

TE PŪRONGO O TE TAU

ANNUAL REPORT
SUMMARY

2021/22



WAIROA DISTRICT COUNCIL

NGĀ RĀRANGI TAKE

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Each year, local authorities are required to present an annual report that includes a set of audited financial statements. Our Annual Report 2021/22 was adopted by Council on 31 October 2022, with an unmodified audit opinion.

Copies of the full Annual Report 2021/22 and this summary are available at www.wairoadc.govt.nz

Wairoa District Council is a public benefit entity for financial reporting purposes. The financial statements within the Annual Report were prepared in accordance with and comply with New Zealand Generally Accepted Accounting Principles (GAAP) and comply with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 1 entity.

The financial statements in this summary of the 2021/22 Annual Report do not include all of the disclosures provided in the full report and therefore cannot be expected to provide as complete an understanding of the Council's financial position.



**HE
WHAKARĀPOPOTOTANGA
I TĀ TĀTAU TAU**

**SUMMARY OF
OUR YEAR**

HE KARERE TAIHONOTANGA

JOINT STATEMENT

Tēnā tātau and welcome to the Wairoa District Council's 2021/2022 Annual Report.

The last year can be best described as a year of 'getting on with the business at hand' in an ever-changing legislative and Covid-19 environment. Central Government Reforms of Three Waters and the Resource Management Act, as well as the Future of Local Government Review, are front of mind.

Council has also been an active participant in the community led and iwi partnered Covid-19 response which remains a challenge for the community. Alongside this, cost escalations, supply chain issues and an impacted workforce due to Covid-19 has seen Council consider how it operates and delivers on projects in a timely and affordable way. Council needs to be flexible and agile to ensure that it delivers appropriate levels of service in a cost-effective way and at the same time supporting the community where appropriate in these uncertain times.

The CBD enhancement project has certainly been impacted by cost escalations and supply chain issues due to the Covid-19 environment. The project has been rescoped to keep within budget and timeframes extended to ensure that the project is delivered in a way that meets the expectations of the community.

The Three Waters Reforms programme has been challenging for Council, with requests for information and preparing to position Council and the various communities of Wairoa in the best possible way to respond proactively to whatever changes come.

The March and April weather events have had a significant impact on the community, with Council applying for a bespoke emergency works application to Waka Kotahi to pay for infrastructure that was impacted by the storms, particularly our roading network. Recovery efforts are ongoing with Council partnering with agencies to remediate, reinstate and repair damaged roads and bridges as well as supporting impacted communities to recover and become more resilient.

Despite these challenges, Council is pleased to note that it has completed the majority of its \$11M Three Waters Stimulus package. This was a significant capital works programme for Council and given that other Councils around the country sought an extension to the timeframes, Council is pleased that key projects were delivered on time and within budget, including;

- the Ōpoutama Wastewater Upgrade
- the Toby Replacement / Smart Meter Programme
- the Wairoa Wastewater System and Treatment Plant Upgrade
- Achilles Street Water Main Replacement
- Māhanga Water Supply Improvements
- and a number of bespoke regional projects

The granting of the Wairoa wastewater resource consent was another significant milestone achieved after many years of work including, as the hearing panel commissioners stated, "that its overall impression is that Wairoa District Council has genuinely strived to engage with its broader community, including tangata whenua and mana whenua, over the course of preparation and presentation of this application." But Council understands that there is still a lot of work to be done, including revised conditions incorporating milestones for land irrigation and storage and better

integration of mātauranga Māori throughout consent implementation, monitoring and review.

The Health Reforms have also allowed Council to participate in areas that are somewhat more non-traditional for a Council but align to our legislative purpose, to take a 'broad role in promoting the social, economic, environmental, and cultural well-being of their communities.' Council was extremely pleased that Wairoa was selected as one of nine prototype localities from across the country as part of the national health reforms programme. Council, alongside local iwi, local providers and agencies were asked to form a working group to develop an application to be a prototype locality. Since being selected earlier this year, work has ramped up to begin to develop a localities framework that best supports Wairoa's aspirations under the new health reforms.

As well as the local response to the health reforms, Council is also involved in a number of other community-led and iwi partnered projects including, the Wairoa housing strategy, the Wairoa pandemic plan and the localised commissioning project. These projects have been commissioned by the Wairoa Community Partnerships Group which has members from local iwi, local agencies and government departments. The purpose of the group is to see a united view of Wairoa whānau thriving and the group is chaired by His Worship the Mayor. Given the Future of Local Government review, Council is well positioned to proactively and strategically position itself to respond to the findings of the review given Council's role as a Wairoa Community Partnerships member.

On behalf of Council and the management team, we wish to acknowledge the contribution of staff and contractors for the achievements outlined in this Annual Report. The Wairoa District Council continues to adapt its operations to be best placed for the uncertain social and economic environment ahead, as it works to maintain infrastructure, deliver core services and plan for Wairoa's future in an affordable and meaningful way.



C Little

Craig Little

*Kahika
Mayor*

K Tipuna

Kitea Tipuna

*Te Tumu Whakarae
Chief Executive Officer*

Ā TĀTAU ARONGA

OUR DIRECTION

Who we are and where we're headed

Our **Strategic Direction** is about who we are and where we're heading. Our **mission, vision and community outcomes** set this direction and guide us to deliver sustainable **Levels of Service** to support the wellbeing of our people and district by delivering **Core Services** outlined on page 14. Together they explain what drives us to do the best we can for the people we serve.

We actively monitor our service performance measures which allows us to assess progress towards these long-term aspirations and respond to challenges. Council uses this strategic reference point to ensure that its ongoing approach to funding and financial management is prudent, and delivers infrastructure and services at desired levels to the community in a financially sustainable manner.

Our **mission** is our **main job**. Our **vision** is what we see as the best **future for our district**. Our **community outcomes** are the **big goals** that drive us to support the wellbeing of our people.

OUR MISSION	To support the Wairoa Community through decision-making that promotes the cultural, social, economic and environmental well-being of the district now and in the future.		
OUR VISION	Desirable Lifestyles, Thriving Economy, Treasured Environments, Connected Communities		
COMMUNITY OUTCOMES	<table border="0"> <tr> <td style="vertical-align: top;"> <p>Cultural Wellbeing <i>Valued and cherished community</i></p> <p>Economic Wellbeing <i>Strong and prosperous economy</i></p> </td> <td style="vertical-align: top;"> <p>Social Wellbeing <i>Safe, supported and well-led community</i></p> <p>Environmental Wellbeing <i>Protected and healthy environment</i></p> </td> </tr> </table>	<p>Cultural Wellbeing <i>Valued and cherished community</i></p> <p>Economic Wellbeing <i>Strong and prosperous economy</i></p>	<p>Social Wellbeing <i>Safe, supported and well-led community</i></p> <p>Environmental Wellbeing <i>Protected and healthy environment</i></p>
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Our **four outcomes** are significant and yet simple. They emphasise Council's leadership role in supporting wellbeing and align to the wider community context and purpose of local government. Each of the outcomes aligns to a corresponding wellbeing, which provides a clearer strategic match between our community's interests and Council's wellbeing focus.

The outcomes are linked to all Council's activities and provide the high-level direction that guides the development and rollout of work plans and programmes. They are linked to Council's key activities, each of which has a management plan with a performance framework that defines Levels of Service.

ACTIVITY GROUPS	ECONOMIC WELLBEING	SOCIAL WELLBEING	ENVIRONMENTAL WELLBEING	CULTURAL WELLBEING
WATER SUPPLY	✓	✓	✓	✓
STORMWATER	✓	✓	✓	✓
WASTEWATER	✓	✓	✓	✓
WASTE MANAGEMENT	✓	✓	✓	✓
TRANSPORT	✓	✓	✓	✓
COMMUNITY FACILITIES	✓	✓	✓	✓
PLANNING & REGULATORY	✓	✓	✓	✓
LEADERSHIP & GOVERNANCE	✓	✓	✓	✓
CORPORATE FUNCTIONS	✓	✓	✓	✓

NGĀ HIRAHIRA I TĀ TĀTAU TAU

HIGHLIGHTS OF OUR YEAR



300
rates rebate applications
assisted with



95%
of library users satisfied
with the collection



18,089
phone calls answered
by the customer
service team



126 TONNES
of waste diverted from landfill



18 KM
sealed road resurfaced



\$28.3 MILLION
value of building consents
issued



50
LGOIMA requests
received and responded to



3 KM
wastewater pipes relined



13,885 M³
maintenance metal applied
to roads



91%
of users satisfied with
the museum



138
building consents issued



459 TONNES
of recycling processed



3,246
dogs registered



3 MILLION LITRES
compliant drinking water
produced per day

OUR FINANCES

The figures presented here are Council-only. For Group results please refer to the financial statements.

\$32.5 MILLION

COST OF SUPPORTING THE DISTRICT

Our total operating expenses for the year were \$32.5 million. This spend supports our district by providing the various infrastructural and community services outlined on page 15.

\$10 MILLION

BORROWING POSITION

This is an increase of \$2 million from last year and equates to \$1,152 per person in the district. We use borrowing to spread the cost of new facilities or infrastructure over multiple generations that will benefit from the projects. We believe this is the fairest way to do things.

\$18.3 MILLION

CAPITAL SPEND

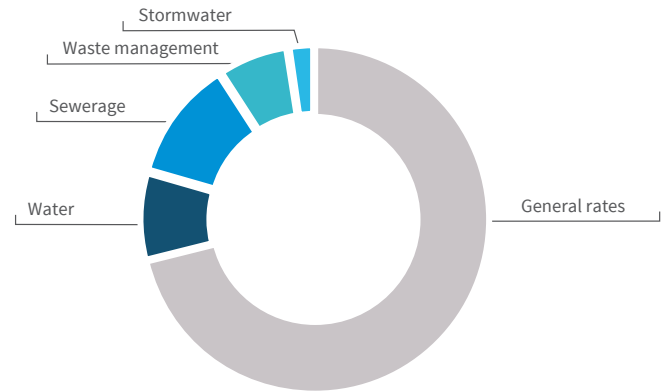
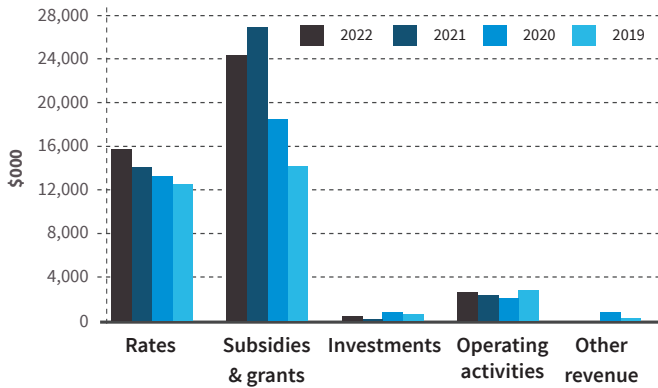
We spent \$18.3 million on new assets for the district. We completed a number of initiatives in our transport, Three Waters and leadership and governance activities, with total spend close to our planned \$20.6 million. External funding from Waka Kotahi, the Provincial Growth Fund (PGF) and the Department of Internal Affairs (DIA) contributed to a number of these projects.

\$316 MILLION

OF ASSETS

The Council provides services to the district through a range of infrastructure networks and facilities (Council assets). These have been built up over many generations and equate to around \$36,348 net worth of value for every person in the district.

WHERE OUR MONEY COMES FROM



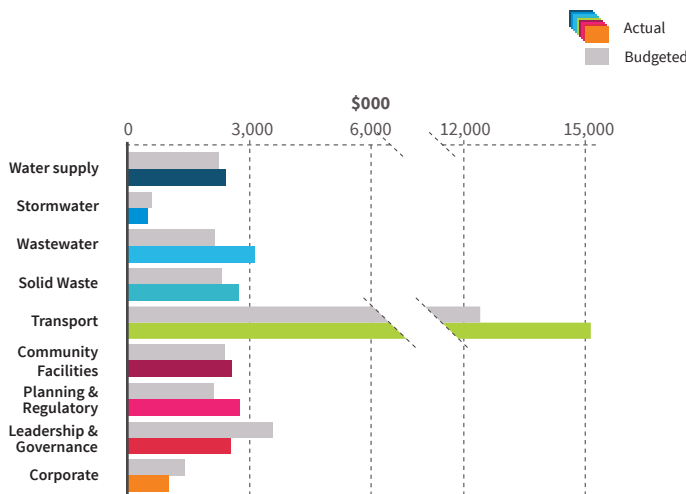
Overall sources of revenue (\$000) for the past four years

The above graph shows how our revenue sources have changed, with subsidies and grants now our main source of funding (57% in 2022 compared to 47% in 2019). This reduces the proportion of rates revenue (36% in 2022 compared to 41% in 2019) used to fund our projects. We also receive revenue from operating activities (including user fees) and investments.

Components of Council rates revenue for the year

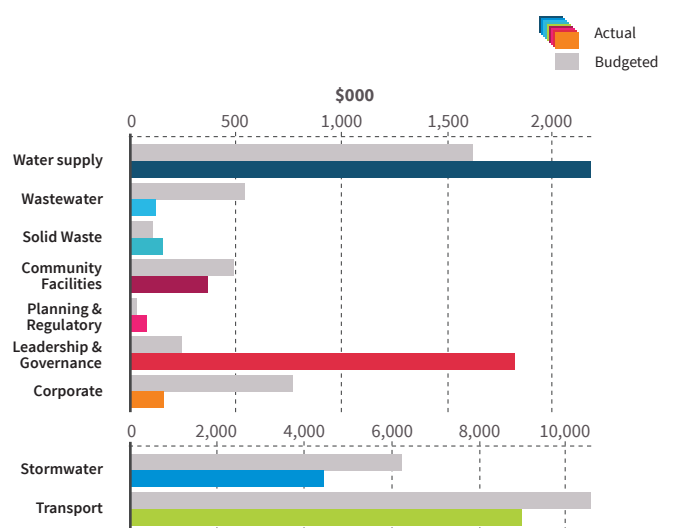
The above graph shows the allocation of Council's rates revenue for the year (based on the Long Term Plan). During 2020/21 Council conducted a rating review seeking an approach that is simple, affordable and appropriate. The new rating system addresses the issues of consistency that we saw in the previous system, but it's still about the distribution of rates, not the total amount.

WHERE OUR MONEY GOES TO



Difference between actual and budgeted operating expenditure (\$000)

The above graph summarises the difference between the actual and budgeted operating expenditure for each group of activities. It shows how the Council has prioritised its spending to support the operational and strategic direction that has been set during the Annual Plan process. Details of the financial performance against budget for each group of activities can be found in the full Annual Report 2021/22.



Difference between actual and budgeted capital expenditure (\$000)

The above graph shows capital expenditure by group of activities. We have a comprehensive renewal and upgrade programme for our assets and have completed \$18.3 million of capital expenditure during the 2021/22 year.

OUR PERFORMANCE IN DETAIL

Most of the work we do, our budgets and the services we provide are in the nine activity areas that represent how we work. **Our key performance measures and their targets are how we track and assess the delivery of Council services.**

These targets were set in our Long Term Plan 2021-31 and include both technical measures, such as our compliance with bacteriological standards for drinking water quality, and perception-based measures, such as residents satisfaction with various services.

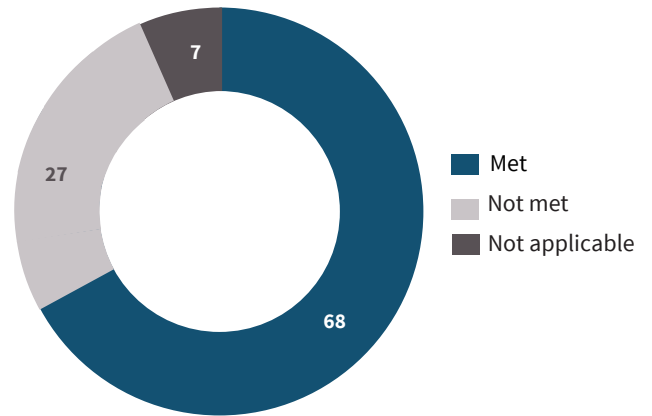
Individual performance measures are recorded as either:

- ✓ Met
- ✗ Not met
- Not applicable

The designation "not applicable" is for those instances where we could not record the result eg. the stormwater activity includes a measure on response time for flooding that is a risk to life. We had no such flooding events this year so could not measure our response time.

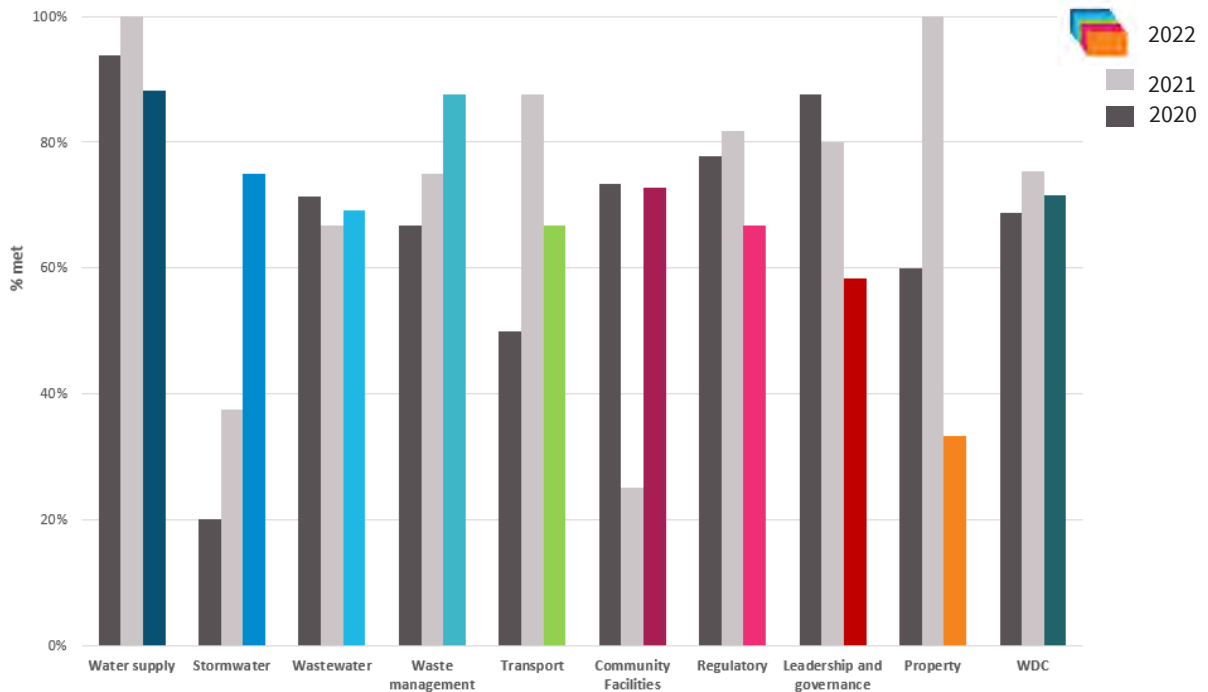
The Long Term Plan 2021-31 set a number of new measures. As this year was our first time measuring our progress against these targets, we did not meet all of these. This demonstrates that Council is striving for excellence and gives us focus for areas of improvement in future years.

Of the 27 measures that were not met, 6 were new, a further 3 were due to COVID impacts (eg. decreased physical visitor numbers) and 1 was due to storm impacts from the recent weather events. A further 8 were within 10% of the target, so we would expect that these will see improvements in future years. There were an additional 2 one-off instances of non-compliance, and we have put in place mitigation to prevent these occurring again.

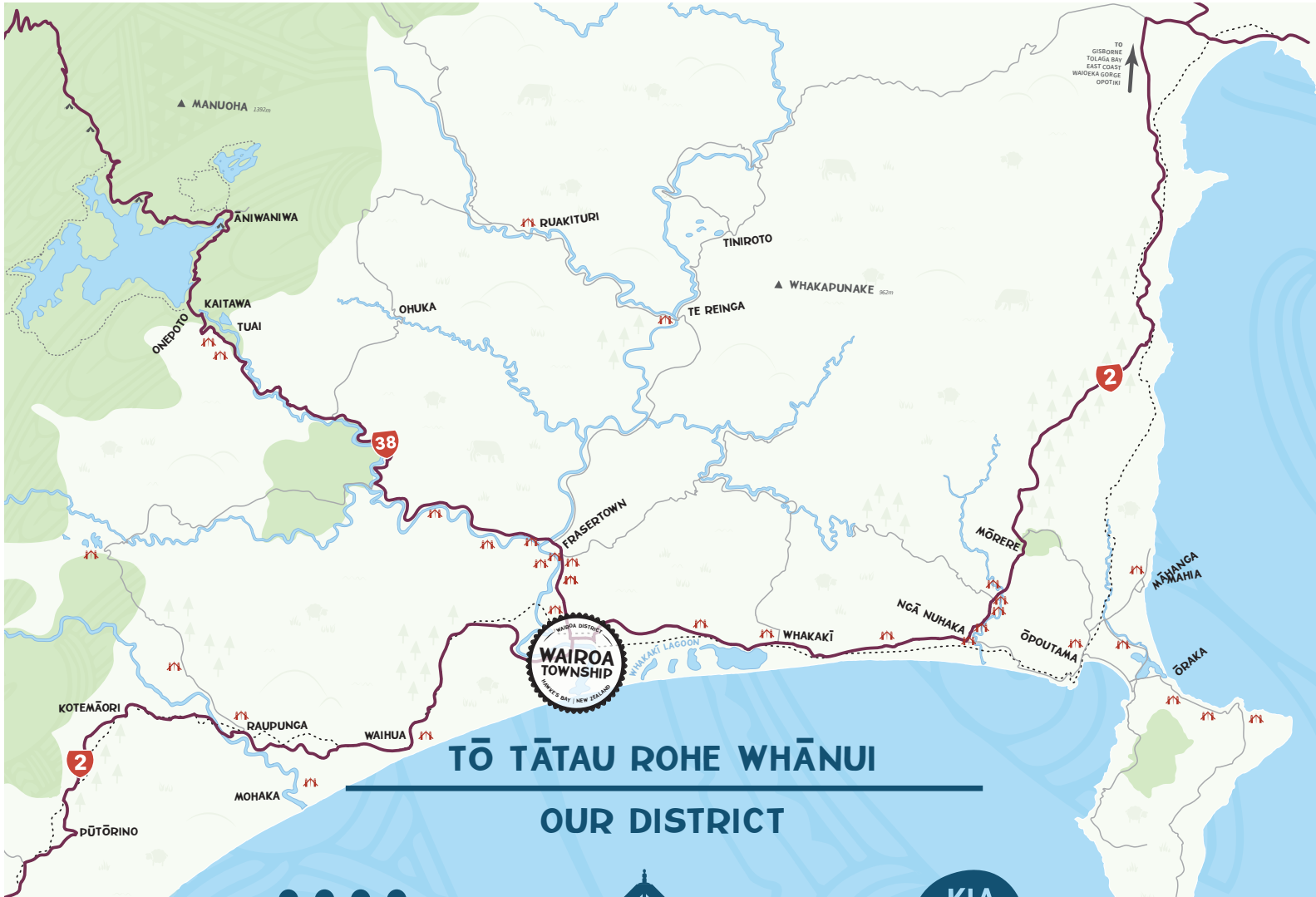


2021/22 key performance measure results

The below graph shows the percentage of measures met by activity over last 3 years and clear trends and outliers can be seen. There is an improving trend for our stormwater, wastewater, waste management and community facilities activities. The property activity showed a steep decline as inspections could not be conducted on time due to tenants and employees having COVID. Regulatory had a number of new measures introduced in the 2022 year, and these were not met in the first year of measurement. Furthermore, staff attrition and an increase in the number and complexities of consents meant that consent targets were not met. Transport saw a decline in measures met due to storm events damaging parts of the network - therefore this decrease in targets met was out of Council's control. Water supply showed a decrease in responsiveness to urgent callouts resulting in targets not being met. Other water supply response times improved compared to previous years, but were met in all instances so do not impact this graph.



% key performance measures met: 3 year trend



TŌ TĀU ROHE WHĀNUI OUR DISTRICT



8,670 residents



65.7% Māori descent
highest rate nationally



19.9% of population
speaks te reo Māori



€48,500
median household income



17% of population
over 65



3,250 households



2.67 persons per
household
(average)



38.6 years
median age
(increasing over time)

WHERE WE LIVE



4,119km²
area of district



130km
of coastline



871km
of roads

51km
of footpaths



KEY INDUSTRIES
Agriculture and
Forestry
(GDP contribution)



KEY INDUSTRIES
Primary production
and public services
(GDP contribution)

Note: Base information obtained from sources including Statistics New Zealand, Ministry of Business Innovation and Employment and Ministry of Primary Industries.



The elected members set the direction and priorities for the district and provide oversight of the organisation. Wairoa District Council is made up of 6 Councillors and a Mayor. Along with all other local authorities in New Zealand, the Council is elected every three years.

The Mayor is elected “at large”, meaning by all the district’s residents. Three elected members are elected by voters from the Māori roll and three from the general roll. The next election is on 8 October 2022.

Setting the direction

Elected Members have the responsibility to set the direction and priorities for the district and provide oversight of the organisation. The Council appoints the Chief Executive Officer to deliver the services needed to fulfil its direction. Under the Local Government Act 2002, certain powers are reserved for the elected Council. They include setting bylaws and rates, setting the Council’s budget through Long-Term and Annual Plans, making decisions about borrowing money and buying or selling assets, setting up and giving powers to Council committees, determining how Council meetings will be run, setting an Elected Member code of conduct, and adopting Annual Reports. Subject to these powers, day-to-day management of Council services and operations is delegated to the Chief Executive, with Councillors monitoring progress.

Community advocates

Elected Members are responsible for looking after those from the ward which elected them. This involves meeting people and organisations and advocating on their behalf or addressing any issues they may face. However, when Councillors come together to make decisions in the Council or a Council committee or subcommittee, they are required to put aside local interests and exercise their powers in the best interests of the district.

Making the hard decisions

Whatever decisions the Elected Members make, some people will like it better than others – that’s the nature of democracy. Council decisions are made in a climate where public organisations are scrutinised more than ever before, and trust in public organisations is generally declining. Before Elected Members make any decision, they – with advice from Council staff – examine it from every angle. They think about the wellbeing and collective needs and aspirations of Wairoa District’s people as well as legal requirements and contractual obligations, how it fits with the Council’s strategic direction and policies, and whether it’s a sensible use of ratepayer funding. Elected Members will often ask for information to be presented to them such as: How much will it cost? How can it be funded? Will someone else do the work if we don’t? Will the benefits be significantly less or the costs significantly greater if we wait? And are there any risks involved?

Council also engages with our community on many decisions, ensuring people can have their say and contribute and influence how their district is shaped. Altogether, Council strive to ensure our decision-making processes are fair and robust.

Standing committees and subcommittees

The Council conducts its business at open and publicly advertised meetings. The Mayor (as required by section 41A of the Local Government Act 2002) put in place the current structure of committees and subcommittees following the 2019 election. The Council retains the power to revisit the structure. The Council’s committee structure ensures that all decisions take account of the wider issues facing the district. All services are linked, so it makes good sense to consider them all together. Our decision-making structure ensures that all Elected Members are aware of the full range of issues facing the district. The beginning of each meeting is set aside for members of the public to have their say on any item within the agenda.

The structure adopted for the 2019-2022 triennium comprises several committees and panels as follows: Economic Development Committee; Finance, Audit and Risk Committee; Infrastructure Committee; Licencing Committee; Māori Standing Committee; Conduct Review Committee; Wairoa Youth Council and Chief Executive Review Panel. Council also has representatives on four joint committees with other Councils in the region. The Mayor is an ex-officio member of all Wairoa District Council committees.

Elected Members meeting attendance

The meeting attendance figures relate to Council, committee (excluding pre-meeting briefing sessions) and subcommittee meetings of which the Councillor is a member. The meeting attendance figures provided do not include Councillors' attendance at external meetings, including for boards of Council-controlled organisations, community boards, working parties, advisory groups and other external bodies. Such meetings can conflict with Council meeting times.

Current Council	Meetings held of which the Councillor is a member	Meetings attended	%
Craig Little <i>Mayor</i>	52	40	77%
Hine Flood <i>Deputy Mayor</i>	30	22	73%
Denise Eaglesome-Karekare <i>Councillor</i>	40	38	95%
Danika Goldsack <i>Councillor</i>	37	34	92%
Jeremy Harker <i>Councillor</i>	25	22	88%
Melissa Kaimoana <i>Councillor</i>	29	25	86%
Chaans Tumataroa-Clarke <i>Councillor</i>	28	21	75%

DECLARATIONS OF INTEREST AND CODE OF CONDUCT

A copy of the Elected Members Code of Conduct was provided as part of the induction process at the beginning of the triennium and covered the following: roles, responsibilities, relationships, behaviours, compliance, and review. The Code of Conduct provides guidance on the standards of behaviour that are expected from the Mayor and Elected Members. Both these topics were covered extensively as part of the induction programme.

Declarations of interest

At the start of the triennium, all Elected Members declared their potential, perceived and actual interests, and follow-ups occur to ensure that Elected Members keep their register up to date and comply with the provisions of the Local Authorities (Members' Interest) Act 1968, which covers financial interests, and with other requirements relating to non-pecuniary conflicts of interest. At Committee meetings, members are asked to declare any interest in relation to any items or reports on the agenda. If an Elected Member declares an interest, they will not vote or speak to the item and may absent themselves from the discussions.

Code of Conduct

The Code of Conduct applies to Elected Members in their dealings with each other, the Chief Executive, all staff, the media, and the general public.

All complaints made under the code must be made in writing and forwarded to the Chief Executive. On receipt of a complaint the Chief Executive must forward the complaint to the Mayor/Chair or, where the Mayor/Chair is a party to the complaint, an independent investigator, drawn from a pool of names or agencies agreed in advance.

Any allegation is considered in a manner that is fair to all parties involved, including ensuring that due process is respected.

ADVISORY GROUPS

Forums and advisory groups help specific sectors of the community to have their say and guide us in our work. Our advisory groups consist of members from the community with specialist knowledge in a specific area of Council responsibility. Their role is to help their communities to understand Council processes and participate in the Council's decision-making processes, and to help the Council understand the needs of their communities and how those needs may be addressed. They are not seen as representing all views on their specialist areas or communities in Wairoa.

Youth Council

Chair: Trevor Waikawa

Deputy Chair: Gabby Wilson

Current Members: Araley Rudd, Grace Kaihe-Tahuri, Jose Manuel, Lyric Wesche, Mohaka Hooper, Rongomaiwahine Te Rau o Patuwai, Te Huiariki Tuahine

Council representatives: Mayor Craig Little, Councillor Melissa Kaimoana, Councillor Dankia Goldsack

The Youth Council met seven times in the 2021/22 year. The selected members represent localities within the Wairoa District. Support was provided on several matters including COVID-19 vaccine drive support to Wairoa Taiwhenua and the Wairoa District Pandemic Plan; advocacy for Wairoa's lack of banking services.

Māori Standing Committee

Chair: Mr Henare Mita

Current members: Ms Theresa Thornton, Mrs Fiona Wairau, Mrs Hereturikōkā Nissen, Mrs Hinenui Tipoki-Lawton, Ms Liz Palmer, Mr Paora Puketapu, Ms Alex-Ann Edwards

Council representatives: Mayor Craig Little, Deputy Mayor Hine Flood, Councillor Chaans Tumataroa-Clarke

The Māori Standing Committee met seven times in the 2021/22 year. The representatives are selected from each takiwā and serve a term of three years. Feedback and advice were provided to Council on several matters including the Rates Remission Policy and the Regional Spatial Plan.

TĀ MĀTAU RŌPU WHAKAHAERE

OUR SENIOR LEADERSHIP TEAM

The Mayor and Councillors employ and delegate the management and delivery of Council services to the Chief Executive.

The Mayor and Councillors employ and delegate the management and delivery of Council services to the Chief Executive. The Chief Executive is the sole employee of the elected Council and is the employer of all other staff.

The Chief Executive manages Wairoa District Council under approved Annual and Long Term Plans, legislation, policies and guidelines. The Chief Executive is responsible for the efficient and effective implementation of the Council's decisions within agreed parameters. The Chief Executive employs the Council's staff to help with these responsibilities.

The Senior Leadership Team (SLT) supports the Chief Executive to provide advice to the Council, manage the Council organisation

and implement Council decisions. The team is made up of four members, who lead functional Groups based on key areas of focus.

The Chief Executive also provides independent and impartial advice to the elected council before decisions are made. Advice is tested among council staff and reviewed by the Senior Leadership Team to ensure all realistic options have been considered and risks have been identified and assessed before the advice is presented to the Council for consideration and decision making.

The Chief Executive ensures the Council has effective systems to monitor financial and service level performance and recommend changes where appropriate. The Chief Executive's performance is regularly monitored by the Council's Chief Executive Review Panel.



Ā MĀTAU KAIMAHI

OUR STAFF

We work to ensure that the Council is an attractive place to work, to attract and retain skilled and qualified people. During the 2022 financial year, a number of initiatives resulted in external funding for some positions, including a number of cadet and jobseeker training arrangements.

We are privileged to be training young local cadets in various areas - benefiting both the community and the Council organisation.

Women make up 60 percent of our total headcount, and 59 percent of our FTE.

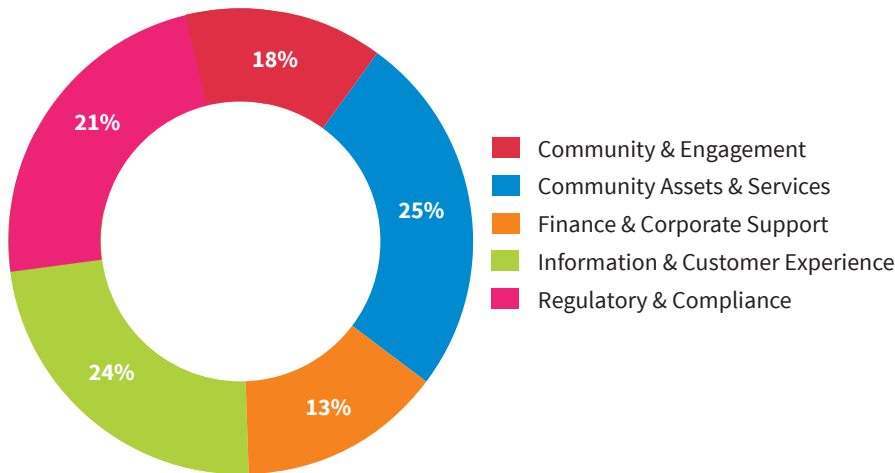
90 percent of our staff are permanent employees and 26 percent of our employees work on a part-time or casual basis.

The rich mix of people who work at the Council has a positive impact on our work culture and productivity. The graphs and tables in this section show which areas our staff work in, their gender, and type of employment as at 30 June 2022.

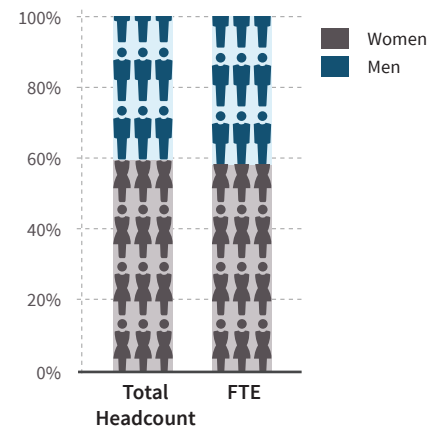
BREAKDOWN OF STAFF BY ACTIVITY AREA AND CONTRACT TYPE

	PERMANENT		FIXED TERM		Casual	Head Count	FTE
	Full-Time	Part-time	Full-time	Part-time			
Community & Engagement	11	3	0	0	0	14	13
Community Assets and Services	13	2	3	0	1	19	18
Finance & Corporate Support	9	1	0	0	1	10	9
Information and Customer Experience	11	8	0	0	1	20	17
Regulatory and Compliance	10	2	1	2	0	15	14
Total	54	16	4	2	2	78	70

FTE BY ACTIVITY



GENDER BREAKDOWN



Employee Type	Number	% of Total
Full-time	58	74%
Part-time	18	23%
Casual	2	3%
Total headcount*	78	100%

Employee Type	Number	% of Total
Permanent	70	90%
Fixed Term	6	8%
Casual	2	3%
Total headcount*	78	100%

*excludes QRS

HE WHAKARĀPOPOTOTANGA I TĀ MĀTAU MAHI

SUMMARY OF WHAT WE DO

We provide a wide range of services and activities for our community. Delivering these services and activities helps us look after the social, economic, environmental and cultural wellbeing of our people and district.



We produce 2.9 million litres of drinking water per day from our water supply systems in Wairoa, Frasertown, Tuai, Blue Bay (non-operational) and Māhanga. We maintain a compliant and efficient service that is safe for people and the environment, all day, every day.



We maintain networks of stormwater pipes, open drains and outlets in the Wairoa, Tuai and Māhia areas, ensuring a compliant and efficient system that is safe for people and the environment, all day, every day.



We operate and maintain wastewater systems in the Wairoa, Tuai, Māhia and Ōpoutama areas, aiming to ensure a compliant and efficient wastewater service that is safe for people and the environment, all day, every day.



We provide waste management facilities and ensure refuse and recycling can be disposed of in a controlled manner. We operate a large open landfill and recycling centre in Wairoa to the public for 4 days a week, 6 hours per day to take domestic and commercial refuse. We maintain five closed landfills, and manage litter and domestic refuse collection and kerbside recycling.



We provide nearly 900km of roads, 175 bridges, and over 340 retaining structures. We maintain more than 40kms of footpaths, nearly 24,000m² of carparks, 3,000 traffic signs and hundreds of streetlights. We manage the network in a sustainable and efficient manner that meets demand, all day, every day. We also fund and manage the airport activity to maintain an operational facility for light aircraft and charter operations which includes a 910m runway.



We provide community and social facilities throughout the district, which includes public cemeteries, the library, parks, playgrounds and reserves. We also house the Regional Digital Hub, which provides access to digital technology and programmes to help build and support the digital connectivity and capacity of our district. We partner in and support the provision of recreational, health, cultural and heritage activities. We support community events, initiatives and facilities including the Community Centre and Wairoa Museum.



We manage resource planning services to support the sustainable management of natural resources. We provide building control services to ensure that construction on new and existing buildings is compliant and controlled. We provide environmental health services to protect and improve public health with food premises, water quality, pollution, noise control, and fly dumping. We ensure community safety through the registration of food premises, hairdressers, funeral directors and camping grounds, and respond to complaints. We provide liquor control and licensing services, general bylaw enforcement and maintenance and respond to complaints over freedom camping, land transport, public safety, cemeteries and trade waste. We provide dog control services in response to complaints about dogs and manage the pound. We also provide livestock control services for wandering animals, ensuring community safety through the removal of nuisance stock.



We provide for district representation and governance, elections, community engagement, policies, annual reporting and planning, and long term planning. We support and encourage community participation in democracy. We develop relationships with Māori, and promote and facilitate Māori participation in decision-making through the Māori Standing Committee, and by promoting the use and implementation of te reo Māori. We provide district promotion, tourism services, and manage policy as it relates to our economy. We provide the Visitor Information Centre and implement the Economic Development Plan.



We provide corporate services which include customer services, finance, administration, information technology, business support, human resources, records, archives, project support, rates services, legal compliance, policy development, and official information. We provide property services for the camping ground, information centre, community halls, pensioner housing and commercial property, in an efficient and responsive manner that ensures our properties are safe and well-maintained. We hold investments that support the provision of sustainable infrastructure and services. This includes managing cash, debt, equity and property investments. We operate treasury services that provide low cost funding for projects, immediate funds for emergencies and day-to-day funding.



NGĀ TAUĀKĪ PŪTEA

SUMMARY FINANCIAL STATEMENTS

This section is a summary of our financial results, including statements.
For more detail, see section “Financial Statements” from page 52 of the full Annual Report.

HE TAUĀKĪ PŪTEA WHIWHI ME TE PŪTEA WHAKAHAERE

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

for the year ended 30 June 2022

	COUNCIL			GROUP	
	Actual 2022 \$000	LTP 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Total revenue	42,869	38,262	43,325	49,803	51,386
Total expense (excluding finance expense)	(31,799)	(28,212)	(32,845)	(38,556)	(40,057)
Total finance expense	(723)	(705)	(612)	(738)	(665)
Net surplus / (deficit) before taxation	10,347	9,345	9,868	10,509	10,664
Subvention income	-	250	287	-	-
Taxation	-	-	-	(388)	(380)
Net surplus / (deficit) for the year	10,347	9,595	10,155	10,121	10,284
Other comprehensive revenue and expense					
Fair value movement – property, plant and equipment	9,914	-	-	9,914	-
Fair value movement in equity investments	-	-	-	-	-
Total comprehensive revenue and expense for the year	20,261	9,595	10,155	20,035	10,284

HE TAUĀKĪ TU PŪTEA

SUMMARY STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2022

	COUNCIL			GROUP	
	Actual 2022 \$000	LTP 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Current assets	10,250	7,081	11,365	14,352	14,458
Non-current assets	318,336	320,065	298,769	321,507	301,882
Total assets	328,586	327,146	310,134	335,859	316,340
Current liabilities	8,438	7,516	11,550	10,488	12,230
Non-current liabilities	9,670	19,362	8,367	10,087	8,861
Total liabilities	18,108	26,878	19,917	20,575	21,091
Total equity	310,478	300,268	290,217	315,284	295,249

HE TAUĀKĪ MANA TAURITE

SUMMARY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

	COUNCIL			GROUP	
	Actual 2022 \$000	LTP 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Total equity - opening balance	290,217	290,637	280,062	295,249	284,965
Net surplus (deficit) for period	10,347	9,595	10,155	10,121	10,284
Other comprehensive income	9,914	-	-	9,914	-
Total comprehensive revenue and expense	20,261	9,595	10,155	20,035	10,284
Total equity - closing balance	310,478	300,268	290,217	315,284	295,249
Equity - closing balance					
Ratepayer's equity - closing balance	163,343	170,094	156,124	167,158	160,165
Special funds - closing balance	22,524	14,368	18,842	22,524	18,842
Revaluation reserves - closing balance	124,611	115,806	115,251	125,602	116,242
Total equity - closing balance	310,478	300,268	290,217	315,284	295,249

HE TAUĀKĪ KAPEWHITI

SUMMARY STATEMENT OF CASHFLOWS

for the year ended 30 June 2022

	COUNCIL			GROUP	
	Actual 2022 \$000	LTP 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Net cash flows from operating activities	14,782	12,126	11,506	25,764	22,327
Net cash flows used in investing activities	(16,797)	(18,900)	(15,184)	(27,890)	(19,846)
Net cash flows from/(used in) financing activities	2,000	4,949	4,000	1,837	(1,555)
Net increase/(decrease) in cash and cash equivalents	(15)	(1,825)	322	(289)	926
Cash and cash equivalents at beginning of year	4,324	3,095	2,473	6,031	5,105
Cash and cash equivalents at end of year	4,309	1,270	2,795	6,031	6,031

HE TAUĀKĪ KAUPAPA HERE MŌ TE KAUTE ME NGĀ PITOPITO KŌRERO KI NGĀ TAUĀKĪ PŪTEA

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

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1. REPORTING ENTITY STATEMENT AND PREPARATION OF THE FINANCIAL STATEMENTS

BASIS OF PREPARATION

The Council group consists of Wairoa District Council and its 100% owned subsidiary, Quality Roading and Services (Wairoa) Limited. The consolidated financial statements comprise the financial statements of WDC (the Council) and its subsidiary QRS Ltd (collectively the Group) as at 30 June 2022.

The financial statements within the Annual Report were prepared in accordance with and comply with New Zealand Generally Accepted Accounting Principles (GAAP) and comply with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 1 entity. The financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

These summary financial statements have been prepared in accordance with Public Benefit Entity Financial Reporting Standard 43.

2. TRANSACTIONS WITH RELATED PARTIES

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include all members of the Group (Council and controlled entities) and key management personnel. Key Management Personnel include the Mayor and Councillors as elected members of the governing body of the Council reporting entity, the Chief Executive and all members of the Executive Leadership Team, being key advisors to the Council and Chief Executive.

There were close family members of Key Management Personnel employed by the Council and Group. The terms and conditions of those arrangements are no more favourable than the Council and Group would have adopted if there was no relationship to the Key Management Personnel.

MATERIAL RELATED PARTY TRANSACTIONS – KEY MANAGEMENT PERSONNEL OF COUNCIL

During the year key management personnel, as part of normal local authority relationships, were involved in transactions with the Council such as payment of rates and purchases of rubbish bags or other Council services. These transactions were on normal commercial terms. Except for these transactions no key management personnel have entered into related party transactions with the Group. The Mayor and Councillor's disclose their personal interests in a register available on the Council website. There are no commitments from Council to key management personnel.

Material Related Party Transactions - QRS

Council's purchase of services and sales income from QRS Ltd for the year were as follows:

	2022 \$000	2021 \$000
Revenue received by Council for services provided to QRS Ltd	32	142
Expenditure payments made by Council for services provided by QRS Ltd	12,028	15,314
Dividend received from QRS Ltd	383	-
Subvention payment from QRS Ltd	-	287
Current receivables and recoverables owing to the Council from QRS Ltd	1	5
Current payables owed by the Council to QRS Ltd	1,457	2,578

The receivable and payable balances are non-interest bearing and are to be settled on normal trading terms and conditions, except for \$237,298 (2021: \$428,872) of contract retentions which are payable at closure of defects liability period.

No related party transactions were forgiven or written off during the period (2021: nil).

3. CONTINGENCIES

Contingent liabilities and contingent assets are disclosed at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility they will crystallise is not remote. Contingent assets are disclosed if it is probable the benefits will be realised.

CONTINGENT ASSETS

A contingent asset is a future expected cashflow arriving out of council operations that has an inherent factor of uncertainty.

WDC entered into a 30 year targeted capital rating repayment plan for the connections of private individual's properties to a centralised wastewater network owned by the Council in the Māhia and Ōpoutama catchment areas. In terms of repayment of that cost, ratepayers were eligible to select an upfront payment, or to nominate between 3 and 30 years to repay the cost, plus interest through rates. The ordinary recovery of capital under a capital rating scheme is an instalment charged as a targeted rate, set with each year's rating resolution. In addition, an early repayment policy was adopted in 2016/17 for ratepayers to clear the remaining cost, exclusive of any future interest charges. The costs for the work commissioned by WDC on behalf of the ratepayers for these schemes were recognised as operating costs in the 2014/15 financial year.

The calculated value represents the amount owed and repayable under the scheme as at 30 June:

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Balance at 1 July	1,041	1,150	1,041	1,150
Less: Charged through rates this financial year	(113)	(113)	(113)	(113)
Add back: Interest charged in rates	34	36	34	36
Less: Early repayment policy payments	(106)	(33)	(106)	(33)
Balance at 30 June	856	1,040	856	1,040

CONTINGENT LIABILITIES

A contingent liability is a debt that maybe incurred in the future, but for which there is no current actual liability owing or an event giving rise to an obligation.

There were no contingent liabilities at 30 June 2022.

4. COMMITMENTS

FUTURE CONTRACTUAL COMMITMENTS

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Capital commitments				
Infrastructural assets - Water system	5,905	452	5,905	452
Infrastructural assets - Roading network	32,036	3,933	10,655	2,045
Other	-	-	764	607
Total capital commitments	37,941	4,385	17,324	3,104

Operational commitments

Maintenance and service contracts	6,059	5,349	6,059	5,349
Total operational commitments	6,059	5,349	6,059	5,349
Total contractual commitments	44,000	9,734	23,383	8,453

At balance date, QRS had a capital commitment of \$665,093 for a concrete batching plant and bitumen distributor (2021: \$607,076 for a Hino truck and bitumen distributor) along with commitments of \$3,077,845 (2021: nil) relating to the construction of the QRS Operations Hub. Subsequent to year end, the contract was amended, leading to an increased commitment of \$3,851,852.

The capital commitments above represent signed contracts in place at the end of the reporting period. The contracts will often span more than one financial year and may include capital expenditure carried forward from previous years.

NON-CANCELLABLE OPERATING LEASE COMMITMENTS

WDC leases photocopy machines and a building in the ordinary course of its business. New leases for each were negotiated in the current year for a 5 year term. Leases are generally renewable at the end of the lease period at market rates.

The amount of minimum payments for non-cancellable operating leases is recognised as an expense. The future expenditure committed by these leases is analysed in the following table:

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Office equipment and vehicles				
Up to one year	34	34	41	43
Later than one year and not later than five years	59	93	60	98
Later than five years	-	-	-	-

Buildings

Up to one year	32	32	32	32
Later than one year and not later than five years	53	85	53	85
Later than five years	-	-	-	-

Total non-cancellable operating lease commitments as lessee	178	244	186	258
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The leases have the following characteristics:

- The lease does not transfer substantially all the risks and rewards incidental to ownership;
- The lease does not transfer ownership to the Council or Group at the end of the lease term;
- The leased asset is not of a specialised nature that only the lessee can use without modifications;
- The lessee cannot cancel the lease unilaterally unless the lessor is in material breach of contract, and gains and losses in the value of the equipment remain the risk of the lessor.

5.1 SIGNIFICANT EVENTS

LOCAL GOVERNMENT REFORM

In the past financial year, central government has announced three tranches of local government reform. These reforms may have impacts on the Wairoa District Council responsibilities, operations and financial statements in future periods.

Three Waters Reform

In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these proposed reforms, once legislated, will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. The bill is currently before Parliament and as such, the impacts of the proposed reforms are currently unclear. Additional legislation is expected later in 2022 that will provide detail on the transfer of assets and liabilities to the water service entities.

As at 30 June 2022, the carrying value of Council's Three Waters assets was \$48.7 million. Three Waters asset capital additions during the year were \$6.2 million and annual operating expenditure in relation to Three Waters assets was \$5.3 million.

For more information on the Three Waters Reform, please visit www.dia.govt.nz/three-waters-reform-programme

Resource Management Reform

The resource management reform looks to unlock better infrastructure outcomes across all sectors, through an overhaul of the Resource Management Act and proposal of a national planning instrument that would streamline consenting for nationally significant infrastructure. At this stage the outcome is uncertain and the annual report has been prepared on the basis that the delivery model will not change in the foreseeable future.

For more information on the Resource Management Reform, please visit <https://environment.govt.nz/what-government-is-doing/key-initiatives/resource-management-system-reform/overview/>

Local Government Reform

Central Government has indicated a need to rethink the form, function and funding of local government in New Zealand. This is as a result of the impact of the Resource Management and Three Waters Reforms on local government responsibilities, combined with the need for a cohesive long term response to COVID-19, climate change and the opportunities that technological change present. It has been indicated that this reform will aim to incentivise and empower local government to work in partnership with central government to drive regional development, improve environmental outcomes and deliver on the wellbeing needs of communities.

This may result in new services, activities or responsibilities for Council. At this stage the outcome is uncertain and the annual report has been prepared on the basis that the delivery model will not change in the foreseeable future.

For more information on the Local Government Reform, please visit <https://www.dia.govt.nz/Future-for-Local-Government-Review>

6.1 EVENTS SUBSEQUENT TO BALANCE DATE

On 22 September 2022, the Directors of QRS approved the payment of a dividend of \$200,000 to Council. The distribution was paid on 30 September 2022..

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WAIROA DISTRICT COUNCIL AND GROUP'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

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

The summary of the annual report comprises the following summary statements on pages 2, 9 and 17 to 21:

- the summary statement of financial position as at 30 June 2022;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2022;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision.

Opinion

In our opinion:

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

Summary of the annual report

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

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

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2022 in our auditor's report dated 31 October 2022. Our opinion included an emphasis of matter drawing readers' attention to the disclosures about the Government's three waters reform programme.

Council's responsibility for the summary of the annual report

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



Auditor's responsibility

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

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out an assurance engagement in relation to the District Council's debenture trust deed reporting, which is compatible with independence requirements. Other than these engagements we have no relationship with or interests in the District Council or its controlled entity.

A handwritten signature in dark blue ink, appearing to read 'David Borrie'.

David Borrie
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Wellington, New Zealand
31 October 2022

GET IN TOUCH!

Your feedback plays a big role in making our district a better place to live, work and play. We are keen to hear from you, and welcome your ideas and comments.



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