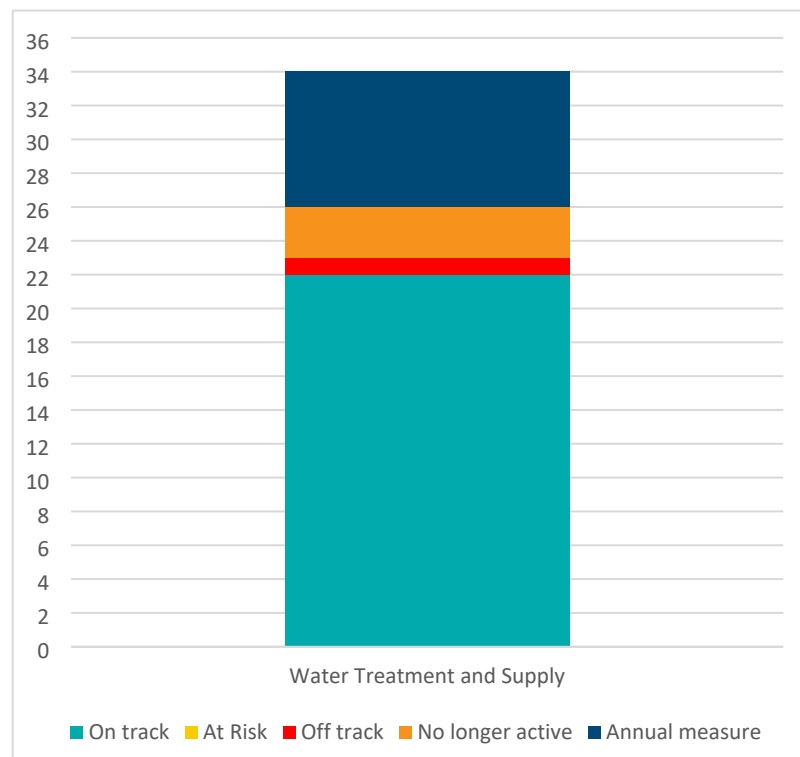



Figure 13: Water treatment and supply key performance indicator graph

The exception with associated commentary is outlined below.

Table 7: Water treatment and supply key performance indicator exception

Measure	Comment	YTD Target	YTD Actual	Status
The extent to which the local authority's drinking water supply complies with the drinking-water standards - Plant Compliance with Protozoal criteria - Karapiro	Compliance met for all plants aside from Karapiro WTP. Elevated turbidity within one of the plant's filters resulted in a technical non-compliance. There was no risk to public health in the treated water distributed.	8 months	7 months	
The extent to which the local authority's drinking water supply complies with the drinking-water standards – Network Zones Compliance - Maungatautari Plant	The Maungatautari water treatment plant is no longer active and therefore will not be reported on moving forward.	N/A	N/A	N/A
The extent to which the local authority's drinking water supply complies with the drinking-water standards - Plant Compliance with Bacteriological criteria - Parallel Road	The Parallel Road water treatment plant is no longer active and therefore will not be reported on moving forward.	N/A	N/A	N/A
The extent to which the local authority's drinking water supply complies with the drinking-water standards - Plant Compliance with Protozoal criteria - Parallel Road				

Operating and Capital Costs

	2022/23 Year to Date	2022/23 Full Year		2022/23 Full Year	Budget Variance	Budget Variance	Budget Variance	2021/22 YTD
	Actual	Forecast	Forecast	Budget	Carryforward from 21/22	Previously Reported	This Period	Last Year
Notes	\$000	\$000	%	\$000	\$000	\$000	\$000	\$000
REVENUE								
Activity Revenue	9,295	13,123	71%	13,123	-	-	-	11,842
TOTAL REVENUE	9,295	13,123	71%	13,123	-	-	-	11,842
OPERATING EXPENDITURE								
Depreciation and Amortisation	3,449	5,370	64%	5,370	-	-	-	3,373
Activity Expenses	1 5,468	7,086	77%	7,318	-	(232)	-	4,347
Internal Charges and Overheads	842	1,253	67%	1,253	-	-	-	999
Finance Costs	320	407	79%	407	-	-	-	214
TOTAL EXPENDITURE	10,079	14,116	71%	14,348	-	(232)	-	8,933
OPERATING SURPLUS/(DEFICIT)	(784)	(993)	79%	(1,225)	-	232	-	2,909
CAPITAL EXPENDITURE								
Capital Expenditure (excluding Vested)	2 6,694	14,393	47%	15,644	1,930	(3,871)	690	5,425
Vested Assets	2,066	2,826	73%	2,826	-	-	-	727
TOTAL CAPITAL EXPENDITURE	8,760	17,219	51%	18,470	1,930	(3,871)	690	6,152

Explanation of significant cost of service variances

1. Decrease in activity expenses of \$232,000 mainly due to savings in budget for District Wide Leak and Condition investigation of \$150,000 due to budget covered under three waters funding program and a decrease in staff benefits of \$82,000 due to vacant positions.

Explanation of significant capital variances

2. The capital variance is mainly due to:
 - Increase in capital budgets from projects carried forward from 2021/22 of \$1.9 million. This due to delays in development including \$515,000 for Hautapu East Water Development (C10), \$488,000 for T1 and T2 Water Servicing, \$336,000 for District Wide Water Main Renewals, \$254,000 for Cambridge Water Reticulation Growth- C2 & C3 and \$199,000 for Cambridge North to Hautapu Pipeline and C8.
 - Other budget decreases of \$3.9 million included a decrease in budget for Cambridge North to Hautapu Pipeline of and C8 of \$2.2 million deferred to the 2023/24 year due to development timing, a decrease in budget for Te Awamutu internal CBD rising main of \$600,000 deferred to the 2023/24 year, a decrease in budget for Fairview Road water main of \$500,000 deferred to the 2023/24 year, a decrease in budget for District Wide Water Treatment Main renewals of \$500,000 deferred to the 2023/24 year due to development timing, a decrease in budget for Hautapu East water development (C10) of \$300,000 deferred to the 2023/24 year and a decrease in budget for District Wide Zone Identification of \$248,000 deferred to the 2025/26 year due to development timing offset by an increase in budget for Alpha Street Water Treatment Plant upgrade of \$460,000 brought forward from future LTP years due to the timing of development.

Group of Activity - Support Services

Support services provide a range of specialist skills and services to support the delivery of our services, including customer support, financial management, human resources, information services, legal and corporate support, business improvement and risk management, and property management.

The following outlines the year-to-date status of the level of service performance measures for the support group of activities. In summary there are a total of 4 performance measures for the group, 3 of which are considered on track and one being an annual measure.

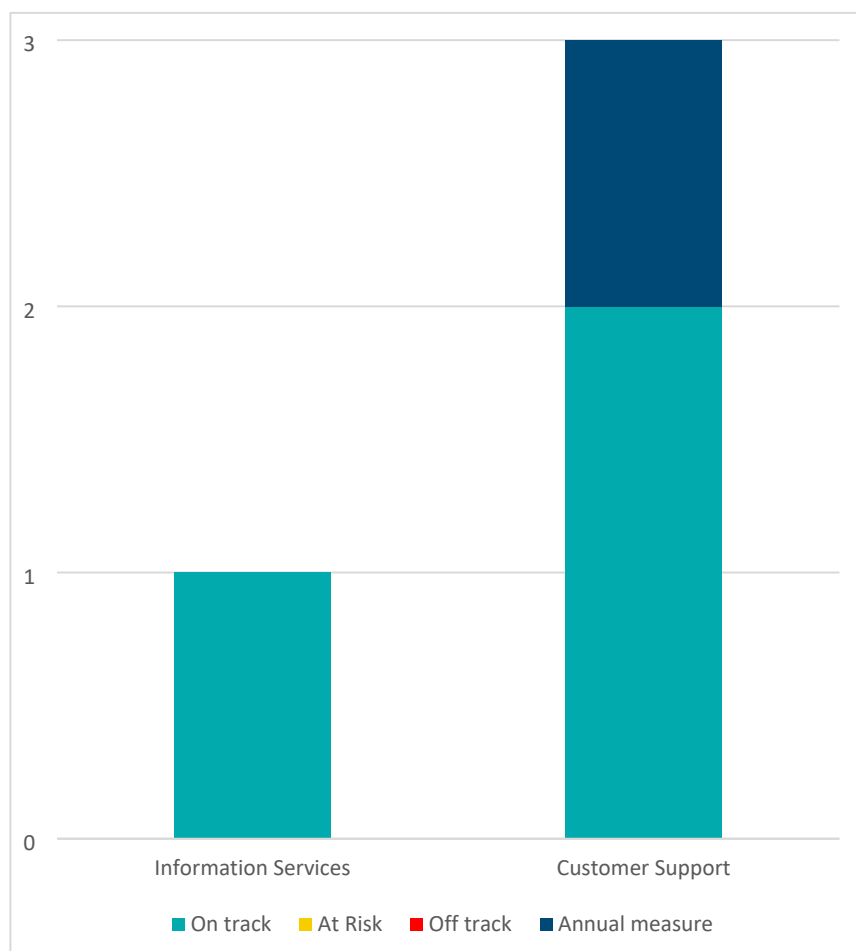


Figure 14: Support services key performance indicator graph

Operating and Capital Costs

		2022/23 Year to Date	2022/23 Full Year		2022/23 Full Year	Budget Variance	Budget Variance	Budget Variance	2021/22 YTD
		Actual	Forecast	Forecast	Budget	Carryforward from 21/22	Previously Reported	This Period	Last Year
	Notes	\$000	\$000	%	\$000	\$000	\$000	\$000	\$000
REVENUE	1								
Fees and Charges		285	371	77%	106	-	270	(5)	30
TOTAL REVENUE		285	371	77%	106	-	270	(5)	30
OPERATING EXPENDITURE									
Employee Related Expenses		7,380	11,861	62%	11,590	-	509	(238)	6,564
Depreciation and Amortisation		1,364	2,165	63%	2,165	-	-	-	1,081
Activity Expenses	2	3,377	4,845	70%	4,144	229	452	20	2,606
Finance Costs		130	198	66%	198	-	-	-	83
TOTAL EXPENDITURE		12,251	19,069	64%	18,097	229	961	(218)	10,334
OPERATING SURPLUS/(DEFICIT)		841	2,071	41%	1,646	229	223	(27)	236
CAPITAL EXPENDITURE									
Capital Expenditure (excluding Vested)	3	1,620	5,569	29%	4,712	1,729	(140)	(732)	1,114
TOTAL CAPITAL EXPENDITURE		1,620	5,569	29%	4,712	1,729	(140)	(732)	1,114

Explanation of significant cost of service variances

1. Increase in revenue of \$269,000 for Three Waters Transition Support Package funding.
2. Increase in activity expenses of \$701,000 due to an increase in budget from operating projects carried forward from the 2021/22 year of \$229,000 including \$204,000 for Deferred Maintenance and \$25,000 for Organisational Training. Other increases in budget of \$472,000 include \$100,000 for fuel & oil and \$347,000 for software maintenance and additional licenses.

Explanation of significant capital variances

1. The capital variance is mainly due to:
 - Increases in capital budgets from projects carried forward from 2021/22 of \$1.7 million including \$1.1 million for Plant Program due to timing delays and \$552,000 for Digital Roadmap Implementation including Finance CiAnywhere and Enterprise Asset Management (EAM).
 - Decrease in capital budgets of \$872,000 including a decrease in budget for engineering annex of \$609,000 deferred to the 2024/25 year and a decrease in budget for Te Awamutu Museum of \$305,000 deferred to the 2024/25 due to the delays in the commence seismic strengthening work offset by an increase in budget for 101 Bank Street customer support upgrade of \$200,000 brought forward from the 2023/24 year due to development timing.

COMMITTEE REPORT



To: The Chairperson and Members of the Finance and Corporate Committee

From: Principal Engineer - Growth

Subject: **Development Contributions Update 2023/24 Rates**

Meeting Date: 28 March 2023

1 PURPOSE - TAKE

This report aims to present the draft 2023/24 Development Contribution rates to the Committee, providing a comprehensive overview of the proposed contributions and seeking agreement that Council does not formally consult on this matter. Through this report, the Committee will be informed of the key considerations and potential implications of the proposed contributions, enabling them to make an informed decision on the consultation matter. The ultimate goal of this report is to facilitate a transparent and collaborative process that leads to the development of fair and effective policies for the benefit of the community.

2 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

This report recommends that Council does not consult on proposed minor changes to the Development Contributions Policy. Consultation is not required for the proposed changes under the Local Government Act 2002.

Development Contributions for the Hautapu catchment will increase based on the reallocation of actual costs for specific projects already accounted for, and will also increase for the Pukerimu catchment where the rural roading DC has been added.

3 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Finance and Corporate Committee

- a) **Receives** the report Tony Coutts, Principal Engineer - Growth titled 'Development Contributions update 2023/24 rates, (document number 10978255);
- b) **Agrees** to not consult on proposed minor changes to the Development Contributions Policy as detailed in Appendix 2 to this report, as this is not a requirement under the Local Government Act 2002.

4 BACKGROUND – KŌRERO WHAIMĀRAMA

Under section 106(2C) of the Local Government Act, a development contribution provided for in a development contributions policy may be increased without consultation if:

- (a) *The increase does not exceed the result of multiplying together—*
 - (i) *the rate of increase (if any), in the PPI since the development contribution was last set or increased; and*
 - (ii) *the proportion of the total costs of capital expenditure to which the development contribution will be applied that does not relate to interest and other financing costs;*

For the 2023/24 financial year, it is proposed that Development Contributions will not increase, except for the Hautapu and Pukerimu catchments. However, these increases will comply with the requirements of section 106(2C), as the Producer Price index (PPI) increase this year as outlined by Stats NZ, was 15.5%. The increases are 6.3% and 1.8% respectively.

The proposed changes are considered a balanced approach to managing the Development Contribution policy when taking the National Policy Statement for Urban Development 2020 (NPSUD 2020) into consideration.

Council must consider the National Policy Statement for Urban Development 2020 (NPSUD 2020) relating to intensification. It outlines that all growth councils need to increase development capacity within their urban limits by 20% in the short to long term. This couldn't be done in the annual plan process as adjustments to Household Equivalent Unit (HEU) figures is only allowed through the DCP reviews done under LTP cycles.

A sensitivity check was undertaken within the Development Contribution model by adjusting the HEUs expected in a catchment by the 20% NPS requirement, versus interest rate increase from 2.29% to 5%. The check showed little to no difference between the rates.

Note this is prior to Plan Change 26 NPS UD, which would effectively look to double our dwelling requirements in the urban extents of Cambridge, Kihikihi and Te Awamutu (including growth cells). Outcomes of this Plan Change are still not yet confirmed but will be considered in the next DCP review.

A market slowdown is occurring, seen through lower number of consent applications received, and developers actively bringing less sections to the market given demand. Consequently, the income expected, based on existing Development Agreements (DAs) and DC notices, which are locked into previous DC policy years, means the impact of not increasing rate this financial year, is low.

Note, any new Development Agreement can be entered into with the inclusion of interest if agreed between both parties, we would look to action this if tied to an Infrastructure Works Agreement.

Staff will continue to review the DC policy in line with legislative requirements and community expectations as Council moves into the next Long Term Plan, where the review of the Development Contribution Policy will investigate factors such as:

- Further NPS surrounding intensification (Plan change 26 outcomes);
- Additional Plan Change outcomes;
- Refined Household Equivalent Units (HEUs) estimations for Industrial areas;
- New calculation types looking to different residential typologies;
- New catchment/projects tied to specific catchments; and
- Government reforms.

5 SIGNIFICANCE & ENGAGEMENT – KAUPAPA WHAI MANA ME NGĀ MATAPAKINGA

Staff have considered the key considerations under the Significance and Engagement Policy, in particular sections 7 and 8, and have assessed that the matters in this report have a low level of significance.

6 OPTIONS – NGĀ KŌWHIRINGA

Option	Advantages	Disadvantages
Option 1: Do nothing	<ul style="list-style-type: none"> ▪ No staff or other Council resources required 	<ul style="list-style-type: none"> ▪ Loss of revenue within specific catchments (but will apply into new policy in the next LTP)
Option 2: Update the specific rates highlighted within this report.	<ul style="list-style-type: none"> ▪ Meets timeframes for annual plan adoption, and the consensus that formal consultation is not required. ▪ Balances the NPS obligations and impacts of interest rate increases. 	<ul style="list-style-type: none"> ▪ Less loss of short-term revenue (but will apply into new policy in the next LTP)
Option 3: Full consultation	<ul style="list-style-type: none"> ▪ Short-term issuing of DC may recover more revenue. 	<ul style="list-style-type: none"> ▪ Administration time, and pressure on consultative process may hold up Annual Plan adoption. ▪ Developers may contest these rates in favour of a later policy to come, noting the above factors. ▪ More contention in the administration of the year for

Option	Advantages	Disadvantages
		any increases that may be perceived.

The recommended option is Option 2. The reason for this option preference is that it provides a balanced approach to managing our policy, when considering the wider factors mentioned in the above commentary and allows us to comply with legislative requirements.

7 OTHER CONSIDERATIONS – HEI WHAIWHAKAARO

Council’s Vision and Strategic Priorities

Aligns with council growth pays for growth whilst taking into consideration national legislative requirements.

Legal and Policy Considerations – Whaiwhakaaro ā-Ture

Staff confirm that the option 2 complies with Council’s legal and policy requirements.

Financial Considerations – Whaiwhakaaro ā-Pūtea

The total costs to complete this bring no additional cost to council. Any perceived or forecasted revenue loss, would be considered within the LTP and DCP review/implementation.

There are no known significant risks associated with the decisions required for this matter.

8 NEXT ACTIONS

Action	Responsibility	By When
Update Development Contribution Policy with draft 2023/24 rates	TCOU	May 2023
Progress to formal adoption in conjunction with the Annual Plan	TCOU	May 2023

9 APPENDICES - ĀPITITANGA

No:	Appendix Title
1	Existing 2022/23 DC rates
2	Draft 2023/24 DC rates



Tony Coutts
PRINCIPAL ENGINEER - GROWTH



Reviewed by Wayne Allan
GROUP MANAGER DISTRICT GROWTH AND REGULATORY SERVICES



Approved by Ken Morris
DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

APPENDIX 1

Existing 2022/23 DCs rates (incl. GST):

Funding Areas	Water	Stormwater	Wastewater	Roading	Reserves	Community Infra	Total
Kihikihi	\$0	\$7,764	\$5,883	\$11,673	\$0	\$130	\$25,450
Bond Rd	\$18,621	\$10,176	\$5,876	\$68	\$0	\$0	\$34,742
C1	\$5,524	\$27,406	\$8,219	\$24,898	\$7,005	\$130	\$73,182
C2	\$3,923	\$27,406	\$6,228	\$22,169	\$7,005	\$132	\$66,863
C3	\$3,923	\$27,406	\$6,228	\$22,169	\$7,005	\$130	\$66,861
C4	\$1,891	\$0	\$4,177	\$5,170	\$692	\$130	\$12,060
C6	\$1,891	\$0	\$0	\$5,170	\$692	\$130	\$7,883
Cambridge / Karapiro	\$1,891	\$0	\$4,177	\$5,170	\$692	\$130	\$12,060
Cambridge North	\$4,144	\$24,065	\$10,099	\$5,789	\$4,365	\$130	\$48,592
Hautapu	\$5,898	\$30,017	\$8,640	\$5,777	\$3,420	\$0	\$53,753
Ngahinapouri	\$0	\$0	\$0	\$21,429	\$0	\$130	\$21,559
Picquet Hill	\$7,854	\$42	\$11,533	\$19,949	\$456	\$130	\$39,963
Pirongia	\$6,765	\$0	\$0	\$68	\$0	\$130	\$6,963
Pukerimu	\$3,491	\$0	\$0	\$0	\$0	\$130	\$3,621
Rural	\$0	\$0	\$0	\$68	\$0	\$130	\$198
T1	\$8,271	\$0	\$6,137	\$2,307	\$5,080	\$130	\$21,924
T2	\$8,271	\$0	\$6,137	\$2,307	\$5,080	\$130	\$21,924
T3	\$11,586	\$3,184	\$5,883	\$71	\$456	\$130	\$21,310
T6	\$6,765	\$0	\$0	\$71	\$456	\$130	\$7,422
T8	\$6,765	\$0	\$5,883	\$71	\$456	\$130	\$13,304
Te Awamutu	\$6,765	\$0	\$5,883	\$71	\$456	\$130	\$13,304

APPENDIX 2

Draft 2023/24 DCs rates (incl. GST):

Funding Areas	Water	Stormwater	Wastewater	Roading	Reserves	Community Infra	Total
Kihikihi	\$0	\$7,764	\$5,883	\$11,673	\$0	\$130	\$25,450
Bond Rd	\$18,621	\$10,176	\$5,876	\$68	\$0	\$0	\$34,742
C1	\$5,524	\$27,406	\$8,219	\$24,898	\$7,005	\$130	\$73,182
C2	\$3,923	\$27,406	\$6,228	\$22,169	\$7,005	\$132	\$66,863
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C4	\$1,891	\$0	\$4,177	\$5,170	\$692	\$130	\$12,060
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Cambridge North	\$4,144	\$24,065	\$10,099	\$5,789	\$4,365	\$130	\$48,592
Hautapu	\$5,898	\$30,017	\$8,640	\$9,168	\$3,420	\$0	\$57,144
Ngahinapouri	\$0	\$0	\$0	\$21,429	\$0	\$130	\$21,559
Picquet Hill	\$7,854	\$42	\$11,533	\$19,949	\$456	\$130	\$39,963
Pirongia	\$6,765	\$0	\$0	\$68	\$0	\$130	\$6,963
Pukerimu	\$3,491	\$0	\$0	\$68	\$0	\$130	\$3,689
Rural	\$0	\$0	\$0	\$68	\$0	\$130	\$198
T1	\$8,271	\$0	\$6,137	\$2,307	\$5,080	\$130	\$21,924
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T6	\$6,765	\$0	\$0	\$71	\$456	\$130	\$7,422
T8	\$6,765	\$0	\$5,883	\$71	\$456	\$130	\$13,304
Te Awamutu	\$6,765	\$0	\$5,883	\$71	\$456	\$130	\$13,304

COMMITTEE AGENDA



To: The Chairperson and Members of the Finance and Corporate Committee

From: Governance

Subject: **RESOLUTION TO EXCLUDE THE PUBLIC**

Meeting Date: 28 March 2023

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

A local Authority may, by resolution, exclude the public from the whole or any part of the proceedings of any meeting under section 48(1) of the Local Government Official Information and Meetings Act 1987.

2 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
10. Confirmation of Public Excluded Minutes 21 February 2023 11. Legal Claim 12. Potential Purchase of Leasehold Interest 13. Civic Financial Services Ltd – Director Nominations	<i>Good reason to withhold exists under section 7 Local Government Official Information and Meetings Act 1987</i>	<i>Section 48(1)(a)</i>

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, or Sections 6, 7 or 9 of the Official Information Act 1982, as the case may be, which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, are as follows:

Item No.	Section	Interest
11,12	7(2)(i)	<i>To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</i>
13	7(2)(a)	<i>To protect the privacy of natural persons, including that of deceased natural persons</i>
10	Section 7(2)(b)(ii)	<i>To protect information which if public would unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information.</i>
11	7(2)(g)	<i>To maintain professional privilege</i>
10	7(2)(h)	<i>To enable the council to carry out, without prejudice or disadvantage, commercial activities</i>