

Mahere ā tau

Annual Plan

2023-2024



KAWERAU
DISTRICT COUNCIL
TAONGA O TE WHENUA
TREASURE OF THE LAND

Council authorised these Prospective Financial Statements for issue on: 28 June 2023

Kō Pūtauaki te Maunga
Kō Te Aotahi te Tangata
Kō Te Takanga i o Apa te wai
Kō Tūwharetoa te Iwi
Kō Te Arawa te Waka
Tihei Mauri Ora

Pūtauaki is the mountain
Te Aotahi is the guardian
Te Takanga i o Apa is the water
Tūwharetoa is the tribe
Te Arawa is the canoe
There is Life

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Pukamata  [facebook.com/KawerauDistrictCouncil](https://www.facebook.com/KawerauDistrictCouncil)

Pae Tukutuku | Website www.kaweraudc.govt.nz



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SECTION 01

Overview

Overview from the Mayor and Chief Executive

Tēnā Tātau Katoa – Welcome to Council’s Mahere ā Tau | Annual Plan 2023/2024

Thank you for your support since the new Council took the oath of office last October, to serve you, our community.

This annual plan is for the upcoming year 1 July 2023 to 30 June 2024 and is the third year of the Long Term Plan 2021/2031.

Next year, we will be setting the Long Term Plan for 2024/2034. As part of this, we will be doing lots of community engagement to ensure we are delivering what the community wants.

These are challenging times. We have endeavoured to balance the needs and wishes of the community, with the aspirations and resourcing of Te Kaunihera o Kawerau | Kawerau District Council.

Within our rohe | district, we are looking to maintain the high level of services expected by our community. The balancing act is that global and national forces are affecting costs for every household, every business and us, your Council.

Council Consultation and Engagement

Council completed a thorough engagement process that included distributing printed material directly to residents, communication via online channels and a series of planned meetings with stakeholders, the public and staff.

The meetings were well received and covered the consultation options to keep the rates rises to a

The following is a summary of the Council's rating requirements

Rates	2022/23	2023/24	Difference	
	\$	\$	\$	%
General Rates	10,762,550	11,770,850	1,008,300	9.3
Targeted Rates (Uniform Annual Charges):				
Water Supply*	216,440	195,200	(21,240)	(9.8)
Wastewater	433,940	378,080	(55,860)	(12.9)
Refuse Collection	540,690	594,080	53,390	9.9
Total Rates	\$11,953,620	\$12,938,210	\$984,590	8.2%

*Includes water by Meter for properties that have meters for high water usage.

minimum as well as updates of the Council’s planned projects comprising: drinking water pipe replacement program; Rangī Delamere Pavillion rebuild; and Stoneham Park Residential Development. Council also presented information about the Hardie Avenue area surface water issues and the drinking water discolouration.

Council thanks and values our stakeholders and residents for your interest, questions and feedback during the engagement process. Of the 10 submissions received to the Annual Plan 2023/24 Consultation Document, eight supported adopting option one, the short-term decrease in depreciation funding. Thank you to all our submitters and to Tūwharetoa ki Kawerau Hauora for presenting their submission to Council on the 14 June 2023.

The submissions mostly covered the consultation topic to reduce the rate increase to 8.2% by not fully funding the annual depreciation; and increasing the Uniform Annual General Charge to \$850 to more evenly spread the rating increase across all properties.

Other topics raised by submitters will largely be considered through the Long Term Plan engagement process.

Council's Resolution to set the rates 2023/24

- Overall rates increase of 8.2%
- A \$100 increase in the Uniform Annual Charge (UAGC) to \$850
- Increase in most fees and charges in line with inflation
- Retain the general rate differential of 48% Residential and 52% Commercial

Council set the following rate limits in its 2021 – 2031 Long Term Plan:

- Total rates will not exceed 88% of total budgeted revenue
- The total rate increase in any year will not exceed the underlying average rate of inflation (for Council costs) plus 2%.

The total rates increase for 2023/24 does not exceed 88% of total revenue. The projected inflation rate for 2023 is 6.7%, and therefore the overall rate increase does not exceed the limit of 8.7%.

Rate Remissions

Council is increasing the rating cap for residential properties to \$4,900.00 (\$4,530.00 for 2022/23).

This increase is in line with Council's existing policy of increasing the rating cap by the overall increase in rates. Residential properties with capital values of \$961,020 or higher will pay this amount for Council rates.

Also, Council will continue to provide a rate remission for the two farm blocks of 30% so the rates charged to these farm blocks is comparable to the rates charged by neighbouring councils.

The objective of these remissions is to make the rates fair and reasonable for these properties.

Balanced Budget Requirement

The Local Government Act 2002 requires that Council's projected operating revenues are set at a level sufficient to meet projected operating expenses each year. However, Council can set projected operating revenue at a different level from that required under this constraint, if it believes it is financially prudent to do so.

Following consultation with the community in 1998/1999, Council has not been fully funding depreciation for specific non-strategic assets (such as the Council offices) which are unlikely to be replaced like-for-like. Also, Council does not fully fund depreciation for roads that are subject to Waka Kotahi (New Zealand Transport Agency) subsidies.

Council appreciates that the rising cost of living is hitting the community and businesses hard. To

keep rates to a minimum in 2023/24, Council will decrease a portion of the depreciation funding for its assets from 67% to 53%. This reduces the overall rates increases from 13.9% to 8.2%, slightly under the limit set in the Long Term Plan.

The Significant Forecasting Assumptions, Risks and Possible Implications listed in section three of this plan sets out the reasons for the non-funding of this depreciation.

Council's Financial Management

Council's cash balances will be fully utilised during the year in renewing Council's three waters infrastructure and Council intends to borrow up to \$2.0 million to help fund this important capital replacement program.

Financial Information

The prospective financial information contained in this Plan is based on assumptions that the Council reasonably expected to occur as at 30 June 2023. Actual results are likely to vary from the information presented and these variations may be material.

Council Annual Plan Processes

Council undertook the following consultation with the community prior to the adoption of its Annual Plan for 2023/24:

- Adopt Annual Plan and Consultation Document – 26 April 2023
- Public Notice for Annual Plan Consultation Document – 28 April 2023
- Submission period – 28 April to 26 May 2023
- Hearing and determine submissions to Annual Plan – 14 June 2023
- Adopt 2023/24 Annual Plan – 28 June 2023



F K N Tunui
MAYOR



R B George, CA, MBA
CHIEF EXECUTIVE OFFICER



Rates for 2023/24

2022/23	Rates (includes GST)	2023/24
\$	General Rates	\$
750.00	Uniform Annual General Charge	850.00
	(Charged per separately used or inhabited part of a rating unit)	
.003530	Residential Rates (per dollar of capital value)	.003735
.023288	Commercial/Industrial Rates (per dollar of capital value)	.025292
	Targeted Rates	
81.20	Water Rate (per connected property)	62.50
172.50	Wastewater Rate (per connected property)	149.50
219.90	Refuse Collection (per serviced property) 60L bin	238.60
279.90	Refuse Collection (per serviced property) 120L bin	298.60
0.27	Water by meter (per m ³)	0.21
\$4,530.00	Residential Rate Cap	\$4,890.00
	Capital Value	
1,096,444,000	Residential Capital Value	1,101,139,000
269,735,500	Commercial/Industrial Capital Value	271,003,500
\$1,366,179,500	Total Capital Value	\$1,372,142,500

How much will my Rates be for 2023/24?

Rates Calculator

(\$)

Write in your Capital Value here (available from your revaluation notice or by going to www.kaweraudc.govt.nz and accessing 'Your Property')	(a)
Uniform Annual General charge	(b)	850.00
Rating factor from Rates and Service Fees table (Residential or Commercial)	(c)
Multiply the annual value by the rating factor	(d)=(a)x(c)
Water Supply Rate	(e)
Wastewater Disposal Rate	(f)
Annual Refuse Collection Rate (small or large)	(g)
Add all the different rate types together (this is the total projected rates for your property)	(h)=(b)+(d)+(e)+(f)+(g)	\$ _____

NB: If your property has separately used parts you will need to add additional UAGC (d), Water supply (e), Wastewater (f) and Refuse Collection (g) charges for each separately used part.

Rates and Service Fees

		(\$)
Residential	(c)	.003735
Commercial	(c)	.025292
Water Supply Rate	(e)	62.50

		(\$)
Wastewater Disposal Rate	(f)	149.50
Refuse Collection Rate (small)	(g)	238.60
Refuse Collection Rate (large)	(g)	298.60

Council's Vision

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

Mission Statement

1. To represent the interests and aspirations of the Kawerau Community, within and beyond the District.
2. To promote the social, economic, environmental and cultural wellbeing of the Kawerau Community.
3. To continue to provide an industrial base within the District for established industries and their supporting businesses.
4. To promote the advantages of Kawerau in order to grow the District population and to further encourage industrial investment and development.
5. To ensure that the independence of the District is maintained.

Statement of Principles

To achieve its mission, Council will:

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



Jellicoe Court with Mount Pūtauaki in the background

Council and Staff Information

Council Structure

Council

The Council is made up of nine elected members: a Mayor and eight Councillors. The Council is responsible for making decisions about the overarching objectives, strategies and policies which determine the day to day running of Council's operations. Council meets monthly, usually on the last Wednesday of the month.

Regulatory and Services Committee

Council has a standing committee, to which all elected members belong. Called the Regulatory and Services Committee, it has delegated responsibility for decisions about Council's services and regulatory functions. The Regulatory and Services Committee meets monthly, usually on the Wednesday two weeks before the Council meeting.

The responsibilities of the two Council bodies are shown in the tables below.

Council Responsibilities

Making Bylaws	Funding and Financial Policies
Setting Policy	Property Acquisition, Development and Sale
Long Term Plan	Rating
Annual Planning and Reporting	Democracy
Consultation and Community Engagement	Governance
Relationship with Māori	Strategic Issues
Community Outcomes	Audit

Regulatory and Services Committee Responsibilities

REGULATORY		SERVICES	
Resource Management <ul style="list-style-type: none"> • District Plan • Submissions on Regional Plans • Resource Consents • Subdivisions 		Swimming Pools	Economic Development
		Parks and Reserves	Events & Event Promotion
		Cemetery	Information Centre
		Roading	Firmin Lodge
		Footpaths	Marketing & Tourism
Public Health	Bylaws	Water Supply	Public Library
Building	Dog Control	Stormwater	Museum
Plumbing	Noise Control	Wastewater	Public Halls and Facilities
Drainage	Stock Control	Refuse and Recycling	Accounting & Finances
Sale of Liquor	Civil Defence	Plant and Equipment	Asset Management
Gambling Venues		Public Toilets	Grants

Council also has an **Audit and Risk Committee**, which meets every second month and is responsible for:

- Monitoring Council's internal and external audit processes
- Ensuring that Council fulfils its legal responsibilities
- Monitoring Council's performance (financial and non-financial)
- Ensuring that Council has best practice policies and procedures for managing risk.

Elected Members of Council



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Operational Structure

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Departmental Structure

Operations and Services	<ul style="list-style-type: none">- Roading- Stormwater- Water Supply- Wastewater- Refuse Collection and Disposal- Recycling (Zero Waste)- Swimming Pools- Parks and Reserves- Public Halls and Facilities- Cemetery
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Chief Executive Officer	<ul style="list-style-type: none">- Operations and Services- Regulatory and Planning- Finance and Corporate Services- Policy and Strategic Planning- Economic Development
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Regulatory and Planning	<ul style="list-style-type: none">- Resource Management- Building Control- Environmental Health- Dog Registration and Control- Emergency Management- Health and Safety
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Finance and Corporate Services	<ul style="list-style-type: none">- Finance- Democracy Support- Corporate Services- Public Library- Museum- Information Technology- Strategic Planning- Grants and Funding
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Economic and Community Development	<ul style="list-style-type: none">- Economic Development- Events Management- isite- Community Development- Youth Development- Firmin Lodge
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Communication and community engagement	<ul style="list-style-type: none">- Council Communications- Community Engagement- Residential Development- Retirement Village- Partnership Liaison and Consultation
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SECTION 02

Groups of Activities

Council's Activity Structure

The work that Council does is combined into what are known as 'groups of activities'. Council has nine activity groups which are:

Activity Group	Activities
1: Democracy	<ul style="list-style-type: none">- Democracy
2: Economic and Community Development	<ul style="list-style-type: none">- Economic Development- Events Management- Marketing and Tourism- Pensioner Housing- Residential Housing Development- Porritt Glade Lifestyle Village- Grants and Funding- Information Centre- Youth Development- Facilities Management
3: Environmental Services	<ul style="list-style-type: none">- Resource Management- Building Control- Environmental Health- Dog Registration and Control- Civil Defence
4: Roading	<ul style="list-style-type: none">- Roads and Footpaths
5: Stormwater	<ul style="list-style-type: none">- Stormwater Drainage and Flood Protection and Control Works
6: Water Supply	<ul style="list-style-type: none">- Water Supply
7: Wastewater	<ul style="list-style-type: none">- Sewerage and Sewage Treatment and Disposal
8. Solid Waste	<ul style="list-style-type: none">- Refuse Collection and Disposal- Recycling (Zero Waste)
9: Leisure and Recreation	<ul style="list-style-type: none">- District Library- Museum- Maurie Kjar Aquatic Centre- Public Halls and Facilities Maintenance- Parks and Reserves- Public Toilets- Cemeteries

Democracy

Democracy is the political arm of Council. It involves the Mayor and Councillors making decisions for the community both in the present and for the future.

The Mayor and Councillors are elected every three years by a postal vote of registered electors in the district.

The democracy group contributes principally toward Council achieving the community outcome to provide effective governance and leadership which represents community interests and helps maintain the ongoing viability of the District. It also contributes toward the outcome to recognise and encourage the contributions of all sectors of the Community.

Performance Measures and Targets

Levels of Service	Measures	Current Performance (2021/22)	Target 2023/24	Data source
Council informs the community about key issues and activities.	Number of Newsletters	22 Newsletters circulated	At least 20 publications	Council records
Council encourages the community to contribute to Council decision-making	Provision of a public forum at council and committee meetings	Public forums were not available to the public due to COVID restrictions	Every meeting	Council records
The community has confidence in their Elected Members	Community satisfaction with Mayor and Councillors	Survey to be undertaken 2022/23	N/A	Community Survey (every 3 years)
Financial management is prudent, effective and efficient	Community satisfaction with the way rates are spent	Survey to be undertaken 2022/23	N/A	
	Percentage completion of the annual work programme	17/34 (50%) of projects were completed due to COVID restrictions	>90%	Council records

Funding Impact Statement: Democracy

Long Term Plan 2022/23		Long Term Plan 2023/24	Annual Plan 2023/24
	Sources of operating funding		
725,400	General rates, uniform annual general charges, rates penalties	739,030	834,600
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	0
0	Fees and charges	0	0
1,170	Internal charges and overheads recovered	1,180	2,910
15,000	Local authorities fuel tax, fines, infringement fees, and other receipts	0	0
741,570	Total Operating Funding (A)	740,210	837,510
	Applications of operating funding		
463,140	Payments to staff and suppliers	457,190	520,650
390	Finance Costs	370	930
260,810	Internal charges and overheads applied	265,350	298,180
0	Other operating funding applications	0	0
724,340	Total applications of operating funding (B)	722,910	819,760
17,230	Surplus (deficit) of operating funding (A - B)	17,300	17,750
0	Sources of capital funding:		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
	Total sources of capital funding (C)	0	0
	Applications of capital funding		
0	Capital expenditure		
0	- to meet additional demand	0	0
0	- to improve the level of service	0	0
0	- to replace existing assets	0	0
17,230	Increase (decrease) in reserves	17,300	17,750
0	Increase (decrease) of investments	0	0
17,230	Total applications of capital funding (D)	17,300	17,750
(17,230)	Surplus (deficit) of capital funding (C - D)	(17,300)	(17,750)
0	Funding balance ((A - B) + (C - D))	0	0

Explanation of significant variances between the Long-Term Plan and the Annual Plan

There are no significant variances between the Long Term Plan and the Annual Plan figures for 2023/24 apart from increased remuneration (determined by Remuneration Authority) for elected members.

Economic and Community Development

This group covers the delivery of the following activities:

- Information Centre
- Events Management
- Economic Development
- Grants and Funding
- Youth Development
- Housing – including pensioner housing, retirement village and residential developments

The aims of this group are:

- To enhance the quality of life in Kawerau by marketing and encouraging Economic and Community Development in the District.
- To assist in increasing opportunities for Economic and Community Development in the District.

Performance Measures and Targets

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Council is actively involved in the Eastern Bay of Plenty Regional Economic Development Agency	Representation at Trustee meetings	Council was represented at all trustee meetings (6/6).	Representation at least 90% of trustee meetings	Toi EDA minutes
Council encourages positive perceptions of Kawerau by supporting local events.	Frequency of events from February to December.	No events held in December due to COVID restrictions.	At least 1 event held per month from February to December	Council records
Council provides a local information centre which is accessible to visitors and the local community	Number of days open each year	The Information Centre was open 364 days (except Christmas day).	At least 360 days	Council records
Council provides an information centre which suits community needs	Community satisfaction with the information centre	Survey to be undertaken 2022/23	N/A	Community Survey (every 3 years)
Council supports young people to develop skills and attitudes needed to take a positive part in society	Youth Council in place	Appointments made - April 2022.	Annual appointments made	Council records
	Satisfaction with youth council collaboration from collaborating groups	96.3% satisfaction with Youth Council collaboration	>95%	Annual survey of collaborating groups

Funding Impact Statement: Economic Development

Long Term Plan 2022/23		Long Term Plan 2023/24	Annual Plan 2023/24
	Sources of operating funding		
877,040	General rates, uniform annual general charges, rates penalties	981,220	1,176,970
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	4,300,000
558,370	Fees and charges	604,860	538,960
0	Internal charges and overheads recovered	0	2,010
550,000	Local authorities fuel tax, fines, infringement fees, and other receipts	550,000	583,900
1,985,410	Total Operating Funding (A)	2,136,080	6,601,840
	Applications of operating funding		
1,350,490	Payments to staff and suppliers	1,371,120	5,549,000
23,000	Finance Costs	18,950	56,730
526,550	Internal charges and overheads applied	559,810	541,980
0	Other operating funding applications	0	0
1,900,040	Total applications of operating funding (B)	1,949,880	6,147,710
85,370	Surplus (deficit) of operating funding (A - B)	186,200	454,130
	Sources of capital funding:		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
1,920,000	Gross proceeds from sale of assets	1,280,000	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
1,920,000	Total sources of capital funding (C)	1,280,000	0
	Applications of capital funding		
	Capital expenditure		
1,560,000	- to meet additional demand	1,040,000	0
0	- to improve the level of service	0	0
11,640	- to replace existing assets	11,830	61,800
433,730	Increase (decrease) in reserves	414,370	392,330
0	Increase (decrease) of investments	0	0
2,005,370	Total applications of capital funding (D)	1,466,200	454,130
(85,370)	Surplus (deficit) of capital funding (C - D)	(186,200)	(454,130)
0	Funding balance ((A - B) + (C - D))	0	0

Explanation of significant variances between the Long Term Plan and the Annual Plan

The significant variance to the figures in the Long Term Plan for 2023/24, is that Council has decided to undertake a residential development (\$4.3 mil) and has approved funding to undertake this project

Environmental Services

Environmental Services encompasses the following activities:

- Resource Management Planning
- Resource Management Consents
- Building Control
- Environmental Health
- Dog Registration and Control
- Civil Defence

The overall aim of this group of activities is to promote the sustainable development of the District and the health, safety and well-being of its residents.

Performance Measures and Targets

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Service users consider Council's Building Control Activity to be effective	Satisfaction survey of service users - building consents processes	10/10 (100%)	>90%	Targeted survey of service users
	Satisfaction survey of service users - building inspection processes	1/2 (50%)	>90%	Targeted survey of service users
Council provides in-house building consent, inspection and approval services	Bi-annual Building Consent Authority accreditation re-assessment	Accreditation and registration retained	Accreditation and registration retained	Council records
Kawerau buildings requiring Building Warrants of Fitness are compliant	Number of buildings audited for BWOFF requirements	29/76 (38%)	>35%	Council records
Registered premises comply with statutory requirements	Audit of food premises operating Food Control Plans	29/29 (100%)	100% annually	Council records
	Inspection of registered premises for compliance with relevant standards	6/6 (100%)	100% annually	Council records
Premises licensed under the Sale and Supply of Alcohol Act 2012 comply with licence conditions	Inspection of licensed premises for compliance	14/14 (100%)	100% annually	Council records
Council responds to complaints and service requests for environmental health conditions (noise complaints, nuisance conditions/health risks)	Response to noise complaints	84.7% within 20 minutes and 92.0% within 30 minutes	80% within 20 minutes and 98% within 30 minutes	Council records
	Response to other Environmental Health service requests/complaints	1 response exceeded 1 working day	100% within 1 working day	Council records
Council maintains community satisfaction levels for the Dog Control service	Community satisfaction with Dog Control Service	Survey to be undertaken 2022/23	N/A	Community Survey (every 3 years)

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Service requests about uncontrolled dogs are actioned	Adherence to complaint response process to respond, investigate and record the complaint and advise complainant of progress or the outcome within 24 hours	84.9% responded to within 20 minutes and 94.4% were responded to within 30 minutes	80% within 20 minutes and 98% within 30 minutes	Council records
Council provides community education initiatives to increase public awareness and readiness for local and regional hazards.	Percentage of residents that have an understanding of what the consequences would be if a disaster struck their area.	Survey to be undertaken 2022/23	N/A	2 yearly survey undertaken by the BOP Regional Council (applies for 2022/23)
	Percentage of residents that have any action to prepare for an emergency.	Survey to be undertaken 2022/23	N/A	
Council will maintain capability to effectively respond to an emergency	Council is prepared for and can respond to an emergency.	At 1 July 2021, 80% staff identified and trained	>78%	Measures developed and audited by EMBOP

Funding Impact Statement: Environmental Services

Long Term Plan 2022/23		Long Term Plan 2023/24	Annual Plan 2023/24
	Sources of operating funding		
975,680	General rates, uniform annual general charges, rates penalties	1,031,830	1,141,360
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	120,000
184,180	Fees and charges	187,950	194,000
50	Internal charges and overheads recovered	50	110
0	Local authorities fuel tax, fines, infringement fees, and other receipts	0	0
1,159,910	Total Operating Funding (A)	1,219,830	1,455,470
	Applications of operating funding		
701,850	Payments to staff and suppliers	737,560	930,340
7,740	Finance Costs	7,430	10,730
407,960	Internal charges and overheads applied	432,000	490,290
0	Other operating funding applications	0	0
1,117,550	Total applications of operating funding (B)	1,176,990	1,431,360
42,360	Surplus (deficit) of operating funding (A - B)	42,840	24,110
	Sources of capital funding:		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
0	Total sources of capital funding (C)	0	0
	Applications of capital funding		
	Capital expenditure		
0	- to meet additional demand	0	0
0	- to improve the level of service	0	0
0	- to replace existing assets*	0	600,000
42,360	Increase (decrease) in reserves	42,840	(575,890)
0	Increase (decrease) of investments	0	0
42,360	Total applications of capital funding (D)	42,840	24,110
(42,360)	Surplus (deficit) of capital funding (C - D)	(42,840)	(24,110)
0	Funding balance ((A - B) + (C - D))	0	0

Explanation of significant variances between the Long Term Plan and the Annual Plan for 2023/24

There is additional expenditure needed for the on-going district plan and spatial plan renewal which will be partly funded from a grant. Also the dog pound is to be renewed, due to the existing pound no longer being suitable

Roading and Footpaths

Council's roading network comprises approximately 43km of roads, all of which are sealed. The roading network also includes car parks, bridges, footpaths, culverts, street lights, kerbing and channelling, signs and markings.

The aims of this activity group are:

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

The roading group involves:

- Management and monitoring of the roading network
- Repairing and maintaining assets and structures
- Operation of the roading activity assets
- Planning to meet future requirements and improve operations

Principal objectives of this activity group are:

- To provide a high quality roading network.
- To anticipate the time when it may be necessary to extend, upgrade or renew the existing roading network and to plan accordingly.
- To ensure the maintenance of public infrastructural assets in perpetuity, so there is no diminution in value and to forecast the estimated future cost of doing so.
- To put in place a sound management regime for all matters relating to the roading network for the future.



Kawerau township in the foreground.

Performance Measures and Targets

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Council maintains community satisfaction levels for Roading activity	Community satisfaction with roading assets	Survey to be undertaken 2022/23	N/A	Community survey (3 yearly)
Council provides a network of roads which facilitates the safe movement of people and vehicles around the District	The change from the previous financial year in the number of fatalities and serious crashes on the local road network expressed as a number	There was 1 serious injury crash on roads controlled by Council.	Increase of zero or less	NZ Police
Road Quality	The average quality of ride on a sealed local road network, measured by smooth travel exposure	The survey returned a 93% smooth travel exposure	No less than 95%	Annual independent survey
Road maintenance	The percentage of the sealed local road network that is resurfaced	1.15% of total roading network was resurfaced	>5% resurfaced annually	Council records
Response to service requests (Roads)	The percentage of customer service requests relating to roads to which Council responds within the timeframe specified	1 pothole reported and responded to in 7 days	Potholes 90% within 14 days and 100% within 28 days.	Council records (RFS database)
		Streetlights – 33/55 (60%) within 14 days, and 43/54 (78.2%) responded to within 28 days.	Streetlights 90% within 14 days and 100% within 28 days	
Council provides an appropriate network of footpaths for pedestrian use.	Community satisfaction with footpaths	Survey to be undertaken 2022/23	N/A	Community survey (3 yearly)
Footpath condition	Percentage of footpaths that fall within the level of service or service standard for the condition of footpaths as set out in the LTP	100% of footpaths fell within the standard.	>95% ¹	Annual independent survey
Response to service requests (Footpaths)	The percentage of customer service requests relating to footpaths to which Council responds within the timeframe specified	7/7 (100%) of service requests responded to within 14 days	100% within 14 days	Council records (RFS database)

¹ Against a standard of no more than 20 lips in the 70 km of footpaths

Funding Impact Statement: Roading and Footpaths

Long Term Plan 2022/23		Long Term Plan 2023/24	Annual Plan 2023/24
	Sources of operating funding		
1,059,090	General rates, uniform annual general charges, rates penalties	1,084,810	1,125,060
0	Targeted rates	0	0
234,900	Subsidies and grants for operating purposes	234,900	239,630
17,000	Fees and charges	17,000	55,000
18,080	Internal charges and overheads recovered	18,270	36,180
72,170	Local authorities fuel tax, fines, infringement fees, and other receipts	74,340	65,000
1,401,240	Total Operating Funding (A)	1,429,320	1,520,870
	Applications of operating funding		
521,550	Payments to staff and suppliers	526,380	510,000
0	Finance Costs	0	0
601,590	Internal charges and overheads applied	622,650	618,260
0	Other operating funding applications	0	0
1,123,140	Total applications of operating funding (B)	1,149,030	1,128,260
278,100	Surplus (deficit) of operating funding (A - B)	280,290	392,610
	Sources of capital funding:		
620,250	Subsidies and grants for capital expenditure	587,290	631,500
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
620,250	Total sources of capital funding (C)	587,290	631,500
	Applications of capital funding		
	Capital expenditure		
0	- to meet additional demand	0	0
330,000	- to improve the level of service	280,000	320,000
542,510	- to replace existing assets*	549,920	603,500
25,840	Increase (decrease) in reserves	37,660	100,610
0	Increase (decrease) of investments	0	0
898,350	Total applications of capital funding (D)	867,580	1,024,110
(278,100)	Surplus (deficit) of capital funding (C - D)	(280,290)	(392,610)
0	Funding balance ((A - B) + (C - D))	0	0

Explanation of significant variances between the Long Term Plan and the Annual Plan

There are no significant differences between the Annual Plan and the Long Term Plan for 2023/24

Capital Expenditure

Long Term Plan 2022/23		Long Term Plan 2023/24	Annual Plan 2023/24
80,000	Kerb Replacement	80,000	80,000
32,000	Street Light Renewals	32,000	47,000
130,000	Reseals	130,000	130,000
60,000	Pavement Treatment	60,000	70,000
35,000	Minor Safety Improvements	36,050	35,000
14,846	Reseal Carparks	15,292	50,000
160,000	Footpath Renewals/Town Centre Cobblestones	165,000	160,000
5,835	Rubbish Bin Replacements	6,011	6,000
1,445	District Seating	1,482	1,500
3,609	Town Centre Music	3,717	3,700
6,836	Video Camera and Audio System Renewals	7,041	7,000
330,000	Other (CBD, walkways & road realignment)	280,000	320,000
12,939	Decorative Lighting Renewals	13,327	13,300
0	Other (Seal, carpark & flood protection)	0	0
872,510	Total Capital Expenditure	829,920	923,500

Explanation of significant variances between the Long Term Plan and the Annual Plan

There is no significant variances between the budget figures for the Annual Plan and Long term Plan for 2023/24



Jellicoe Court, Kawerau.

Stormwater

Kawerau's stormwater system comprises a network of pipes, manholes and cesspits that collect stormwater from roads and transport it to a natural water course. Pipe sizes vary from 150mm to 1200mm. Stormwater from sources other than the roads does not typically cause problems, as Kawerau's soils are very permeable and therefore stormwater is rapidly absorbed into the ground. The stormwater from Council's network is disposed of in the Tarawera River, the Ruruanga Stream or the overflow stream. All reticulation operates by gravity.

The aim of this activity is:

- To dispose of stormwater in an environmentally acceptable manner that minimises impact on the Community.

The Stormwater group involves:

- The collection and removal of stormwater
- Repairing or replacing unsound pipes and other stormwater structures
- Cleaning and unblocking gutters, pipes and cesspits

Principal objectives are:

- To ensure the stormwater network continues to provide a high quality disposal system.
- To anticipate the time when it may be necessary to extend, upgrade or renew the existing stormwater scheme and to plan accordingly.
- To ensure the appropriate maintenance of the stormwater network in perpetuity, so there is no diminution in value and to forecast the estimated future cost of doing so.
- To put in place a sound management regime for all matters relating to the stormwater network.

Council holds resource consents for the discharge of stormwater collected from the transport network to natural water courses. Existing right use consents and separately granted consents are covered by a comprehensive Stormwater Catchment Management Plan.

Performance Measures and Targets

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Council provides an effective stormwater network which removes stormwater to protect dwellings from flooding (System adequacy)	The number of flooding events that occur in the District.	0 flooding event	No more than 10	Council records (RFS database)
	Number of habitable floors affected by each flooding event.	N/A	N/A	Properties are not connected to the stormwater system
Council provides an effective stormwater network which removes stormwater to protect dwellings from flooding (customer satisfaction)	The number of complaints received by Council about the performance of its stormwater system.	N/A	N/A	Properties are not connected to the stormwater system
Response times	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	No flooding events	Less than 1 hour	Council records (RFS database)

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Discharge compliance	Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of: <ul style="list-style-type: none"> • abatement notices • infringement notices • enforcement orders, and • convictions, received by Council in relation those resource consents. 	Council complied with all the conditions of its resource consent. There were no notices, orders or convictions.	No notices, orders or convictions	Council records (RFS database)



Kawerau industrial site beneath Pūtauaki Maunga.

Funding Impact Statement: Stormwater

Long Term Plan 2022/23		Long Term Plan 2023/24	Annual Plan 2023/24
	Sources of operating funding		
258,920	General rates, uniform annual general charges, rates penalties	255,480	67,120
0	Targeted rates	0	0
23,250	Subsidies and grants for operating purposes	19,500	19,500
0	Fees and charges	0	0
3,950	Internal charges and overheads recovered	4,860	11,490
0	Local authorities fuel tax, fines, infringement fees, and other receipts	0	0
286,120	Total Operating Funding (A)	279,840	98,110
	Applications of operating funding		
31,000	Payments to staff and suppliers	26,000	26,000
0	Finance Costs	0	0
9,310	Internal charges and overheads applied	8,090	8,470
0	Other operating funding applications	0	0
40,310	Total applications of operating funding (B)	34,090	34,470
245,810	Surplus (deficit) of operating funding (A - B)	245,750	63,640
	Sources of capital funding:		
0	Subsidies and grants for capital expenditure	0	285,000
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
0	Total sources of capital funding (C)	0	285,000
	Applications of capital funding		
	Capital expenditure		
0	- to meet additional demand	0	0
0	- to improve the level of service	0	0
250,000	- to replace existing assets*	50,000	380,000
(4,190)	Increase (decrease) in reserves	195,750	(31,360)
0	Increase (decrease) of investments	0	0
245,810	Total applications of capital funding (D)	245,750	348,640
(245,810)	Surplus (deficit) of capital funding (C - D)	(245,750)	(63,640)
0	Funding balance ((A - B) + (C - D))	0	0

*Stormwater pipe renewals

Explanation of significant variances between the Long Term Plan and the Annual Plan

At the time the Long Term Plan was prepared it was anticipated there would not be subsidy for the stormwater activity beyond 2021/22. However, subsidy was confirmed for 3 years to 2023/24, which means Council does not fund the subsidy portion of the annual depreciation. Also, Council has since budgeted to replace 1km of stormwater pipes due the condition of these pipes.

Water Supply

The water supply system comprises the network of springs, pumps, reservoirs and pipes that distributes potable water to more than 2,500 households, four large industries and approximately 200 businesses, servicing a population of approximately 7,500 people. The aim of this activity is: “To provide a quality water supply in sufficient quantities to meet reasonable community needs”.

The Water Supply activity group involves:

- Management of water supply assets and monitoring water quality
- Repairing or replacing unsound pipes, structures and plant
- Planning to meet future requirements and improve operations

Principal objectives are:

- To ensure that the water supply network continues to provide a high quality water treatment and distribution service.
- To anticipate the time when it may be necessary to extend, upgrade or renew the existing water supply scheme and to plan accordingly.
- To ensure the appropriate maintenance of the public infrastructural assets in perpetuity, so that there is no diminution in value and to forecast the estimated future cost of doing so.
- To put in place a sound management regime for all matters relating to the supply of potable water.

Performance Measures and Targets

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Provision of a quality water supply	Community satisfaction with water supply	Survey to be undertaken 2022/23	N/A	Community Survey (every 3 years)
Customer satisfaction	The total number of complaints received about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply, and f) Council’s response to any of these issues expressed per 1000 connections to the networked reticulation system.	There were: a) 5 complaints about dirty water (1.8 per 1,000 connections) b) 3 complaints about taste (1 per 1,000 connections) c) No odour complaints d) 8 complaints about water pressure (2.9 per 1,000 connections) e) No complaints concerning continuity of supply f) No complaints about responses to above issues	a) No more than 4 per 1000 connections b) No more than 2 per 1000 connections c) No more than 1 per 1000 connections d) No more than 2 per 1000 connections e) No more than 2 per 1000 connections f) 0 per 1000 connections	Council records (RFS database)

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Safety of drinking water	The extent to which Council's drinking water supply complies with: a) part 4 of the 2008 drinking-water standards (bacteria compliance criteria), and b) part 5 of the 2008 drinking-water standards (protozoal compliance criteria).	There was no instances of bacteria non-compliance but there were 2 technical breaches for protozoal non-compliances	a) No more than 1 instance of bacteria criteria non-compliance and b) No instances of protozoal criteria non-compliance	Toi Te Ora Public Health service reports
Maintenance of the reticulation network	The percentage of real water loss from the Council's networked reticulation system, measured using the minimum night flow (MNF) analysis method contained in the DIA Guidelines.	Average real water loss was 160 litres per day per connection	<200 litres per connection per day ¹	Council records
Demand management	The average consumption of drinking water per day per resident within the district.	Average consumption was 0.53 m3 per day	<0.6 m3	Council records
Fault response times	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response times are: ²			
	a) attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and	There were 0 urgent callouts during year	Less than two hours	Council records (RFS database)
	b) resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	N/A	Less than 8 hours	
	c) attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and	There were 88 non-urgent call-outs and the median response time was 0.57 hours.	24 hours	
	d) resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption	The median resolution time for non-urgent call-outs was 2.23 hours	48 hours	

¹ Measured using the minimum night flow (MNF) analysis method contained in the DIA Guidelines.

² Non-Financial Performance Measures Rules 2013 made by the Secretary for Local Government pursuant to and in accordance with section 261B of the Local Government Act 2002

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
The water supply is reliable and has minimal disruptions	Number of unplanned shutdowns - reticulation	There were 2 unplanned shut-downs during the year	No more than 12	Council records
	Number of unplanned shutdowns - pump stations	There were no unplanned shut-downs of pump stations	None	Council records
	Number of water main breaks	There was 1 water main breaks during year	No more than 8	Council records
Water is sourced with minimal environmental effects	Compliance with BOP Regional Council water supply resource consents as reported in Annual Consents and Compliance Field Sheet.	Achieved compliance	Compliance ³	BOP Regional Council



Tarawera River and Canoe Slalom Course.

³ BOPRC inspection reports state either compliance or non-compliance.

Funding Impact Statement: Water Supply

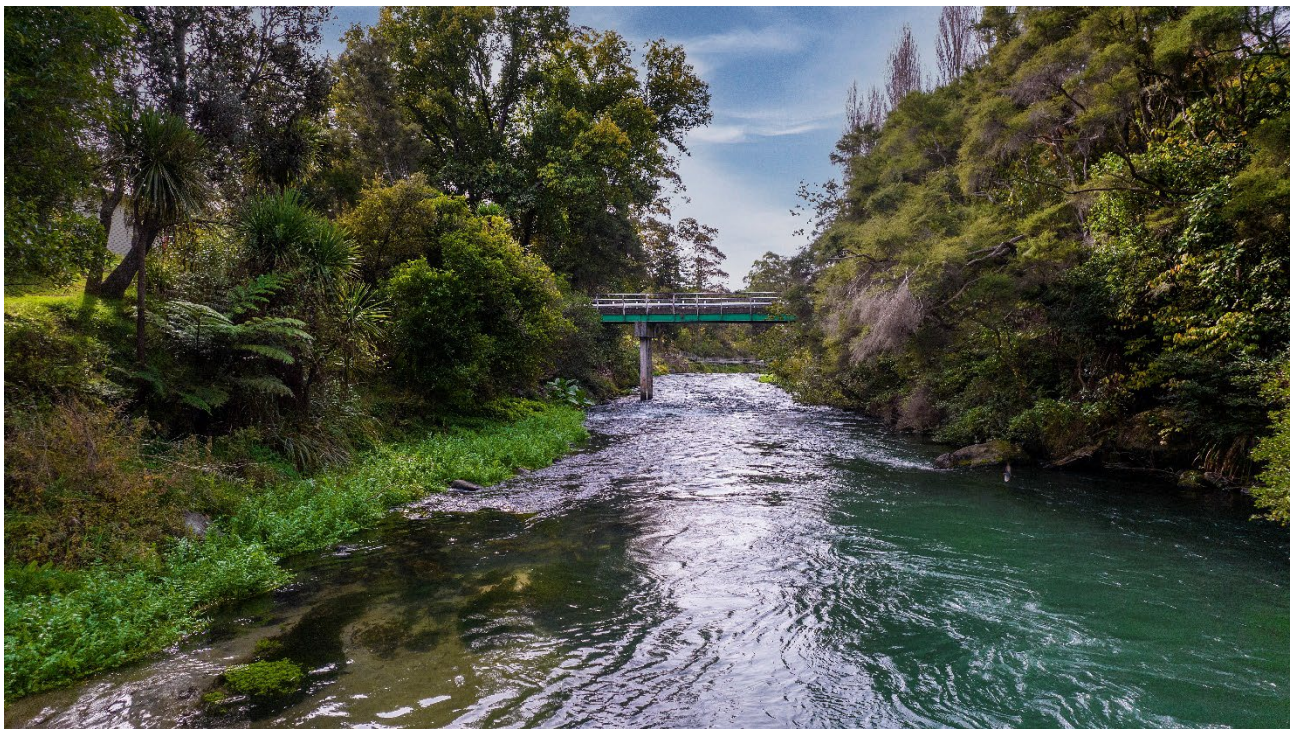
Long Term Plan 2022/23		Long Term Plan 2023/24	Annual Plan 2023/24
	Sources of operating funding		
1,290,120	General rates, uniform annual general charges, rates penalties	1,356,710	1,207,820
214,650	Targeted rates	220,710	195,200
0	Subsidies and grants for operating purposes	0	0
0	Fees and charges	0	0
52,470	Internal charges and overheads recovered	52,280	106,390
0	Local authorities fuel tax, fines, infringement fees, and other receipts	0	0
1,557,240	Total Operating Funding (A)	1,629,700	1,509,410
	Applications of operating funding		
498,230	Payments to staff and suppliers	486,530	493,570
75,000	Finance Costs	125,000	172,500
401,460	Internal charges and overheads applied	408,380	421,560
0	Other operating funding applications	0	0
974,690	Total applications of operating funding (B)	1,019,910	1,087,630
582,550	Surplus (deficit) of operating funding (A - B)	609,790	421,780
	Sources of capital funding:		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
2,000,000	Increase (decrease) in debt	2,000,000	2,000,000
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
2,000,000	Total sources of capital funding (C)	2,000,000	2,000,000
	Applications of capital funding		
	Capital expenditure		
0	- to meet additional demand	0	0
0	- to improve the level of service	0	0
2,580,780	- to replace existing assets*	2,729,720	2,617,600
1,770	Increase (decrease) in reserves	(119,930)	(195,820)
0	Increase (decrease) of investments	0	0
2,582,550	Total applications of capital funding (D)	2,609,790	2,421,780
(582,550)	Surplus (deficit) of capital funding (C - D)	(609,790)	(421,780)
0	Funding balance ((A - B) + (C - D))	0	0

Explanation of significant variances between the Long-Term Plan and the Annual Plan

There are no significant variances between the LTP and the Annual Plan apart from Council electing to not full fund depreciation for this activity to keep the overall rate increase down for residents.

Capital Expenditure

Long Term Plan 2022/23		Long Term Plan 2023/24	Annual Plan 2023/24
1,900,500	Pipework Replacement	1,993,625	2,240,000
157,500	Toby Replacement	165,218	50,000
42,000	Valve Replacement	44,058	44,100
22,155	Refurbish Pumps	19,055	19,000
13,650	UV Tube Replacement	14,320	14,500
444,975	Reservoir, Headworks & Hydrants	493,444	250,000
2,580,780	Total Capital Expenditure	2,729,720	2,617,600



Tarawera River.

Wastewater

This group includes “wastewater collection and disposal”. Council’s wastewater system is a network of pipes, manholes, cleaning eyes, pumps and a treatment plant.

The wastewater activity contributes mainly to providing effective, efficient and sustainable infrastructure and services and to prevent harm and nuisance and to protect people’s health and safety.

The overall aim of this group of activities is “to provide a system of domestic wastewater collection and primary treatment”.

Performance Measures and Targets

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Provision of domestic wastewater collection and primary treatment	Community satisfaction with wastewater disposal	Survey to be undertaken 2022/23	N/A	Community survey
Customer satisfaction	The total number of complaints received about any of the following: a) sewage odour b) sewerage system faults c) sewerage system blockages, and d) Council’s response to issues with its sewerage system, expressed per 1000 connections to the sewerage system.	a) No odour issues (0 per 1,000) b) 5 faults reported (1.7 per 1000) c) There were 8 blockages (2.8 per 1000) d) There were no complaints about responses (0 per 1,000)	a) No more than 1 per 1000 connections b) No more than 15 per 1000 connections c) No more than 15 per 1000 connections d) 0 per 1000 connections	Council records (RFS database)
System adequacy	The number of dry weather sewage overflows from Council’s sewerage system, expressed per 1000 connections to that sewerage system.	There were 4 dry weather overflows during year.	0 per 1000 connections to the sewerage system	Council records
Fault response times	Where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, the median response times are:			
	a) attendance time: from the time that Council receives notification to the time that service personnel reach the site, and	There were 5 attendances all within 1 hour	Less than 1 hour	Council records (RFS database)
	b) resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	4 sewerage overflows were resolved within 8 hours, however 1 exceeded 8 hours.	Less than 8 hours	Council records (RFS database)
Council provides a reliable domestic wastewater collection and disposal service	Number of disruptions to wastewater collection service	There was 1 disruption to the wastewater collection service.	No more than 50	Council records

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Discharge compliance	Compliance with resource consents for discharge from Council's sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders, and d) convictions, received in relation those resource consents.	Council did not receive any abatement notices, enforcement orders nor convictions during the year. However, Council did receive 14 infringement notices during the year.	No notices, orders or convictions	Council records
The wastewater treatment plant operates effectively	Compliance with BOPRC wastewater treatment plant resource consents as reported in annual Consents and Compliance Field Sheet	Council did not comply with conditions of the resource consent due to volumes received from dairy factory.	Compliance ⁴	BOP Regional Council



Kawerau's drinking water reticulation (pipe) replacement project.

⁴ BOPRC inspection reports state either compliance or non-compliance.

Funding Impact Statement: Wastewater

Long Term Plan 2022/23		Long Term Plan 2023/24	Annual Plan 2023/24
	Sources of operating funding		
1,306,370	General rates, uniform annual general charges, rates penalties	1,334,930	1,291,330
459,290	Targeted rates	472,350	378,080
0	Subsidies and grants for operating purposes	0	0
51,700	Fees and charges	52,790	60,000
32,270	Internal charges and overheads recovered	24,260	65,290
0	Local authorities fuel tax, fines, infringement fees, and other receipts	0	0
1,849,630	Total Operating Funding (A)	1,884,330	1,794,700
	Applications of operating funding		
750,900	Payments to staff and suppliers	765,040	748,790
0	Finance Costs	0	0
576,480	Internal charges and overheads applied	596,800	686,100
0	Other operating funding applications	0	0
1,327,380	Total applications of operating funding (B)	1,361,840	1,434,890
522,250	Surplus (deficit) of operating funding (A - B)	522,490	359,810
	Sources of capital funding:		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
0	Total sources of capital funding (C)	0	0
	Applications of capital funding		
	Capital expenditure		
0	- to meet additional demand	0	0
0	- to improve the level of service	0	0
1,209,700	- to replace existing assets	1,428,660	1,428,600
(687,450)	Increase (decrease) in reserves	(906,170)	(1,068,790)
0	Increase (decrease) of investments	0	0
522,250	Total applications of capital funding (D)	522,490	359,810
(522,250)	Surplus (deficit) of capital funding (C - D)	(522,490)	(359,810)
0	Funding balance ((A - B) + (C - D))	0	0

There are no significant variances between the LTP and the Annual Plan for 2023/24, apart from Council electing to not fully fund depreciation for this activity to keep the overall rate increase down for residents.

Capital Expenditure

Long Term Plan 2022/23		Long Term Plan 2023/24	Annual Plan 2023/24
791,160	Pipework Replacement	746,120	746,100
36,190	Refurbish Pumps	36,950	37,000
15,410	Milliscreen Bearings	161,050	161,000
366,940	WWTP & Pump Station Renewals	484,540	484,500
1,209,700	Total Capital Expenditure	1,428,660	1,428,600

Solid Waste

This group includes:

- Refuse Collection
- Refuse Disposal
- Zero Waste

Refuse collection includes a weekly collection of residual waste and a fortnightly collection of green waste for residential properties. Recycling collection from both residential and commercial properties is undertaken on a weekly basis. There is also a transfer station where waste can be taken.

This group of activities contributes mainly to providing effective, efficient and sustainable infrastructure and services and to prevent harm and nuisance and to protect people's health and safety.

The overall aim of this group of activities is "to minimise the presence of refuse within the District and to minimise the amount of local waste, which goes to landfill".



Kawerau Transfer Station is the Green Waste Collection Area for the district.

Performance Measures and Targets

Refuse Collection and Disposal

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Provision of a cost effective refuse collection and disposal that will encourage a healthy, clean and tidy district	Community satisfaction with refuse collection	Survey to be undertaken 2022/23	N/A	Community survey (every 3 years)
	Community satisfaction with refuse disposal	Survey to be undertaken 2022/23	N/A	
Council's refuse collection and disposal services meet the needs of the Kawerau Community and help maintain public health and a clean environment	Level of compliance with BOP Regional Council refuse disposal resource consents as reported in annual Consents and Compliance Field Sheet	No abatement notices, enforcement orders or convictions issued	Compliance ⁵	BOP Regional Council

Recycling (Zero Waste)

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Council's refuse collection and disposal services meet the needs of the Kawerau Community	Community satisfaction with recycling services	Survey to be undertaken 2022/23	N/A	Community survey (every 3 years)
Material which would otherwise go to landfill as household refuse is collected by the recycling collection service	Average amount of recyclable material collected from each household.	72.3 kg per household on average	No less than 178kg per annum	Council records.

⁵ BOPRC inspection reports state either compliance or non-compliance

Funding Impact Statement: Solid Waste

Long Term Plan 2022/23		Long Term Plan 2023/24	Annual Plan 2023/24
	Sources of operating funding		
781,830	General rates, uniform annual general charges, rates penalties	809,660	1,349,770
527,350	Targeted rates	542,380	594,080
0	Subsidies and grants for operating purposes	0	0
613,120	Fees and charges	625,380	1,182,800
48,870	Internal charges and overheads recovered	49,890	50,400
0	Local authorities fuel tax, fines, infringement fees, and other receipts	0	0
1,971,170	Total Operating Funding (A)	2,027,310	3,177,050
	Applications of operating funding		
1,347,070	Payments to staff and suppliers	1,372,580	2,183,310
4,140	Finance Costs	3,750	8,500
587,790	Internal charges and overheads applied	618,270	947,430
0	Other operating funding applications	0	0
1,939,000	Total applications of operating funding (B)	1,994,600	3,139,240
32,170	Surplus (deficit) of operating funding (A - B)	32,710	37,810
	Sources of capital funding:		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
0	Total sources of capital funding (C)	0	0
	Applications of capital funding		
	Capital expenditure		
0	- to meet additional demand	0	0
0	- to improve the level of service	0	0
0	- to replace existing assets*	0	0
32,170	Increase (decrease) in reserves	32,710	37,810
0	Increase (decrease) of investments	0	0
32,170	Total applications of capital funding (D)	32,710	37,810
(32,170)	Surplus (deficit) of capital funding (C - D)	(32,710)	(37,810)
0	Funding balance ((A - B) + (C - D))	0	0

*Hotmix and concrete apron

Explanation of significant variances between the Long-Term Plan and the Annual Plan

There are increased costs for refuse disposal (\$450k) and greenwaste processing (\$100k) in the 2023/24 Annual Plan budget when compared to the Long Term Plan which has resulted in increased fees and charges and rates.

Leisure and Recreation

The Leisure and Recreation group of activities comprises:

- Public Library
- Museum
- Swimming Pools
- Public Halls and Facilities
- Parks and Reserves (including Cemetery)

Public Halls and Facilities comprise the Ron Hardie Recreation Centre, Town Hall, Concert Chamber and Public Toilets.

Parks and Reserves comprise Sports Fields, Passive Reserves, Road Berms, Street Trees, Bedding Displays, Playgrounds and the Cemetery.

The level of service and extent of these activities are provided directly improves the quality of life for all the people of Kawerau in some way.

Performance Measures and Targets

Public Library

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
The library is accessible to the public	Percentage of the population who are active members of the library ⁶	19.5% were active members	>25%	Council records
	New items per 1,000 population added to the collection each year.	403 new items per 1000 pop were added to collection.	>500	Council records
Council provides public library services and resources which suit Community needs	Community satisfaction with the Public Library	Survey to be undertaken 2022/23	N/A	Community survey (every 3 years)

Museum

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Council provides a museum service which reflects Community needs Council provides a museum service which reflects Community needs	Number of exhibitions held	7 exhibitions were held	At least 6 exhibitions	Council records
	Number of objects accessioned to the museum collection annually	224 objects were accessioned for the year	>200	Council records
	Community satisfaction with the Museum	Survey to be undertaken 2022/23	N/A	Community survey (every 3 years)

⁶ Those who have used library services in the past two years.

Swimming Pools

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Council provides a Swimming Pool Complex which is accessible to the Community	Weeks open per year	Pool open for 20 weeks	At least 48	Council records
Council provides a Swimming Pool Complex which reflects the community's needs	Community satisfaction with Public Swimming Pools	Survey to be undertaken 2022/23	N/A	Community survey (every 3 years)
Pool water meets water quality standards	Level of compliance with standards	There was at least 97% compliance of tests	Full compliance in 95% of tests	Council records

Public Halls and Facilities

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Council provides public halls and facilities which reflects Community needs	Community satisfaction with Public Halls	Survey to be undertaken 2022/23	N/A	Community Survey (every 3 years)
	User satisfaction with Public Halls		N/A	
	Community satisfaction with Public Toilets		N/A	
	User satisfaction with Public Toilets		N/A	
Four community halls are available for hire: Ron Hardie Recreation Centre, Town Hall, Concert Chamber and Bert Hamilton Hall	Number of weeks public halls available for hire	All halls were closed for 5 weeks due to Covid (not available for at least 50 weeks).	Each hall is available for at least 50 weeks ⁷	Council records
Clean public toilets are provided in the central business district	Number of days town centre public toilets are open.	Toilets were open for 365 days of the year.	Open at least 360 days	Council records

⁷ Each hall is closed for scheduled maintenance for up to two weeks per year.

Parks and Reserves

Levels of Service	Measures	Current performance (2021/22)	Target 2023/24	Data source
Council provides parks and reserves which meet community needs	Community satisfaction with Parks and Reserves	Survey to be undertaken 2022/23	N/A	Community survey (every 3 years)
Sports field playing surfaces meet the requirements of the codes for which they are used	Implementation of recommendations of NZ Sports Turf Institute advisory reports.	NZ Sports Turf Institute recommendations implemented	100%	Council records
Bedding displays are attractive and updated to suit the season	Number of bedding displays	There were 2 separate bedding displays planted	2 (1 summer and 1 winter)	Council records
Playground equipment is safe for children to use	Monthly inspections of all playground equipment	10 inspections conducted during year out of 12.	12 inspections conducted	Council records
The Kawerau cemetery meets Community interment needs in the present and the medium term	Community satisfaction with the Cemetery	Survey to be undertaken 2022/23	N/A	Community survey (every 3 years)
	Number of burial plots available	There are enough plots available for a further 10 years.	At least enough for the next five years	Council records



The main pool at the Maurie Kjar Aquatic Centre.

Funding Impact Statement: Leisure and Recreation

Long Term Plan 2022/23		Long Term Plan 2023/24	Annual Plan 2023/24
	Sources of operating funding		
4,107,550	General rates, uniform annual general charges, rates penalties	4,190,530	4,356,900
0	Targeted rates	0	0
126,920	Subsidies and grants for operating purposes	940	900
70,850	Fees and charges	69,680	96,500
16,400	Internal charges and overheads recovered	17,910	54,660
0	Local authorities fuel tax, fines, infringement fees, and other receipts		
4,321,720	Total Operating Funding (A)	4,279,060	4,508,960
	Applications of operating funding		
2,365,890	Payments to staff and suppliers	2,254,570	2,506,950
41,760	Finance Costs	39,160	78,670
1,281,330	Internal charges and overheads applied	1,289,140	1,422,400
0	Other operating funding applications	0	0
3,688,980	Total applications of operating funding (B)	3,582,870	4,008,020
632,740	Surplus (deficit) of operating funding (A - B)	696,190	500,940
	Sources of capital funding:		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
0	Total sources of capital funding (C)	0	0
	Applications of capital funding		
	Capital expenditure		
0	- to meet additional demand	0	0
0	- to improve the level of service	0	0
265,370	- to replace existing assets*	234,200	522,400
367,370	Increase (decrease) in reserves	461,990	(21,460)
0	Increase (decrease) of investments	0	0
632,740	Total applications of capital funding (D)	696,190	500,940
(632,740)	Surplus (deficit) of capital funding (C - D)	(696,190)	(500,940)
0	Funding balance ((A - B) + (C - D))	0	0

Explanation of significant variances between the Long-Term Plan and the Annual Plan

There are additional costs for staffing to ensure services are delivered as well as additional building renewal costs for library, pool and town hall.

Capital Expenditure

Long Term Plan 2022/23		Long Term Plan 2023/24	Annual Plan 2023/24
74,400	Library and Museum - Collection Renewals	75,890	75,800
1,990	-Office Equipment/ Furniture	17,280	11,500
12,120	-Building	10,440	90,500
55,500	Swimming Pool	7,600	141,600
6,730	Recreation Centre	16,860	16,900
22,750	Town Hall	8,660	68,600
10,470	Concert Chambers	14,370	29,300
0	Public Toilets	0	5,000
22,700	Sportsfields and Amenity Buildings	23,150	23,200
54,880	Passive Reserve Renewals	55,970	56,000
3,830	Playground Renewals	3,980	4,000
265,370	Total Capital Expenditure	234,200	522,400



Firmin Lodge – a meeting and 60-bed dormitory style accommodation facility in Kawerau.

Council Controlled Organisations (CCOs)

Introduction

A CCO is a company or organisation in which a council or councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. CCOs are essentially any company with a majority Council shareholding, or a trust or similar organisation with a majority of council-controlled votes or council-appointed trustees.

In order to achieve its objectives, Council is a shareholder in two CCOs: Bay of Plenty Local Authority Shared Services Limited (BoP LASS), which is jointly owned by all eight councils in the Bay of Plenty Region and Gisborne District Council, and Toi Economic Development Agency (Toi-EDA), which is jointly owned by the Kawerau, Ōpōtiki and Whakatāne District Councils.

CCO Performance Measures and Targets

The following is a report of performance targets for the 2023/24 year.

Bay of Plenty Local Authority Shared Services Limited (BoP LASS)

About this CCO

The Kawerau District Council is a one-ninth shareholder in BoP LASS. BoP LASS was formed on 15 October 2007 to support councils that operate within the boundaries of the Bay of Plenty region.

The principal activities of BoP LASS are to investigate, develop and deliver shared back office services and communications where and when that can be done more effectively for any combinations of some or all of the councils.

Governance

BoP LASS will conduct itself in accordance with its constitution, its annual statement of intent agreed with shareholders, the provisions of the Companies Act 1993 and the Local Government Act 2002.

The company is governed by its Directors. To ensure total synergy between the company's activities and its council shareholders' activities, the Directors are also the Chief Executives of their respective council shareholders.

BoP LASS has nine directors appointed by its shareholders. Unless otherwise agreed by the Board, each appointee is the current (or acting) Chief Executive of the council shareholder including:

- Bay of Plenty Regional Council
- Gisborne District Council
- Kawerau District Council
- Ōpōtiki District Council
- Rotorua District Council
- Taupō District Council
- Tauranga City Council
- Western Bay of Plenty District Council
- Whakatāne District Council

In addition, the Board may appoint up to three professional Directors to supplement the Directors'/Chief Executives' expertise.

Policies and Objectives in regard to Ownership and Control

The objectives of BoP LASS as stated in its statement of intent are as follows:

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

- **Joint Procurement:** Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BoP LASS or individually by participating councils.
- **Shared Services:** Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

Nature and Scope of Activities

The principal nature and scope of the activity of BoP LASS is to:

- Use joint procurement to add value to goods and services sourced for its constituent councils.
- Establish the underlying technology, framework, platform and policies to enable and support collaboration.

- Facilitate initiatives that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or government funding where available.
- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Actively monitor and engage with Shared Service developments across the public sector to identify opportunities for further development and establishing best practice.
- Represent the collective views of its shareholders in matters with which it is associated.

Key Performance Targets

To ensure the Company continues to operate effectively in both governance and management terms over the next three years the targets are

- Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.
- A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.
- Resource assignment measured from project job tracking.
- Number of listed projects to increase by 20% per year. Number of active users to increase by 20% per year.
- At least one meeting per year (with the leadership team of each shareholding Council).

Toi Economic Development Agency (Toi-EDA)

About Toi-EDA

Toi-EDA is the Eastern Bay of Plenty Regional Economic Development Agency set up by three territorial authorities (Kawerau, Ōpōtiki and Whakatāne) and Te Rūnanga o Ngāti Awa on behalf of the Mataatua Iwi Forum.

The primary objective of Toi-EDA is to make a positive difference to the Eastern Bay of Plenty economy by supporting sustainable business and industry and increasing productivity by focusing on the region's natural and human resources. Toi-EDA provides goods or services for the Community of social benefit rather than making a financial return. Accordingly, it is designated as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Toi-EDA as an Exempt CCO

On 30 March 2010, the Council resolved that Toi-EDA would become an exempt Council Controlled Organisation (CCO) under the Local Government Act 2002. As a CCO, Toi-EDA was required by legislation to meet a number of reporting requirements that were considered onerous and expensive in relation to its size. Exemption from these requirements allows Toi-EDA to focus more of its limited resources on economic development. As an exempt CCO, the reporting requirements of Toi-EDA will be similar to those of other Council activities.

This change has not affected the nature or delivery of the services delivered by Toi-EDA.

Trustees

Toi-EDA operates under a Trust Deed. Toi-EDA's trustees are experienced business people and community leaders who play a vital role in leading and guiding the organisation. They bring a wealth of experience and skills spanning commercial, finance, governance and business development, as well as entrepreneurial skills.

The Trustees' role is to:

- Provide strategic leadership and oversee strategy
- Meet and network with key stakeholders
- Provide advocacy
- Ensure sustainable economic development
- Monitor progress
- Provide governance
- Generate ideas / foster growth
- Influence the community and stakeholders
- Support staff
- Take positions / prepare submissions on major developments
- Perform a custodial role over resources

Significant Policies and Objectives in regard to Ownership and Control

- To attract people to work, live and play in the Eastern Bay of Plenty
- To align Toi-EDA with regional and national economic development activity

- To encourage alignment with Māori economic development
- To support and develop industry
- To align training and education with employment needs
- To advocate for improved infrastructure and transportation
- To foster communication with the community and partners
- To secure and diversify the Toi-EDA funding base

Nature and Scope of Activities

- Developing and implementing a co-ordinated marketing strategy to attract more people to visit and live in the region
- Identify, support and grow events that attract visitors and promote the Eastern Bay of Plenty
- Advocate for new facilities and event resources
- Promote conference opportunities.
- Implementing economic development projects



SECTION 03

Total Council Prospective Financial Statements

Significant Forecasting Assumptions, Risks and Possible Implications

Financial estimates form part of the Annual Plan. These estimates are based on assumptions about future conditions and events, which may or may not occur. A financial estimate's quality is therefore dependent on the appropriateness, completeness and reasonableness of the underlying assumptions as well as on the underlying information. Actual results may differ from these assumptions and variations may be material. The information in these financial statements may not be appropriate for purposes other than that of Council consulting with the Community on the spending priorities outlined in this Plan.

The LGA 2002 requires these assumptions to be disclosed. This allows the readers to make their own judgement on the assumptions' quality and reliability. To further assist readers make an informed judgement, it is also necessary to provide information about the sensitivity (to change) of financial estimates. The LGA describes these financial estimates as being based on assumptions that "involve a high level of uncertainty".

The Plan must clearly identify:

- All the significant forecasting assumptions and risks underlying the financial estimates
- The assumptions of the Council concerning the useful life of significant assets and the sources of funds for future replacement of significant assets
- In any case where significant forecasting assumptions involve a high level of uncertainty, the fact of that uncertainty and an estimate of the potential effects of that uncertainty on the financial estimates provided

The following assumptions underlying the preparation of these forecasts were made in preparing this Plan.

1. Useful lives of significant assets

Assets	Estimated Economic Life (years)
Operational:	
- Buildings	5-50
- Computers/electronic office equipment	3-15
- Fixtures, fittings, and equipment	5-50
- Plant (vehicles)	5
- Library lending matter (excluding special collections)	7
Infrastructural:	
- Transport Management:	
✓ Street lighting	5-47
✓ Kerb, channel and footpath	5-100
✓ Pavement surface	3-19
✓ Pavement structure	5-80
✓ Stormwater	5-100
- Water Supply:	
✓ Collection and storage	5-80
✓ Local distribution	5-80
- Wastewater:	
✓ Reticulation system	5-80
✓ Pumping and treatment	5-80
Restricted:	
- Buildings and other	6-25

2. Sources of funds for future replacement of significant assets

Some buildings are non-strategic and the level of utilisation in many cases is significantly below availability. As a result, it is unlikely they would be replaced in their present form. Also their replacement may be by rented accommodation or by buildings funded by way of loans. The advantage of not funding depreciation on these buildings is that the Community is not rated for depreciation on assets that are unlikely to be replaced with buildings of equivalent value. Buildings that are unlikely to be replaced in their present form include the Council Buildings (including Town Hall, Concert Chamber, Library/Museum and Offices), Tarawera Park Amenity Building, Recreation Centre, Swimming Pool, Depot and Pensioner Housing.

3. Projected growth change factors (population and development)

Based on population projections provided by Stats NZ, the district is expected to have an increase in population (since the last census) and a consequential growth in demand for additional infrastructural services. The existing infrastructural network will cope with any additional demand to a population of at least 10,000 (Kawerau's current population estimate is just over 7,700). Growth is monitored to determine any potential additional demand on infrastructural services and Council through its economic development initiatives anticipates that the projected population will continue to rise

4. Cost factors (inflation)

The forecasts in this Plan have been adjusted for inflation using the following projections of price level change adjusters prepared for the Society of Local Government Managers by Business and Economic Research Limited (BERL) apart from costs which are fixed for 2023/24 and where it is anticipated that increases will vary from inflation.

Inflation adjusters: Percent change per annum

Year ending	Roads	Property	Water	Energy	Staff	Other
2023/24	6.9%	5.5%	6.7%	2.8%	2.3%	2.6%

Source: BERL 2022

5. New Zealand Transport Agency (NZTA) subsidy rates

Waka Kotahi (formerly NZTA) contributes significantly to the costs of maintaining and renewing the roads and stormwater systems. The assumption has been made that when roads and stormwater systems are due for renewal, Waka Kotahi will contribute towards the cost on the agreed rate of 75% (75% for 2022/23). The budgeted Waka Kotahi subsidy for 2023/24 is \$1,175,625.

Sensitivity in subsidy revenue to a 5% change in subsidy rates

Risk: Change in rate
 Likelihood: Moderate
 Impact: \$58,780

6. Revaluation of non-current assets

Council's current accounting policy is that Infrastructural assets (including land and buildings) are revalued on a three-yearly basis. The last revaluation was as at 30 June 2022. The next revaluation will occur as at 30 June 2025, and provision has been included in these financial statements for the possible movements in the value of Council's non-current assets.

There has been no provision made for any possible movements in the valuation of Council's current assets.

7. Forecast return on investments

The interest rates on invested funds assumed for the 2023/24 Annual Plan period is shown in the table below. This rate is based on the interest rates on current investments as at June 2023.

	2023/24
Interest rate	2.5%
Average investments	\$2,000,000

Sensitivity in interest revenue to a 1% change in interest rates

Risk: Change in rate
 Likelihood: High
 Impact: \$20,000

8. Expected interest rates on borrowing

Council uses loans, reserves and internal borrowing to fund new capital projects. The primary objective of funding internally is to use reserves efficiently and create operational savings by eliminating the interest rate margin between separately investing and borrowing externally. The following parameters apply to internal loans:

- The term of the internal loan will be determined after considering the original purpose of the reserve fund.
- Principal amounts are repaid in quarterly instalments on the due date of each rates instalment. Amounts are agreed upon at the commencement of the loan and determined on a table mortgage basis.
- Interest is charged to the activity based upon the average rate of Council's investments
- Council has the ability to reset interest rates annually during the preparation of the Annual Plan

Council plans to borrow funds (externally) during the year from LGFA, which it is a member. The expected interest rate on external borrowing is based on the forecast interest rates as provided by LGFA.

	2023/24
Interest rate	5.75%
Average new borrowing (external)	\$2,000,000

Sensitivity in interest expense to a 1% change in interest rates

Risk: Change in rate
 Likelihood: High
 Impact: \$200,000

9. Climate Change

Council has assumed that the excess capacity in the District’s infrastructure will cope with any effects of climate change such as changing weather patterns (extreme weather events).

10. Insurance

Council has assumed that it will be able to obtain insurance cover for all existing policies and that the cost for insurance will be similar to that for the current year plus inflation.

11. Societal Changes

Council has assumed that there will be no significant changes to the makeup of the district’s population and therefore has not made any provision for additional (or reduced) services.

12. Impact of Future Legislative Changes

Any changes required to the Annual Plan will be considered following the implementation of any legislative changes and once the implications of the changes have been fully considered.



A view of Kawerau taken from Monika Lanham Reserve.

Prospective Statement of Accounting Policies

Reporting entity

Council is a local authority in terms of the Local Government Act and designates itself to be a Public Benefit Entity with the primary objective of providing goods and services for the benefit of its Community rather than for a financial return. The purpose of prospective financial statements in this Plan is to provide users with information about the core services that Council intends to provide to the Community, the expected cost of those services and, as a result, how much Council requires by way of rates to fund the intended levels of service.

Statement of Compliance and Basis of Preparation

The prospective financial statements included in the Annual Plan have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with Generally Accepted Accounting Practice.

The financial statements comply with the applicable reporting standards as appropriate for public benefit entities.

The accounting policies, as set out below, have been applied consistently to all the periods presented in these financial statements.

Measurement Base

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of certain classes of Property, Plant and Equipment. The preparation of financial statements that conform to NZ GAAP requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets that are not readily apparent from other sources.

Estimates and assumptions are reviewed on an ongoing basis and revisions to the accounting estimates recognised in the period of the revision, or in that period and any future periods that are affected by the revision. It should be noted that actual results may vary from these estimates. The accounting

policies set out below have been applied consistently to all periods presented in the prospective financial statements.

Revenue

Rates revenue

Rates are set annually by a resolution from Council and rates revenue is recognised within the financial year for which the rates have been set.

Government grants and subsidies

Council receives government grants from the New Zealand Transport Agency (formerly Land Transport New Zealand), which subsidises part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Petrol tax

Petrol tax is recognised as revenue on receipt.

Interest revenue

Interest is recognised as revenue using the effective interest method.

Other revenue

Water meters are read, and the usage billed, on the last day of each quarter. Unbilled usage at the year end is accrued based on the actual reading at 30 June. Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided. Sales of goods are recognised when a product is sold to the customer and the recognised revenue is the gross amount of the sale.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained. Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction. Dividends are recognised when the right to receive payment has been established.

Borrowing costs

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

Grant expenditure

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

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure in the financial year for which they are granted.

Support activity costs

Support activity costs are allocated to significant activities on the basis of relative total direct costs.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

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

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Inventories

Inventories include all goods held for the purpose of eventual consumption. They are measured at the lower of cost (using the FIFO method) and current replacement cost.

Investments

Investments represent Council's shareholdings in New Zealand Local Government Insurance Corporation Limited and BoP LASS Limited and are held at cost. Council classifies its financial assets into four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classifications of Council's investments at initial recognition and re-evaluates this designation at every reporting date.

Impairment of financial assets

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

Non-current assets for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs or non-current assets held for sale are recognised in the Statement of Comprehensive Income.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Property, plant and equipment

Operational assets

These include land, buildings, library and museum collections, plant and equipment and motor vehicles.

Infrastructure assets

This comprises the fixed utility systems (roads, water, wastewater and stormwater) owned by Council. Each asset class includes all items that are required for the network to function, for example, wastewater reticulation includes reticulation piping and sewer pump stations.

Restricted assets

These include parks and reserves owned by Council which provide a benefit or service to the Community and cannot be disposed of because of legal or other restrictions.

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

Additions

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

In most instances, an item or property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

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

Subsequent costs

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

Depreciation of property, plant and equipment

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

The estimated useful lives, associated depreciation rates and depreciation basis for each major class of assets are as outlined in the table below:

Depreciation of property, plant and equipment

Assets	Estimated Useful Life (years)	Depreciation Rate	Method
Operational:			
- Buildings	5-50	2.0% - 20.0%	SL
- Computers/electronic office equipment	3-15	6.7% - 33.3%	SL
- Fixtures, fittings and equipment	5-50	2.0% - 20.0%	DV
- Plant (vehicles)	5	20.0%	DV
- Library collections (excluding special collections)	7	15.0%	DV
Infrastructural:			
- Roothing Network:			
✓ Street lighting	5-47	2.1% - 20.0%	SL
✓ Kerb, channel and footpath	5-100	1.0% - 20.0%	SL
✓ Pavement surface	3-19	5.3% - 33.3%	SL
✓ Pavement structure	5-80	1.3% - 20%	SL
- Stormwater	5-100	1.0% - 20.0%	SL
- Water Systems:			
✓ Collection and storage	5-80	1.3% - 20.0%	SL
✓ Local distribution	5-80	1.3% - 20.0%	SL
- Wastewater System:			
✓ Reticulation system	5-80	1.3% - 20.0%	SL
✓ Pumping and treatment	5-80	1.3% - 20.0%	SL
Restricted:			
- Buildings and other	6-25	4.0% - 16.7%	SL

Notes: SL = straight-line method of depreciation. DV = diminishing value method of depreciation. Pavement formation is not depreciated.

Revaluation

Land, buildings and infrastructural assets are usually revalued every three years, which will next occur as at 30 June 2025.

Those asset classes that are revalued are valued on the bases described below. All other asset classes are carried at depreciated historical cost.

Operational land and buildings

Operational land and buildings are reported at fair value as determined from market-based evidence by an independent valuer. The next valuation is due to be undertaken at 30 June 2025.

Infrastructural assets

Infrastructural assets are reported at fair value as determined from market-based evidence by an independent valuer. The next valuation will be as at 30 June 2025. Infrastructural asset classes: Roads, water reticulation, wastewater reticulation and stormwater systems.

Restricted land and buildings

Restricted land and buildings are recorded at fair value determined on a depreciated replacement cost basis by an independent valuer. The next valuation will be as at 30 June 2025.

Land under roads

Land under roads, was valued based on fair value of adjacent land, effective 1 July 2004. Under NZ IFRS, Council has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is no longer revalued.

Library collections

Library books were valued at deemed cost as at 1 July 1991. Library additions are recorded at cost less accumulated depreciation on the diminishing value basis.

Accounting for revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset

revaluation reserve, this balance is expensed in the Statement of Comprehensive Income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first up to the amount previously expensed, then credited to the revaluation reserve for that class of asset.

Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Assets	Estimated Useful Life (years)	Amortisation Rate	Method
Computer Software	3-8	12.5% - 33.3%	SL

Employee benefits

Short-term benefits

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

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

Long-term benefits

Entitlements that are payable beyond 12 months, such as long service leave, retirement leave and superannuation schemes, have been calculated on an actuarial basis.

Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the

obligation, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Any increase in the provision due to the passage of time is recognised as an interest expense.

Landfill

Council has a responsibility under its resource consent to provide ongoing maintenance and monitoring of the Kawerau landfill after the site closed. This responsibility is estimated to last until 30 June 2025.

Council recognises a liability for these costs, but the long term nature of the liability means that there are inherent uncertainties in estimating what costs will be incurred. The provision has been estimated taking account of existing technology and using a discount rate equivalent to Council's weighted average interest rate.

Financial guarantee

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Council currently does not have any financial guarantees.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Council borrowed \$2 million in December 2022 to fund infrastructural renewals. Council also has finance leases for office equipment. Council anticipates that it will need to borrow further funds during 2023/24, which will be principally used to fund infrastructure renewals.

Ratepayer equity

Equity is the Community's interest in Council and is measured as the difference between total assets and total liabilities. The components of equity are:

- Retained earnings
- Council created reserves
- Restricted reserves
- Asset revaluation reserves

Council created reserves

Council created reserves are reserves established by Council resolution. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

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

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis.

The net amount of GST recoverable from or payable to the IRD is included in receivables or payables in the Statement of Financial Position.

The net amount of GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as operating cash flow in the Statement of Cash Flows.

Estimates and Assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed in "Significant Forecasting Assumptions, Risks and Possible Implications".



Trees line the streets along part of Valley Road.

Prospective Statement of Comprehensive Revenue and Expense

<u>Annual Plan</u> <u>2022/23</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2023/24</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2023/24</u>
	Revenue		
10,762,550	General Rates	10,960,640	11,770,850
	Targeted Rates		
216,440	- Water Supply	220,710	195,200
433,940	- Wastewater	472,350	378,080
540,690	- Refuse Collection	542,380	594,080
11,953,620	Total Rates	12,196,080	12,938,210
1,075,800	Government Grants & Subsidies	842,630	5,596,530
70,000	Petrol Tax	74,340	65,000
34,390	Interest Revenue	30,080	97,530
3,610,500	Other Revenue	2,254,500	2,802,160
16,744,310	Total Revenue	15,397,630	21,499,430
	Operating Expenditure		
6,111,890	Personnel Costs	5,958,090	6,579,380
3,316,270	Depreciation	3,364,660	3,973,210
110,000	Finance Costs	129,010	177,500
6,967,200	Other Costs	6,089,630	11,553,390
16,505,360	Total Operating Expenditure	15,541,390	22,283,480
238,950	Operating Surplus (Shortfall)	(143,760)	(784,050)
	Other Comprehensive Income		
0	Gain on Asset Revaluation	0	0
238,950	Total Comprehensive Income	(143,760)	(784,050)

Prospective Statement of Changes in Equity

<u>Annual Plan</u> <u>2022/23</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2023/24</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2023/24</u>
	Total Equity		
87,079,400	Opening Balance	72,824,104	106,025,670
238,950	Total Comprehensive Income	(143,760)	(784,050)
87,318,350	Closing Balance	72,680,344	105,241,620
	Made up of:		
	<u>Retained Earnings</u>		
35,354,210	Opening Balance	34,921,283	37,497,610
238,950	Operating Surplus (Shortfall)	(143,760)	(784,050)
(943,640)	Movement in Depreciation Reserve	(22,960)	1,458,400
34,649,520	Closing Balance	34,754,563	38,171,960
	<u>Asset Revaluation Reserve</u>		
45,164,270	Opening Balance	31,384,101	62,177,340
0	Asset Revaluation	0	0
45,164,270	Closing Balance	31,384,101	62,177,340
	<u>Depreciation Reserves</u>		
6,560,920	Opening Balance	6,518,720	6,350,720
943,640	Movement in Reserve	22,960	(1,458,400)
7,504,560	Closing Balance	6,541,680	4,892,320

Prospective Statement of Financial Position

<u>Annual Plan</u> <u>2022/23</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2023/24</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2023/24</u>
<u>ASSETS</u>			
Current Assets			
5,074,310	Cash & cash equivalents	5,075,172	4,225,340
1,720,340	Trade & other receivables	1,785,960	2,413,360
417,910	Inventories	483,120	417,910
0	Other financial assets	0	0
7,212,560	Total Current Assets	7,344,252	7,056,610
Non Current Assets			
96,502,730	Property, plant & equipment	75,120,545	114,957,740
60,240	Intangible assets	62,670	85,500
36,250	Investments	36,250	36,250
96,599,220	Total Non Current Assets	75,219,465	115,079,490
103,811,780	<u>TOTAL ASSETS</u>	82,563,717	122,136,100
<u>LIABILITIES</u>			
Current Liabilities			
2,791,880	Trade and other payables	2,925,826	3,440,160
10,000	Provisions	10,000	10,000
763,990	Employee benefit liabilities	704,610	822,420
16,500	Borrowings	18,000	2,000,000
3,582,370	Total Current Liabilities	3,658,436	6,272,580
Non Current Liabilities			
181,340	Provisions and deferred revenue	131,447	175,620
61,120	Employee benefit liabilities	53,570	65,790
12,668,600	Borrowings & Residents Liability	6,039,920	10,380,490
12,911,060	Total Non Current Liabilities	6,224,937	10,621,900
16,493,430	<u>TOTAL LIABILITIES</u>	9,883,373	16,894,480
87,318,350	NET ASSETS	72,680,344	105,241,620
<u>RATEPAYER EQUITY</u>			
34,649,520	Retained earnings	34,754,563	38,171,960
52,668,830	Reserves	37,925,781	67,069,660
87,318,350	Total Ratepayer Equity	72,680,344	105,241,620

Prospective Statement of Cash Flows

<u>Annual Plan</u> <u>2022/23</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2023/24</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2023/24</u>
	<u>Cash Flow from Operating Activities</u>		
	Cash will be provided from:		
10,778,940	General Rates	10,925,120	11,094,220
1,191,070	Targeted Rates	1,235,440	1,167,360
1,075,800	Government Subsidies	842,630	5,596,530
3,680,500	Other fees & Charges	2,323,363	2,867,160
34,390	Interest Income	30,080	97,530
16,760,700		15,356,633	20,822,800
	Cash will be spent on:		
12,497,310	Payments to suppliers and employees	11,851,000	16,654,010
110,000	Interest paid on debt	129,010	177,500
12,607,310	Total cash spent	11,980,010	16,831,510
4,153,390	Net Cash Flow from Operations	3,376,623	3,991,290
	<u>Cash Flow from Investing Activities</u>		
	Cash will be provided from:		
0	Disposal of assets	1,280,000	0
	Cash will be spent on:		
8,850,360	Purchase and development of property, plant and equipment	6,530,090	6,727,700
0	Net purchase of investments	0	0
(8,850,360)	Net Cash Flow from Investing	(5,250,090)	(6,727,700)
	<u>Cash Flow from Financing Activities</u>		
	Cash will be provided from:		
6,020,000	Loans raised/contributions	2,000,000	2,000,000
	Cash will be spent on:		
11,500	Debt repayment	16,500	16,500
6,008,500	Net Cash Flow from Financing	1,983,500	1,983,500
1,311,530	Net total cash inflow (outflow)	110,033	(752,910)
3,762,780	Plus Projected Opening Cash Balances 1 July	4,965,139	4,978,250
5,074,310	Projected Closing Cash Balances 30 June	5,075,172	4,225,340

Prospective Funding Impact Statement

<u>Annual Plan</u> <u>2022/23</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2023/24</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2023/24</u>
	Sources of operating funding		
10,762,550	General rates, uniform annual general charges, rates penalties	10,960,620	11,770,850
1,191,070	Targeted rates	1,235,440	1,167,360
241,020	Subsidies and grants for operating purposes	255,340	4,680,030
1,660,500	Fees and charges	1,704,500	2,218,260
34,390	Interest and dividends from investments	30,070	97,530
2,020,000	Local authorities fuel tax, fines, infringement fees, and other receipts	624,340	648,900
15,909,530	Total Operating Funding (A)	14,810,310	20,582,930
	Applications of operating funding		
13,079,140	Payments to staff and suppliers	12,047,790	18,132,830
110,000	Finance Costs	129,000	177,500
0	Other operating funding applications	0	0
13,189,140	Total applications of operating funding (B)	12,176,790	18,310,330
2,720,390	Surplus (deficit) of operating funding (A - B)	2,633,520	2,272,600
	Sources of capital funding:		
834,750	Subsidies and grants for capital expenditure	587,290	916,500
0	Development and financial contributions	0	0
1,995,490	Increase (decrease) in debt	1,983,500	1,982,000
0	Gross proceeds from sale of assets	1,280,000	0
4,020,000	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
6,850,240	Total sources of capital funding (C)	3,850,790	2,898,500
	Applications of capital funding		
	Capital expenditure		
3,300,000	- to meet additional demand	1,040,000	0
330,000	- to improve the level of service	280,000	320,000
5,220,360	- to replace existing assets	5,210,090	6,407,700
720,270	Increase (decrease) in reserves	(45,780)	(1,556,600)
0	Increase (decrease) of investments	0	0
9,570,630	Total applications of capital funding (D)	6,484,310	5,171,100
(2,720,390)	Surplus (deficit) of capital funding (C - D)	(2,633,520)	(2,272,600)
0	Funding balance ((A - B) + (C - D))	0	0

Prospective Funding Impact Statement – continued

<u>Annual Plan</u> <u>2022/23</u> <u>(\$)</u>		<u>Annual Plan</u> <u>2023/24</u> <u>(\$)</u>
	GENERAL RATES	
750.00	Uniform Annual General Charge⁸ (UAGC) per separately used or inhabited part of a rating unit ⁹ (Incl GST)	850.00
2,207,250	Total revenue from the UAGC (Incl GST)	2,503,250
	Differential General Rate¹⁰:	
0.3530	Properties zoned “Residential”, “Rural Lifestyle” and “Reserve” in terms of Council’s operative district plan, Rate per cents in \$ of Capital Value (Incl GST)	0.3735
3,870,830	Revenue sought from Residential, Rural Lifestyle and Reserve Rate (Incl GST)	4,112,500
2.3288	All other zoned properties of Council’s operative district plan (other than Residential, Rural Lifestyle and Reserve) Rate per cents in \$ of Capital Value (Incl GST)	2.5292
6,281,600	Revenue sought from all Other Zones Rate (Incl GST)	6,854,300
	TARGETED RATES¹¹	
81.20	Water Supply Rate – excluding properties supplied by meter (Incl GST)	62.50
230,620	Revenue sought from Water Supply Rate (Incl GST)	178,500
0.27	Water by meter – per cubic metre (Incl GST)	0.21
81,000	Revenue sought from Water by Meter Rate (Incl GST)	52,000
172.50	Wastewater Disposal Rate (Incl GST)	149.50
499,030	Revenue sought from Wastewater Disposal Rate (Incl GST)	434,750
219.90	Refuse Collection Rate (per service property) 60-litre bin	238.60
502,690	Revenue sought from Refuse Collection Rate 60–litre bin (Incl GST)	533,750
279.90	Refuse Collection (per service property) 120-litre bin	298.60
119,240	Revenue sought from Refuse Collection Rate 120-litre (Incl GST)	147,210

⁸ The Uniform Annual General Charge (UAGC) is the minimum contribution for each rating unit towards the costs of all Council activities which are funded by the General Rate.

⁹ A separately used or inhabited part of a rating unit includes any part of a rating unit that is used or occupied through an agreement (tenancy, lease, licence or other) or any part or parts of a rating unit that are used for more than one single use. Separately used or inhabited parts include:

- A residential property that contains units, flats or houses, each of which is **separately inhabited or is capable of separate habitation** (NB Where a residential property contains not more than one additional separately inhabited part and where members of the owner’s family inhabit the separate part on a rent-free basis, then this will **not** give rise to an additional separately used or inhabited part).
- A commercial, or other non-residential property that contains separate residential accommodation in addition to its commercial, farming or other primary use.
- A commercial premises that contains separate shops, offices, kiosks or other retail or wholesale outlets, each of which is operated as a **separate business or is capable of operation as a separate business**

¹⁰ The objective of Council’s system of differential rating is primarily to retain a ratio between commercial and industrial ratepayers on the one hand and residential ratepayers on the other. The rates set on capital value will be apportioned so that a ratio of 52:48 (Commercial/Industrial: Residential) is charged for the total General Rate.

¹¹ **Targeted Rates**

The water supply targeted rate funds the use costs related to the water supply services and this rate is charged on each separately used or inhabited part of a rating unit (as defined for the UAGC) which is connected to the water service.

The water by meter targeted rate is assessed on the volume of water supplied to those properties with a water meter. The water meter charges will be invoiced separately from the rates invoice and sent each quarter.

The wastewater targeted rate funds the use costs related to the wastewater collection and disposal service and this rate is charged on each separately used or inhabited part of a rating unit (as defined for the UAGC) which is connected to the wastewater service.

The refuse collection targeted rate funds the costs related to the refuse collection service and this rates is charged on each separately used or inhabited part of a rating unit (as defined for the UAGC), where Council provides the refuse collection service and is charge per bin based on bin size.

NB No lump sum contributions are invited in respect to the targeted rates.

Prospective Funding Impact Statement – continued

CAPITAL VALUES (at end of previous financial year)		
1,096,444,000	Residential	1,101,139,000
269,735,500	Commercial/Industrial	271,003,500
1,366,179,500	Total Capital Values	1,372,142,500
515,146,000	Total Land Value	515,320,000
2,987	Number of rating units (at end of previous financial year)	3,002

Rates Increase – Example Properties

Capital Value (2018)	General Rate & UAGC	Targeted Rates			Total Rates	Increase %
	(UAGC = \$850)	Water	Wastewater	Refuse		
Residential:						
\$52,000	1,044.22	62.50	149.50	238.60	\$ 1,494.82	6.2%
\$310,000	2,007.85	62.50	149.50	238.60	\$ 2,458.45	6.1%
\$400,000	2,344.00	62.50	149.50	238.60	\$ 2,794.60	6.0%
\$445,000	2,512.08	62.50	149.50	238.60	\$ 2,962.68	6.0%
\$450,000	2,530.75	62.50	149.50	238.60	\$ 2,981.35	6.0%
\$530,000	2,829.55	62.50	149.50	238.60	\$ 3,280.15	6.0%
\$580,000	3,016.30	62.50	149.50	238.60	\$ 3,466.90	6.0%
\$600,000	3,091.00	62.50	149.50	238.60	\$ 3,541.60	6.0%
\$660,000	3,315.10	62.50	149.50	238.60	\$ 3,765.70	6.0%
Commercial/Industrial:						
\$170,000	5,149.64	62.50	149.50		\$ 5,361.64	8.0%
\$240,000	6,920.08	62.50	149.50		\$ 7,132.08	8.2%
\$405,000	11,093.26	62.50	149.50		\$ 11,305.26	8.3%
\$1,090,000	24,624.48	62.50	149.50		\$ 28,630.48	8.5%
\$20,300,000	514,277.60	62.50	149.50		\$ 514,489.60	8.6%
\$30,700,000	777,314.40	62.50	149.50		\$ 777,526.40	8.6%
\$34,750,000	879,747.00	62.50	149.50		\$ 879,959.00	8.6%
\$20,500,000	519,336.00	62.50	149.50		\$ 519,548.00	8.8%
\$46,250,000	1,170,605.00	62.50	149.50		\$ 1,170,817.00	8.6%

Prospective Revenue by Activity

<u>Annual Plan</u> <u>2022/23</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2023/24</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2023/24</u>
21,160	Democracy	1,180	2,910
2,486,100	Economic & Community Development	1,154,860	5,424,870
184,850	Environmental Services	188,010	314,120
996,110	Roading	931,800	1,027,310
217,350	Stormwater	24,360	315,990
279,920	Water Supply	272,990	301,590
505,880	Wastewater	549,400	503,370
1,283,910	Solid Waste	1,217,650	1,827,280
94,920	Leisure & Recreation	88,530	152,070
90,520	Sundry	164,140	56,930
(178,960)	Eliminations	(155,930)	(197,860)
5,981,760		4,436,990	9,728,580
10,762,550	General Rates	10,960,640	11,770,850
16,744,310	Total Revenue	15,397,630	21,499,430

Prospective Expenditure by Activity

<u>Annual Plan</u> <u>2022/23</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2023/24</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2023/24</u>
851,610	Democracy	781,830	849,770
2,811,840	Economic & Community Development	2,167,570	6,603,900
1,326,100	Environmental Services	1,219,810	1,455,430
2,088,590	Roading	2,033,080	2,409,310
289,790	Stormwater	279,830	288,240
1,630,770	Water Supply	1,629,700	1,733,270
1,863,270	Wastewater	1,884,330	1,982,710
2,132,940	Solid Waste	2,027,320	3,183,210
4,353,450	Leisure & Recreation	4,374,900	4,710,890
50,100	Sundry	58,400	33,750
(893,100)	Eliminations	(915,380)	(967,000)
16,505,360	Total Expenditure	15,541,390	22,283,480

Prospective Operational Shortfall by Activity

<u>Annual Plan</u> <u>2022/23</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2023/24</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2023/24</u>
(305,000)	Economic & Community Development	31,500	2,060
(43,500)	Roading	16,460	256,940
(3,460)	Stormwater	0	(94,890)
0	Water	0	223,830
0	Wastewater	0	188,010
0	Solid Waste	0	6,160
113,010	Leisure & Recreation	95,580	201,940
0	Sundry	0	0
(238,950)	Total Operating (Surplus)/Shortfall	143,890	784,050
	<i>Made up of:</i>		
(430,000)	Funding (to)/from property sales (net)	(100,000)	(214,400)
(430,000)		(100,000)	(214,400)
	Depreciation not funded:		
125,000	Economic & Community Development	131,500	216,450
603,750	Roading	603,750	888,440
184,130	Stormwater	0	190,130
0	Water	0	223,830
0	Wastewater	0	188,010
0	Solid Waste	0	6,160
113,000	Leisure & Recreation	95,930	201,930
1,025,880		831,180	1,914,950
	Plus funding for capital work:		
(834,830)	Roading, Stormwater & Leisure	(587,290)	(916,500)
(238,950)	Operational Deficit/(Surplus)	143,890	784,050

Reconciliation from operating funding to operation surplus/deficit

<u>Annual Plan</u> <u>2022/23</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2023/24</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2023/24</u>
2,720,390	Operating Funding Surplus/(deficit)	2,633,520	2,272,600
834,830	Plus subsidy for capital expenditure	587,290	916,560
3,316,270	Less depreciation	3,364,570	3,973,210
238,950	Operating Surplus/(Deficit)	(143,760)	(784,050)

Prospective Capital Programme

<u>Annual Plan</u> <u>2022/23</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2023/24</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2023/24</u>
3,311,600	Economic and Community Development	1,051,840	61,800
0	Environmental Services	0	600,000
909,000	Roading and Footpaths	829,920	923,500
250,000	Stormwater	50,000	380,000
2,581,000	Water Supply	2,729,720	2,617,600
1,256,000	Wastewater	1,428,660	1,428,600
0	Solid Waste	0	0
285,460	Leisure & Recreation	234,200	522,400
257,300	Plant Buildings & Office Equipment	205,760	193,800
8,850,360	Total Asset Renewals	6,530,090	6,727,700
	Funded By:		
834,750	Government Subsidies/Grants	587,290	916,500
0	Asset Disposals	1,280,000	0
4,150,000	Loans/Capital Contributions	2,000,000	2,000,000
3,865,610	Depreciation Reserves	2,662,800	3,811,200
8,850,360	Total Funding	6,530,090	6,727,700

The only significant variances between the Long Term Plan and the Annual Plan budgets for 2023/24 are:

Renewal of dog pound building which had been previously budgeted in 2020/21 but was delayed due to COVID-19 and non-availability of builders

The Long Term Plan for 2023/24 anticipated there would be a final stage for the construction of retirement units, however, the village was completed in 2022/23

Finally there was additional renewal work required for library, halls and pool

Capital expenditure is funded from Depreciation Reserves and loans for those activities where depreciation is funded.

Depreciation on some buildings is not fully funded and therefore some capital expenditure on these assets is funded from general rates. The buildings where depreciation is not fully funded are: Town Hall, Concert Chamber, Library/Museum and Offices, Tarawera Park Amenity Building and clubrooms, Recreation Centre, Swimming Pool, Depot and Pensioner Houses.

Subsidised roading and stormwater expenditure is subsidised by New Zealand Transport Agency.

A detailed breakdown of the capital items is included in the activity section of this plan.

Depreciation Expense by Activity

<u>Annual Plan</u> <u>2022/23</u>		<u>Long Term Plan</u> <u>Estimate</u> <u>2023/24</u>	<u>Annual Plan</u> <u>Estimate</u> <u>2023/24</u>
18,120	Democracy	17,290	17,760
229,190	Economic and Community Development	217,700	456,190
27,750	Environmental Services	42,820	24,100
923,470	Roading	884,040	1,281,050
245,830	Stormwater	245,750	253,770
582,890	Water Supply	609,780	645,650
531,720	Wastewater	522,490	547,820
34,120	Solid Waste	32,690	43,980
723,180	Leisure & Recreation	792,100	702,890
<u>3,316,270</u>	Total Depreciation Expense	<u>3,364,660</u>	<u>3,973,210</u>

Reserve Funds

Reserves are held to ensure that funds received for a particular purpose are used for that purpose. Surpluses held in reserves are credited with interest.

Council currently does not hold any restricted reserves, which are reserves that have rules set by legal obligation that restrict the use towards which Council may put those funds.

Council-created reserves are discretionary reserves which Council has established for the fair and transparent use of monies. These reserves are held in cash and internal loan investments. The funds are invested in accordance with Council's treasury management policy.

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

Over the page is the total current reserves for the 2023/24 year.

Restricted Reserve – Purpose of Fund	Balance @ 1 July 2023	Deposits	Expenditure	Balance @ 30 June 2024
	\$	\$	\$	\$
Council created Reserves – Purpose of Fund	Balance @ 1 July 2023	Deposits	Expenditure	Balance @ 30 June 2024
	\$	\$	\$	\$
Asset Renewal Reserve (All Activities)				
To set funds aside for the renewal of assets utilised by the following activities:				
Renewal Reserve - Assets	6,350,720	2,497,720	3,956,120	4,892,320
Total	6,350,720	2,497,720	3,956,120	4,892,320
Revaluation Reserve – Purpose of Fund	Balance @ 1 July 2023	Additions	Expenditure	Balance @ 30 June 2024
	\$	\$	\$	\$
Revaluation Reserve - records the amount that Council's assets have increased in value.	62,177,340	0	0	62,177,340

Disclosure Statement

For the period ending 30 June 2023

Purpose of this Statement

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

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

Benchmarks		Planned	Met
Rates affordability benchmark			
Income	[quantified limit on rates – 88% of total revenue]	76.3%	Yes
Increases	[quantified limit on rates increases–inflation plus 2%]	8.7%	Yes
Debt affordability benchmark	[quantified limit on borrowing – Borrowing < 50% of fixed assets = \$47.4 mil]	\$4.0 mil - excluding finance leases	Yes
Balanced budget benchmark	100%	96.5%	No
Essential services benchmark	100%	226.7%	Yes
Debt servicing benchmark	<15% of revenue	0.5%	Yes

Notes

1 Rates affordability benchmark

- (1) For this benchmark,-
 - (a) the council's planned rates income for the year is compared with a limit of 88% of total income contained in the financial strategy included in council's long term plan, and
 - (b) the council's planned rates increases for the year are compared with a limit of inflation plus 2% on rates increases for the year contained in the financial strategy of council's long term plan.
- (2) Council meets the rates affordability benchmark if-
 - (a) its planned rates income for the year equals or is less than the quantified limit on rates, and
 - (b) its planned rate increases for the year equal or is less than the quantified limit on rates increases.

2 Debt affordability benchmark

- (1) For this benchmark the council's planned borrowing is compared with a limit of \$47.4 mil (based on) contained in the financial strategy included in council's long term plan.
- (2) The council meets the debt affordability benchmark if its planned borrowing is within the quantified limit on borrowing.

3 Balanced budget benchmark

- (1) For this benchmark, the council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments and revaluations of property, plant or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations on property plant or equipment).
- (2) Council meets the balances budget benchmark if its revenue equals or is greater than its operating expenses.

4 Essential services benchmark

- (1) For this benchmark the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- (2) The council meets the essential services benchmark if its planned capital on network services equals or is greater than expected depreciation on network services.

5 Debt servicing benchmark

- (1) For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments and revaluations of property plant or equipment).
- (2) Because Statistics New Zealand projects that the Council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.



SECTION 04

Policies

Revenue and Financing Policy

Policy Objectives

The objectives of the Revenue and Financing Policy are to explain who pays and why, as well as outline how Council's activities are funded and to meet the requirements of the Local Government Act.

Principles

This policy is based on the principles that:

- Council has a responsibility to exercise prudent financial management.
- The cost of providing Council services should be borne equitably by the Community and those who use the service.
- Fees and charges should be fair.
- Council will consider affordability when determining the level of fees and charges.

Definitions

Community outcomes

The outcomes a local authority aims to achieve in order to promote the economic and cultural well-being of its district in the present and for the future. They define the desired future of the District. Kawerau's community outcomes are described earlier in this plan.

Distribution of benefits

Identifying who benefits from an activity provided by Council is important when considering who should pay for the service. Generally, if only individuals receive the benefits of an activity (private benefits), user-pays systems should be considered. If the benefits of an activity are shared by a large group within the Community then an appropriate funding option for that activity would be a targeted rate. Alternatively, if the benefits of an activity are shared by the whole Community (public benefits) then an appropriate funding option for that activity would be the general rate.

Industrial/Commercial

All properties other than those classified as "Residential".

Residential

Properties zoned "Residential", "Rural Lifestyle" and "Reserve" in terms of Council's Operative District Plan and properties situated in any zone which are used solely for residential purposes.

Period of benefits

The legislative requirement to assess the period over which the benefits from each activity will flow,

aids in identifying the period over which the operating and capital expenditure should be funded.

For all activities, operating costs are directly related to providing benefits in the year of expenditure. As such, they are appropriately funded annually.

Assets provide benefits over more than one year - benefits are derived over the useful life of each asset. Useful lives range from a few years in the case of computer equipment through to many decades for infrastructural assets such as the water supply network. This introduces the concept of intergenerational equity whereby costs of any expenditure should be recovered at the time the benefits of that expenditure accrue. This is particularly relevant for larger assets such as the wastewater, stormwater, roading and water supply networks.

To ensure that each year's ratepayers pay for the benefits that are received the depreciation charges that are associated with an asset are funded by that year's ratepayers. This results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it.

Funding of capital expenditure

Capital expenditure that needs to be funded relates predominantly to three things – the purchase of new assets, the replacement of existing assets and the repayment of loan principal on debt previously raised by Council.

Depreciation reserves are funded from general rates that are collected to fund depreciation.

Capital expenditure is funded from the Depreciation Reserves for those activities where Depreciation is funded. Internal borrowing is used when there is insufficient reserve funds for that particular activity.

It is estimated that Council will need to borrow externally to fund some infrastructure asset renewals. A table of the renewals expenditure is included in the financial statements of the Long Term Plan.

The Local Government Act requires that operating revenues in any one financial year should be set at an adequate level to meet all projected operating expenses. The Act states that expenditure must include the cost of depreciation.

Depreciation on some assets is not fully funded (see financial strategy) and therefore capital expenditure on these assets is funded from general rates or internal loans where there is insufficient reserves.

Contributors to the need for an activity (polluter pays)

The 'polluter pays' principle is that if a person creates a problem which incurs costs for Council, that person should contribute some or all of the funding required to meet those costs. For example, dog owners who allow their dogs to roam should pay a fine to cover the costs of impounding. However, this is not always practical, as identifying and charging the offender is not always possible. For instance, people who create graffiti or dump rubbish illegally are not always caught. Council's policy is to recover costs where practical.

Costs and benefits of funding the activity distinctly from other activities

Council is required to consider the costs and benefits when selecting a particular funding mechanism. It is possible to establish specific charges or rates for each service, however this is not the best approach if the cost of establishing and administering a charging system outweighs the benefits or the revenue gained. This has to be assessed on a case-by-case basis. Council is also required to consider alternative funding mechanisms in terms of transparency and accountability. For instance, a funding mechanism that is targeted at specific cost items is more transparent to users of the activity, whereas a general or aggregated funding approach is less transparent. However, if the targeted charging approach excessively increases administrative costs then an aggregated charging approach may be better.

Overall impact of the method of funding

In addition to all of the issues explained above, Council is required to consider the overall impact that any allocation of charges and costs may have on the current and future social, economic, environmental and cultural well-being of the Community.

Background

Council has broken its business down to the activity level. In some cases, it has looked at activities from two points of view - availability of the service and use of the service. Activities have been separated in this way where they benefit different groups in the Community. In general, Council has assessed the availability of an activity as a public benefit and the use of an activity as private benefit.

'Availability' relates to the costs incurred to keep a service or asset in such a condition that it can

become operational within a short start-up period (e.g. keeping library items up to date). 'Use' relates to costs incurred as a result of the asset being used (e.g. staff costs of issuing library items).

Legislative requirements

The Local Government Act sets out a process consideration. The first step is to determine, for each activity to be funded, appropriate funding sources having regard to:

- The community outcomes to which the activity primarily contributes
- The distribution of benefits among the Community as a whole, any identifiable part of the Community, and individuals
- The period in or over which those benefits are expected to occur
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

The second step is to take the combined results of the allocations from the first stage and to assess the overall impact of that on the current and future social, economic, environmental, and cultural well-being of the Community.

Policy Statement

Funding for Operating and Capital Expenditure

Council determines the funding of operating expenditure in accordance with the summary table, based on: who benefits, ability to pay, if there are exacerbators and cost of funding. Capital expenditure is funded as listed in the definition.

General rate

Council funds general rates through a Uniform Annual General Charge (UAGC) on each separately used or inhabited part of a rating unit and rates charged on capital value in accordance with Council's Differential Rating System. The purpose of the UAGC is to ensure a minimum contribution to the general rate from all ratepayers. The UAGC has been set by Council to produce the fairest and most equitable overall result for the Community.

Council charges its general rates on a differential basis in accordance with the Local Government (Rating) Act 2002. Council introduced differential rating 1978. The objective of Council's system of differential rating is primarily to retain a ratio between commercial and industrial ratepayers on the one hand and residential ratepayers on the other. The general rate (including the UAGC) is

apportioned on a ratio of 55:45 Industrial/Commercial: Residential.

Targeted rates

Water Council charges a uniform fixed amount for the provision of water supply. The rate is charged to each separately used or inhabited part of a rating unit to which Council supplies water, except for properties on metered water supply.

Wastewater Council charges a uniform fixed amount for the collection and treatment of wastewater.

The rate is charged to each separately used or inhabited part of a rating unit that is connected to Council's wastewater disposal network.

Refuse Collection Council charges a uniform fixed amount for the collection of residual refuse. The rate is charged to each separately used or inhabited part of a rating unit from which Council is prepared to remove residual refuse.

Grants and subsidies

A large part of Council's expenditure on roads is subsidised by the New Zealand Transport Agency (NZTA). Subsidies contribute to the long-term maintenance of the carriageways and their associated drainage and lighting systems, together with part of the costs of street cleaning.

Interest and dividends

Council has minimal equity investments and therefore receives no dividend income of any consequence.

Council receives interest from its financial investments. Significant replacement of infra-structural assets will not occur until the years 2025-2030. Until this time, Council's cash balances will increase as the funding of depreciation leads to growth in the depreciation reserves. These reserves are invested in accordance with Council's Investment Policy and will be retained for expenditure on asset replacement.

As the depreciation reserves grow, increased interest revenue from the investment of these reserves lowers the amount of depreciation funding that is required from general rates.

Fees and charges

Council places fees and charges on a wide range of its activities. A number of considerations are taken into account by Council when setting fees. These include:

- The cost of the service provided and the private benefits received

- The ability of users to pay and the possible exclusionary effects on people with low incomes
- The risks of people not using Council services if charges for those services are perceived as too high
- In appropriate cases, whether the user lives in the District or outside the District

Proceeds from asset sales

Proceeds from asset sales will be used for the repayment of debt or the acquisition of new assets.

Reserve funds

Most Council reserve funds are associated with depreciation reserves.

Financial contributions

Council has the ability to collect financial contributions as per its Financial Contributions Policy.

Assessment of the overall impact of allocation of revenue needs

Council believes that its selection of funding tools leads to the most equitable funding of Council's activities in terms of:

- The distribution of benefits amongst the Community
- The period in, or over which those benefits are expected to occur
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- Being affordable

While some activities would normally be funded by user fees and charges due to the level of private benefit that they provide, Council wishes to enhance the well-being of Kawerau residents by encouraging them to use various Council services. It is felt that the inability to pay for various services should not stop or restrict access to those services.

Council has therefore determined that the following activities will be funded through general rates:

- Access to the Library/Museum
- Access to the Swimming Pool
- Partial waivers of rentals of the Town Hall, Concert Chambers, Recreation Centre and Passive Reserves for groups who achieve the outcomes desired by this policy
- Access to the Town Centre Toilets
- Access to the Refuse Disposal Site for people acting charitably

Summary – Allocation of Costs

Significant Activity	Funding Ratio	
	Public Benefit (%)	Private Benefit (%)
Democracy	100	0
Economic and Community Development		
Economic Development	100	0
Pensioner Housing	0	100
Community, Cultural and Social	100	0
Commercial Rental Buildings	0	100
Firmin Lodge	55	45
I-Site	25	75
Retirement Village	0	100
Environmental Services		
Resource Management - Planning	100	0
Resource Management - Consents	30	70
Building and Inspection	Availability	0
Building and Inspection	Use	80
Environmental Health	Availability	0
Environmental Health	Use	50
Dog Control	90	10
Dog Registration	0	100
Civil Defence	100	0
Roading	25	75
Stormwater	100	0
Water Supply		
Water Supply	Availability	0
Water Supply	Use	100
Wastewater		
Wastewater	Availability	0
Wastewater	Use	100
Solid Waste		
Refuse Collection		90
Refuse Disposal	Availability	0
Refuse Disposal	Use	100
Zero Waste	100	0
Leisure and Recreation		
Library/Museum	Availability	0
Library/Museum	Use	5
Swimming Pools	Availability	0
Swimming Pools	Use	5
Public Halls		
Recreation Centre	Availability	0
Recreation Centre	Use	10
Town Hall	Availability	0
Town Hall	Use	10
Concert Chamber	Availability	0
Concert Chamber	Use	10
Public Toilets	100	0
Parks and Reserves		
Sports Fields	100	0
Passive Reserves	100	0
Road Berms	100	0
Street Trees	100	0
Annual Bedding Displays	100	0
Playgrounds	100	0
Cemetery	Availability	0
Cemetery	Use	100

Summary – Mix of Funding Mechanisms for the District

Activity Group		Public Benefit	Private Benefit
Democracy		General Rates	
Economic and Community Development			
Economic Development		General Rates	
Commercial Rental Buildings			User Fees and Charges
Community, Cultural and Social		General Rates	
Firmin Lodge		General Rates	User Fees and Charges
Pensioner Housing			User Fees and Charges
Information Centre		General Rates	User Fees and Charges
Retirement Village			User Fees and Charges
Environmental Services			
Resource Management - Planning		General Rates	
Resource Management - Consents		General Rates	User Fees and Charges
Building and Inspection	Availability	General Rates	
Building and Inspection	Use	General Rates	User Fees and Charges
Environmental Health	Availability	General Rates	
Environmental Health	Use	General Rates	User Fees and Charges
Dog Control		General Rates	
Dog Registration			User Fees and Charges
Civil Defence		General Rates	
Roading		General Rates	Subsidies / Fuel Tax
Stormwater		General Rates	Subsidies
Water Supply			
Water Supply	Availability	General Rates	
Water Supply	Use		Targeted rate / User Fees & Charges
Wastewater			
Wastewater	Availability	General Rates	
Wastewater	Use		Targeted rate / User Fees & Charges
Solid Waste			
Refuse Collection		General Rates	Targeted Rate
Refuse Disposal	Availability	General Rates	
Refuse Disposal	Use		User Fees and Charges
Zero Waste		General Rates	
Leisure and Recreation			
Library/Museum	Availability	General Rates	
Library/Museum	Use		User Fees and Charges
Swimming Pools	Availability	General Rates	
Swimming Pools	Use		User Fees and Charges
Public Halls			
Recreation Centre	Availability	General Rates	
Recreation Centre	Use	General Rates	User Fees and Charges
Town Hall	Availability	General Rates	
Town Hall	Use	General Rates	User Fees and Charges
Concert Chamber	Availability	General Rates	
Concert Chamber	Use	General Rates	User Fees and Charges
Town Centre Toilets		General Rates	
Parks and Reserves			
Sports Fields		General Rates	
Passive Reserves		General Rates	
Road Berms		General Rates	
Street Trees		General Rates	
Annual Bedding Displays		General Rates	
Playgrounds		General Rates	
Cemetery	Availability	General Rates	
Cemetery	Use		User Fees and Charges

Rating Policy

Policy Objectives

The objectives of this policy are:

- To generate sufficient rates revenue to ensure that Council activities are adequately funded
- To operate a rating system which is fair and equitable to the Community of Kawerau
- To charge rates which are affordable to ratepayers

Principles

This policy is based on the principles of fairness, equity and affordability.

Definitions

Capital value

The value of land plus improvements, as assessed by the Valuer General.

Differential rating system

Where the amount of rates charged differs (i.e. is 'differential') according to any of the matters used to define categories of rateable land under the Local Government (Rating) Act 2002.

Industrial/commercial land

All rateable land other than that classified as residential.

Rating unit

For land for which there is a certificate of title, a rating unit is the land comprised in the certificate of title. Where there is no certificate of title, what constitutes a rating unit is either the land described in an instrument which exists or if there is no instrument, the land that the Valuer General considers would be appropriate to sell or transfer as a separate property or, for crown land, to treat as if comprised in a certificate of title. If land in a rating unit is in two or more districts, the part in each district constitutes a separate rating unit.

Residential land

Land which is zoned as residential, rural lifestyle or reserve under Council's operative district plan and any other land located in a zone used solely for residential purposes.

Residual waste

Waste collected from residential properties which is not separated into green waste or recycling collection bins.

Separately used or inhabited part of a rating unit

Any portion of a rating unit that is used or inhabited by a person who has the right to do so by virtue of a tenancy, lease, licence or other agreement.

Background

Council has used a differential rating system since 1978. The matters it uses to differentiate categories of rateable land are:

- Where the land is situated (its zoning under Council's operative district plan), and
- The use to which the land is put (industrial/commercial or residential).

Policy Statement

General Rates

Council will levy general rates which comprise: a uniform annual general charge (UAGC) of \$850 including GST (\$750 for 2022/23), and a differential rate based on the capital value of the rating unit.

The UAGC is charged on every separately used or inhabited part of a rating unit and the purpose is to spread the cost of general rates more evenly across all ratepayers.

The differential general rate will be set so as to retain the ratio between commercial/industrial and residential general rates revenue of 52:48.

Water Rates

Council will levy a uniform fixed amount on each separately used or inhabited part of a rating unit to which Council supplies water, except those on a metered water supply. This amount is known as the water rate.

Metered Water Charges

A rate per cubic meter of water used will be levied on each separately used or inhabited part of a property with a metered water supply. The charge is levied on a quarterly basis.

Wastewater Rates

Council will levy a uniform fixed amount on each separately used or inhabited part of a rating unit which is connected to Council's wastewater disposal network.

Refuse Collection Rates

Council will levy a uniform fixed amount on each separately used or inhabited part of a rating unit from which Council removes refuse.

Levying and Collecting

Council will set and charge rates for the year 1 July to 30 June. The due dates for the payment of instalments in the 2023/24 year are shown below:

Instalment no.	Due date
1	Friday 25 August 2023
2	Friday 24 November 2023
3	Friday 23 February 2024
4	Friday 24 May 2024

Rates for the year may be paid in full at any time provided each instalment is paid on or before the due date.

Rates Penalty Charges

Council also charges the following penalties:

Rates Instalment Penalty

A penalty of 5 percent of the value of any part of a rates instalment for the current year, which is not paid by the due date.

Rates Arrears Penalty

A penalty of 5 percent of the value of any part of the rates for the previous year which remains outstanding on 5 July 2023, and a further 5 percent penalty on any portion of this amount (including arrears penalties) which are still not paid by 5 January 2024.

Rate Remission and Postponement Policies

Council has previously adopted the following rate remission and postponement policies:

- Rates relief for high valued residential properties
- Rates relief for farm properties
- Rates relief for developments
- Rate remission and postponement for Māori freehold land
- Rate penalty remission

The only changes to these policies for 2023/24 is a proposed increase in the rating cap for high valued residential properties to \$4,900.00 (\$4,530.00 2022/23) in accordance with Council's policy, otherwise all rate remission and postponement policies remain unchanged.



SECTION 05

Fees and charges

Fees and Charges

1. Finance and Corporate Services

- 1.1 Cemetery
- 1.2 Plans/Reports
- 1.3 Facilities for Hire
- 1.4 Library Fees

2. Operations and Services

- 2.1 Landfill and Solid Waste
- 2.2 Miscellaneous
 - Rubbish Bin Hire
 - Residual Refuse Bin Charges
 - Replacement Lost or Stolen bins

3. Regulatory and Planning Services

- 3.1 Annual Premises Licence and Registration Fees
- 3.2 Building and Other Inspection Fees
- 3.3 Dog Control
- 3.4 Environmental Health
- 3.5 Liquor Licensing
- 3.6 Noise Control
- 3.7 Resource Management Activity
- 3.8 Miscellaneous
 - Event fees and charges
 - Impoundment of bikes etc
 - Stock impounding fees

NB: All fees and charges include GST

1. Finance and Corporate Services

1.1 Cemetery

Purchase of Plots

Adults

Purchase of each with Right of Burial in perpetuity \$1,400

Children

Purchase of each plot \$700

Stillborn Infants/Ashes

Plot provided \$210

RSA

No charge

Plots in the RSA section of the Cemetery are provided free of charge

Burial Fees

Adults \$550

Children (under 10 years) \$250

Stillborn Infants \$110

Second Interment \$550

Ashes \$110

RSA \$550

Weekend or Public Holiday \$140

Miscellaneous

Exhumation of Casket from the Cemetery \$680

Re-interment of any Casket in the Cemetery \$480

Scatter Ashes in Garden of Remembrance No charge

Purchase Niche in Wall of Remembrance \$80

Purchase of Plaque with the Standard Inscription \$214

Permit Fee to install a Plaque in Wall of Remembrance \$5

Headstone Permit \$5

1.2 Plans/Reports

Annual Plan (per copy) \$23

Annual Report (per copy) \$23

Long Term Plan (per copy) \$23

NB: These plan charges only apply to non residents who are not ratepayers. The plans are free for Kawerau District Council residents and ratepayers

1.3 Facilities for Hire

A refundable bond of \$500.00 is payable prior to the hire of the Circus Paddock.

A refundable bond of \$200.00 is payable prior to the hire of any other Council facility.

A 70% discount will apply to the Concert Chamber, Recreation Centre, Town Hall and Passive Reserves if the hirer is non-profit making, Kawerau based and the event meets one of the following criteria:

The event:

- i. Supports opportunities for entertainment and for building a sense of community
- ii. Encourages the use of community amenities
- iii. Creates opportunities for education and betterment for all Kawerau people
- iv. Creates opportunities for building self esteem – for feeling good about themselves and others
- v. Provides them with places where they can socialise, recuperate, relax and engage in mental and physical exercise.
- vi. Specifically targets students, the unemployed, the elderly or those suffering injury or poor health and the impaired

Boyce Park

Casual Hire (per day) \$23.00

Circus Paddock

Hire (per day) \$46.00

Power Charge (per day) Actual Cost

Concert Chamber

Seats 260 – 270 people

Discounted

Casual Hire (per hour) \$13.00

Bulk Hire (20 hours or more – per hour) \$6.50

Kitchen Hire (per hour) \$23.00

Piano (per hour) \$2.00

Not Discounted

Casual Hire (per hour) \$45.00

Bulk Hire (20 hours or more – per hour) \$22.00

Kitchen Hire (per hour) \$80.00

Piano (per hour) \$2.00

<u>Firmin Field</u>	
Casual Hire (per day)	\$23.00
<u>Maurie Kjar Aquatic Pool</u>	
Private Hire (per hour)	\$30.00
BBQ Hire (per BBQ) – small	\$6.00
BBQ Hire (per BBQ) - large	\$12.00
<u>Prideaux Park</u>	
Casual Hire (per day)	\$23.00
Pavilion (per hour)	\$12.00
Floodlights (per hour)	\$12.00
<u>Stoneham Park</u>	
Casual Hire (per day)	\$23.00
<u>Tarawera Park</u>	
Casual Hire (per field per day)	\$23.00
<u>Toilets</u>	
Service Fee (per toilet block)	\$46.00
<u>Town Hall</u> Seats maximum of 530 people or 250 seated with tables	
Discounted	
Casual Hire (per hour)	\$15.50
Bulk Hire (20 hours or more – per hour)	\$7.50
Heating (per hour)	\$14.00
Kitchen Hire (per hour)	\$23.00
Spotlights (per day)	\$23.00
Not Discounted	
Casual Hire (per hour)	\$51.00
Bulk Hire (20 hours or more – per hour)	\$25.50
Heating (per hour)	\$46.00
Kitchen Hire (per hour)	\$80.00
Spotlights (per day)	\$23.00
Piano (per hour)	\$2.00
<u>Recreation Centre</u> - Tiered seating for 360 people	
Discounted	
Casual Hire (per hour)	\$23.00
Bulk Hire (20 hours or more – per hour)	\$12.00
Kitchen Hire (per hour)	\$23.00
Not Discounted	
Casual Hire (per hour)	\$78.00
Bulk Hire (20 hours or more – per hour)	\$36.00
Kitchen (per hour)	\$83.00
<u>Bert Hamilton Hall</u>	
Day Hire – up 4 hours	\$15.00
Evening Hire – from 5:00pm	\$25.00
<u>Firmin Lodge</u>	
Casual Bookings	\$275.00

Small occupancy (overnight) per night	\$320.00
Shared occupancy (2 groups) per night	\$590.00
Sole occupancy – per night	\$1,020.00

1.4 Library and Museum Fees

Inter-loan Requests (per item)	\$3.00
Lost Book Fee	Actual Cost
Replacement Library Cards (per card)	\$2.50

Overdue Fines

DVDs/Videos (per item per day)	\$ N/C
All other items (per item per day)	\$ N/C
Administration Fee (for billed overdue items/per item)	\$5.00

Withdrawn Library Items for Sale

Hardback Books	\$1.00
Softback Books	\$0.50
Children's Books	\$0.50
Magazines	\$0.50
Videos/DVDs	\$2.00

Printing and Photocopying

Black and White A4	\$0.20 per copy
Colour A4	\$1.00 per copy
Black and White A3	\$0.40 per copy
Colour A3	\$2.00 per copy

Museum Charges

Photocopies:	
Black and White A4	\$1.00 per copy
Colour A4	\$2.00 per copy
Black and White A3	\$2.00 per copy
Colour A3	\$4.00 per copy

Laminated photocopies:	
Black and White A4	\$3.50 per copy
Colour A4	\$4.50 per copy
Black and White A3	\$4.50 per copy
Colour A3	\$8.00 per copy

Images for publication:	
Local history/Education	\$12.00 per image
Commercial	\$60.00 per image

Digital Scan:	
First image (incl CD)	\$30.00 per image
Additional image (same CD)	\$24.00 per image

Commercial prints (Black & White/Colour):

6x4	\$12.00
5x7	\$15.50
6x8	\$17.50
8x10	\$28.50
8x12	\$28.50
12x18	\$41.00

1.5 Freedom Camping Fee

Power Box - Bond	\$30.00
Power usage fee	\$6.00
Freedom camping fee – per night (after 3 nights)	\$11.00

2. Operations and Services

2.1 Landfill and Solid Waste

Non Recycled Loads

Bag	\$6 (\$17 max)
Car	\$18
All other vehicles (including trailers)	\$18+ \$319/tonne

Fully Recycled Loads

Bag	\$3.50 (\$10
Car	max) \$10
All other vehicles (including trailers)	\$6/m ³ (\$6 min)

Green Waste

Trailer	\$15/m ³
Truck	\$15/m ³

Other Material

Soil – Clean only	\$65/tonne
Contaminated Soil	\$319/tonne
Concrete	65/tonne
Tyres – car and ute	\$15 each
Tyres – truck	\$40 each
Timber - Clean	\$65/tonne
Timber – Treated	\$319/tonne
Unsorted Construction and Demolition Material	\$319/tonne
Asbestos	Not Accepted

2.2 Miscellaneous

Rubbish Bin Hire (set of 5 bins per event)

Serviced	\$85.00
Unserviced	\$46.00

Residual Refuse Bin upgrade to 120-litre

Month Requested	Months Chargeable	Pro Rata Cost
July	12	\$60
August	11	\$55
September	10	\$50
October	9	\$45
November	8	\$40
December	7	\$35
January	6	\$30
February	5	\$25
March	4	\$20
April	3	\$15
May	2	\$10
June	1	\$5

Notes:

1. The above charges apply only to additional bin requests that are made after 1 July. In future years the full year cost will be charged as part of the property rates until there is a change of either tenant or ownership.
2. The full year cost will be set each year by Council during the Annual Plan process.
3. A bin request received part way through a month will be charged for the whole of that month.

Replacement Lost or Stolen Bins

120-litre residual wheelie bin	\$12
60-litre residual wheelie bin	\$12
240-litre green wheelie bin	\$12
60-litre recycle bin	\$12

3. Regulatory and Planning Services

3.1 Annual Premises Licence and Registration Fees

Hairdresser's Registration - p/annum	\$110
Offensive Trade Registration p/annum	No charge fixed

3.2 Other Inspection Fees

Abandoned vehicles	\$235
Private Swimming Pool inspection	\$70
Services not otherwise listed	Actual Cost
Specific expertise	Actual Cost

3.3 Building

Solid fuel heater – Free standing	\$285
Solid fuel heater – Inbuilt	\$355
Marquee – Public use	\$416
Marquee – Private use	\$416
Garage/Carport	\$416
Garage/Carport – Specific design	\$552
Conservatory (Deck in situ)	\$416
Conservatory (New deck)	\$622
Wet area shower	\$416
Dwelling alterations – Minor	\$622
Dwelling alterations – Complex	\$1,290
Relocated dwelling	\$822
New dwelling	\$1,740
Commercial	\$2,782 deposit
Industrial	\$3,726 deposit
Industrial/Commercial alterations	\$1,026 deposit
Certificate of acceptance	Cost of consent + \$470 penalty
Amendment	\$205 deposit
Exemption	\$100
Exemption (discretionary)	\$190
Compliance schedule	\$135
Certificate of public use – with building consent	\$82

Certificate of public use – lodged after building consent	\$153
Extension of time	\$53
Extension of time – with inspection	\$117
Waiver and modification	\$172
Notice to fix	\$134
Swimming pool fencing	\$134
BWOF audit – three yearly	\$172
Processing and inspection fee (p/hr)	\$135
Land Information Memorandum	\$172
Project Information Memorandum	\$70

Building Infringement Offences and Fees

Provision under Building Act (section, description)	Infringement Fee
S40 Failing to comply with the requirement that building work must be carried out in accordance with a building consent	\$1,000
S42 Failing to apply for certificate of acceptance for urgent work as soon as reasonably practicable after completion of building work	\$500
S101 Failing to comply with requirement to obtain a compliance schedule	\$250
S108(5)(a) Failing to display a building warrant of fitness required to be displayed	\$250
S108(5)(b) Displaying a false or misleading building warrant of fitness	\$1,000
S108(5)(c) Displaying a building warrant of fitness other than in accordance with section 108	\$1,000
S116B(1)(a) Using, or knowingly permitting the use of, a building for a use for which it is not safe or not sanitary	\$1,500
S116B(1)(b) Using, or knowingly permitting the use of, a building that has inadequate means of escape from fire	\$2,000

S124 Failing to comply with a notice, within the time stated in the notice, requiring work to be carried out on a dangerous, earthquake-prone, or insanitary building	\$1,000
S128 Using or occupying a building, or permitting another person to do so, contrary to a territorial authority's hoarding, fence, or notice	\$2,000
S168 Failing to comply with a notice to fix	\$1,000
S363 Using, or permitting use of building having no consent or code compliance certificate or certificate for public use for premises for public use	\$1,500
S367 Willfully obstructing, hindering, or resisting a person executing powers conferred under the Act or its regulations	\$500
S368 Willfully removing or defacing a notice published under the Act or inciting another person to do so	\$500

Replacement Tag Fee	\$6.00
Microchipping Fee	\$17.00
Impound Fees:	
Seizure Fee	\$90.00
First Impound Fee	\$90.00
Second and Subsequent Impounding Fee	\$125.00
Third and Subsequent Impounding Fee	\$160.00
Sustenance Fee (daily)	\$12.00
Rehoming Fee	\$12.00

3.4 Dog Control

Registration Charges for Puppies and Pro-rata Refunds for Disposals

Month	Entire Dog	Neutered Dog
July	\$80.00	\$40.00
August	\$73.40	\$36.70
September	\$66.60	\$33.30
October	\$60.00	\$30.00
November	\$53.40	\$26.70
December	\$46.60	\$23.30
January	\$40.00	\$20.00
February	\$33.40	\$16.70
March	\$26.60	\$13.30
April	\$20.00	\$10.00
May	\$13.40	\$6.70
June	\$6.60	\$3.30

Late Penalty Fee – 50% addition to the original fee charged.

NB: All new dogs registered MUST be microchipped.

Infringement Offences and Fees

Wilful obstruction of Dog Control Officer or Ranger	\$750
Failure or refusal to supply information or wilfully providing false particulars	\$750
Failure to supply information or wilfully providing false particulars about a dog	\$750
Failure to comply with any bylaw authorised by the section	\$300
Failure to undertake dog owner education programme or dog obedience course (or both)	\$300
Failure to comply with obligations of probationary owner	\$750
Failure to comply with effects of disqualification	\$750
Failure to comply with effects of classification of dog as dangerous dog	\$300
Fraudulent sale or transfer of dangerous dog	\$500
Failure to comply with effects of classification of dog as menacing dog	\$300
Failure to advise of muzzle and leashing requirements	\$100
Failure to implant microchip transponder in dog	\$300
False statement relating to dog registration	\$750
Falsely notifying death of dog	\$750
Failure to register dog	\$300
Fraudulent procurement or attempt to procure replacement dog registration label or disc	\$500
Failure to advise change of dog ownership	\$100
Failure to advise change of address	\$100
Removal, swapping or counterfeiting of registration label or disc	\$500
Failure to keep dog controlled or confined	\$200
Failure to keep dog under control	\$200
Failure to provide proper care and attention, to supply proper and sufficient food, water and shelter and to provide adequate exercise	\$300
Failure to carry leash in public	\$100
Failure to comply with barking dog abatement notice	\$200
Allowing a dog known to be dangerous to be at large unmuzzled or unleashed	\$300
Releasing dog from custody	\$750

3.5 Environmental Health

Food Premises:

Registration Fee - Food (per annum)	\$176
Registration Fee – National Programme	\$176
Verification Fee – Food Plan	\$176
Compliance & Monitoring (p.h) – Food Plan	\$60
Hawkers Licences (issued per Bylaws)	\$35
Mobile Shops Bylaw Licence (per annum) - If trading within the Kawerau District more than once a fortnight on average.	\$330
Mobile Shops Bylaw Licence (per annum) - If trading within the Kawerau District less than once a fortnight on average, or	\$142
Mobile Shops Bylaw Licence (per month)	\$12

3.6 Miscellaneous Fees

Event Fees and Charges

Amusement Device Permit (one device)	\$14.00
Additional amusement devices	\$3.00ea
Food Sale Licence (each)	\$12
NB: The devices certificate of registration must be provided.	
Marquee Building Consent (exceeding 100m ²)	\$68
<u>Impoundment of Bicycles, Skateboards or Scooters</u>	
Impoundment Fee	Maximum \$60

3.7 Liquor Licensing

The fees for obtaining liquor licences is specified in the Sale and Supply of Alcohol (Fees) Regulations 2013.

3.8 Noise Control

Impounded stereo release fee \$118.00

NB: Stereos are kept for a minimum of one month

Stock Impounding Fees

Council will recover actual costs when an animal is impounded

3.9 Resource Management Activity

<u>Land Use Consent:</u>	<u>Deposit*</u>
Notified application (ex cost of advertisement)	\$2,935*
Limited notified	\$1,420*
Boundary Activity - approved by neighbours	\$235.00
Non-notified	\$610.00*
Change or cancellation of conditions (S127)	\$610.00*
Extension of approval period (S125)	\$610.00*
Review of consent conditions (S128)	\$610.00*
Cost of commissioning report and other costs	Actual cost
Monitoring	\$153 p/hr
Certificate of Compliance (S139)	\$153 p/hr
Existing use certificate	\$153 p/hr
<u>Subdivision Consent:</u>	<u>Deposit*</u>
Notified application 1-3 lots (excl cost of advertisement)	\$2,935.00*
Limited notified	\$1,420.00*
Non-notified	\$610.00*
Each additional lot	\$60.00
Company lease, cross lease, unit title plan	\$610.00*
Certification of survey plans (S223)	\$155.00*

Issue of compliance certificate (S224(c))	\$235.00*
Combined survey plans and compliance certificates	\$295.00*
Inspections to confirm compliance with conditions S224(c) or S224(f)	\$153 p/hr
Extension, re-approval or variation of scheme plan or land transfer plan	\$610.00*
Certificate under S226	\$153 p/hr
Preparation of bond documents, consent notices, other legal	Actual cost
Engineering plan checking and inspection	\$153 p/hr
Right of way	\$610.00*

* Deposits only – Additional charges may apply

Plan Changes, Designations, Heritage Orders

	Deposit*
Request for plan change	\$4,695.00*
Notice of requirement for designation / heritage order	\$4,695.00*
Alteration, review, renewal of designation / heritage order	\$940.00*
Waiver of requirement for Outline Plan	\$376.00

Miscellaneous Charges	Deposit*
Planning certificate sale of liquor	\$305.00*
Overseas investment certificate	\$142.00*
Certificates requiring Council Seal	\$64.00*
Processing and Inspection Fee	\$176.00p/hr
Request for Information	Actual cost

*Deposit The deposit is the estimated cost of processing the application and is payable at the time of lodging the application. An additional charge may be payable once the processing is complete. The additional charge will be calculated on the actual time spent processing the application by Council officers, consultants plus disbursements. Where the cost of processing is less than the deposit paid, a refund will be made to the applicant.

Glossary

Activity

A good or service provided by, or on behalf of, a local authority or a council-controlled organisation, to the Community.

Annual Plan

A document adopted each year by Council that outlines its significant policies (including indicative costs and sources of funds) and the objectives and measures by which Council's performance in undertaking each of its significant activities will be judged.

Annual Report

A document that provides the public with information on the performance of the local authority during the year (both in financial and non-financial terms).

Asset

A resource controlled by Council. Generally accepted accounting practice defines assets as service potential or future economic benefits controlled by an entity as a result of past transactions or other past events.

Community Outcomes

The outcomes that a local authority aims to achieve in order to promote the social, economic, environmental and cultural well-being of its district in the present and for the future.

Council-Controlled Organisation (CCO)

A company or organisation in which a council or councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers.

Financial Strategy

A document to facilitate prudent financial management by providing a guide for future funding and expenditure. Also the document will show the overall level of rates, debt and investments.

Funding Impact Statement (FIS)

A document that sets out the funding mechanisms that Council will use, their level, and the reason for their selection.

Generally Accepted Accounting Practice (GAAP)

Approved financial reporting standards that apply to Council or statements which are not approved, but which are appropriate to Council and have the authoritative support of the accounting profession in New Zealand.

Levels of Service

The defined service requirements for a particular activity or service area against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost of the service.

Local Authority

A regional council or territorial authority.

Local Government Act 2002 ("the act")

The legislation which states the purpose of local government and provides a framework for the roles, responsibilities and powers of local authorities.

Long Term Plan

A plan covering ten years that describes the activities that Council will engage in over the life of the Plan, why Council plans to engage in those activities and how those activities will be funded.

Postponement of Rates

When the payment of rates is not waived in the first instance, but delayed until a certain time, or until certain events occur.

Remission of Rates

Reducing the amount owing, or waiving collection of rates altogether.

Separately Used or Inhabited Part of a Rating Unit

Any portion of a property or building that is used or inhabited by a person who has the right to do so by virtue of a tenancy, lease, licence or other agreement (refer Council's Rates Relief for High Value Properties Policy).

Significance

In relation to any issue before Council, significance means the degree of importance of the issue, as assessed by Council in terms of its likely impact on and likely consequences for:

- The current and future well-being of the District
- Any persons who are likely to be particularly affected by, or interested in the issue
- The financial and other costs of doing so

Significant

In relation to any issue, significant means that the issue has a high degree of significance (as per Council's Significance Policy).

Special Consultative Procedure

A formal consultation process that sets out a series of steps that Council must follow when consulting on particular types of decisions.

Statement of Proposal

A document that provides the basis for consultation with the Community under the Special Consultative Procedure by setting out Council's proposals with respect to a particular matter.

Strategic Asset

An asset or group of assets that Council needs to retain to maintain its capacity to promote any community outcome it considers important to the current or future well-being of the Community. The key is whether the assets are essential to the

continued delivery of the community outcome. Strategic assets are listed in Council's Significance Policy.

Territorial Authority

A city council or a district council named in Schedule 2, Part 2 of the Local Government Act 2002.

Wastewater

Sewage and other waste disposed of through the wastewater system.

Wastewater Disposal Network

Sewerage system.



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