

LONG TERM PLAN 2021-31



CONTENTS

OVERVIEW | TIROHANGA WHĀNUI.....2

Message from the Mayor and Chief Executive	3
How we developed our Long Term Plan.....	5
Financial Strategy	9
Infrastructure Strategy	17
Balancing the Budget.....	28
Rates Charges	29

WHO WE ARE | KO WAI MĀTOU.....32

The District of Kawerau.....	33
About the Council.....	34

PLANNING AND DECISION MAKING | WHIRIWHIRI KAUPAPA.....38

Strategic Framework.....	39
Community Outcomes	40
Summary of Significance and Engagement Policy.....	41
Working with Others.....	42
Relationships with Māori, Tangata Whenua and Iwi.....	44

COUNCIL ACTIVITIES | NGA MAHI O TE KAUNIHERA.....45

Council's Activity Structure	46
Promoting Community Wellbeing	47
Activity Group 1: Democracy	49
Activity Group 2: Economic and Community Development.....	53
Activity Group 3: Environmental Services.....	60
Activity Group 4: Roading and Footpaths	69
Activity Group 5: Stormwater	76
Activity Group 6: Water Supply	81
Activity Group 7: Wastewater.....	89
Activity Group 8: Solid Waste	96
Activity Group 9: Leisure and Recreation	100
Council Controlled Organisations	110

FINANCIAL STATEMENTS | PŪRONGO PŪTEA..... 113

Significant Forecasting Assumptions 2020 to 2021	114
Statement of Responsibility and Cautionary Note.....	124
Prospective Statement of Accounting Policies.....	125
Prospective Statement of Comprehensive Revenue and Expense 2021-2031	133
Prospective Statement of Changes in Equity 2021-2031.....	134
Prospective Statement of Financial Position as at 30 June for 10 years to 2031.....	135
Prospective Statement of Cash Flows 2021-2031	137
Prospective Revenue by Activity 2021-2031.....	144
Prospective Expenditure by Activity 2021-2031	145
Prospective Operational Shortfall by Activity 2021-2031	146
Reconciliation from Operating Funding to Operating Surplus/Deficit 2021-2031	147
Prospective Capital Programme 2021-2031	148
Depreciation Expense by Activity 2021-2031	149
Reserve Funds	150
Disclosure Statement	151

POLICIES | MAHERE KAUPAPA..... 155

Revenue and Financing Policy	156
Rating Policy.....	163
Report of the Auditor	165
Glossary.....	167

*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*

OVERVIEW | TIROHANGA WHĀNUI

Message from the Mayor and Chief Executive



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

Kia ora and welcome to the Kawerau District Council's Long Term Plan 2021 – 2031

It is our pleasure to present this plan, which sets the course for the Kawerau District over the coming 10 years and beyond.

The current political reforms underway including three waters, the future of Local Government, the health system, resource management and climate change do provide a landscape of uncertainty.

However, the Long Term Plan provides clear direction, financial prudence, and careful planning to ensure that the Kawerau District prospers and grows regardless of any future changes.

Throughout this planning, early engagement and consultation period with our community we have made an undertaking to continue the conversation about the reforms and major issues facing the district.

We stand by this commitment to provide information and engage with our community across a variety of channels to reach all ages and interest groups. Ultimately, Kawerau District Council's mandate comes from our community.

With the three waters reform unfolding in parallel with the Long Term Plan 2021-2031, we made strategic decisions to move forward with major Three Waters infrastructural investment to benefit the community.

It is pleasing that the community throughout the early engagement and formal consultation process has endorsed this decision.

This investment requires modest levels of debt, but the community also supported Council's principle of multiple generations who will

benefit from this infrastructure paying their fair share of the investment required.

We are committed to maintaining service levels and enhancing where possible the wellbeing of our community, in partnership where appropriate.

Our focus is to consistently deliver our core responsibilities – maintaining our roads, rubbish and recycling, and complying with drinking water standards.

Another key strategy is continuing to grow our district, which also received overwhelming support. Progressing another residential development provides the district with increased capacity for the predicted population growth and an increasing number of jobs that will come on stream with the local and regional economic development.

These important investments in infrastructure and current service levels result in the rates increase for year one of the Long Term Plan 2021-2031 being an average of 5.1% for ratepayers.

These are interesting times, and we expect there will be challenges to navigate, but there are also opportunities.

An increasing focus on climate change provides the opportunity for Kawerau to position itself not only as a great place to live, but also as the green economy for commercial and industrial ventures.

We look forward to serving our District in the future amid the challenges, change and opportunity.

Ngā mihi nui



A handwritten signature in black ink that reads "Malcolm Campbell".

Mayor Malcolm Campbell



A handwritten signature in black ink that reads "Russell George".

CEO Russell George

How we developed our Long Term Plan

Being geographically accessible and an agile organisation are key strengths for the Kawerau District Council when conducting any programmes of engagement. Elected members and Council staff are readily available and generally have well-formed connections to residents, Iwi and Tangata whenua, ratepayers and stakeholders.

In addition, Council built on strengthened communications within the district during the 2020 COVID-19 pandemic.

We started our community engagement on our Long Term Plan in 2021 and used a variety of methods to connect with our communities of interest.

In the lead-up to the Long Term Plan early engagement and consultation process, Council utilised its communication channels to advertise the upcoming consultation and submission period. In addition, during the early engagement period, Councillors and staff spoke to a variety of groups including kanohi-te-kanohi with Iwi and Tangata Whenua and to community groups such as Grey Power.

During the formal engagement period, Council continued a high level of communications to residents and stakeholders via the Council communication channels in conjunction with formal stakeholder meetings.

We encouraged feedback and formal submissions via a number of channels to cater for the varying demographics of residents in the District. These channels included social media, online submission forms, email and hard copy submission forms available from the Council Offices.

Our Engagement Approach

Council conducted both early engagement and formal consultation engagement meetings with the public and following stakeholders:

- Iwi and Tangata Whenua
- Community groups and organisations
- Kawerau Pūtauaki School
- Te Manaaki Preschool
- Kowhai Park Body Corporate Members
- Neighbours of Stoneham Park (the old Soccer Club grounds) (approx. 50 people attended)
- Public meetings on 21 May and 9 June (approx. 45 people)
- Tarawera High School students and Kawerau Youth Council
- Industry and businesses.
- Kawerau Markets (drop-in session)

How we Communicated

The communication channels we used included:

- Iwi and Tangata Whenua Hui
- Stakeholder Meetings
- Public Meetings
- Council Website www.kaweraudc.govt.nz
- Letterbox drops with meeting invitations and information
- Social Media
- Long Term Plan Consultation Document printed and delivered to every household in the District
- Community Update (Council's fortnightly newsletter printed and delivered to all homes in the District and also available online)
- Presentations to community organisations and groups
- Local print and radio advertising and media releases
- Drop-in Session at the Kawerau Markets
- Formal Hearing opportunity for submitters
- Live-Streaming of Council Meetings, Hearing and Deliberations

Consultation Procedure

The Long Term Plan Consultation Document and supporting information were adopted at on 11 May 2021 and was out for consultation from 14 May to 14 June 2021. Council held the Long Term Plan Hearing on 22 June and the Deliberations Meeting on 29 June 2021.

The Consultation Document outlined three key proposals and the priorities and projects for the District over the next 10 years. It aimed to enable residents and stakeholders to participate in the development of the Long Term Plan by providing feedback and formal submissions.

Our key proposals for consultation were:

- **Topic 1:**
Replace 48km of the old drinking water pipes over the next six years by borrowing \$12 million. (Council's preferred option).
- **Topic 2:**
Use sales proceeds from the residential developments to reduce the rates increases in years 1 to 3 of the Long Term Plan 2021-2031 to 5.1%, 3.5% and 3.8%. (Council's preferred option).
- **Topic 3:**
Grow Our District by developing Stoneham Park (the old Soccer Club grounds) while continuing to consult with stakeholders and the community and commence the reserve reclassification process. (Council's preferred option).

RIGHT TOP: Tarawera High School senior students and Kawerau Youth Councillors at a presentation of the Long Term Plan held at Tarawera High School.

RIGHT BOTTOM: One of the two public meetings held at the Kawerau Concert Chambers.





LEFT TOP: A drop-in session was held at the Kawerau Market on the Circus Paddock.

LEFT BOTTOM: Councillors and Staff discuss the Long Term Plan proposals and answer questions from residents at the Kawerau Market during the consultation period.

Stakeholder Feedback

Eighty submissions were received to the Long Term Plan during the formal consultation period which related to the three consultation topics and a number of other topics raised by residents and stakeholders. Twenty submitters presented their submission at the Long Term Plan Hearing on 22 June 2021. As with all Council Meetings, the Hearing and Deliberation Meeting were both live-streamed via the Council social media platform which enables a greater participation in the democratic process.

The following table outlines the overwhelming support for the three consultation topics which guided Council's decision-making.

Council Proposal	Option One	Option Two	Unclear
(1). Replace 48km of the old drinking water pipes over the next six years by borrowing \$12 million. (Council's preferred option).	49 ⁽¹⁾	2	1
(2). Use sales proceeds from the residential developments to reduce the rates increases in years 1 to 3 of the Long Term Plan 2021-2031 to 5.1%, 3.5% and 3.8%. (Council's preferred option).	39	3	3
(3). Grow Our District by developing Stoneham Park (the old Soccer Club grounds) while continuing to consult with stakeholders and the community and commence the reserve reclassification process. (Council's preferred option).	49 ⁽²⁾	8	2

(1) Request from Kowhai Park to gazette their roadways in exchange for Three Waters liability (to replace the pipes).

(2) A number of submitters agreed with Option 1 with the proviso of affordable and/or social housing such as Papakāinga as part of the development.

In addition, submissions were received relating to roading and footpaths, playgrounds, parks, reserves and recreation, Iwi relationships, Council land, cycle and walkway access, economic development, dog parks, the swimming pools, public transport, town development, solid waste, health, well-being and public transport.

Regional and national partners that Council partners with for ongoing projects and relationships, also formally submitted regarding regional and national initiatives such as water safety, COVID-19, cultural and training initiatives.

Following the adoption of the Long Term Plan, Council will formally respond to submitters and undertake reviews of related strategies as resolved by Council with regards to the other formal submissions received.

Snapshot Decisions on Key Proposals

Having received majority support for the three proposals in the Long Term Plan which were Council's preferred options, Council has decided to progress these initiatives.

Topic 1: Replace Drinking Water Pipes

Replace 48km of the old drinking water pipes over the next six years by borrowing \$12 million. (Council's preferred option).

Topic 2: Use Sale Proceeds

Use sales proceeds from the residential developments to reduce the rates increases in years 1 to 3 of the Long Term Plan 2021-2031 to 5.1%, 3.5% and 3.8%. (Council's preferred option).

Topic 3: Grow Our District

Grow Our District by developing Stoneham Park (the old Soccer Club grounds) while continuing to consult with stakeholders and the community and commence the reserve reclassification process. (Council's preferred option).

Climate Change

Council maintains a focus on climate change in the District by adapting, mitigating and capitalising on the challenges and opportunities. The likely changes to the climate for Kawerau are increased temperatures with more hot days, and changing rainfall patterns with higher rainfall intensity and more heavy rainfall events.

Adaptation

The focus for Council has been protecting property and people from the effects of unpredictable weather events associated with climate change. During the past three years, Council has made considerable investments in flood protection measures in response to increased rainfall intensities. This included the construction of retention basins to control stormwater, the upgrading of major culverts and the modelling of stormwater flows. There has also been an increased focus on disaster management and business continuity. During the past three years, the District has supported our neighbours during regional emergency events. In addition, the COVID-19 pandemic provided new challenges but the provision of essential services was the result of good business continuity plans in place.

Mitigation

Council has supported emission reductions in the District in recent years including the Healthy Homes programme to deliver warmer, drier homes that are more energy efficient; upgraded all street lighting to LED which use less energy and have a longer lifespan adopted a zero waste approach to refuse collection and disposal so less waste is created. Council continues a programme of investment in the walkways and cycling trails in the District. Additionally, Council has supported the Kawerau Trails Trust from a concept through to a stand-alone incorporated working group.

Future

The Kawerau District has a unique opportunity to position itself as a 'green economy' with the renewable energy and process heat available for industry. Further opportunities exist for Kawerau with the future addition of the Kawerau Container Terminal that will reduce carbon emissions by some 16,000 tonnes each year by transporting products by rail rather than road.

Financial Strategy



Introduction

Council has prepared this Long Term Plan on the basis that it needs to be financially sustainable, while meeting the needs of residents.

Population Change

For the 2018 Census, the district population was 7,460 which represented a 17.2% increase in population since 2013 (previous census) or around 3.2% population growth per annum. Stats NZ estimates there has been a further growth in population of 2.0% annually for 2019 and 2020. Also census figures show that Kawerau has close to the highest number of people per dwelling in the country, which can be attributable to a shortage of housing.

Stats NZ have projected that the population will continue to grow during the next 12 years (medium projection scenario) to a total population of just over 8,000. But the growth figure could be higher as Kawerau continues to provide employment opportunities through industrial development and has affordable housing.

Kawerau currently has a higher proportion of older people and a higher proportion of young people when compared to the rest of the country. The population projections show that over the next 12 years (to 2033) the number of young people (under 15) will reduce by 10.8 percent while the people that are over 65 will increase by 51.0 percent.

The unemployment rate in Kawerau was just over 12 percent in 2018, but evidence indicated the proportion of people receiving Work and Income benefits in Kawerau was considerably higher. Figures from Work and Income in December 2020 indicate that the number is similar to what it was in 2018.

Council has based its financial strategy on these figures and is confident that the projected population trends will continue to be positive.

Economic development interventions, such as industry clustering facilitating industrial development and employment opportunities in the district and residential developments will continue to provide the opportunity for the district's population to grow.

The impending closure of the Norske Skog mill is unlikely to impact on the population projections as only a small number of the employees reside in Kawerau. Also, Kawerau is becoming more popular for individuals who work out of the district because of its affordable housing, availability of services and central location.

Changes in Land Use

In 2010, approximately 171 hectares of land bordering the Kawerau District was transferred from the Whakatane District and 113 hectares of this land was rezoned to industrial zone

Since that time there has been significant interest from companies to set up business in Kawerau, though at the time of preparing this document construction had not commenced. Council is also partnering with other organisations to promote Kawerau as a good place to operate a business because of its plentiful natural resources. This includes facilitating the development of a container hub which will provide significant benefits to industry that are reliant on getting goods to the port

Council currently going through the process of transferring further land to the district – following a request from owners, however, it is not anticipated that there will be changes in land use for this land. Council is also proposing to swap some fee simple land, which is currently being used as a stock pound, with passive reserve land, so this land will be available for residential housing.

Prudent Financial Management – Balanced Budget Requirement

Council is required under the Local Government Act 2002 to ensure that each year's projected operating revenues are set at a level to meet each year's operating costs. However, Council can set projected operating revenue at a different level if it believes that it is financially prudent to do so.

Council is further required to manage its revenues, expenses, assets, liabilities, investments and general dealings in a prudent manner which promotes the current and future interests of the community. In assessing a financially prudent position, consideration is given to:

- the estimated cost of maintaining the predicted levels of service contained in the Long Term Plan, including the cost of maintaining the service capacity and integrity of assets throughout their useful life and the revenue available to fund the cost of delivering services.
- equitable funding for the provision and maintenance of assets throughout their useful life.



Council's Funding and Financial Policies

Since 1998/99 Council has funded the annual depreciation expense of assets not intended to be fully replaced apart from depreciation on non-critical assets. The specific buildings involved are the Town Hall, Concert Chamber, Ron Hardie Recreation Centre, Library/Museum Building, Museum Archives Building, District Office, Council Depot, Tarawera Park Amenity Building, Swimming Pool, and Pensioner Housing and the Bert Hamilton Hall. Council also decided to not fully fund depreciation on roads subject to New Zealand Transport Agency subsidies.

Those buildings remain non-strategic and in addition, the level of utilisation in many cases is significantly below total capacity. As a result, the assets are not likely to be replaced directly in their present form or they may be replaced with rented accommodation or buildings funded by way of loans.

Council has by resolution again confirmed the 1998/99 decision and will continue the policy of not funding non-critical, non-strategic assets. Council believes the reasons for doing so have not changed and that the policy is appropriate for the Kawerau District.

The advantage of not funding depreciation on non-critical assets is that ratepayers are not paying for depreciation on assets which are unlikely to be replaced with buildings of equivalent value.

The benefits of not funding the portion of depreciation for assets which Council expects Land Transport NZ subsidies to fund renewals, is that ratepayers are not funding depreciation which it believes is unlikely to be needed.

Land Transport NZ has recently confirmed that the subsidy rates for Kawerau will be 75% for 2021 - 2024. Therefore, Council considers the risk of the subsidy rate being decreased to be very low. Should it occur, Council would look at alternative funding options such as rating and loans.

Table: Estimated lives of non-critical assets

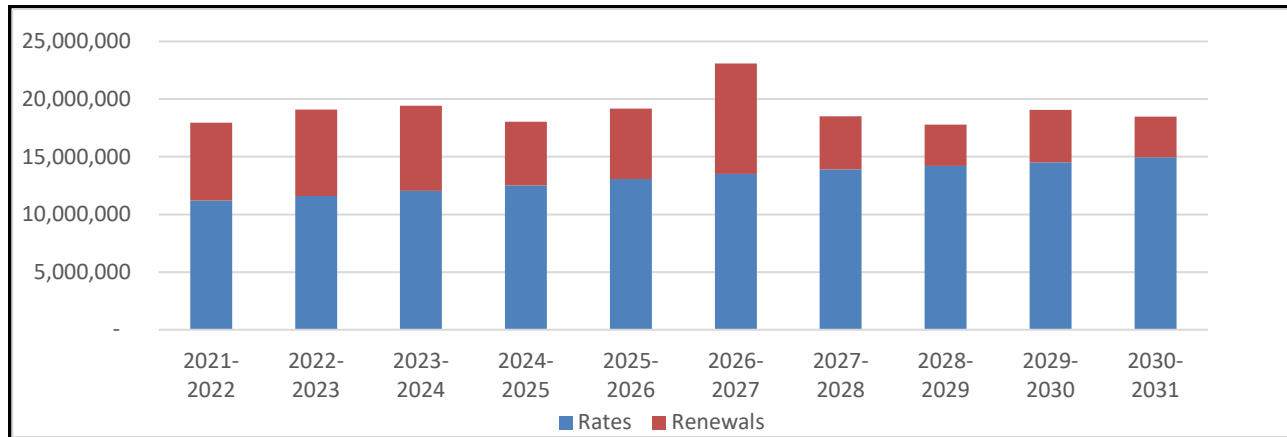
Building	Year Built	Gross Replacement Cost 2019 (\$)	Expected Life	End of Life
District Office	1960	1,200,088	75	2035
Town Hall	1960	2,891,961	75	2035
Concert Chamber	1953	902,633	75	2035
Library/Museum	1953-2008	875,735	75	2028-2081
Tarawera Park Amenity Building	1985	600,325	75	2060
Recreation Centre	1969-1999	4,900,946	75	2044-2074
Swimming Pool	1957-2006	3,045,833	50-75	2007-2075
Depot	1955-1980	1,788,390	35-50	1990-2030
Pensioner Housing/BH Hall	1965-1984	2,542,842	50-75	2015-2059
Museum/Archives Building (16-18 Jellicoe Court)	1955	454,451	75	2030

Table: Budgeted non-funded depreciation on non-critical assets

Asset	2021/22	2022/23	2023/24	2024/25	2025/26
Roads	\$603,750	\$603,750	\$603,750	\$659,730	\$659,730
Stormwater	\$184,130	\$0	\$0	\$0	\$0
Buildings	\$226,700	\$227,080	\$227,430	\$239,000	\$239,340
Total	\$1,014,580	\$830,830	\$831,180	\$898,730	\$899,070
Asset	2026/27	2027/28	2028/29	2029/30	2030/31
Roads	\$659,730	\$718,810	\$718,810	\$718,810	\$783,180
Stormwater	\$0	\$0	\$0	\$0	\$0
Buildings	\$239,630	\$250,380	\$250,760	\$251,120	\$262,290
Total	\$899,360	\$969,190	\$969,570	\$969,930	\$1,045,470

The following graph shows the trend for rates and asset renewal expenditure which are the key financial aspects of this plan. Inflationary figures have been provided by BERL. See significant forecasting assumptions, which are included in all figures in the Plan.

Projected rates and asset renewals 2021 - 2031

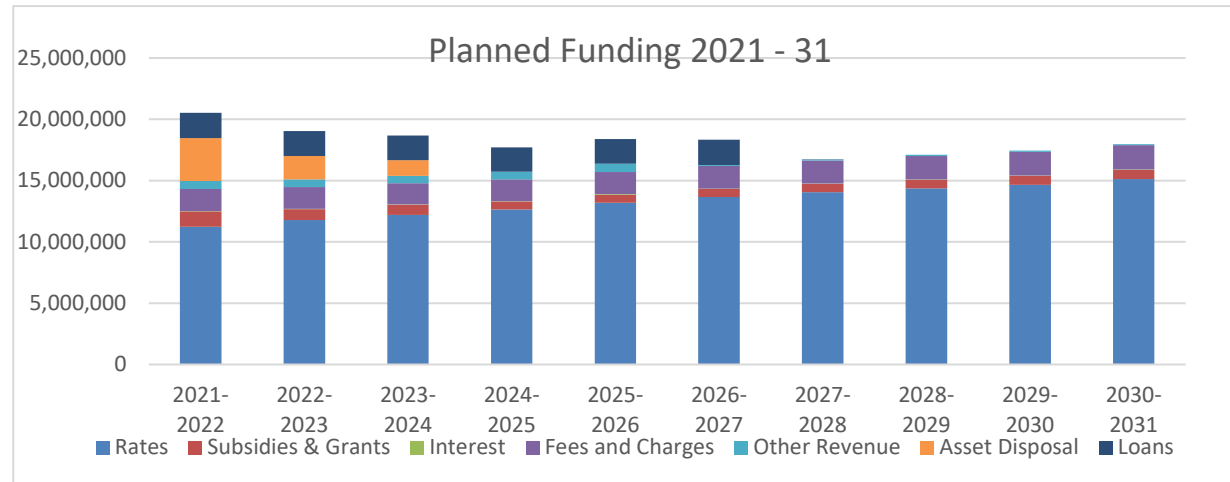


Council is forecasting its operating expenditure to increase from \$15.1 mil to \$18.6 mil between 1 July 2021 and 30 June 2031. These increases are as a result of:

- **Price increases**
Inflation and the factors that influence inflation will increase the cost of doing business.
- **Service level increases**
There are some increases in the levels of service for some activities.
- **Depreciation and interest payments**
The increased capital expenditure programme means corresponding increases in costs in these areas.

The adopted strategies ensure that over the period of the Long Term Plan, Council continues to be financially sustainable.

Planned funding for the next 10 years



Delivery of Three Waters

The Financial Strategy anticipates that Council will continue to deliver drinking water, wastewater and stormwater services for the period of the strategy.

However, the government has signalled possible reforms that would remove the water, wastewater and stormwater activities and assets from councils, and transfer them to a new entity. If this was to occur, it could happen in 2023 or later, and the revenue, expenses, assets and debt for these activities that are included in the 2021 – 2031 long Term Plan, would be transferred to the new entity.

Therefore, there is a risk that these reforms may significantly change the way the three waters services are delivered and funded and that this change will result in significant funding and resourcing implications for Council.

Rates and Rates Increase

The Long Term Plan includes a rates increase of 5.1 percent for 2021/22 and between 2.1 and 4.8 percent for each of the following nine years.

Council has endeavoured to keep rates increases to affordable levels over the period, while also ensuring its costs are funded and finances are prudently managed.

Council charges a general rate to every rateable property and a Uniform Annual General Charge to every separately used or inhabited part of a property. The general rate charge is different for residential and commercial properties. This recognises the different levels of services provided to the two categories of property.

Council also charges targeted rates for the following services:

- Water supply
- Wastewater disposal
- Refuse collection

The values of all properties in the district are reviewed three-yearly. The last revaluation was conducted in September 2018, and the next will be undertaken in 2021. After the next district revaluation Council will undertake a comprehensive review of its rating policy to ensure that the rates charged to individual properties are fair and reasonable.

What is a Reasonable Level of Rates?

In setting rates at the appropriate level, Council must consider what is affordable for both Council and the community. Council also needs to take into account the range of services that are delivered and whether these should be paid for by current or future ratepayers (sometimes referred to as 'intergenerational equity'). This is particularly important given that many Council assets have long service lives and provide benefits over a long period of time.

In assessing the appropriate level of funding, Council has to consider the following:

- Are there sufficient revenues to cover all expenses?
- Is revenue set at a level that will enable Council to undertake an ongoing asset renewal and replacement programme?
- Are rates and fees affordable for the community?

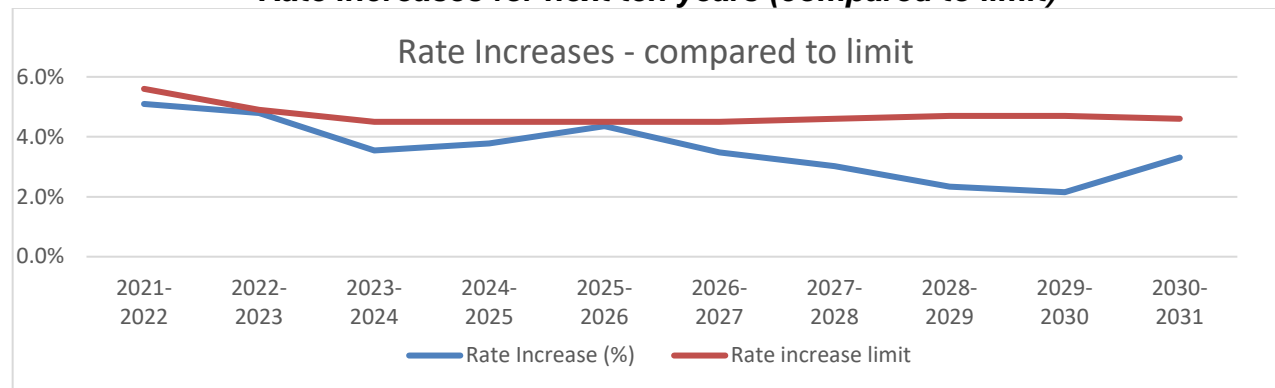
- Have the needs of current and future ratepayers been considered?
- And finally, does Council have a balanced budget overall?

After taking the above factors into consideration, Council has determined the quantum of rates for the next ten years. The increases are between 2.1 to 5.1 percent Council has set the following limits for rates for the period of the Long Term Plan:

1. Total rates will not exceed 88 percent of total budgeted revenue.
2. The total rate increase (excluding rates penalties) in any one year will not exceed the underlying rate of inflation for Council costs plus 2 percent.

The table below shows the budgeted rates increases for the next ten years. The rate increases have resulted from Council increasing its level of service for some activities, largely in response to community demand.

Rate increases for next ten years (compared to limit)



Debt and Issuing Securities

As at 30 June 2021, it is anticipated that Council will have minimal debt which is finance leases for funding the office telephones and photocopiers. Council also has internal loans, funded from depreciation reserves, which totals approximately \$1.8 million. The interest rate for the internal loans is determined annually based on investment rates.

Council is intending to borrow \$12.0 million over the next 6 years to fund the replacement of water pipes throughout the district. Council's limit on borrowings for the period of this Long Term Plan is that total debt won't exceed 50% of Council's fixed assets and/or that the interest expense won't exceed 10% of total annual revenue. The security provided for any external loan raised will be over future rates.

Financial and Equity Security Investments

It is anticipated that at 30 June 2021 Council will have cash totalling \$3.0 million (including short term deposits). These funds are mostly depreciation reserves which will be used to fund programmed asset renewal. These assets are critical to enabling Council to continue to provide current levels of service.

Interest earned on invested depreciation reserves are credited to each respective reserve account, so that sufficient funds are available when the assets require renewing.

Council also invests surplus general funds at various times throughout the year. The interest earned is used to reduce the amount required in rates. Council has budgeted to earn \$16,990 in interest for 2021/22, of which approximately 20 percent will be interest on general funds.

Council's invests funds in accordance with its investment policy. This stipulates where funds can be invested and limits the amount which can be invested in a single institution. The anticipated average return is 1.0% per annum

Council also holds equity securities in Civic Assurance (31,161 shares) and BOPLASS Ltd (5,091 shares). The reasons for holding shares in these organisations are to allow Council to participate in their operation and to benefit from the advantages of being a shareholder

Operating Expenditure

Operating expenditure covers Council's day-to-day services and operations, from collecting rubbish and providing street lighting to maintaining gardens and issuing building consents. The majority of operating expenditure is used for roading, followed by parks and reserves, wastewater and water. The tables below apportion the rate funding for the major activity areas for the 2021/22 year, for the average residential ratepayer.

Rates charges

CV = \$230,000*	\$
UAGC	600
General Rate	1,222
Water Supply	69
Wastewater Charge	178
Refuse	209
Total	2,278

*2018 Valuation

Contribution to Council activities

Activity Group	\$
Democracy	124
Economic Development	129
Environmental Services	180
Roading	165
Stormwater	16
Water Supply	264
Wastewater & Solid Waste	728
Leisure & Recreation	664
Other - Vandalism	8
Total	2,278

Asset Renewals

Council currently has fixed assets worth \$68.1 million. It plans during the next ten years to undertake renewals of \$56.6 million. Asset management plans are in place for each asset category. These are the key planning tool to ensure maintenance and future renewals meet required levels of service. The Long Term Plan identifies how the planned expenditure will be met.

Council's asset renewal programme assumes that all projects will be completed in the scheduled year. However, a number of factors can cause delays. Renewals that are delayed in one year will be completed in the following year.

Asset renewals are generally funded from depreciation reserves. The reserves are set at a level to ensure they are adequate for the purpose.

This is an important inter-generational issue. Given that both current and future ratepayers benefit from the use of an asset, both should therefore contribute toward the cost of its renewal.

The water pipe replacement programme (\$12 million over the next 6 years) will be funded from external loans. The loans will be repaid over the life of the assets thereby ensuring intergenerational equity.

Most roading renewal expenditure receives a New Zealand Transport Agency subsidy. The subsidy rate is 75 percent for the Long Term Plan period 2021 to 2031.

Council has not budgeted for any significant capital projects to provide increased levels of service or catering for growth apart from the development and sale of some Council land and some improvements to the roading network. The district has excess capacity in its infrastructure which can accommodate a certain level of growth.

Council has asset management plans for: roading, water supply, storm-water, wastewater and community facilities and property. Condition assessments have been conducted for these activities. The current deterioration model is based on best practice from the International Infrastructure Management Manual 2011.

Asset expenditure by Activity Group

Year	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$	2028/29 \$	2029/30 \$	2030/31 \$
Economic Development	1,831,400	1,571,640	1,051,830	32,020	32,630	33,290	34,010	34,780	35,620	36,490
Roading	1,095,960	872,510	829,920	565,870	582,280	599,170	616,540	634,420	652,820	671,750
Stormwater	221,400	250,000	50,000	751,400	785,960	821,330	857,470	894,340	932,800	972,910
Water	2,213,000	2,580,780	2,729,720	2,575,140	3,217,370	5,651,880	1,291,060	30,330	1,237,780	19,410
Waste Management	988,000	1,209,700	1,428,660	821,990	868,310	1,678,000	942,320	1,290,650	1,013,370	1,185,740
Leisure & Recreation	371,340	265,370	234,200	355,600	208,310	276,310	271,950	210,960	232,170	239,690
Overheads	86,000	64,510	31,120	36,140	32,340	96,810	72,960	34,080	34,660	35,250
Plant	150,000	157,810	135,690	159,180	136,940	179,680	278,920	199,170	164,520	107,900
Buildings	34,350	35,000	38,940	36,150	48,930	40,790	37,830	38,470	42,820	39,600
Total	\$6,991,450	\$7,007,320	\$6,530,080	\$5,333,490	\$5,913,070	\$9,377,260	\$4,403,060	\$3,367,200	\$4,346,560	\$3,308,740

NB includes asset expenditure to meet increased demand (Economic Development) and improve the level of service (roading and water)

Changes from LTP 2018 - 2028

There are no significant changes to this Long Term Plan when compared to the Plan for 2018 - 2028. Council has made those changes that relate to estimates and assumptions based on revised data.

Infrastructure Strategy



Purpose of the Strategy

This Infrastructure Strategy is intended to help Council and the Community make informed decisions about the major infrastructure decisions and investments which will need to be made over the next 30 years.

The Strategy outlines:

- The key infrastructure issues which must be addressed over the next 30 years
- The main options for dealing with those issues
- The implications of those options for residents and businesses in terms of cost and service delivery; and
- Council's preferred scenario for managing the issues and implications.

This Strategy was developed in conjunction with and provides the underlying infrastructure-related information about Council's Financial Strategy. Infrastructure expenditure contributes to the following Community Outcomes:

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

Development Council works in partnership to attract people to visit, live and do business in Kawerau and to enhance economic and employment opportunities for our community.

Activity Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity.

For this Council, infrastructure spending accounts for approximately 35 percent of operating expenditure and over 80 percent of capital expenditure. Expenditure that both maintains the standard of Kawerau's infrastructure and is affordable now and in the future will provide a platform for economic development, contribute to the quality of life of the

Kawerau community and help Kawerau remain an attractive place to live and do business.

What is Infrastructure

For the purposes of this Strategy, the term 'infrastructure' means the assets used to deliver services to the community in Council's groups of activity shown below:

Roading infrastructure includes street lighting, kerb, channel and footpath, pavement surface, pavement structure.

Stormwater (including flood protection) infrastructure is the reticulation (pipes).

Water Supply infrastructure is that used for collection and storage and the reticulation used for local distribution.

Wastewater infrastructure is the reticulation and that used for sewage pumping, treatment and disposal.

At the year ended 30 June 2021, Council only had \$300k of water infrastructure renewals (riser main, flow restrictor and pump) and \$120k of wastewater renewals (pump and milliscreen) that had not been completed. These projects will be carried forward to the 2021/22 year.

Assumptions and Drivers of Capital Expenditure

A fundamental question for Council about infrastructure expenditure is how much should be spent. Capital investment decisions are driven by three considerations:

- Can we replace like for like?
- When should new and improved infrastructure be purchased?
- How much do we need to invest to provide adequately for the future?

The proposals in this strategy are based on assumptions Council has made in relation to each of these questions. Council has assumed that the existing service levels will be maintained for the period of the strategy, as there is no anticipated demand for an increased (or reduced) level of service and the infrastructure has capacity to cope with a much higher population than the town has at present.

Council has also recently undertaken a significant amount of work to improve the information in its asset management plans (which provides the basis for the information in this strategy). This included reviewing the condition and remaining lives of infrastructure, reviewing the quantity of the various assets and seeking expert advice concerning each of the asset management plans. Consequently, Council is 90 to 95 percent confident of the information concerning its infrastructure and there is very little uncertainty regarding programmed renewals.

Inflation

The financial forecasts for the first 10 years of this strategy have been adjusted for projected inflation rates in the BERL Local Government Cost Index. The financial forecasts for years 11 to 30 have been inflated to year 10 costs.

Table: Inflation adjusters: percentage change per annum

Year ending	Roading	Property	Water	Energy	Staff	Other
June 2022	3.3%	2.2%	7.2%	7.2%	4.8%	1.7%
June 2023	3.1%	1.9%	3.4%	3.4%	2.4%	2.0%
June 2024	3.0%	1.7%	2.1%	2.1%	1.5%	2.0%
June 2025	2.9%	1.6%	2.3%	2.3%	1.7%	1.9%
June 2026	2.9%	1.6%	2.6%	2.6%	2.0%	1.8%
June 2027	2.9%	1.4%	2.3%	2.3%	2.2%	1.8%
June 2028	2.9%	1.6%	3.0%	3.0%	2.3%	1.7%
June 2029	2.9%	1.7%	3.3%	3.3%	2.4%	1.7%
June 2030	2.9%	1.6%	3.3%	3.3%	2.6%	1.7%
June 2031	2.9%	1.3%	2.7%	2.7%	2.7%	1.6%

Source: BERL Sept 2020

Delivery of Three Waters

The Infrastructure Strategy anticipates that Council will continue to deliver drinking water, wastewater and stormwater services for the period of the strategy.

However, the government has signalled possible reforms that would remove the water, wastewater and stormwater activities and assets from councils, and transfer them to a new entity. If this was to occur, it could happen in 2023 or later, and the revenue, expenses, assets and debt for these activities that are included in the 2021 – 2031 long Term Plan, would be transferred to the new entity.

Therefore, there is a risk that these reforms may significantly change the way the three waters services are delivered and funded and that this change will result in significant funding and resourcing implications for Council.

COVID-19 Impacts

The global Covid-19 pandemic continues to develop across the world. In response to the pandemic and threat to public health the whole of New Zealand went into a high-level lockdown on Wednesday 25 March 2020. A further high-level lockdown for Auckland and a lower level lockdown for the rest of the country occurred on Wednesday 12 August 2020. The long-term impact on local, regional, and national economies is yet to be determined. However, the country is currently going through an immunisation programme and has travel agreements with Australia and the Cook Islands which reflects a confidence that the country has the virus under control. For the purpose of the Infrastructure and the Long Term Plan Council has assumed that there will be no significant impact on activities and services as a result of Covid-19. Council has used the mid-scenario in terms of recovery which expects a prolonged but generally healthy economic recovery for our district. It is anticipated there will not be any significant impacts on growth for the period of the strategy.

Asset Quantities and Condition

The quantity of pipes and valves has been established from data held in Councils Asset Finda software programme. The data has been taken from as-built plans and a high level of verification as to the location of the pipe, diameter, valve and manhole locations has been undertaken. The underlying information about asset quantities is around 95 percent accurate.

Information about the pipe materials (Steel, Concrete, AC and PVC) for the three water networks is considered to be reasonably accurate. Some potholing has been undertaken to verify material type along with information obtained from staff who have been servicing the networks for up to 20 years. The underlying information concerning pipe materials for the three waters is around 90% accurate.

The life of materials in the three waters has been established as follows:

Asset	Material	Testing inspection	Allocated life
Stormwater	Concrete	Samples tested for level of cement leaching. Minimal leaching occurred to date.	70 years (considered conservative)
Wastewater	Concrete /Earthenware	Pipe tested for level of cement leaching. Some leaching occurred to date.	70 years.
Wastewater	AC	Samples tested for level of concrete leaching. Reasonable level of leaching occurred to date	70 years
Water	Steel	Samples taken from 60year old steel pipes. Minimal rusting detected	80 years Considered conservative
Water	AC	Samples tested for level of cement leaching.	60 years

Asset	Material	Testing inspection	Allocated life
		Level of leaching similar to NAMS manual and other Council results	
Water	PVC / Polyethylene	Pipe predominantly installed since 2000. Lives based on expected life from manufacturers and other TLAs	80 - 100 years
Roading	Seal	Seal life is based on local experience as well as NZTA recommendations	13 - 20 years
Roading	Base-course	Base course life is based on professional knowledge and local conditions	80 years
Roading	Footpaths	Footpath life is a combination of location (local conditions) and professional knowledge	80 years
Roading	Streetlights	Streetlights life is based on national recommendations and local knowledge	12 years

Overall, we have a high degree of confidence about the accuracy of asset deterioration rates in Roothing and the three Waters. Some conservatism has been applied to assessing asset life, which means ratepayers currently pay slightly more than if assets were assessed as having a longer useful life. The upside of this approach is that Council will not have to impose significant rate increases in future due to underfunding of depreciation.

Further details on the quantities and condition of these assets are included in the respective asset management plans. Readers wanting more of this information can either request copies or go to Council's Website <http://www.kaweraudc.govt.nz>

The levels of service for Council's infrastructure assets can also be found in the Asset Management plans.

When we can Replace Like for Like

The estimated useful life of each class of Council infrastructure is set out in the Statement of Accounting Policies in this Plan. As with any estimate, there is a risk that these could be wrong. Overestimating the lifespan could lead to earlier than forecast failure and required replacement while underestimation could mean that infrastructure is replaced earlier than needed.

Council's projections for replacing infrastructure are also underpinned by the current state of technology. Future developments may lower the replacement costs of pipes if, for example, their useful lives can be extended by re-lining.

Council infrastructure has a total value at 30 June 2020 of \$42.1 million and over the next 10 years, \$49.5 million (including inflation) will be spent on renewals.

The respective asset management plans have identified when significant renewal items are programmed to take place over the next 30 years. The exception is the intension to replace all existing steel and AC water pipes over the next 6 years at a cost of \$12 million.

The reasons for this are:

- Manganese has built up in these pipes over the years which is being released as a result of the chlorination of the water supply
- There is variable wear of these pipes due to the environment

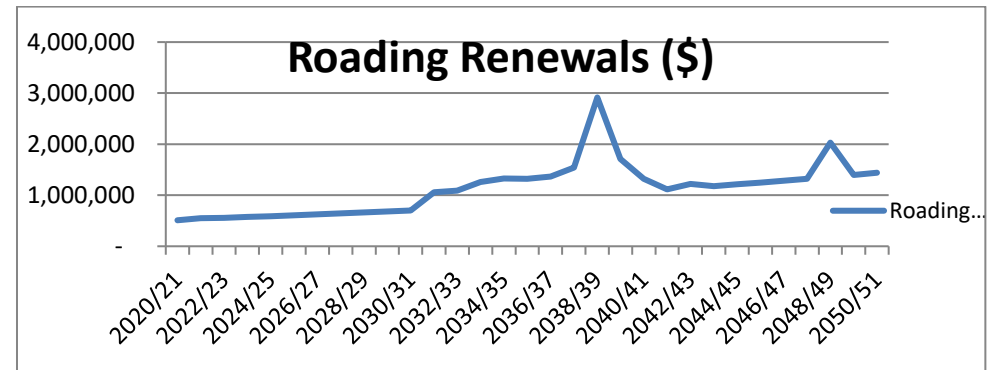
Council is raising loans to fund these renewals.

Roading

Roading assets include the road carriageway, street lights, footpaths, kerbs, bridges and culverts. The nett value of Council's roading assets at 30 June 2020 was \$16.8 million. Current levels of service provided by roading assets are shown in the following table:

Length of Roads (kms)	42
Length of Kerbs (kms)	72
Area of Footpaths (m ²)	108,500
Structures (one Bridge, five culverts)	6
Number of Street Lights	764

Expenditure on Roothing renewals over the life of this Strategy is expected to be fairly constant, as shown in the figure below:



The renewal and replacement of these assets have been smoothed mostly to align with the NZTA approved roading programme. There are expenditure spikes in 2038/39 and 2048/49 for the renewal of culverts to maintain/increase the stormwater capacity of the roads to cope future heavy rainfall events.

Stormwater, Water Supply and Wastewater (3 Waters)

Kawerau is unusual in that, because the town was purpose-built, much of the reticulation infrastructure was constructed at the same time. Because the town is only 65 years old, Council's main focus to date has been on maintenance. As it ages however, infrastructure will start needing to be replaced. The uniformity in age means that this will occur in large chunks and create expenditure 'spikes'.

Infrastructure Asset Condition and Information

Our forecast renewals for stormwater and wastewater have presumed the worst case scenario using the minimum asset lifespan.

A planned programme of asset evaluation will be carried out in the next two years to determine the actual renewal programme required for stormwater and wastewater.

We will continue to use this formal and informal knowledge to reprioritise replacement and preventative maintenance programmes, and to ensure we manage the risk of failure.

However, areas that are known to have accelerated deterioration rates, such as pipes in the geothermal areas, will be replaced according to the minimum asset lifespan, in the next two years.

Smoothing of Renewals

Council has adopted a strategy to 'smooth' the renewal of infrastructure assets. For Stormwater, Water Supply and Wastewater infrastructure, the reticulation network is divided into six zones based on the estimated average date at which each was developed. Renewal/replacement funding for each zone is averaged over ten years. This allows for the spread of renewals dates and recognises the different end of life dates. Also replacement decisions are based on information including the condition, reliability and maintenance of the asset as well as age.

The exception is the water pipes which Council has decided to replace all the steel and AC pipes over the next 6 years. The reason for this is that

the existing pipes have a build-up of manganese which regularly discolours the water and also some of the pipes are coming to the end of their useful life.

Council's objective is to maximise infrastructure life without compromising service. This reduces overall costs to the community.

Stormwater

The Stormwater activity involves Council disposing of stormwater from the roading network, repairing or replacing unsound pipes and other structures, cleaning pipes and cesspits, planning to meet future requirements and improving operations. Stormwater is collected predominantly from the roading network and channeled through a network of pipes into natural waterways. The nett value of Council's stormwater assets at 30 June 2020 was \$5.1 million.

Table: Key components of the stormwater system

Length of reticulation	39.2km
Number of cesspits	786
Number of outfalls	21
Number of manholes	526

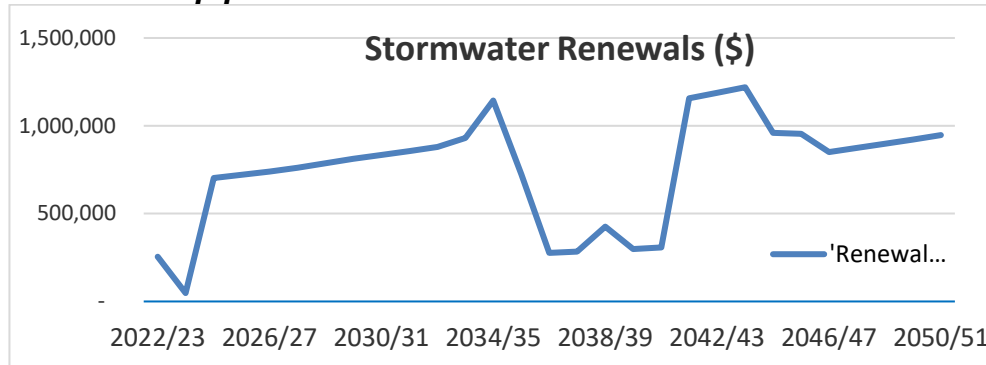
The stormwater network is comprises concrete pipes and manholes with some GEW and PVC in the town centre where it is impacted by the geothermal environment. The more modern smaller diameter pipes are also PVC.

Climate change has resulted in increased rainfall intensities. The ensuing increased flows have exceeded pipework capacity and runoff from farmland has inundated a number of homes in 2017 following a very extreme rainfall event (300mm in 8hours). Flow diversion structures have been built to redirect the flow. In 2017 - 19 a number of flow retention structures were built to further manage future rainfall flows. In addition two culverts under River Road are currently being replaced to eliminate build up on dividing walls and prevent backup, which has resulted in houses being flooded. Following these improvements ongoing monitoring of the stormwater networks performance and climate changes will be monitored to determine if additional improvements are required.

Council will need to replace approximately 11.9 kilometres (km) of Stormwater pipes over the next ten years (2023 - 2032, and a further 15.5 kilometres from 2033 to 2051.

Council will consider the renewal options at the time of replacement (either replacing the stormwater pipe entirely or inserting a smaller PE (polyethylene) pipe inside the existing pipe)

Stormwater pipe renewals



Water Supply

The water supply network comprises springs, pumps, reservoirs and pipes. It distributes potable (drinkable) water to around 2,700 households, four large industrial plants and approximately 250 business premises. Water is principally sourced from two springs. When demand is high and spring flows are low, Council can obtain additional water from a bore field. Resource consents from the Bay of Plenty Regional Council stipulate the amount of water which may be taken and a maximum extraction rate.

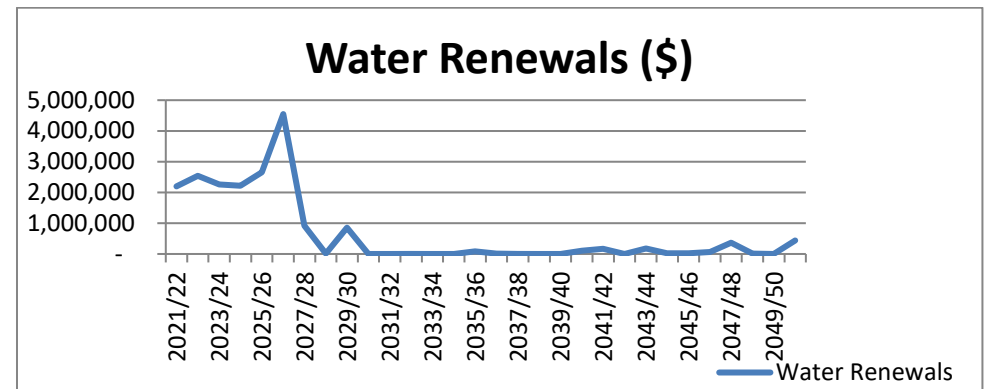
From source the water is treated (UV and Chlorine) and then pumped to three reservoirs, from where it is circulated through the reticulation network by gravity. Large water users have metered supplies. The nett value of Council's water supply assets at 30 June 2020 was \$9.0 million. Key components of the system are summarised below.

Length of reticulation (kms)	78
Number of pumping stations	2

To meet the NZ Drinking Water Standard, water is UV treated to eliminate protozoa and bacteria. Council started adding chlorine from 1 July 2018 to eliminate the risk of water being re-contaminated after UV treatment. Water is monitored at set points in the reticulation to ensure the residual protection is always occurring. A Water Safety Plan is in place and reviewed by the Ministry of Health to ensure potential risks identified are reduced as much as possible.

Council will replace approximately 48 km of water supply pipes over the next 6 years at a cost of \$12 million (\$2.0 million annually). This will mean that no further pipe renewal will need to occur for at least 60 years apart from the gravity and rising mains to the reservoirs. The main reason for undertaking all this work is that the existing pipes have a build-up of manganese which is discolouring the water supply.

Programmed Water supply renewals



The expenditure spike in 2026/27 is for the replacement of the gravity main from Umkaraka Spring to the pumphouse and the two trunk mains (as well being the final year of the pipe replacement programme). Also the smaller reservoir on Monica Lanham Reserve is programmed for replacement in 2027/28.

Wastewater

Properties connect to the public reticulation system through small pipes. Larger pipes and manholes are used in the network where changes in

gradient and direction require. There are two pump stations. All wastewater is brought to the treatment plant. Treatment and the discharge of water to ground are carried out in accordance with resource consent requirements and to maintain a healthy environment. Septic tanks are used for one Council owned toilet block and the few properties in the District not connected to the network.

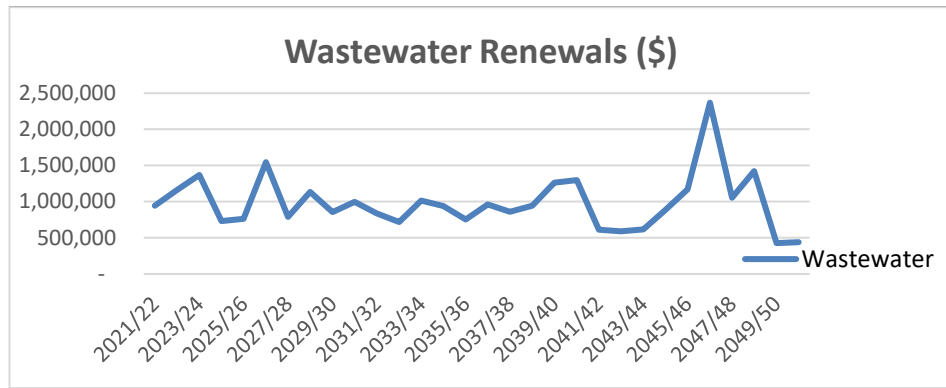
The net value of Council’s wastewater assets at 30 June 2020 was \$11.2 million.

Table: Key components of the wastewater system

Length of reticulation (kms)	58
Number of pumping stations	4
Manholes	767
Treatment Plant	1
Wastewater treated (average m3 per day)	2,200

Council is proposing to replace nearly 23.6kms of pipes over the next 10 years and a further 23.0 kilometres from 2031 to 2051. The replacement of pipes when they reach the end of life are mostly spread out over a 10 year period to recognise the timeframe required when installing them and also the capacity of contractors to replace the pipes.

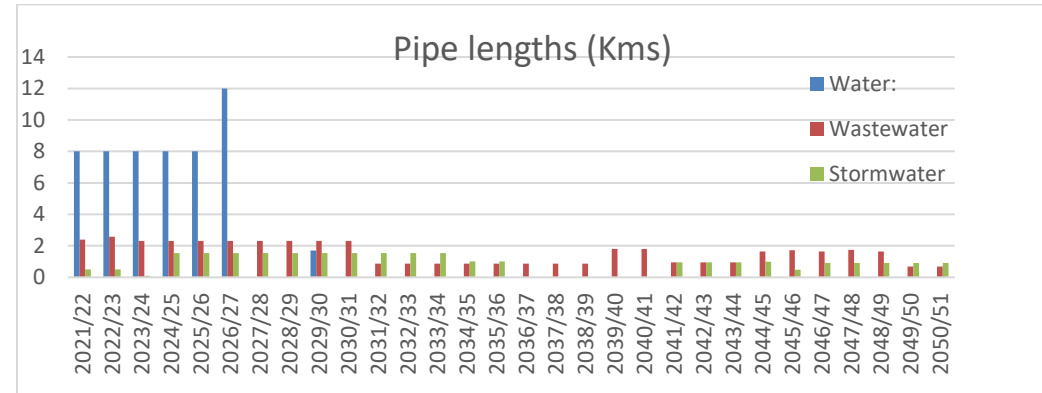
Table: Programmed wastewater renewal expenditure



NB These renewal costs have been smoothed.

Pipe Renewal – 3 Waters

The following table shows the length of pipe replacement programmed for the 3 waters over the next 30 years.



Funding for Infrastructure and Affordability

Council currently funds the depreciation expense of strategic assets and has done so since 1998. These funds are set aside in reserves and used to pay for renewals. The exception is the replacement of the water pipes which Council will fund from loans (\$12.0 million). The Long Term Plan anticipates that Council will only have cash reserves of approximately \$0.7 million at 30 June 2031 and that some subsequent infrastructure renewals will need to be funded from loans.

Council previously made the decision to fund depreciation and to set aside the money to pay for future renewals because it believed that it was financially prudent to do so and also ensured that the cost of these assets was spread equitably and affordably over each generation of ratepayers. Also raising loans ensures the cost of infrastructure is equitable and affordably spread over each generation.

Refer to the Financial Strategy and the Revenue and Financial Policy for more detail regarding the funding of infrastructure.

When New and Improved Infrastructure will need to be Purchased

The effects of climate change, increasing environmental regulations or the need to improve resilience for earthquakes may require Council to invest in upgrading its infrastructure.

Improved Technology

Roading

The completion of the upgrade of Kawerau's street lighting to LED occurred in 2018. This resulted in longer life for streetlights and reduced energy consumption

3 Waters - Pipes

The replacement pipe material (polyethylene) is a significant improvement on the material that currently comprises the network for the 3 waters. This material is expected to last longer and is considerably easier to maintain.

Environmental Expectations

Water Supply

Local demand for water is not expected to increase markedly over the life of this Strategy. The Bay of Plenty Regional Council will review water allocations when issuing resource consents. Water for human consumption is given higher priority than other uses such as irrigation or industry so minimal impact is expected for Kawerau's water supply. If the Regional Council was to reduce Council's maximum amount of water that Council could take, Council would have to start imposing water restrictions in summer. There would be no additional costs associated with this risk, however it would result in a reduced level of service for the community.

Climate Change

Stormwater

Changing rainfall patterns have impacted on future stormwater requirements. Some flow diversion structures were built in 2017 to reduce overland flows from surrounding farmland onto residential properties. In 2020/21 culverts under River Road have been upgraded to provide greater capacity and eliminate clogging resulting from backup of water

and housing inundation. In addition water retention dams have recently been built on farmland to reduce the maximum flow occurring during extreme rainfall events.

Ongoing monitoring of changes in climate and the capacity of the stormwater network in relation to significant rainfall events will occur regularly and decisions on changes, or not, to the network will be made following this assessment.

Other impacts of climate change

Other possible impacts of climate change are sea level rise and increasing incidences of drought. Sea level rise is unlikely to impact on the district due to the proximity from the sea. Future droughts may increase the demand for water, but it is believed that the supply will not be affected as the water is sourced from underground springs. Past droughts have not seen any reduction in the availability of water.

Earthquake Resilience

Kawerau's infrastructure suffered little or no damage during the major 1987 Edgecumbe earthquake. There is always the possibility that a nearby earthquake of similar or greater magnitude could cause more serious damage.

Roading

The roading network suffered no damage in the 1987 earthquake, which indicates that roading is at minimal risk from earthquakes.

Water Supply

The 1987 earthquake damaged the water reservoirs, which in turn affected water quality for a period of time. Some remedial work was undertaken to the reservoir columns in 2017 to strengthen against future earthquakes. There was no damage to pipes, which indicates that the earthquake risk to Council's water reticulation network is low.

Wastewater

The Edgecumbe earthquake caused no known damage to wastewater pipes, which indicates that the network has a low earthquake risk.

Insurance

Council has entered into a funding arrangement with central government which provides that central government would meet up to 60 percent of the cost to restore infrastructure such as reticulation systems after a natural disaster. Council has insurance cover of \$10 million to meet its share of the costs in the event of a disaster.

How much Expenditure is required to provide for Future Needs

Future population

Population size is the main determinant of demand for infrastructure.

The district infrastructure has the capacity to service a population of approximately 10,000 and therefore there is more than sufficient capacity for the period of the Long Term Plan. The additional cost of servicing a larger population than projected by Statistics NZ, would be limited to variable costs such as power. Similarly, if the population was to reduce below the projected level, there would be minimal reduction in costs..

Most Likely Scenario

Council does not foresee significant population growth beyond what has been indicated nor changes to the levels of service for any of its assets in the foreseeable future. Over the next 30 years, ageing of infrastructure will create the need for some significant replacement, first, of water supply reticulation and then, of wastewater reticulation. In the last decade covered by the Strategy, substantial roading renewal will be required. Council's planned infrastructure renewal programme, with alternatives and costs, is discussed below.

Roading

The roading network requires continued reseals, road marking and kerb and footpath replacement at current levels to maintain existing levels of service for the foreseeable future. Footpath replacement is also continuously occurring to maintain smooth surfaces.

Most likely scenario

- a. Council has a footpath replacement budget of \$160,000 per annum. This replaces approximately two percent of the network each year. The location is often random as much of the replacement is from tree root damage.
- b. Other renewals are determined in conjunction with NZTA so Council can maximise the funding from NZTA.

Water Supply

1. Replace gravity main from Umukaraka Spring to Pumphouse

The gravity main from the Umukaraka Spring to the Pumphouse is made from AC pipe is 3,200 metres long, and 450 mm in diameter. Installed in 1970, it is showing some signs of deterioration. Umukaraka Spring water has a low pH value (i.e. high acidity level) which is contributing to the deterioration in the gravity main. Without water from this spring, Council has an alternative source of water (Tarawera bores). The gravity main is not under pressure so the pipe is expected to last for 60 years. Failure is not anticipated to be catastrophic.

Most likely scenario

Replace the gravity main pipe in 2026-27 (\$2.4 million) before failures commence, which will give an added level of security to the supply.

Principal alternative

Defer replacement until after two failures have occurred. The season during which the failures occurred would determine the level of disruption to the community.

2. Replacement of mains pipes

The reticulation is a mix of materials Steel (44%), AC (37%) and PVC/PE (19%) pipes in the Water Supply network. To date, pipes have generally been replaced after regular failures occur. However, Council has budgeted (from 1 July 2021) to replace all the AC and steel pipes over the next 6 years (\$2.0 million annually).

Most likely scenario

The decision to replace all steel and AC pipes was primarily to remove all pipes that have a build-up of manganese which has been discolouring the water supply over the last 2 years.

Also it will give confidence about the condition of the water pipes for the future.

Principal alternative

Wait until several pipe failures occur and then replace that area of the reticulation network only. This maximises the life of the asset but will provide a reduced level of service for households and businesses in the area where pipes have started to fail.

Also residents will continue from time to time to get discoloured water.

Wastewater

1. Ongoing pipe replacement

The AC and concrete pipes in the wastewater reticulation network are also deteriorating with age. They need replacing before or after regular failures occur. Every additional year that the life of pipes can be extended equates to a reduction of approximately 1.5 percent per annum in the depreciation cost.

Most likely scenario

Determine the likely failure date and replace the pipes on this date even if failures are not yet occurring.

Principal alternatives

- a. Determine the likely failure dates and replace well before this date so as to minimise disruption to the community. This would make depreciation costs higher because pipes would be replaced before the end of their useful lives.
- b. Wait until several pipe failures occur and then replace that area of the reticulation network only. This maximises the life of the asset but does provide a reduced level of service for households and businesses in the area when pipes start to fail.

What Would It Cost?

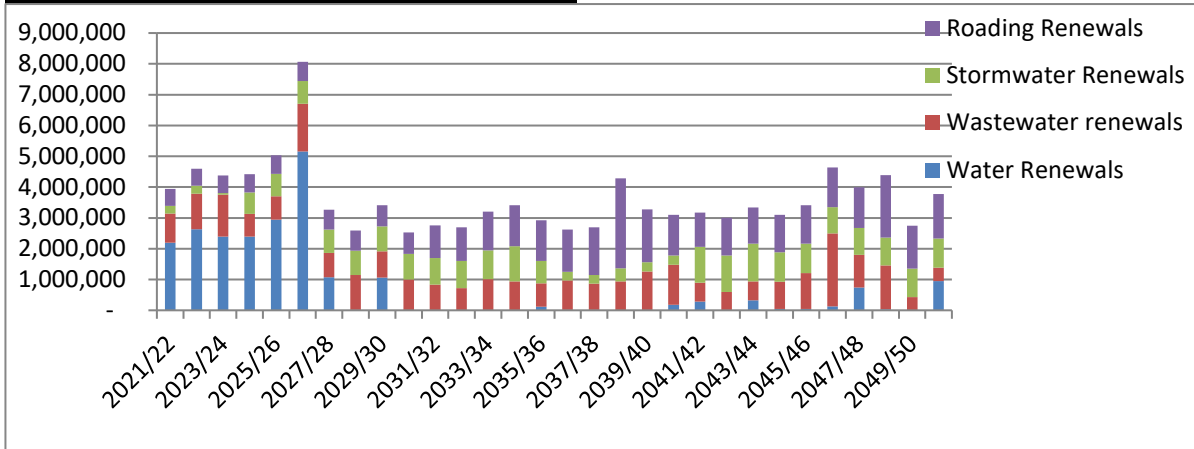
Cost of Replacement Programme

The costs associated with the proposed significant renewals of infrastructure are shown in the table below.

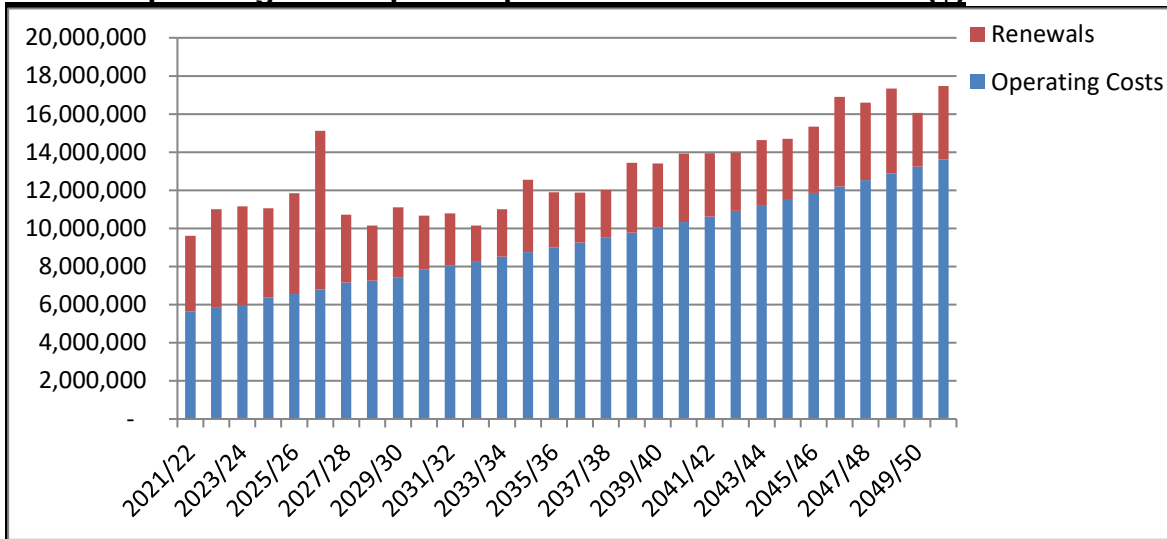
Renewal	Most likely scenario
Roading:	
Reseals, kerb and footpath replacements 2021-51	\$18,038,900
Other roading renewals 2021 - 51	\$16,527,500
Water:	
Pipe, valve, toby replacements 2021 - 27	\$16,771,200
Other water reticulation renewals 2021 - 51	\$5,953,700
Wastewater:	
Pipe replacements 2021 - 51	\$20,047,000
Other wastewater renewals 2021 - 51	\$9,425,100
Stormwater:	
Stormwater pipe replacement	\$21,998,000
Total	\$108,761,400

The proposed infrastructure replacement programme for the next 30 years as well as the annual renewal and operational (including inflation) are shown in the following tables:

Renewal Programme – 2021 - 2051 (\$)



Annual Operating and Capital Expenditure for Infrastructure (\$)



Balancing the Budget



Council is required under the Local Government Act to manage its revenues, expenses, assets, liabilities, investments and general dealings in a manner that is prudent and which promotes the current and future interests of our Community.

Council is further required to ensure that its projected operating revenues each year are set at a level to meet the year's operating costs. However, Council may set projected operating revenues at a different level if it believes that doing so is financially prudent.

In assessing a financially prudent position, Council gives consideration to:

- The estimated cost of maintaining planned levels of service, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful lives.
- The projected revenue available to fund the estimated expenses associated with delivering services and maintaining the service capacity of assets throughout their useful lives.
- The equitable funding for the provision and maintenance of assets throughout their useful lives.
- Council's funding and financial policies.

Council has not for every year set its operating revenue at a level that meets the operating costs for the Long Term Plan 2021 - 2031. The reason is because in 1998/99 Council decided not to fund depreciation on certain assets. The non-funding of depreciation applied to roads

subject to New Zealand Transport Agency subsidies and buildings and facilities assessed as being individually non-critical, as they were unlikely to be replaced in their present form if destroyed. The non-critical assets included the Swimming Pool Complex, Town Hall, Concert Chamber, Library/Museum, District Office, Tarawera Park Amenity Building, Ron Hardie Recreation Centre, Council Depot and Pensioner Houses.

Council has confirmed this decision. Council believes the reasons for the policy remain unchanged and that the policy is appropriate for the Kawerau District. The non-critical assets remain non-critical. Because of excess capacity the level of utilisation in many cases is significantly below total availability. Replacement of these assets could be by rented accommodation, by third party contribution or funded by way of loans.

The advantage of not funding depreciation on non-critical buildings is that the community is not funding depreciation on assets that are unlikely to be replaced with buildings of equivalent value. Also the benefit of not funding the portion of depreciation where Council expects Land Transport NZ subsidies on asset renewals, is that ratepayers are not funding depreciation that it believes is unlikely to be required in the future. There is a slight risk that the subsidy rate could decrease below the rate identified in this Plan, however Council believes that the risk is very low and that it would look at alternative funding options such as rating and loans if this were to occur.

Rates Charges



Rates for 2021/22

2020/21	Rates (includes GST)	2021/22
\$	General Rates	\$
600.00	Uniform Annual General Charge	600.00
	(Charged per separately used or inhabited part of a rating unit)	
.005014	Residential Rates (per dollar of capital value)	.005313
.020885	Commercial/Industrial Rates (per dollar of capital value)	.021460
	Targeted Rates	
82.00	Water Rate (per connected property)	69.30
163.10	Wastewater Rate (per connected property)	177.70
178.50	Refuse Collection (per serviced property) 60L bin	208.80
238.50	Refuse Collection (per serviced property) 120L bin	268.80
0.213	Water by meter (\$ per m ³)	0.23
4,060.00	Residential Rate Cap	4,270.00
	Capital Value	
668,185,000	Residential Capital Value	672,772,400
290,132,000	Commercial/Industrial Capital Value	290,837,000
\$958,317,000	Total Capital Value	\$963,609,400

The impact of the percentage rates increase are shown for some example properties in the following tables:

Residential

Capital Value	Rates 2020/21	Rates 2021/22	Increase	Cost per Week 2020/21	Cost per Week 2021/22
Residential:					
\$29,000	\$1,169	\$1,210	3.5%	\$23	\$23
\$170,000	\$1,876	\$1,959	4.4%	\$36	\$38
\$210,000	\$2,077	\$2,172	4.6%	\$40	\$42
\$230,000	\$2,177	\$2,278	4.6%	\$42	\$44
\$285,000	\$2,453	\$2,570	4.8%	\$47	\$49
\$335,000	\$2,703	\$2,836	4.9%	\$52	\$55
\$490,000	\$3,480	\$3,659	5.1%	\$67	\$70

Commercial

Capital Value	Rates 2020/21	Rates 2021/22	Increase	Cost per Week 2020/21	Cost per Week 2021/22
\$	\$	\$	%	\$	\$
\$140,000	\$3,769	\$3,851	2.2%	\$72	\$74
\$175,000	\$4,500	\$4,602	2.3%	\$87	\$89
\$325,000	\$7,633	\$7,821	2.5%	\$147	\$150
\$850,000	\$18,597	\$19,088	2.6%	\$358	\$367
\$18,600,000	\$389,306	\$400,003	2.7%	\$7,487	\$7,692
\$33,550,000	\$701,537	\$720,830	2.8%	\$13,491	\$13,862
\$29,400,000	\$614,864	\$631,771	2.7%	\$11,824	\$12,149
\$120,500,000	\$2,517,488	\$2,586,777	2.8%	\$48,413	\$49,746

How much will my Rates be for 2021/22?

Rates Calculator

Write your Capital Value here (available from your rates invoice or by going (a) to www.kaweraudc.govt.nz and accessing 'Your Property')		
Uniform Annual General Charge	(b)	600.00
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)		TOTAL \$

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

Rates and Service Fees

	(\$)
Residential (c)	.005313
Commercial (c)	.021460
Water Supply Rate (e)	69.30
Wastewater Disposal Rate (f)	177.70
Refuse Collection Rate (small) (g)	208.80
Refuse Collection Rate (large) (g)	268.80



WHO WE ARE | KO WAI MĀTOU

The District of Kawerau



About our District

Kawerau lies in the Eastern Bay of Plenty region, 100 kilometres southeast of Tauranga and 58 kilometres east of Rotorua. An enclave of 24 square kilometres within the Whakatane District, the Kawerau District is comprised mainly of urban, industrial and commercial land, with only a small area of rural land.

Kawerau's natural resources include the Kawerau Geothermal Field, the Tarawera River and natural springs which produce an abundant supply of good quality water. Kawerau's geology is the result of the Mount Tarawera eruption. Soils in the District are ash/pumice, highly porous and able to be compacted with work. The District topography is generally flat to rolling.

Kawerau enjoys hot summers and mild winters. In summer the daily maximum temperature averages 23.7 degrees Celsius and on some days can reach more than 30 degrees Celsius, often the hottest temperature in New Zealand.

The 2018 Census recorded 7,450 people usually resident in the Kawerau District, an increase of over seventeen percent since the 2013 Census. Kawerau is 64th in size out of the 67 territorial authority areas in New Zealand. It has 2,420 occupied dwellings and 250 unoccupied dwellings. Kawerau has a significant population of Māori people and higher than average populations of people aged over 70 and people in the 20 – 24 year old age group.

Kawerau is situated in the heart of New Zealand's principal forestry region and is a well-established wood processing centre supported by an engineering and maintenance service industry. Local industry has access to geothermal energy. The Kawerau Geothermal Field is one of the largest of its kind in the world and can substantially increase electricity production and support commercial opportunities which require a consistent direct heat facility.

The Kawerau area is thought to have been first settled by Māori people soon after the first waka migration from Hawaii in 1350AD. The original inhabitants were known as Te-Tini-O-Kawerau tribe. The rangatira Tuwharetoa was born in the area and the early people of Kawerau formed the Tuwharetoa tribe. Over time the rohe of Tuwharetoa was defined with the Tarawera River to the east and Matata as the seaboard. The territory extended along the coast to Otamarakau and then roughly to the south east, skirting Lake Rotoma, to where the town of Kawerau now stands.

The town of Kawerau originated from the decision in 1951 by the government and the Fletcher group to form the Tasman Pulp & Paper Company Limited as a joint venture. An integrated pulp and paper mill was built at Onepu, near the Tarawera River and a town of 3500 people was planned nearby. By October 1953 the first house was completed. The name 'Kawerau' was chosen for the new town as the result of a competition. The Kawerau Borough was officially created on 31 March 1954 by Order in Council.



About the Council

Council Structure

Council

The Council is comprised of His Worship the Mayor and eight Councillors elected from across the District. Council is responsible for making decisions about the overarching objectives, strategies and policies which determine the day to day running Council's operations. Council meets monthly, usually on the last Tuesday of the month. Council elections are held every three years and the next one is due in October 2022.

Regulatory and Services Committee

Council has a Regulatory and Services standing committee, to which all Elected Members belong. The Committee has the delegated responsibility for decisions about Council's services and regulatory functions. It meets monthly, usually on the Tuesday two weeks before the Council meeting.

Audit and Risk Committee

The Audit and Risk Committee assists Council prudently manage its revenues, expenses, assets, liabilities and general financial dealings. The Committee comprises the Mayor, three Councillors and an external appointee. Meetings are held every two months.

Functions of Council

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

Functions of Regulatory & Services Committee

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	Public Library
		Cemetery	Museum
		Roading	Public Halls and Facilities
		Footpaths	Leases
Public Health	Bylaws	Water Supply	Facility Rentals
Building	Dog Control	Stormwater	Asset Management
Plumbing	Noise Control	Wastewater	Investments
Drainage	Stock Control	Refuse and Recycling	Loans
Sale of Liquor	Civil Defence	Plant and Equipment	Accounting
Gambling Venues		Public Toilets	Grants

Functions of Audit and Risk Committee

Ensure the independence and effectiveness of Council's internal audit process
Monitor Council's internal and external audit processes
Monitor existing corporate policies and recommend new policies to prevent questionable, unethical or illegal activities
Provide a communication link between management, internal/external auditors and Council
Support measures to improve management performance and internal controls
Support the professional independence, effectiveness and accountability of Council's Risk Management Framework.

Elected Members of Council



Mayor M J (Malcolm) Campbell
323 7772 (residential)
027 457 6122
Mayor@kaweraudc.govt.nz



Deputy Mayor Faylene Tunui
022 320 8840
deputy.mayor@kaweraudc.govt.nz



Councillor Carolyn Ion
323 9046 (residential)
027 415 6458
ion.family@xtra.co.nz



Councillor Berice Julian
323 9190 (residential)
berice@xtra.co.nz



Councillor Sela Kingi
323 6009 (residential)
027 7665023
kingi.boss@gmail.com



Councillor Warwick Godfery
027 204 5278
warwick.godfery@gmail.com



Councillor Aaron Rangihika
021 159 0794
aetkrangihika@gmail.com



Councillor Rex Savage
323 7287 (residential)
rqksavage@gmail.com



Councillor David Sparks
323 7776 (residential)
027 321 0740
ulricsparks@gmail.com

Operational Structure *Leadership Team*



Russell George
Chief Executive Officer
306 9009

Russell.george@kaweraudc.govt.nz



Peter Christophers
Group Manager, Finance & Corporate Services
306 9009

peter.christophers@kaweraudc.govt.nz



Hanno van der Merwe
Group Manager, Operations & Services
306 9009

hanno.vandermerwe@kaweraudc.govt.nz

VACANT
Group Manager, Regulatory & Planning
3069009

Departmental Structure

- Operations and Services
- Regulatory and Planning
- Finance and Corporate Services
- Policy and Strategic Planning
- Economic and Community Development
- Communication and Community Engagement

- Operations and Services**
- Roading
 - Stormwater
 - Water Supply
 - Wastewater
 - Refuse Collection and Disposal
 - Recycling (Zero Waste)
 - Swimming Pools
 - Parks and Reserves
 - Public Halls and Facilities
 - Cemetery

- Regulatory and Planning**
- Resource Management
 - Building Control
 - Environmental Health
 - Dog Registration and Control
 - Civil Defence Emergency Management

- Finance and Corporate Services**
- Finance
 - Democracy Support
 - Grants and Funding
 - Corporate Services
 - Public Library
 - Museum
 - Residential Developments and Retirement Village

- Economic and Community Development**
- Economic Development
 - Events Management
 - i-SITE
 - Community Development
 - Youth Development
 - Firmin Lodge



PLANNING AND DECISION MAKING | WHIRIWHIRI KAUPAPA

Strategic Framework

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 encourage further 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. Deliver cost effectiveness, customer service and community responsiveness.
3. Positively 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, iwi 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.

Community Outcomes

Community outcomes are the outcomes that a local authority aims to achieve in meeting the current and future needs of its communities for good quality local infrastructure, local public services, and performance of regulatory functions. In this context, 'good quality' means efficient, effective and appropriate to present and anticipated future circumstances.

Council reviewed the outcomes it aims to achieve for the community of Kawerau as part of making this plan. The resulting set of community outcomes underpin and are reflected in the various activities and levels of service that Council plans to deliver, to promote community social, economic, environmental and cultural wellbeing of this community.



Leadership

Council advocates within and beyond the district and governs for community needs and interests.

Equity

Council embraces involvement from all sectors of the community in its democracy and decision making.

Activity

Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity.

Development

Council works in partnership to attract people to visit, live and do business in Kawerau and to enhance economic and employment opportunities for our community.

Environment

Council sustainably manages Kawerau's environment through its stewardship, planning and consents.

Regulation

Council regulates, monitors and acts to protect public health and safety, to prevent harm and nuisance and to improve standards in Kawerau's home, commercial and public environments.

Services

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



Summary of Significance and Engagement Policy

Policy Objectives

The objectives of this policy are to:

- Enable Council and its communities to identify the degree of significance attached to particular issues, proposals, decisions, matters, assets and activities (matters);
- Inform Council from the beginning of a decision-making process about the level and form of engagement required; and
- Provide clarity about how and when communities can expect to be engaged in decisions made by Council.

Principles

Council's approach to engagement is underpinned by the following principles:

- Council needs to engage with communities and interested parties to understand their views and preferences.
- In general, the more significant a matter, the greater the need for engagement.

Policy Statement

1. Council will use the Local Government Act special consultative procedure as required by statute.
2. For all other matters, Council will assess the degree of significance and determine the level and form of engagement on a case by case basis.
3. Council will use an Engagement Guide based on the International Association for Public Participation spectrum of public participation to determine what level and form of engagement it will use.
4. Council will make decisions in relation to matters only after significance and the level and form of engagement have been determined.
5. The criteria to determine significance and engagement are:
 - The level of financial commitment or impact involved

- Whether, and the extent to which, the matter affects the level of service of a Council Activity
 - Whether the matter relates to a strategic asset as identified in this Policy
 - Whether the matter will affect a large proportion of the community
 - The likely impact on present and future community wellbeing, recognising Māori cultural values and the relationship of Māori to land and water
 - Whether community interest is high
 - Whether the likely consequences are controversial
 - Whether community views, including preferences about the form of engagement, are already known
 - The form of engagement used in the past for similar matters
6. A matter affected by a number of the above criteria is likely to have a higher degree of significance and therefore a greater need for community engagement.
 7. Council will apply a consistent and transparent approach to engagement.

Strategic Assets

The assets considered by the Council to be strategic assets are:

- The roading network
- The stormwater network
- The water supply system as a whole
- The wastewater treatment and disposal system as a whole.

The full policy is available on Council's website:

<http://www.kaweraudc.govt.nz>

Working with Others

Council is committed to working with others to enhance community wellbeing by providing effective, sustainable services. In addition to ad-hoc collaborations on various projects, Council participates in a number of formal structures to engage with key sectors of the local community and the wider Bay of Plenty region. These are discussed below.

Industrial Symbiosis Kawerau (ISK)

ISK began in 2011 with the purpose of creating shared opportunities for local industrial development through the smart and sustainable use of Kawerau's resources. Council sits on the Steering Group and provides a management role for ISK. Further information on ISK can be found at: <http://www.embracechange.co.nz>.

Toi EDA

Kawerau, Opotiki and Whakatane District Councils, the Bay of Plenty Regional Council and the Mataatua Iwi Forum are joint settlers of Toi EDA, the economic development agency for the Eastern Bay of Plenty. A description of the organisation is contained in the section on Council Controlled Organisations in this Plan.

Kawerau Seniors Forum

A review of Council's Positive Ageing Strategy in 2011/12 led to the establishment of a forum for people in the community aged 65 and older. The Seniors Forum has adopted as its purpose "To work with and between Council and the older community to facilitate solutions to relevant issues". The Seniors Forum is a conduit for two way communication and engagement with older people about Council policies and plans.

Council also has a collaborative relationship and works closely with other groups focused on the needs and interests of older people. These include Kawerau Grey Power, KADAP, the Returned Services Association and the Disabilities Resource Centre Trust.



Kawerau Youth Council

The Kawerau Youth Council was established in 2008. Its objective is to develop self-confident youth leaders who go on to be role models and mentors for other young people. The Youth Council meets monthly and is involved in organising youth events and helping run community events. Members are selected annually at the beginning of the school year from among young people aged between 12 and 24 years. Two Councillors are appointed as mentors to the Youth Council and Council engages with the group over matters concerning young people.

Consultation Partners

In its Significance and Engagement Policy Council recognises 21 organisations and groups as consultation partners. These bodies represent key sectors of the community and can provide Council with the views of those interests and groups. Consultation partners are included in Council engagement processes for all but the lowest level decisions. Alternative or additional groups may be included on a case by case basis depending on the nature of the matter subject to engagement.

Collaboration Bay of Plenty

Collaboration Bay of Plenty (COBoP) is a network of all Bay of Plenty local authorities and 26 central government agencies working in the Bay of Plenty. Initially started in 2005, the participating agencies work together to:

- Foster active and ongoing relationships
- Share and communicate information
- Proactively seize opportunities and add value
- Promote thought and incubate ideas
- Connect up and remove barriers
- Use its collective influence.

Triennial Agreement

After each local body election the local authorities in each region enter into an agreement for communication and coordination over the coming three year period. The purpose of the agreements is to promote coordination of responsibilities and collaboration of services. The Bay of Plenty Triennial Agreement is between the BOP Regional Council and all the territorial authorities in the wider BOP region, including the South Waikato and Taupo districts.

The 2019 - 2022 agreement identifies specific areas of collaboration including:

- regional economic development;
- infrastructure planning and development;
- energy generation, distribution and conservation;
- planning including preparation, change and review of the Regional Policy Statement and district plans; and
- waste minimisation.

The agreement can be found on the BOP Regional Council website:
<http://www.boprc.govt.nz/media/367987/2014-04-11-bay-of-plenty-triennial-agreement-for-the-2019-2022-trienn.pdf>

Bay of Plenty Local Authority Shared Services Ltd

BOPLASS Ltd is a company owned by local authorities in the BOP and the Gisborne District Council. Established in 2007, it promotes shared services between local authorities within and beyond those regions. BOPLASS aims to improve levels of service, reduce cost, improve efficiency and/or increase value for local authorities and their stakeholders. It does this primarily through joint procurement and shared services. Further information is contained in the section on Council Controlled Organisations in this Plan.

Relationships with Māori, Tangata Whenua and Iwi

Kawerau District Council is committed to an open dialogue and working relationship with Māori, Tangata Whenua and Iwi and has taken steps toward growing its relationships.

Key to this was re-invigorating the Iwi Kaumātua role on behalf of Tūwharetoa ki Kawerau Tangata Whenua. Council acknowledges Ngāti Tuwharetoa ki Kawerau as tangata whenua of Kawerau.

Te Rūnanga o Ngāti Awa is also recognised by Council as a consultation partner as Ngāti Awa has a historical tribal interest and owns land in the Kawerau District.

A significant proportion of Māori residents in Kawerau are from iwi other than the two mana whenua. Council enables those people to contribute to decision-making as Māori by engaging with the committee of Rautahi Marae, an urban Marae in the District. The Marae committee is another of Council's consultation partners

During the past three years, Council has been privileged and grateful for the cultural expertise provided by Reverend Amorangi (Graham) Te Rire, Kaumātua Te Haukakawa (Boycie) Te Rire and Reverend Tumihitai (George) Raerino.

More recently, Te Haukakawa accepted the role of Council's Cultural Advisor with support from his brother and fellow Kaumātua Reverend Amorangi Te Rire and Reverend Tumihitai Raerino and Iwi.

Te Haukakawa believes the value and importance of the role relies on listening to one-another and kōrero kanohi ki te kanohi (talking face-to-face). The regular hui provides the opportunity for reciprocal sharing of information and matters. Both parties acknowledge that the strength of the relationship is the on-going approach across all aspects of Council.

Gaining te ao Māori (Māori world view) enables Council to seek out Tikanga protocols and advice and for inclusive participation in decision-making processes. Recent examples include naming the streets for Council's new developments. The historical name 'Piripiri' was shared to

Council by ngā tūpuna o Tūwharetoa (Hingaia) and has been used to name the new road through the Porritt Glade Lifestyle Village subdivision. Piripiri means to keep close, close together, stick, cling, adhere. Piripiri in this context is the gathering of rocks but more importantly the gathering of people.

Similarly, the name Tiwhatiwha Crescent in Central Cove was gifted by ngā tūpuna o Tūwharetoa (Hingaia). It recognises the Bowen and Hobson Street areas were part of the main route used by Tangata Whenua to cross the river. During the night, the glow worms would shine on the rocks guiding the way for travellers to cross the river safely. Tiwhatiwha refers to the guiding light that leads our people safely to their destination.

The Three Waters Reform and direction for our rohe is an important issue that Council will jointly work together with our Kaumātua and Tūwharetoa ki Kawerau Tangata Whenua and Iwi.

Council will continue to focus on improving relationships with Māori Tangata Whenua and reaching out to Iwi across the rohe.





COUNCIL ACTIVITIES | NGA MAHI O TE KAUNIHERA

Council's Activity Structure

The services that Council provides are organised into what are known as 'Groups of Activities'. The introduction of mandatory activity groups into the Local Government Act increased the number of Activity Groups provided by Council from seven to nine. These are shown below.

Activity Group	Activities
1: Democracy	- Democracy
2: Economic and Community Development	- Economic Development - Events Management - Grants and Funding - Information Centre - Youth Development - Community Development - Pensioner Housing - Commercial Rental Buildings - Residential Development and Retirement Units
3: Environmental Services	- Resource Management - Building Control - Environmental Health - Dog Registration and Control - Civil Defence Emergency Management
4: Rooding	- Roads and Footpaths
5: Stormwater	- Stormwater Drainage and Flood Protection and Control Works
6: Water Supply	- Water Supply
7: Wastewater	- Sewerage and Sewage Treatment and Disposal
8: Solid Waste	- Refuse Collection and Disposal - Recycling (Zero Waste)
9: Leisure and Recreation	- Public Library - Museum - Swimming Pools - Public Halls and Facilities - Parks and Reserves - Cemetery

Promoting Community Wellbeing

The contribution of Council's Activities toward achieving the Community Outcomes and promoting the well-being of the Kawerau Community is set out below.

Activity Group	Community Outcome	Well-being
Democracy	Leadership Council advocates within and beyond the district and governs for community needs and interests.	Social
	Equity Council embraces involvement from all sectors of the community in its democracy and decision making.	Social
Economic and Community Development Leisure and Recreation	Activity Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity.	Social, Cultural
Economic and Community Development	Development Council works in partnership to attract people to visit, live and do business in Kawerau and to enhance economic and employment opportunities for our Community.	Economic
Leisure and Recreation Environmental Services	Environment Council sustainably manages Kawerau's environment through its stewardship, planning and consents.	Environmental
Environmental Services	Regulation Council regulates, monitors and acts to protect public health and safety, to prevent harm and nuisance and to improve standards in Kawerau's home, commercial and public environments.	Environmental, Social
Environmental Services Roading Stormwater Water Supply Wastewater Solid Waste	Services Council infrastructure and services are accessible, age-friendly, effective, efficient and affordable, now and for the future.	Environmental, Economic

From the following page, each Council Activity Group is discussed with reference to the framework set out below:

Heading	Content
What we do	A description of each of the activities that make up the group of activities.
Rationale for Delivery	Why Council delivers the group of activities. Council's aims for the group, any legislative requirements, and the community outcomes to which it principally contributes.
Programme of Work	An overview of any major work planned for the next 10 years.
Significant Negative Effects	Any negative effects that could be caused as a result of providing the Activity
Assessment of Water and Sanitary Services (if applicable)	Any significant variations between the Assessment and the proposals in this Plan
Waste Management and Minimisation Plan (if applicable)	Any significant variations between that Plan and the proposals in the Long Term Plan
Statement of Intended Service Provision	<p>For each activity a table sets out the following:</p> <p>Levels of Service:- The outputs that Council expects to be generated by the activity</p> <p>Performance Measures: - The means used to measure whether the levels of service are being delivered.</p> <p>Performance Targets:- The desired levels of performance against the performance measures.</p>
Funding Impact Statement	The sources of funding to be used by Council, the amount of funds expected to be produced from each source; and how the funds are to be applied.
Breakdown of Capital Expenditure (if applicable)	Any budgeted and forecast capital expenditure for the period of the Plan.
Other information	Where information is required in addition to that outlined above.

Activity Group 1: Democracy



What We Do

Democracy is the political arm of Council. It involves the Mayor and Councillors making decisions to promote the social, economic, environmental, and cultural well-being of the Kawerau community both in the present and for the future.

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

Council has the following Committees:

- Regulatory and Services Committee
- Audit and Risk Committee

Rationale for Delivery

The aim of the Democracy activity is to represent the Kawerau District by making decisions and advocating on behalf of the needs and interests of the community.

Its objectives are to conduct Council affairs in a democratic and representative manner, thereby providing the community with quality democracy and representation.

Programme of Work

The major activities in Council's programme of work will include:

- Triennial Elections for Mayor and Councillors (2022, 2025 and 2028)
- Community satisfaction surveys – three yearly surveys (2023, 2026 and 2029)
- A Representation Arrangements Review in 2027
- Setting Long Term Plans in 2024, 2027 and 2030 and Annual Plans in all other years of this Plan
- Ongoing support for the Mayor's Taskforce for Jobs.

Significant Negative Effects

The Democracy activity requires Council to balance the needs and wants of many community members to help achieve community wellbeing for the District overall. Some decisions made for the wider public good might at times have a negative impact on some individuals or groups.

Statement of Intended Service Provision: Democracy

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
<p>Council advocates within and beyond the district and governs for community needs and interests.</p> <p>Council embraces involvement from all sectors of the community in its democracy and decision making.</p>	Quality Indicators							
	The community has confidence in the quality of democracy and representation provided by their Elected Members	Community satisfaction with Mayor and Councillors	83%	Not applicable	>85%	Not applicable	>85%	3 yearly community survey
	Financial management is prudent, effective and efficient	Community satisfaction with the Way Rates are Spent	89%	Not applicable	>90%	Not applicable	>90%	3 yearly community survey
		Percentage completion of the annual work programme	61.5%	>90%	>90%	>90%	>90%	Council records
	Quantity Indicators							
	Council informs the community about key issues and activities.	Number of newsletters	16	At least 20 publications	At least 20 publications	At least 20 publications	At least 20 publications	Council records
	Responsiveness Indicators							
	Council encourages the community to contribute to Council decision-making	Provision of a public forum at public Council and Committee meetings	Not provided for 3 meetings (COVID)	Every meeting	Every meeting	Every meeting	Every meeting	Council records

Kawerau District Council:

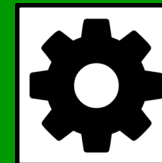
Funding Impact Statement for 2021 – 2031 - Democracy

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	733,580	702,610	725,400	739,030	748,180	766,410	785,370	793,750	816,630	835,550	851,000
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	3,430	1,160	1,170	1,180	1,180	1,190	1,200	1,210	1,210	1,220	1,230
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	15,000	0	0	15,000	0	0	15,000	0	0
Total Operating Funding (A)	737,010	703,770	741,570	740,210	749,360	782,600	786,570	794,960	832,840	836,770	852,230
Applications of operating funding											
Payments to staff and suppliers	446,220	439,870	463,140	457,190	465,150	487,560	484,250	494,800	519,520	518,210	531,070
Finance Costs	890	420	390	370	330	330	270	250	190	200	140
Internal charges and overheads applied	266,810	246,500	260,810	265,350	265,480	276,080	283,490	280,340	293,270	298,710	300,190
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	713,920	686,790	724,340	722,910	730,960	763,970	768,010	775,390	812,980	817,120	831,400
Surplus (deficit) of operating funding (A-B)	23,090	16,980	17,230	17,300	18,400	18,630	18,560	19,570	19,860	19,650	20,830

Funding Impact Statement: Democracy (continued)

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	23,090	16,980	17,230	17,300	18,400	18,630	18,560	19,570	19,860	19,650	20,830
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	23,090	16,980	17,230	17,300	18,400	18,630	18,560	19,570	19,860	19,650	20,830
Surplus (deficit) of capital funding (C – D)	(23,090)	(16,980)	(17,230)	(17,300)	(18,400)	(18,630)	(18,560)	(19,570)	(19,860)	(19,650)	(20,830)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0

Activity Group 2: Economic and Community Development



Economic Development

Council takes a leadership role in local economic development initiatives and is also involved in economic development at sub-regional and regional levels.

Council is a key member of Industrial Symbiosis Kawerau (ISK), which is based on the principles of creating shared opportunities through the smart and sustainable use of resources and waste streams. ISK aims to stimulate external investment interests; demonstrate the benefits of the Kawerau District to regional, national and global audiences; increase the prosperity and resilience of the community and provide an efficient, sustainable platform for industries looking to lower their carbon footprint and minimise waste.

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

Events Management

Council supports a diverse range of events in the District and provides a strategic framework to meet future needs and demands. The purpose of Council's involvement in events management is to take advantage of and showcase the natural resources of the District and to build the capability and capacity of local volunteers.

Residential Development

Council is progressing the three developments and establishing a further residential development to increase the supply of suitable housing for our community:

- Ongoing sales of house and land packages in Te Ariki Place and Tiwhatiwha Crescent.

What We Do

The Economic and Community Development group of activities includes the delivery of:

- Economic Development
- Events Management
- Grants and Funding
- i-SITE Visitor Information Centre
- Firmin Lodge
- Youth Development
- Residential Development and Retirement Village
- Community Development
- Pensioner Housing

- Continuing the construction of retirement units in Piripiri Crescent. Expect to construct a further 17 units over the next 2 years.
- Development of Stoneham Park
- Manage the retirement village in accordance with legislation and to meet residents needs

Grants and Funding

Council administers various grants which help achieve its desired community outcomes by:

- Supporting community organisations to help maintain community services
- Assisting event organisers to organise new and innovative community-run events
- Funding small business entrepreneurs to conduct feasibility studies of proposed new business ventures in the District.

Council also administers the Creative New Zealand Creative Communities Scheme. Its purpose is to increase participation in the arts and increase the range and diversity of arts available to communities.

i-SITE Visitor Information Centre

The Kawerau i-SITE provides information and services to residents and visitors ranging from tourism information, activity and event information, internet access, accommodation and travel bookings, forestry permits, agency services and public toilets.

Youth Development

The youth development activity includes supporting Kawerau Youth Council activities (funded by the Ministry of Youth Development), providing school holiday activities and selecting recipients and presenting Young Achievers Awards.

Community Development

Council is involved in several Community Development initiatives and also provides support to community organisations.

Pensioner Housing

Council owns seven pensioner units in Waterhouse Street and 20 units in Porritt Drive. They are leased to the Kawerau Social Services (Mountain View Rest Home) Trust Board, which is considered a more effective and efficient option than Council operating the units in-house.

Rationale for Delivery

This group of activities is primarily focused on promoting and encouraging industrial development, marketing the District as a desirable place to visit and live and developing community capability and cohesion. It contributes mainly to the economic and social wellbeing of the community. The specific aims of each activity are outlined below.

Economic Development

To facilitate the development of Kawerau as a place which supports a diverse, resilient industry base capable of providing a wide range of job opportunities for people of all ages and skill levels.

Residential Development

To provide and facilitate the provision of additional housing for the existing community, the growing population of older people and additional people who will move here to work in new industries.

Events Management

To enhance public perceptions of Kawerau and increase volunteer capability and capacity to organise events.

Grants and Funding

To fund initiatives and ventures which contribute to community vibrancy and resilience.

i-SITE Visitor Information Centre

To contribute to the Kawerau marketing strategy and the Eastern Bay of Plenty Visitor Economy Strategy by delivering a range of relevant information and services to visitors and the local community.

Youth Development

To promote and celebrate youth achievements in our community as positive examples for other young people to follow.

Community Development

To foster and further develop community identity, resilience and cohesion.

Pensioner Housing

To provide pensioner housing as part of the local resthome village complex.

Programme of Work

Economic Development

Council plans to continue encouraging industrial development and investment through active participation in ISK and Toi EDA.

Residential Development

Council plans to subdivide and develop Stoneham Park for residential dwellings and also retain green space in this development. Council will also continue with the construction of retirement units at Porritt Glade with a further 17 units being built over the next 2 years.

Events Management

Council will continue to deliver King of the Mountain and Christmas in the Park events as well as assisting with other events.

Youth Development

Council will continue to deliver the current Youth Strategy including the appointment, induction and development of a Youth Council each year. Subject to Ministry of Youth Development funding, the Youth Council will facilitate a range of activities for the benefit of young people in the District.

Information Centre

In 2017 Council brought operation of the information centre in house and expanded range of services it provides. Current operations will be consolidated and then adapted or modified where required.

Pensioner Housing and Commercial Rental Buildings

Council plans to continue to deliver current levels of service for these activities.

Significant Negative Effects

Potential significant negative effects in this Activity Group include:

- Inappropriate industrial development impacting on environmental wellbeing
- A reliance on Council involvement in events management and youth development acting as a disincentive for participation by voluntary and community groups
- A dependence on grants or funding leading to local voluntary and community groups being unsustainable.
- Further development of residential sections and there not being the demand for residential housing
- Ongoing establishment of retirement units and there not being the anticipated demand for them and they remain vacant.

Statement of Intended Service Provision: Economic and Community Development

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
Quality Indicators								
Council works in partnership to attract people to visit, live and do business in Kawerau and to enhance economic and employment opportunities for our community.	Council provides an Information Centre which suits community needs	Community satisfaction with the Information Centre	85%	Not applicable	>83%	Not applicable	>85%	3 yearly community survey
Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity	Council supports young people to develop skills and attitudes needed to take a positive part in society	Satisfaction with youth council collaboration from collaborating groups	89%	>90%	>95%	>95%	>95%	Annual survey of collaborating groups.
	Quantity Indicators							
	Council is actively involved in the Eastern BOP Regional Economic Development Agency	Representation at Trustee meetings	60%	90% of meetings attended	90% of meetings attended	90% of meetings attended	90% of meetings attended	Toi-EDA minutes
	Council encourages positive perceptions of Kawerau by supporting local events	Frequency of events from February to December	No events for 2 months due to COVID	At least 1 per month	At least 1 per month	At least 1 per month	At least 1 per month	Council records
	Council provides a local Information Centre which is accessible to visitors and the local community	Number of days open each year	308 days due to COVID	At least 360	At least 360	At least 360	At least 360	Council records

Statement of Intended Service Provision (continued)

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity	Council supports young people to develop skills and attitudes needed to take a positive part in society.	Youth Council in place	Appointments made	Annual appointments made	Annual appointments made	Annual appointments made	Annual appointments made	Council records

Kawerau District Council:

Funding Impact Statement for 2021 – 2031 - Economic and Community Development

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	743,770	774,560	877,040	981,220	1,049,570	1,264,240	1,291,190	1,305,790	1,334,170	1,373,830	1,390,410
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	468,070	554,000	558,370	604,860	652,680	665,230	678,800	690,800	704,950	720,940	734,110
Internal charges and overheads recovered	0	0	0	0	1,060	1,030	1,000	960	930	890	870
Local authorities fuel tax, fines, infringement fees, and other receipts	1,100,000	600,000	550,000	550,000	550,000	600,000	0	0	0	0	0
Total Operating Funding (A)	2,311,840	1,928,560	1,985,410	2,136,080	2,253,310	2,530,500	1,970,990	1,997,550	2,040,050	2,095,660	2,125,390
Applications of operating funding											
Payments to staff and suppliers	1,607,260	1,354,670	1,350,490	1,371,120	1,392,770	1,416,260	1,291,280	1,317,160	1,344,370	1,373,470	1,403,050
Finance Costs	117,840	33,790	23,000	18,950	16,810	13,220	10,490	10,070	9,660	9,240	8,830
Internal charges and overheads applied	407,740	492,760	526,550	559,810	555,820	562,550	580,100	579,390	594,370	620,310	618,980
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	2,132,840	1,881,220	1,900,040	1,949,880	1,965,400	1,992,030	1,881,870	1,906,620	1,948,400	2,003,020	2,030,860
Surplus (deficit) of operating funding (A - B)	179,000	47,340	85,370	186,200	287,910	538,470	89,120	90,930	91,650	92,640	94,530

Funding Impact Statement: Economic and Community Development (Continued)

	Annual Plan 2020- 21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	1,860,000	3,500,000	1,920,000	1,280,000	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	1,860,000	3,500,000	1,920,000	1,280,000	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure											
- to meet additional demand*	1,503,000	1,820,000	1,560,000	1,040,000	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	20,740	11,400	11,640	11,830	32,020	32,630	33,290	34,010	34,780	35,620	36,490
Increase (decrease) in reserves	515,260	1,715,940	433,730	414,370	255,890	505,840	55,830	56,920	56,870	57,020	58,040
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	2,039,000	3,547,340	2,005,370	1,466,200	287,910	538,470	89,120	90,930	91,650	92,640	94,530
Surplus (deficit) of capital funding (C-D)	(179,000)	(47,340)	(85,370)	(186,200)	(287,910)	(538,470)	(89,120)	(90,930)	(91,650)	(92,640)	(94,530)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0

*Retirement unit construction

Activity Group 3: Environmental Services



What We Do

The Environmental Services group of activities includes the delivery of:

- Resource Management planning and consenting
- Building Control services (including Building Consent Authority functions)
- Environmental Health services (including alcohol regulation)
- Dog Registration and Control
- Civil Defence Emergency Management.

Territorial authorities carry out the functions included within these activities under statutory direction.

Rationale for Delivery

Resource Management Planning

Council is required under the Resource Management Act 1991 (RMA) to implement objectives, policies, and methods to achieve integrated management of the effects of the use, development, or protection of the land and associated natural and physical resources of the district. Council must also control any actual or potential effects of the use, development, or protection of land with reference to natural hazards, hazardous substances, contaminated land, indigenous bio-diversity, noise and the effects of activities on the surface of water (lakes, rivers).

Resource Management planning principally involves providing advice and facilitating land use which is structured and logical. This relies on the District Plan, which identifies resource management issues and provides objectives, policies and rules to address them. This activity also involves Council monitoring to enable review and reporting of the state of the environment and the suitability and effectiveness of the District Plan, as well as consultation and advocacy on regional and national resource management matters.

Resource Management consenting involves processing land use and subdivision consents under the RMA. It is concerned with implementing the District Plan and balancing development opportunities against the need to ensure there are no long term adverse effects on the environment.

Building Control

Council is the registered and accredited building consent authority (BCA) for Kawerau under the Building Act 2004. BCA functions require Council to process applications and to issue building consents, notices to fix, code compliance certificates and compliance schedules and to inspect building work.

Council (as distinct from the BCA) also:

- issues project information memoranda
- grants exemptions for work that does not require a building consent
- grants waivers and modifications of the building code
- issues certificates of acceptance
- issues and amends compliance schedules
- administers and enforces annual building warrants of fitness
- decides the extent to which buildings must comply with the building code when certain changes are made
- monitors and enforces provisions relating to dangerous, earthquake-prone and insanitary buildings.

Environmental Health

Under the Health Act 1956, Council must:

- improve, promote, and protect public health within its district
- provide for regular inspections for nuisances or conditions likely to injure health or be offensive
- abate or remove anything identified
- enforce various regulations (e.g. hairdressers and notifiable and infectious diseases)
- make bylaws for the protection of public health if it chooses.

Under the Food Act 2014, Council has a duty to ensure that operators provide safe and suitable food and to require operators to take responsibility for this.

Under the Sale and Supply of Alcohol Act 2012 Council must deal with licensing matters and establish a licensing committee(s) for Kawerau. The

District Licensing Committee (DLC) is responsible for licence and managers' certificate applications and renewals and enforces licence suspensions for non-compliance with public health or precaution requirements.

Dog Registration and Control

Council is required by the Dog Control Act 1996 to perform various functions and duties set out in the Act. These are to:

- Keep a register of all registered dogs in the District .
- Appoint a dog control officer and dog rangers to carry out dog control functions.
- Have a dog pound and make provision for the proper custody, care and exercise of impounded dogs.
- Have a policy on dogs and give effect to the policy by making bylaws.

Civil Defence Emergency Management

Council is required by the Civil Defence Emergency Management Act 2002 to plan and provide for civil defence emergency management within its district and ensure it can function to the fullest possible extent during and after an emergency.

Council is also required to work with the other councils in the BOP region. We are a partner in 'Emergency Management BOP' which coordinates and supports activities and programmes across the region.

Programme of Work

Resource Management Planning

Council will continue to promulgate and give effect to District Plan Changes to ensure its continuing effectiveness and compliance with National Environmental Standards. The full review should be completed in 2021/22. Council will continue to work proactively with industry, developers and landowners to facilitate projects and process resource consents which may be required.

Building Control

Council's programme of work will focus on maintaining quality assurance systems so that accreditation reassessments are successful and BCA accreditation and registration are retained. A review for continued compliance is due in October 2021.

Council will also continue to participate in the Lakes Coast regional cluster building group to optimise the delivery of building consent functions to the community.

Environmental Health

A continuing focus of work over the 2021/22 year will be managing final transition to the Food Act 2014 and ensuring compliance with approved Food Plans.

Council will carry out policy and bylaw reviews as they become due.

Civil Defence Emergency Management

The focus in this activity will be on improving Council's response capabilities and developing a plan for recovery activities.

Dog Registration and Control

Activity will focus on the registration programme and maintaining the usual 24 hour, seven day a week response to complaints and incidents. Regular patrols for compliance monitoring will continue while education initiatives will be explored.

Significant Negative Effects

Resource Management

Planning that does not reflect community expectations and Resource Management Act provisions could result in ad hoc, uncontrolled or unsustainable development. Not providing resource management services (particularly monitoring) from within the District could result in unconsented activities being undertaken. Both have the potential to cause negative effects on the social, economic and environmental wellbeing of this community.

Building Control

Not retaining accreditation could have the negative social and economic effect of forcing local people to travel outside the district for building advice and services. Not having local control over building activity could increase the risk of unconsented building work being undertaken.

Dog Registration and Control

Failing to meet legislative requirements or community expectations could create significant risks to community safety and hence social wellbeing from uncontrolled dogs in the district.

Environmental Health

Unsafe and unsuitable food and uncontrolled liquor, gambling or other registered or licensed premises would pose a significant risk to community health and safety and social and environmental wellbeing.

Civil Defence Emergency Management

Being unprepared to respond to an emergency would pose serious risk to human life.

Statement of Intended Service Provision

Building Control

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
Council regulates, monitors and acts to protect public health and safety, to prevent harm and nuisance and to improve standards in Kawerau residential, commercial and public environments.	Quality Indicators							
	Service users consider Council's Building Control Activity to be effective	Satisfaction survey of service users - building consents processes	90.9%	>90%	>90%	>90%	>90%	Targeted survey of service users
		Satisfaction survey of service users - building inspection processes	88.9%	>90%	>90%	>90%	>90%	Targeted survey of service users
	Quantity Indicators							
	Council provides in-house building consent, inspection and approval services	Bi-annual Building Consent Authority re-assessment	BCA registered and accredited.	Accreditation and registration retained	Accreditation and registration retained	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	8.9%	At least 35%	At least 35%	At least 35%	At least 35% pa	Council records

Environmental Health

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source	
Quantity Indicators									
Council regulates, monitors and acts to protect public health and safety, to prevent harm and nuisance and to improve standards in Kawerau residential, commercial and public environments.	Registered premises comply with statutory requirements	Audit of food premises operating Food Control Plans	69%	100% annually	100% annually	100% annually	100% annually	Council records	
		Inspection of registered premises for compliance with relevant standards	100% (5 of 5 premises)	100% annually	100% annually	100% annually	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	100%	100% annually	100% annually	100% annually	100% annually	Council records	
	Responsiveness Indicators								
	Council responds to complaints and service requests for environmental health conditions (noise complaints, nuisance conditions/health risks)	Response to noise complaints	75.4% within 20 minutes & 94.2% within 30 minutes	80% within 20 minutes and 98% within 30 minutes ¹	80% within 20 minutes and 98% within 30 minutes	80% within 20 minutes and 98% within 30 minutes	80% within 20 minutes and 98% within 30 minutes	Council Request for Service Database	
		Response to other Environmental Health service requests/complaints	100%	100% within 1 working day	100% within 1 working day	100% within 1 working day	100% within 1 working day	Council Request for Service Database	

¹ The response to a service request received while the officer/contractor is responding to another callout may be delayed for up to 2 hours.

Dog Registration and Control

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
Council regulates, monitors and acts to protect public health and safety, to prevent harm and nuisance and to improve standards in Kawerau residential, commercial and public environments.	Quality Indicators							
	Council maintains community satisfaction levels for the Dog Control service	Community satisfaction with Dog Control Service	81%	Not applicable	>77% ²	Not applicable	>77%	Three yearly community survey
	Responsiveness Indicators							
	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	84.7% responded to within 20 minutes and 97.5% within 30 minutes	80% within 20 minutes and 98% within 30 minutes	80% within 20 minutes and 98% within 30 minutes	80% within 20 minutes and 98% within 30 minutes	80% within 20 minutes and 98% within 30 minutes	Council Request for Service Database

² Average of 2014, 2017 and 2020 Survey Results

Civil Defence Emergency Management

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
Council regulates, monitors and acts to protect public health and safety, to prevent harm and nuisance and to improve standards in Kawerau residential, commercial and public environments.	Quality Indicators							
	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	New measure	N/A	>80%	N/A	>85%	2 yearly survey undertaken by BOPRC
		Percentage of residents that have taken any action to prepare for an emergency	New measure	N/A	>80%	N/A	>85%	
	Quantity Indicators							
Council will maintain capability to effectively respond to an emergency	Council is prepared for and can respond to an emergency	New measure	>60%	>70%	>78%	>80%	Measures developed and audited by EMBOP	

Kawerau District Council: Funding Impact Statement for 2021 – 2031 - Environmental Services

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,001,040	1,080,130	975,680	1,031,830	1,015,650	1,063,620	1,056,890	1,110,680	1,095,330	1,162,820	1,151,370
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	178,600	184,000	184,180	187,950	191,450	194,890	198,500	201,780	205,280	208,880	212,180
Internal charges and overheads recovered	90	50	50	50	50	50	50	50	50	50	50
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	1,179,730	1,264,180	1,159,910	1,219,830	1,207,150	1,258,560	1,255,440	1,312,510	1,300,660	1,371,750	1,363,600
Applications of operating funding											
Payments to staff and suppliers	740,390	811,360	701,850	737,560	726,290	765,160	755,630	797,120	788,060	832,690	824,750
Finance Costs	16,280	8,020	7,740	7,430	7,150	6,820	6,530	6,190	5,870	5,520	5,190
Internal charges and overheads applied	383,680	402,480	407,960	432,000	427,910	440,560	447,410	460,350	458,180	484,540	482,060
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,140,350	1,221,860	1,117,550	1,176,990	1,161,350	1,212,540	1,209,570	1,263,660	1,252,110	1,322,750	1,312,000
Surplus (deficit) of operating funding (A - B)	39,380	42,320	42,360	42,840	45,800	46,020	45,870	48,850	48,550	49,000	51,600

Funding Impact Statement: Environmental Services (continued)

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	20,000	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	19,380	42,320	42,360	42,840	45,800	46,020	45,870	48,850	48,550	49,000	51,600
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	39,380	42,320	42,360	42,840	45,800	46,020	45,870	48,850	48,550	49,000	51,600
Surplus (deficit) of capital funding (C – D)	(39,380)	(42,320)	(42,360)	(42,840)	(45,800)	(46,020)	(45,870)	(48,850)	(48,550)	(49,000)	(51,600)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0

Activity Group 4: Roothing and Footpaths



What we do

Kawerau has a network of approximately 42 kilometres of sealed roads, associated footpaths, and other infrastructure including bridges, kerbing, car parks, street lights and signs. Council provides or contracts the maintenance, repair and upgrading of this infrastructure in the District. The section of State Highway 34 which runs through Kawerau is managed by the New Zealand Transport Agency (NZTA) and not Council.

Rationale for Delivery

Council's aim for the roading group of activities is to provide and maintain a network of roads and footpaths for the safe and comfortable passage of vehicles and vulnerable road users such as pedestrians, cyclists and mobility scooter users, in and through the District. Control over the roading network is vested in local authorities by the Local Government Act.

Programme of Work

Footpaths

Council has committed to ongoing engagement with representatives of the older and disabled population to ensure that footpaths are kept free of tripping hazards and that - particularly in and around the Town Centre and main access routes - there is easy mobility access.

Town Centre

Council plans to make the town centre a more accessible, vibrant and attractive place where local people and visitors want to shop and spend time.

In 2021/22 Council will work with stakeholders and the wider community to develop a community strategy to improve the Town Centre.

Significant Negative Effects

The most significant negative effect of the roading activity group is that traffic accidents sometimes occur. To reduce the number and severity of accidents, Council undertakes safety audits, provides street lighting, signage and pavement marking, and is a member of Road Safety Eastern BOP, which is involved in various community road safety programmes.

Statement of Intended Service Provision

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source	
Roading									
Quality Indicators									
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Council maintains community satisfaction levels for Roading activity	Community satisfaction with roading assets	95%	Not applicable	>90% ³	Not applicable	>90%	3 yearly community survey	
	Council provides a network of roads which facilitates the safe movement of people and vehicles around the District	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	No fatalities or serious injuries	Increase of zero or less	Increase of zero or less	Increase of zero or less	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 ⁴	Not measured	No less than 95%	No less than 95%	No less than 95%	No less than 95%	Annual independent survey	
	Quantity Indicators								
	Road maintenance	The percentage of the sealed local road network that is resurfaced.	0.5%	>5%	>5%	>5%	>5%	>5%	Council records

³ Average of 2011, 2014 and 2017 Survey Results

⁴ The percentage of Vehicle Kilometres Travelled in the District exposed to roads with roughness less than the threshold for urban roads set by the National State Highway Strategy

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
Responsiveness Indicators								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Response to service requests	The percentage of customer service requests relating to roads to which Council responds within the time frame specified.	Potholes: 77.7% repaired within 14 days and 88.9% within 28 days	Potholes: 90% repaired within 14 days and 100% within 28 days	Potholes: 90% repaired within 14 days and 100% within 28 days	Potholes: 90% repaired within 14 days and 100% within 28 days	Potholes: 90% repaired within 14 days and 100% within 28 days	Council Request for Service Database
			Streetlights: 53.8% repaired within 14 days and 59.6% within 28 days.	Streetlights: 90% repaired within 14 days and 100% within 28 days	Streetlights: 90% repaired within 14 days and 100% within 28 days	Streetlights: 90% repaired within 14 days and 100% within 28 days	Streetlights: 90% repaired within 14 days and 100% within 28 days	Council Request for Service Database
Footpaths								
Quality Indicators								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Council provides an appropriate network of footpaths for pedestrian use	Community satisfaction with footpaths	81%	Not applicable	>75% ⁵	Not applicable	>75%	3 yearly community survey
	Footpath condition	Percentage of footpaths that fall within the level of service or service standard for the condition of footpaths set out in	Survey not conducted.	>95%	>95%	>95%	>95%	Annual independent survey

⁵ Average of 2014, 2017 and 2020 Survey Results

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
		the Long Term Plan.						
Responsiveness Indicators								
	Response to service requests	The percentage of footpath-related customer service requests to which Council responds within the time frame specified.	100% within 14 days	100% within 14 days	100% within 14 days	100% within 14 days	100% within 14 days	Council Request for Service Database

Kawerau District Council: Funding Impact Statement for 2021 – 2031 - Rooding

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,038,860	988,490	1,059,090	1,084,810	1,112,120	1,135,630	1,163,860	1,194,660	1,219,410	1,254,210	1,287,120
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	218,320	234,900	234,900	234,900	241,250	247,860	254,760	261,910	269,280	276,950	284,880
Fees and charges	75,000	75,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Internal charges and overheads recovered	39,860	18,230	18,080	18,270	18,940	20,030	21,090	22,210	23,400	24,550	25,770
Local authorities fuel tax, fines, infringement fees, and other receipts	69,000	70,000	72,170	74,340	76,500	78,720	81,000	83,350	85,770	88,260	90,820
Total Operating Funding (A)	1,433,040	1,386,620	1,401,240	1,429,320	1,465,810	1,499,240	1,537,710	1,579,130	1,614,860	1,660,970	1,705,590
Applications of operating funding											
Payments to staff and suppliers	522,150	515,000	521,550	526,380	539,190	552,900	567,220	582,260	597,970	614,480	631,440
Finance Costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	570,030	595,520	601,590	622,650	625,030	642,590	664,530	668,480	686,190	713,290	716,630
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,092,180	1,110,520	1,123,140	1,149,030	1,164,220	1,195,490	1,231,750	1,250,740	1,284,160	1,327,770	1,348,070
Surplus (deficit) of operating funding (A - B)	340,860	276,100	278,100	280,290	301,590	303,750	305,960	328,390	330,700	333,200	357,520

Funding Impact Statement: Roading (continued)

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of capital funding											
Subsidies and grants for capital expenditure	411,920	790,500	620,250	587,290	388,240	399,490	411,070	422,990	435,260	447,890	460,880
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	411,920	790,500	620,250	587,290	388,240	399,490	411,070	422,990	435,260	447,890	460,880
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	532,000	330,000	280,000	0	0	0	0	0	0	0
- to replace existing assets	599,810	563,960	542,510	549,920	565,870	582,280	599,170	616,540	634,420	652,820	671,750
Increase (decrease) in reserves	152,970	(29,360)	25,840	37,660	123,960	120,960	117,860	134,840	131,540	128,270	146,650
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	752,780	1,066,600	898,350	867,580	689,830	703,240	717,030	751,380	765,960	781,090	818,400
Surplus (deficit) of capital funding (C – D)	(340,860)	(276,100)	(278,100)	(280,290)	(301,590)	(303,750)	(305,960)	(328,390)	(330,700)	(333,200)	(357,520)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0

Breakdown of Capital Expenditure: Roading

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Kerb replacement	93,500	80,000	80,000	80,000	82,320	84,707	87,164	89,692	92,293	94,969	97,723
Street Light renewals	81,500	62,000	32,000	32,000	32,928	33,883	34,866	35,877	36,917	37,988	39,089
Reseals	134,000	130,000	130,000	130,000	133,770	137,649	141,641	145,749	149,975	154,325	158,800
Pavement Treatment	36,500	60,000	60,000	60,000	61,740	63,530	65,373	67,269	69,219	71,227	73,292
Minor Safety Improvements	36,600	35,000	35,000	36,050	37,095	38,171	39,278	40,417	41,589	42,795	44,037
Reseal Carparks	14,100	14,400	14,846	15,292	15,735	16,192	16,661	17,144	17,641	18,153	18,680
Footpath Repairs	167,100	155,000	160,000	165,000	169,785	174,709	179,775	184,989	190,353	195,874	201,554
Rubbish bin Replacements	5,540	5,660	5,835	6,011	6,185	6,364	6,549	6,739	6,934	7,135	7,342
District Seating	1,360	1,400	1,445	1,482	1,530	1,574	1,621	1,661	1,714	1,763	1,813
Town Centre Music	3,340	3,500	3,609	3,717	3,823	3,935	4,050	4,167	4,288	4,412	4,540
Video Camera renewals	10,000	3,500	6,836	7,041	7,245	7,455	7,671	7,894	8,122	8,358	8,600
Decorative Lighting Renewals	16,270	13,500	12,939	13,327	13,714	14,111	14,521	14,942	15,375	15,821	16,280
Other (Street realignment, CBD & walkways)	0	532,000	330,000	280,000	0	0	0	0	0	0	0
Total Capital Expenditure	599,810	1,095,960	872,510	829,920	565,870	582,280	599,170	616,540	634,420	652,820	671,750

Activity Group 5: Stormwater



What We Do

Kawerau's stormwater system is a 39.2 kilometre network of pipes, manholes and cesspits which collects stormwater from roads and transports it to the Tarawera River either directly, or via the Ruruanga Stream and the Overflow Stream, which are tributaries.

The activity involves:

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

Most of the stormwater network is made of concrete. However pipes in the geothermal portion of the CBD are either glazed earthenware or High Density Polyethylene, which are much more resistant to the sulphur present in this area.

Specialist contractors are engaged for around 20 hours per annum to conduct CCTV inspections of stormwater pipes which staff have identified as performing below optimum levels.

Rationale for Delivery

The aim of this activity is to dispose of stormwater in a manner which protects the community from flooding and minimises negative impacts to the environment.

Programme of Work

Council will:

- Continue pipe cleaning and inspections with CCTV, to reduce the number of blockages caused by debris and tree roots.
- In 2021 renew the pipes near the town that are in the geothermal area
- From 2022, replace approximately 1.5 kilometres of stormwater pipes each year until 2032.

Significant Negative Effects

The collection and discharge of stormwater has a negative environmental effect because it contains contaminants such as grit, organic material and chemicals from road surfaces. The receiving water, the Tarawera River, is large, clear and fast flowing and capable of dealing with these discharges

Flooding from the stormwater network where significant rainfall occurs can cause property damage which would have a detrimental effect to the social and environmental wellbeing of the community.

Statement of Intended Service Provision: Stormwater

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Quality Indicators							
	Council provides an effective stormwater network which removes stormwater to protect dwellings from flooding (System adequacy)	The number of flood events that occur in the District.	0	No more than 10	No more than 10	No more than 10	No more than 10	Council Request for Service Database
		For each flood event, the number of habitable floors affected.	N/a ⁶	Not applicable	Not applicable	Not applicable	Not applicable	
	Council provides an effective stormwater network which removes stormwater from flooding (Customer satisfaction)	The number of complaints received by Council about the performance of its stormwater system.	N/a ⁷	Not applicable. ⁸	Not applicable	Not applicable	Not applicable	
	Responsiveness Indicators							
	Response times	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	Less than one hour	Less than one hour	Less than one hour	Less than one hour	Less than one hour	Council Request for Service Database

⁶ Mandatory measure

⁷ Mandatory measure

⁸ Kawerau properties are not connected to Council's stormwater system.

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
Stormwater								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Discharge compliance	Compliance with Council's resource consents for discharge from the 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 to those resource consents.	No notices, orders or convictions	No notices, orders or convictions	No notices, orders or convictions	No notices, orders or convictions	No notices, orders or convictions	Council records

Kawerau District Council:

Funding Impact Statement for 2021 – 2031 - Stormwater

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	63,500	93,990	258,920	255,480	306,550	312,850	319,570	350,170	357,340	365,150	398,860
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	25,140	49,500	23,250	19,500	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	7,810	3,940	3,950	4,860	3,570	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	96,450	147,430	286,120	279,840	310,120	312,850	319,570	350,170	357,340	365,150	398,860
Applications of operating funding											
Payments to staff and suppliers	33,520	66,000	31,000	26,000	31,910	32,840	33,790	34,770	35,770	36,810	37,880
Finance Costs	0	0	0	0	0	1,410	6,730	12,290	18,090	24,270	30,710
Internal charges and overheads applied	10,030	19,430	9,310	8,090	9,620	10,010	10,460	10,470	10,830	11,430	11,430
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	43,550	85,430	40,310	34,090	41,530	44,260	50,980	57,530	64,690	72,510	80,020
Surplus (deficit) of operating funding (A - B)	52,900	62,000	245,810	245,750	268,590	268,590	268,590	292,640	292,650	292,640	318,840

Funding Impact Statement: Stormwater (continued)

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of capital funding											
Subsidies and grants for capital expenditure	187,500	166,050	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	187,500	166,050	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets*	250,000	221,400	250,000	50,000	751,400	785,960	821,330	857,470	894,340	932,800	972,910
Increase (decrease) in reserves	(9,600)	6,650	(4,190)	195,750	(482,810)	(517,370)	(552,740)	(564,830)	(601,690)	(640,160)	(654,070)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	240,400	228,050	245,810	245,750	268,590	268,590	268,590	292,640	292,650	292,640	318,840
Surplus (deficit) of capital funding (C – D)	(52,900)	(62,000)	(245,810)	(245,750)	(268,590)	(268,590)	(268,590)	(292,640)	(292,650)	(292,640)	(318,840)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0

*Stormwater pipe renewals

Activity Group 6: Water Supply



What We Do

The Kawerau drinking water supply provides water to a population of approximately 7,500 people and is categorised as a medium sized drinking water supply by the Health (Drinking Water) Amendment Act. Raw water is sourced from two springs and transported by gravity mains to a pumphouse. At the pumphouse, water is pumped through a UV treatment plant for disinfection and chlorine is added for residual protection along with lime for pH correction. After treatment, the water is conveyed to one of three reservoirs, which gravity feed two distribution networks.

Water is supplied to properties through a network of approximately 75km of pipes. The pipes are 37% A.C, 19% P.V.C/Polyethylene and 44% Steel/Iron. The network was installed from 1955, when the town water supply was established, and continued as the town grew until 1985. Very limited additional pipework has been added to the network since then. The typical life of AC pipes is 60 years. Nineteen percent of the total pipe network has been replaced in the period 2010-2021. Further replacement is programmed for 2021 – 2027. Kawerau's water supply system can supply a maximum capacity of 13,000 m³ per day. Usage fluctuates significantly according to temperature and season. Winter usage can be less than 3,000 m³ per day but in summer it increases to as much as 13,000 m³ per day.

Rationale for Delivery

Council is involved in the Water Supply Activity because it recognises that a reliable supply of potable water is a vital part of the public infrastructure necessary to sustain the community of Kawerau. Territorial authorities also have several statutory duties in relation to water supply. Under the Local Government Act 2002, territorial authorities are obliged to either directly provide water or retain an overview of provision if it is supplied by another organisation. Under the Health Act 1956, territorial authorities are obliged to improve, promote and protect public health

Programme of Work

Council will continue a programme to identify and complete preventative maintenance on tobies. This will reduce the number of service requests from plumbers and property owners.

- Council will replace all AC and steel/iron pipe over the next 6 years for a total cost of \$12.0 million.
- The gravity main from the Umukaraka Spring to the Pumphouse will be renewed in 2026/27.
- The smaller reservoir on Monica Lanham reserve will be replaced in 2027/28.
- Ongoing replacement of hydrants, valves and tobies when renewing the pipes

Significant Negative Effects

In general terms, providing either an inadequate supply of water, or water of poor quality which does not meet required standards under the 2008 NZ Drinking Water Standards. These could have negative effects to community social and economic wellbeing. The water taken from the two springs for Kawerau's water supply would otherwise flow into the Tarawera River through tributary streams. Although taking the water for the town water supply only reduces the flow of the river by 0.2 to 0.7 percent, this reduces the volume of water available for other uses, primarily recreational or commercial. This could be regarded as a negative effect to social, environmental and economic wellbeing of the community.

Statement of Intended Service Provision

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
Water Supply								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Quality Indicators							
	Provision of a quality water supply	Community satisfaction with water supply	73%	Not applicable	>89% ⁹	Not applicable	>89%	3 yearly community survey
	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.	a) 26 complaints b) No complaints c) No complaints d) 1 complaint per 1000 connections e) 5 water main breaks f) No complaints	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	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	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	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 Request for Service Database
Council infrastructure and services are accessible, age and disability-friendly,	Safety of drinking water	The extent to which Council's drinking water supply complies with: a) part 4 of the 2008 drinking-water	One instance of bacterial non-compliance.	a) No more than 1 instance of bacteria criteria non-	a) No more than 1 instance of bacteria criteria	a) No more than 1 instance of bacteria criteria	a) No more than 1 instance of bacteria criteria non-	Toi Te Ora Public Health Service reports

⁹ Average of 2014, 2017 and 2020 Survey Results

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
effective, efficient and affordable, now and for the future.		standards (bacteria compliance criteria), and b) part 5 of the 2008 drinking-water standards (protozoal compliance criteria).	10 instances when monitoring was off-line	compliance, and b) No instances of protozoal criteria non-compliance	non-compliance, and b) No instances of protozoal criteria non-compliance	non-compliance, and b) No instances of protozoal criteria non-compliance	compliance, and b) No instances of protozoal criteria non-compliance	
	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.	179 litres per connection per day	<200 litres per connection per day ¹⁰	<200 litres per connection per day	<200 litres per connection per day	<200 litres per connection per day	Council records
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Quantity Indicators							
	Demand management	The average consumption of drinking water per day per resident within the district.	0.41m3	<0.6 m3	<0.6 m3	<0.6 m3	<0.6 m3	Council records

¹⁰ Measured using the minimum night flow (MNF) analysis method contained in the DIA Guidelines.

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
	Responsiveness Indicators							
	Fault response times	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response times are						
		a) attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and	6 urgent call-outs and median response time was 0.42 hours	Less than two hours	Less than two hours	Less than two hours	Less than two hours	Council Request for Service 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.	100% within 8 hours (median resolution was 6.49 hours)	Less than 8 hours	Less than 8 hours	Less than 8 hours	Less than 8 hours	Council Request for Service Database
		c) attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and	56 non urgent call-outs (median response was 0.43 hours)	24 hours	24 hours	24 hours	24 hours	Council Request for Service Database

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
Water Supply (Continued)								
		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	100% within 48 hours (median resolution was 1.37 hours)	48 hours	48 hours	48 hours	48 hours	Council Request for Service Database
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Reliability Indicators							
	The water supply is reliable and has minimal disruptions	Number of unplanned shutdowns – reticulation	6 unplanned shutdowns	No more than 12	No more than 12	No more than 12	No more than 12	Council records
		Number of unplanned shutdowns – pump stations	Nil	None	None	None	None	Council records
		Number of water main breaks	2 water main breaks	No more than 8	No more than 8	No more than 8	No more than 8	Council records
Environmental Indicators								
	Water is sourced with minimal environmental effects	Compliance with BOP Regional Council water supply resource consents as reported in Annual Consents and Compliance Field Sheet.	Compliance with old consent	Compliance ¹¹	Compliance	Compliance	Compliance	BOP Regional Council

¹¹ BOPRC inspection reports state either compliance or non-compliance.

Kawerau District Council:

Funding Impact Statement for 2021 – 2031 - Water Supply

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	861,920	1,173,550	1,290,120	1,356,710	1,533,650	1,630,910	1,798,970	1,947,950	1,960,200	1,987,520	2,154,130
Targeted rates	238,910	208,070	214,650	220,710	223,130	228,410	234,280	238,140	244,460	252,490	256,460
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	81,720	50,080	52,470	52,280	52,900	51,940	36,040	26,850	27,720	28,630	33,110
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	1,182,550	1,431,700	1,557,240	1,629,700	1,809,680	1,911,260	2,069,290	2,212,940	2,232,380	2,268,640	2,443,700
Applications of operating funding											
Payments to staff and suppliers	437,390	466,600	498,230	486,530	495,740	505,770	538,090	527,330	539,260	551,890	587,710
Finance Costs	0	25,000	75,000	125,000	175,000	225,000	275,000	305,950	303,200	300,120	300,000
Internal charges and overheads applied	297,940	383,770	401,460	408,380	410,630	419,990	438,910	434,990	444,920	459,160	469,910
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	735,330	875,370	974,690	1,019,910	1,081,370	1,150,760	1,252,000	1,268,270	1,287,380	1,311,170	1,357,620
Surplus (deficit) of operating funding (A - B)	447,220	556,330	582,550	609,790	728,310	760,500	817,290	944,670	945,000	957,470	1,086,080

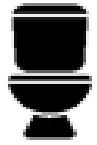
Funding Impact Statement: Water Supply (continued)

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026- 27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	0	0	0	0
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	2,338,150	2,213,000	2,580,780	2,729,720	2,575,140	3,217,370	5,651,880	1,291,060	30,330	1,237,780	19,410
Increase (decrease) in reserves	(1,890,930)	343,330	1,770	(119,930)	153,170	(456,870)	(2,834,590)	(346,390)	914,670	(280,310)	1,066,670
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	447,220	2,556,330	2,582,550	2,609,790	2,728,310	2,760,500	2,817,290	944,670	945,000	957,470	1,086,080
Surplus (deficit) of capital funding (C-D)	(447,220)	(556,330)	(582,550)	(609,790)	(728,310)	(760,500)	(817,290)	(944,660)	(945,000)	(957,470)	(1,086,080)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0

Breakdown of Capital Expenditure: Water Supply

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecas t 2028- 29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Pipework Replacement/Extension	2,016,000	1,810,000	1,900,500	1,993,625	2,087,329	2,183,339	4,684,778	0	0	1,212,580	0
Toby Replacement	80,000	150,000	157,500	165,218	172,983	180,940	612,098	0	0	0	0
Value Refurbishment	36,900	40,000	42,000	44,058	46,128	48,251	50,422	0	0	0	0
Refurbish Pumps	167,400	200,000	22,155	19,055	0	0	0	0	12,490	6,585	0
UV Tube Replacements	12,850	13,000	13,650	14,320	14,992	15,681	16,387	17,108	17,840	18,615	19,410
Headworks, Reservoir & Hydrants	25,000	-	444,975	493,444	253,708	789,159	288,195	1,273,952	-	-	-
Total Capital Expenditure	2,338,150	2,213,000	2,580,780	2,729,720	2,575,140	3,217,370	5,651,880	1,291,060	30,330	1,237,780	19,410

Activity Group 7: Wastewater



What We Do

Council's wastewater system is concerned with the collection, treatment and disposal of wastewater (sewage) from properties in the District. Its components are a network of underground pipes, a pumping station and a treatment plant with soakage basins. Wastewater enters the network from properties in built-up parts of the District and is conveyed to the treatment plant where it is treated and then disposed of in rapid infiltration basins and by vermicomposting.

The Wastewater Activity involves:

- Providing a network of pipes to collect wastewater
- Checking, unblocking, cleaning, repairing and replacing pipes so that the network is operational
- Treating wastewater at the treatment plant
- Disposing of the effluent in a manner that meets resource consent requirements.

Specialist work associated with pipe network maintenance, such as CCTV inspections and water blasting, is carried out by external contractors.

Rationale for Delivery

Wastewater collection and disposal is an integral part of Kawerau's effective, efficient and sustainable infrastructure and helps prevent harm and nuisance and protect people's health and safety. Council is involved in the collection and disposal of wastewater to fulfil a range of duties imposed by legislation. These include the Health Act, the Building Act, the Local Government Act and resource consents issued under the Resource Management Act.

Programme of Work

Council will maintain its regime of pipe inspection and cleaning using CCTV to inspect sections at a time. This will continue reducing the number of blockages and providing better information on pipe deterioration. Significant renewal of wastewater pipes (20 kms) is planned over the next 10 years. Also there are upgrades programmed for the wastewater treatment plant controls, switchgear and speed-drives for the next 3 years

Significant Negative Effects

A potential negative effect of the Wastewater Group of Activities is the potential overflow of sewage due to pipe blockages. This would have environmental and potential health effects (i.e. environmental and social wellbeing).

The impact of blockages is minimised by very prompt attendance to blockages to reduce the quantity of spillage, and by disinfection of contaminated areas.

Potential significant negative effects would also occur if the treatment plant failed to operate for a period in excess of one day. This would negatively affect health and the environment (social and environmental wellbeing).

Statement of Intended Service Provision

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
Wastewater								
Quality Indicators								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Provision of domestic wastewater collection and primary treatment	Community satisfaction with wastewater disposal	95%	Not applicable	>96% ¹²	Not applicable	96%	3 yearly 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) Nil b) Nil c) 4.3 per 1000 connections d) Nil	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	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	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	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 Request for Service Database
Quantity Indicators								
	System adequacy	The number of dry weather sewage overflows from Council's sewerage system, expressed per 1000 connections to that sewerage system.	Nil	0 per 1000 connections to the sewerage system	0 per 1000 connections to the sewerage system	0 per 1000 connections to the sewerage system	0 per 1000 connections to the sewerage system	Council records

¹² Average of 2014, 2017 and 2020 Survey Results

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source	
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Responsiveness Indicators								
	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	1 overflow attended to in 20 minutes	Less than 1 hour	Less than 1 hour	Less than 1 hour	Less than 1 hour	Council Request for Service 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.	1 overflow resolved in 2.5 hours	Less than 8 hours	Less than 8 hours	Less than 8 hours	Less than 8 hours	Council Request for Service Database			
	Reliability Indicators								
Council provides a reliable domestic wastewater collection and disposal service	Number of disruptions to wastewater collection service	0 disruptions to wastewater service	No more than 50	No more than 50	No more than 50	No more than 50	Council records		

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
Wastewater (Continued)								
<i>Environmental Indicators</i>								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	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 received 2 infringement notices due to dairy factory waste	No notices, orders or convictions	No notices, orders or convictions	No notices, orders or convictions	No notices, orders or convictions	Council records
	The wastewater treatment plant operates effectively	Compliance with wastewater treatment plant resource consents as reported in annual Consents and Compliance Field Sheet	Consent not complied with due to volumes received from the factory	Compliance ¹³	Compliance	Compliance	Compliance	BOP Regional Council

¹³ BOPRC inspection reports state either compliance or non-compliance.

Kawerau District Council:

Funding Impact Statement for 2021 – 2031 - Wastewater

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,118,730	1,277,630	1,306,370	1,334,930	1,431,950	1,453,720	1,483,330	1,587,460	1,614,480	1,646,210	1,757,400
Targeted rates	407,210	446,910	459,290	472,350	477,190	487,510	499,310	505,690	516,750	531,450	537,800
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and Charges	170,000	50,000	51,700	52,790	54,000	55,400	56,670	58,370	60,300	62,290	63,970
Internal charges and overheads recovered	80,930	38,070	32,270	24,260	18,400	15,870	9,240	2,380	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	1,776,870	1,812,610	1,849,630	1,884,330	1,981,540	2,012,500	2,048,550	2,153,900	2,191,530	2,239,950	2,359,170
Applications of operating funding											
Payments to staff and suppliers	784,690	731,790	750,900	765,040	780,190	796,930	813,660	832,740	853,490	875,290	895,680
Finance Costs	0	0	0	0	0	0	0	0	1,930	6,770	10,570
Internal charges and overheads applied	562,270	558,910	576,480	596,800	600,000	614,160	633,380	635,960	650,850	672,450	676,470
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,346,960	1,290,700	1,327,380	1,361,840	1,380,190	1,411,090	1,447,040	1,468,700	1,506,270	1,554,510	1,582,720
Surplus (deficit) of operating funding (A - B)	429,910	521,910	522,250	522,490	601,350	601,410	601,510	685,200	685,260	685,440	776,450

Funding Impact Statement: Wastewater (continued)

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	287,000	985,000	1,209,700	1,428,660	818,990	868,310	1,673,000	932,320	1,290,650	1,013,370	1,185,740
Increase (decrease) in reserves	142,910	(463,090)	(687,450)	(906,170)	(217,640)	(266,900)	(1,071,490)	(247,120)	(605,390)	(327,930)	(409,290)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	429,910	521,910	522,250	522,490	601,350	601,410	601,510	685,200	685,260	685,440	776,450
Surplus (deficit) of capital funding (C – D)	(429,910)	(521,910)	(522,250)	(522,490)	(601,350)	(601,410)	(601,510)	(685,200)	(685,260)	(685,440)	(776,450)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0

Breakdown of Capital Expenditure: Wastewater

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Pipework Replacement/Extension	0	700,000	791,160	746,120	781,190	817,120	853,890	891,460	929,790	969,770	1,011,470
Refurbish Pumps	55,000	35,000	36,190	36,950	37,800	38,780	39,670	40,860	42,210	43,600	44,780
Milliscreen Bearings	42,000	50,000	15,410	161,050	0	0	0	0	0	0	0
Treatment Plant & Pumping Station	190,000	200,000	366,940	484,540	0	12,410	779,440	0	318,650	0	129,490
Total Capital Expenditure	287,000	985,000	1,209,700	1,428,660	818,990	868,310	1,673,000	932,320	1,290,650	1,013,370	1,185,740

Activity Group 8: Solid Waste



What We Do

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

Disposal involves the transfer of residual waste out of the District to a consented landfill. Refuse is taken to the transfer station where it is stored and then transported to Tirohia, a sanitary landfill. Fees charged at the transfer station cover the costs of the transport, disposal fee and some of the transfer station operational costs.

The transfer station also offers recycling facilities with reduced fees for recycled material as against residual waste. It is open from 12 p.m. to 4.00 p.m. every day except Christmas Day.

Recycled material is sent to a further processing plant where it is sorted and then becomes part of the relevant recycled waste stream. Green waste is disposed of by making it into compost.

Rationale for Delivery

The purpose of the refuse collection is to provide the community with a convenient method to remove unwanted materials from their properties, and thereby uphold public health and hygiene standards.

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

The recycling/zero waste activity aims to reduce the volume of waste going to landfill by maximising the amount going to reusable waste streams, thereby minimising some of the negative environmental effects of human consumption. The fortnightly green waste and weekly recycling collections, the recycling undertaken at the transfer station and zero waste initiatives are part of this activity.

Programme of Work

Council will continue to work toward the goal of reducing the volume of waste going to landfill with measures such as continued community education, reviewing collection operations and annual review of transfer station fees. The Waste Management and Minimisation Plan is due for review in 2021-2022.

Waste Management and Minimisation Plan

There is no significant variation between the Waste Management and Minimisation Plan and the proposals outlined in this Plan.

Significant Negative Effects

Refuse collection and disposal services and the recycling activity can cause odour, health risks, vermin infestations and visual pollution. These can impact on social and environmental wellbeing of the Community. The regularity and effectiveness of the collection and disposal services minimise these impacts.

Statement of Intended Service Provision

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
Refuse Collection and Disposal								
Quality Indicators								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future. Council sustainably manages Kawerau's environment through its stewardship, planning and consents.	Provision of a cost effective refuse collection and disposal that will encourage a healthy, clean and tidy district	Community satisfaction with refuse collection	97%	Not applicable	>92% ¹⁴	Not applicable	>92%	3 yearly community survey
		Community satisfaction with refuse disposal	78%	Not applicable	>74% ¹⁴	Not applicable	>74%	
	Environmental Indicators							
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	Not compliant	Compliance	Compliance	Compliance	Compliance	Compliance	BOP Regional Council
Zero Waste (Recycling)								
Quality Indicators								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Council's refuse collection and disposal services meet the needs of the Kawerau Community	Community satisfaction with recycling services	91%	Not applicable	>92% ¹⁵	Not applicable	>92%	3 yearly community survey
Quantity Indicators								
Council sustainably manages Kawerau's environment through its stewardship, planning and consents.	Material that would otherwise go to landfill as household refuse is collected by the recycling collection service	Average amount of recyclable material collected from each household.	235 kg	No less than 178kg per annum	No less than 178kg per annum	No less than 178kg per annum	No less than 178kg per annum	Council records

¹⁴ & ¹⁵ Average of 2014, 2017 and 2020 Survey Results

Kawerau District Council:

Funding Impact Statement for 2021 – 2031 - Solid Waste

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	788,620	771,460	781,830	809,660	812,660	830,910	854,480	861,390	880,690	910,940	918,120
Targeted rates	417,890	514,600	527,350	542,380	548,600	559,580	572,280	578,230	588,880	602,780	608,330
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	605,040	601,100	613,120	625,380	637,270	648,740	660,420	671,640	683,050	694,650	705,760
Internal charges and overheads recovered	14,570	47,870	48,870	49,890	50,880	51,850	52,830	53,790	54,760	55,750	56,700
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	1,826,120	1,935,030	1,971,170	2,027,310	2,049,410	2,091,080	2,140,010	2,165,050	2,207,380	2,264,120	2,288,910
Applications of operating funding											
Payments to staff and suppliers	1,253,000	1,329,690	1,347,070	1,372,580	1,398,150	1,423,950	1,450,840	1,477,410	1,504,820	1,533,350	1,561,540
Finance Costs	6,650	4,500	4,140	3,750	3,350	2,970	2,890	2,860	2,800	2,680	2,560
Internal charges and overheads applied	532,360	569,230	587,790	618,270	612,120	628,270	650,310	645,640	660,650	688,710	682,200
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,792,010	1,903,420	1,939,000	1,994,600	2,013,620	2,055,190	2,104,040	2,125,910	2,168,270	2,224,740	2,246,300
Surplus (deficit) of operating funding (A - B)	34,110	31,610	32,170	32,710	35,790	35,890	35,970	39,140	39,110	39,380	42,610

Funding Impact Statement: Solid Waste (continued)

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets*	5,000	3,000	0	0	3,000	0	5,000	10,000	0	0	0
Increase (decrease) in reserves	29,110	28,620	32,170	32,710	32,790	35,890	30,970	29,140	39,110	39,380	42,610
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	34,110	31,610	32,170	32,710	35,790	35,890	35,970	39,140	39,110	39,380	42,610
Surplus (deficit) of capital funding (C – D)	(34,110)	(31,620)	(32,170)	(32,710)	(35,790)	(35,890)	(35,980)	(39,140)	(39,110)	(39,380)	(42,610)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0

*Hotmix, gate & fence

Activity Group 9: Leisure and Recreation



What We Do

The Kawerau District Library is a local civic space accessible to the public on six days a week. The type of resources and delivery methods have changed over the years but the following core roles remain:

Library services Providing community-based services with programmes, activities and a venue.

Collections Collecting, curating and providing a wide range of content in multiple formats to the community.

Reading and literacy Encouraging reading for pleasure and supporting literacy in all its forms.

Lifelong learning Supporting individuals with lifelong learning and research needs.

Community identity, culture and history Collecting, creating, celebrating and promulgating local content and history.

Museum

Originally run by a community trust, Council assumed responsibility for the Sir James Fletcher Kawerau Museum in 2009. The Museum is located in the Library building and has the same operating hours and accessibility. Council has recently also established a museum workshop, storage and archives facility in Jellicoe Court opposite the library building.

The Kawerau Museum has a narrower focus than many others in that it exists to collect, preserve and communicate the history only of Kawerau and immediate surrounds. This is achieved through the following core roles:

Collections Collecting and conserving past and current historical material about Kawerau.

Public programmes Educating, exhibiting and providing information relating to the community of Kawerau.

Customer services and community relationships Supporting study, research and learning queries and developing relationships with the local community and heritage sectors.

Swimming Pools

The Maurie Kjar Memorial Swimming Pool Complex is a year-round geothermally heated facility. The public has free entry during opening hours. The complex contains a large 30 metre pool divided by a bulkhead into a 25 metre pool and a five metre pool; plus a large spa pool and two small children's pools. Council has recently undertaken a number of significant upgrades to this facility with the construction of new changing rooms, a splash-pad for children, a jumping pillow and a new barbeque and picnic area.

During the colder months the water temperature of the pools is kept in the mid to high 30 degrees centigrade. In summer, the temperature is reduced to make the pools suitable for physical activity. In summer, local and neighbouring schools, groups and learn to swim classes use the pools during opening hours. These users pay a hire charge.

Outside Council operating hours the complex is available for private hire for the swimming club, organised fitness activities, functions and groups camping in self-contained motorhomes.

Public Halls and Facilities

Council owns and operates five community halls: the Bert Hamilton Hall Concert Chamber, Firmin Lodge, the Town Hall and the Ron Hardie Recreation Centre. All are available for public hire for events and functions. Discounts are offered to encourage use by local and charitable groups. A facilities custodian provides access to the buildings and checks and cleans the buildings after use.

Formerly managed by a hall committee, the **Bert Hamilton Hall** is a small community hall located in Porritt Drive. It caters for up to 60 people and is ideal for events or meetings which don't require a large amount of space.

The **Concert Chamber** has a small stage, modern audio and visual system, air conditioning, tables and chairs and a certified kitchen. It has a much lower ceiling than the Town Hall and is suitable for various

functions. The Concert Chamber is designated as the Emergency Operating Centre for any civil defence emergency, however all the halls could play a significant role.

Firmin Lodge is an accommodation facility at Firmin Field situated next to the Tarawera River. It has the capacity to sleep 60 people in ten dormitory rooms. There is a modern and well equipped kitchen for hire included with a large main hall.

The **Ron Hardie Recreation Centre** has an overall court area of 850 m², a large meeting room and a mezzanine floor measuring 200 m². Over the years the building has been used for a wide range of sports including gymnastics, basketball, netball, tae kwon do, volleyball, badminton and roller derby. It has also been used for large events such as the 'Fight for Life' boxing fundraisers and the annual Woodskills competition.

The **Town Hall** has a modern audio and visual system on stage. The venue has the capacity to accommodate large stage sets as well as changing/makeup rooms. Tables and chairs and a certified kitchen are available. There is also heating. A passageway connecting the Town Hall and the Concert Chamber allows for very large events to take place using both facilities.

There are two main **Public Toilets**, one located in the Visitor Information Centre in Plunket Street and a recently constructed set of toilets outside Tarawera Mall. Other toilets are located on various reserves.

Parks and Reserves

Council owns and maintains a large number and area of recreation reserves and local purpose reserves in Kawerau. The recreation reserves include 13 reserves which Council regards as 'important reserves' and a number of neighbourhood reserves. The local purpose reserves include esplanade reserves, utility reserves and amenity reserves and strips, planted with trees and flowerbeds to enhance the visual beauty of the District.

Rationale for Delivery

The rationale for providing this group of Activities is to enhance the lifestyle of the community. Council owns and operates public halls for the purpose of providing venues for a range of public gatherings. Public toilets are provided to meet community needs and expectations. The Kawerau Cemetery is operated to meet the interment needs of the local community.

The Leisure and Recreation Group of Activities helps promote the following Council community outcomes:

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

Programme of Work

Significant areas of work will be:

Swimming Pools

Council completed a number of significant upgrades to the pools facility between 2015 and 2021. Other than regular ongoing renewals, there are no additional projects planned for the pool complex.

Public Library

The significant expenditure for the library activity will be the ongoing purchase of replacement books and other library material. Also an upgrade of the library software is planned for 2021/22 and 2024/25. This will bring it in line with changes occurring in library usage.

Parks and Reserves

Over the next 10 years there will be ongoing renewal of playground equipment, fences, carparks, reserve bins and upgrades to field amenity buildings.

Significant Negative Effects

Negative social effects may be caused in this group of activities by people creating noise or nuisance, or posing danger to other people and property. Significant negative social and economic effects can result from shading, injury or property damage caused by big trees.

Kawerau has a large area in parks and reserves for the size of the town. The cost of maintaining these could be regarded as having a negative economic impact for the community.



Statement of Intended Service Provision

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
Library								
Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity.	Quality Indicators							
	Council provides public library services and resources which suit Community needs	Community satisfaction with the Public Library	87%	Not applicable	>86% ¹⁶	Not applicable	>86%	3 yearly community survey
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Quantity Indicators							
	The library is accessible to the public	Percentage of the population active members of the library ^{17 15}	24.5%	>25%	>25%	>25%	>25%	Council records
		New items per 1,000 population added to the collection each year.	409	500	500	500	500	Council records
Museum and Archives								
Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity.	Quality Indicators							
	Council provides a museum service which reflects Community needs	Community satisfaction with the Museum	58%	Not applicable	>62% ¹⁶	Not applicable	>62%	3 yearly community survey
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Quantity Indicators							
	Council provides a museum service which reflects Community needs	Number of exhibitions held	6	6	6	6	6	Council records
		Number of objects processed	84	200	200	200	200	Council records

¹⁶ Average of 2014, 2017 and 2020 Survey Results

¹⁷ Those who have used library services in the past two years.

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
Swimming Pools								
<p>Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity.</p> <p>Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.</p>	Quality Indicators							
	Council provides a swimming pool complex which reflects Community needs	Community satisfaction with Public Swimming Pools	90%	Not applicable	93% ¹⁶	Not applicable	93%	3 yearly community survey
	Swimming pool water meets water quality standards	Level of compliance with standards	96%	Full compliance in 95% of tests	Full compliance in 95% of tests	Full compliance in 95% of tests	Full compliance in 95% of tests	Council records
	Quantity Indicators							
	Council provides a Swimming Pool Complex which is accessible to the Community	Weeks open per year	49	At least 48	At least 48	At least 48	At least 48	Council records
Public Halls and Facilities								
<p>Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity.</p> <p>Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.</p>	Quality Indicators							
	Council provides public halls and facilities which reflect Community needs	Community satisfaction with Public Halls	80%	Not applicable	>81% ¹⁷	Not applicable	>81%	3 yearly community survey
		User satisfaction with Public Halls	92%	Not applicable	>93% ¹⁸	Not applicable	>93%	
		Community satisfaction with Public Toilets	80%	Not applicable	>70% ¹⁸	Not applicable	>70%	
		User satisfaction with Public Toilets	95%	Not applicable	>87% ¹⁹	Not applicable	>87%	
Quantity Indicators								

¹⁶ Average of 2014, 2017 and 2020 Survey Results

¹⁷ Average of 2014, 2017 and 2020 Survey Results

¹⁸ Average of 2014, 2017 and 2020 Survey Results

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
	Four Community halls are available for hire: Ron Hardie Recreation Centre, Town Hall, Concert Chambers and the Bert Hamilton Hall	Number of weeks public halls available for hire	46 weeks	Each hall is available for 50 weeks ¹⁹	Each hall is available for 50 weeks	Each hall is available for 50 weeks	Each hall is available for 50 weeks	Council records
	Clean public toilets are provided in the central business district	Town centre public toilets are open for at least 360 days	335 days	Open at least 360 days	Open at least 360 days	Open at least 360 days	Open at least 360 days	Council records
Parks and Reserves								
<p>Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity.</p> <p>Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.</p>	Quality Indicators							
	Council provides parks and reserves which meet Community needs	Community satisfaction with Parks and Reserves	93%	Not applicable	>93% ²⁰	Not applicable	>93%	3 yearly community survey
	Sports field playing surfaces meet requirements of codes for which they are used	Implementation of recommendations of NZ Sports Turf Institute advisory reports.	100%	100%	100%	100%	100%	Council records
	Quantity Indicators							
	Bedding displays are attractive and updated to suit the season	Number of bedding displays	2	2 (1 summer and 1 winter)	2 (1 summer and 1 winter)	2 (1 summer and 1 winter)	2 (1 summer and 1 winter)	Council records
Responsiveness Indicators								

¹⁹ Each hall is closed for scheduled maintenance for up to two weeks per year.

²⁰ Average of 2014, 2017 and 2020 Survey Results

Community Outcome	Level of Service	Measure	Current Performance (2019/20)	2021/22	2022/23	2023/24	2024/25 to 2030/31	Data Source
	Playground equipment is safe for children to use	Monthly inspections of all playground equipment	11 inspections conducted	12 inspections conducted	12 inspections conducted	12 inspections conducted	12 inspections conducted	Council records
Cemetery								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Quality Indicators							
	The Kawerau cemetery meets Community interment needs in the present and the medium term	Community satisfaction with the Cemetery	76%	Not applicable	>78% ²¹	Not applicable	>78%	3 yearly community survey
	Quantity Indicators							
The Kawerau cemetery meets Community interment needs in the present and the medium term	Number of burial plots available	There are enough plots for 10 years	At least enough for the next five years ²¹	At least enough for the next five years	At least enough for the next five years	At least enough for the next five years	At least enough for the next five years	Council records

²¹ Average of 2014, 2017 and 2020 Survey Results.

Kawerau District Council:

Funding Impact Statement for 2021 – 2031 - Leisure and Recreation

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	4,035,830	3,979,910	4,107,550	4,190,530	4,240,280	4,325,080	4,467,310	4,467,120	4,643,280	4,660,470	4,759,220
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	940	900	920	940	960	980	1,000	1,020	1,040	1,060	1,080
Fees and charges	73,600	193,000	196,850	69,680	71,010	72,300	73,610	74,850	76,140	77,440	78,670
Internal charges and overheads recovered	26,510	14,850	16,400	17,910	19,560	21,330	23,280	25,590	29,230	33,810	38,400
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	4,136,880	4,188,660	4,321,720	4,279,060	4,331,810	4,419,690	4,565,200	4,568,580	4,749,690	4,772,780	4,877,370
Applications of operating funding											
Payments to staff and suppliers	2,107,560	2,289,640	2,365,890	2,254,570	2,288,370	2,340,150	2,392,520	2,425,750	2,549,110	2,535,840	2,611,160
Finance Costs	64,470	43,240	41,760	39,160	36,630	33,960	30,970	28,520	26,900	26,040	25,160
Internal charges and overheads applied	1,221,930	1,236,660	1,281,330	1,289,140	1,281,660	1,315,220	1,406,130	1,352,560	1,405,770	1,437,990	1,440,890
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	3,393,960	3,569,540	3,688,980	3,582,870	3,606,660	3,689,330	3,829,620	3,806,830	3,981,780	3,999,870	4,077,210
Surplus (deficit) of operating funding (A - B)	742,920	619,120	632,740	696,190	725,150	730,360	735,580	761,750	767,910	772,910	800,160

Funding Impact Statement: Leisure and Recreation (continued)

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of capital funding											
Subsidies and grants for capital expenditure	500,000	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	550,000	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	1,048,470	371,340	265,370	234,200	355,600	208,310	276,310	271,950	210,960	232,170	239,690
Increase (decrease) in reserves	244,450	247,780	367,370	461,990	369,550	522,050	459,270	489,800	556,950	540,740	560,470
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	1,292,920	619,120	632,740	696,190	725,150	730,360	735,580	761,750	767,910	772,910	800,160
Surplus (deficit) of capital funding (C-D)	(742,920)	(619,120)	(632,740)	(696,190)	(725,150)	(730,360)	(735,580)	(761,750)	(767,910)	(772,910)	(800,160)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0

Breakdown of Capital Expenditure: Leisure and Recreation

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Library and Museum											
-Collection Renewals	71,360	72,940	74,400	75,890	77,330	78,720	80,130	81,490	82,880	84,290	85,640
-Office Equipment and Furniture	17,360	39,600	1,990	17,280	81,460	780	-	1,740	-	-	-
-Building	28,000	13,700	12,120	10,440	16,430	10,780	13,020	15,180	13,500	11,490	18,210
Swimming Pool	759,600	6,500	55,500	7,600	6,500	12,000	56,700	13,700	2,000	10,000	10,000
Recreation Centre	16,500	71,600	6,730	16,860	71,990	7,120	18,690	12,570	7,500	20,620	13,350
Town Hall	8,600	2,700	22,750	8,660	2,860	2,910	9,080	3,010	3,060	9,540	3,160
Concert Chambers	24,400	14,600	10,470	14,370	14,500	3,880	11,180	19,170	11,570	4,160	15,940
Public Toilets	0	70,000	0	0	0	0	0	30,000	0	0	0
Sportsfield Buildings & Amenities	4,350	22,000	22,700	23,150	23,590	30,010	24,440	30,860	25,280	25,710	26,120
Passive Reserve Renewals	72,850	53,800	54,880	55,970	57,040	58,060	59,100	60,110	61,130	62,170	63,160
Playground Renewals	40,230	3,900	3,830	3,980	3,900	4,050	3,970	4,120	4,040	4,190	4,110
Cemetery (Building& Carpark)	5,220	0	0	0	0	0	0	0	0	0	0
Total Capital Expenditure	1,048,470	371,340	265,370	234,200	355,600	208,310	276,310	271,950	210,960	232,170	239,690



Council Controlled Organisations

A **Council Controlled Organisation (CCO)** is a company, trust or other type of organisation in which a local authority holds 50 percent or more of the voting rights or has the power to appoint half or more of the directors.

Council is a member of two CCOs:

- Bay of Plenty Local Authority Shared Services (BOPLASS) Ltd
- The Eastern BOP Economic Development Agency, Toi EDA.

BOPLASS has signed a Statement of Intent which is agreed with Kawerau District Council and the other member councils. Toi-EDA has been exempted from CCO reporting requirements under Section 7 of the Local Government Act 2002.

BOPLASS Ltd

Purpose

- Enable the provision of shared services to any or all local authorities within the Bay of Plenty region. BOPLASS may also sell 'shared' processes and systems as set up under individual agreements to local authorities outside the region.
- Pursue all opportunities to procure shared services that will benefit the community in the widest sense, through enhanced back office services and/or reduced costs for councils.
- Explore all possible avenues to provide these services itself or contract them from outside parties, each depending on a rigorous business case and risk assessment.
- BOPLASS will also act as a true regional vehicle to attract government and other funding, if or when it is made available.

Ownership and Control

The shareholding Councils of BOPLASS are:

- Bay of Plenty Regional Council
- Gisborne District Council
- Opotiki District Council
- Rotorua District Council
- Taupo District Council
- Tauranga City Council
- Western Bay of Plenty District Council
- Whakatane District Council
- Kawerau District Council.

Nature and Scope of Activities

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.

BOPLASS Performance Measures and Targets – 2021 to 2024

Target	Measure
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	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.
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.	Contracts reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.

Target	Measure
Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.	Number of listed projects to increase by 5% per year. Number of active users to increase by 10% per year.
Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.	Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.
Communicate with each shareholding council at appropriate levels.	At least one meeting per year.
Ensure current funding model is appropriate.	Performance against budgets reviewed quarterly. Company remains financially viable.

Toi-EDA

About Toi- EDA

Toi-EDA is the Eastern Bay of Plenty Regional Economic Development Agency set up by three territorial authorities (Kawerau, Opotiki and Whakatane) 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 social benefits 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

Until 2010, Toi-EDA was required by legislation to meet a number of reporting requirements which were considered onerous and costly in relation to its size. On 30 March 2010, Council resolved that Toi-EDA would become an exempt CCO under the Local Government Act. As an exempt CCO, the reporting requirements of Toi-EDA are similar to those of other council activities. This allows Toi-EDA to focus more of its limited resources on economic development. 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 with them a wealth of experience and skills spanning commercial, finance, governance and business development, as well as entrepreneurial skills.

The role of Trustees 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.





FINANCIAL STATEMENTS | PŪRONGO PŪTEA

Significant Forecasting Assumptions 2020 to 2021

Financial estimates in a Long Term Plan are based on assumptions about future conditions and events which may or may not occur. Their quality is therefore dependent on the appropriateness, completeness and reasonableness of the assumptions and underlying information. Actual results may differ from the forecasting assumptions and variations may be material.

The Local Government Act requires significant forecasting assumptions to be disclosed. This enables readers to make their own judgements about the quality and reliability of the estimates. To further assist readers make an informed judgement, Council must also provide information about the degree of sensitivity (to change) of its financial estimates.

The Local Government Act recognises that forecasting assumptions involve “a high level of uncertainty”. The audit report on the Long Term Plan must specifically address the quality of the information and assumptions underlying the forecast information.

The Long Term Plan must clearly identify:

- All significant forecasting assumptions and risks underlying the financial estimates
- Council’s assumptions concerning the useful lives of significant assets and the sources of funds for future replacement of those 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 information provided by Council in these financial statements is initially intended for the purpose of consulting with the Kawerau community on the spending priorities outlined in the Long Term Plan.

1. Useful Lives of Significant Assets

Table: Estimated economic life of Council’s significant assets.

Class	Asset	Life (years)
Operational	Buildings	5-50
	Computers/electronic office equipment	3-5
	Fixtures, fittings and equipment	5-50
	Plant (vehicles)	5
	Library lending matter (excluding special collections)	7
	Special collections	Not depreciated
Infrastructural	Transport Management:	
	Street lighting	5-50
	Kerb, channel and footpath	5-100
	Pavement surface	3-20
	Pavement structure	5-80
	Stormwater	5-100
	Water Supply:	
	Collection and storage	5-80
	Local distribution	50-100
	Wastewater:	
	Reticulation system	5-80
Pumping and treatment	5-80	
Restricted	Buildings and Other	5-25

NOTE: It is assumed that assets will be replaced at the end of their useful lives

Risk: That the useful lives of assets are longer or less than the estimate.

Likelihood: Low. Council has recently reviewed the lives of its assets.

Impact: That current ratepayers will contribute more (or less) toward the cost of significant assets than future ratepayers. Council endeavours to achieve inter-generational equity for the cost/renewal of assets over their useful lives.

2. Sources of Funds for Future Replacement of Significant Assets

Council funds the depreciation cost of significant assets. These funds are put into reserves and used for the replacement of significant assets. However, some buildings are considered non-strategic and the depreciation is not funded, mostly because the level of utilisation is significantly below the buildings' capacity. As a result, it is unlikely these buildings would be replaced in their present form. Also their replacement may be by rented accommodation or by buildings funded by way of loans and/or grants. 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 and therefore their depreciation is not funded, include: Council Buildings (including Town Hall, Concert Chamber, Library/Museum and Offices), Tarawera Park Amenity Building, Recreation Centre, Swimming Pool, Depot and Pensioner Houses.

Other sources of capital funding include NZTA subsidies, as outlined in assumption No.5 and internal loans.

Risk: That the community wants non-strategic assets to be renewed in their present form and there are not other funding sources for their renewal
Likelihood: Medium
Impact: Minimal. Council would need to raise loans to fund the renewals.

3. Projected Growth Change Factors (population and development)

The census in 2018 put Kawerau's population at 7,460. Later projections by Statistics NZ have estimated Kawerau's population for 2019 to be 7,600 and 7,750 for 2020.

Further population projections provided by Statistics New Zealand indicate Kawerau's projected population in 2033 it will be 8,000. Previous projections had the population declining after a couple of years of small growth. However, due to a number of factors including: the impact of COVID-19, increased cost of housing in other centres, more job opportunities (in the wider area) and ongoing economic development initiatives, the population is projected to continue to rise for at least the next 12 years. The population projections also shows that over the next 10 years (from 2021 to 2033) Kawerau's young people (under 20) will reduce by 10.8% while the people that are over 65 will increase by 51.0%.

The impending closure of the Norske Skog Mill is unlikely to impact on the population projections as only a small number of the employees reside in Kawerau.

Council is through its economic development initiatives and strategies, is promoting growth in the district. There have been some industrial developments occurring in recent years with others at the conception stage which has increased the availability of jobs and correspondingly the population for the district.

Also the lower cost of living and increased quality of life when compared to living in larger centres, are other reasons why the district will continue to be a desirable place to live.

The existing infrastructural network will cope with a district population of at least 10,000. Growth is monitored to determine any potential additional demand on these services. It is not anticipated that the current levels of service will need to change over the period of the current Long Term Plan.

Risk: That Statistics New Zealand population projections are not correct
Likelihood: Medium
Impact: Minimal. Existing infrastructure has sufficient capacity to cope with a much higher population than current.

4. Cost Factors (inflation)

Forecasts in this Plan have been adjusted for inflation using projections developed specifically for local government by Business and Economic Research Limited (BERL). These are listed below.

Table: Inflation adjusters:- Percentage change per annum

Year ending	Roading	Property	Water	Energy	Staff	Other
June 2022	3.3%	2.2%	7.2%	7.2%	4.8%	1.7%
June 2023	3.1%	1.9%	3.4%	3.4%	2.4%	2.0%
June 2024	3.0%	1.7%	2.1%	2.1%	1.5%	2.0%
June 2025	2.9%	1.6%	2.3%	2.3%	1.7%	1.9%
June 2026	2.9%	1.6%	2.6%	2.6%	2.0%	1.8%
June 2027	2.9%	1.4%	2.3%	2.3%	2.2%	1.8%
June 2028	2.9%	1.6%	3.0%	3.0%	2.3%	1.7%
June 2029	2.9%	1.7%	3.3%	3.3%	2.4%	1.7%
June 2030	2.9%	1.6%	3.3%	3.3%	2.6%	1.7%
June 2031	2.9%	1.3%	2.7%	2.7%	2.7%	1.6%

Source: BERL Oct 2020

Risk: That the actual rate of inflation is different to what is projected
Likelihood: Medium
Impact: Minimal. If needed, Council will amend its budgets as part of preparing Annual Plans.

5. New Zealand Transport Agency (NZTA) Subsidy Rates

NZTA contributes significantly to the cost of maintaining and renewing roads. The assumption has been made that when roads are due for renewal, NZTA will contribute towards the cost at the currently agreed rates: 2021 to 2031: 75%

For the purposes of providing estimates this subsidy rate has been used. The budgeted land transport subsidies for the period of this plan are outlined in the table below:

Table: Budgeted land transport subsidies

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
1,025,400	855,150	822,190	629,490	647,350	665,830	684,900	704,540	724,840	745,760

Risk: Reduction in subsidy rate
Likelihood: Low (recently reviewed by NZTA)
Impact: See table below

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

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
68,360	57,010	54,813	41,966	43,157	44,389	45,660	46,969	48,323	49,717

Council would continue the existing level of service and fund the shortfall from rates if the subsidy rate was reduced by up to 5%. This would add up to a further 0.6% increase to Council's rates for 2021/22.

If NZTA stopped subsidising roading, Council would consult with the community about reducing service levels and the cost of maintaining roads at current levels. Funding the projected subsidy for 2021/22 entirely from rates would add a further 10.3 percent to total rates. Council considers this to be very unlikely.

6. NZTA Funding for Storm-water

NZTA has to date contributed towards the cost of storm-water operating and capital costs. The rationale has been that this activity is solely to address storm-water that comes from the roads and also impacts the roading network. NZTA has confirmed the funding for the next 3 years (excluding low risk projects). NZTA subsidy will fund capital and operating costs for 2021/22 and only operating costs for the following two years.

The assumption has been made that there will be no further NZTA subsidy for stormwater costs after 2023/24. The budgeted subsidy rate is: 75% for 2021 to 2024. Council will commence funding the non-funded depreciation from 2022/23.

For the purposes of providing estimates, this subsidy rate has been used. The budgeted storm-water subsidies for the period of this plan are outlined in the table below:

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
215,550	23,250	19,500	0	0	0	0	0	0	0

Risk: NZTA will not provide subsidy for storm-water costs for 2021 - 2024

Likelihood: Low (funding confirmed by NZTA)

Impact: Council would fund the funding shortfall for operating costs from rates and for capital costs from depreciation reserves.

7. 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 2019. Revaluations will occur as at 30 June in the years 2022, 2025, 2028 and 2031. The effect of the revaluations has been estimated using the forecasts of price level change adjustors prepared for the Society of Local Government Managers by Business and Economic Research Limited (BERL).

Risk: That the actual revaluation and the consequential depreciation expense are materially different

Likelihood: Medium

Impact: Minimal. Council will amend its depreciation budgets accordingly.

8. Forecast Return on Investments

The interest rates on invested funds assumed for the ten-year planning period are shown in the table below. These are based on interest rates on investments as at June 2021.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Interest rate	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Average investment	3,891,170	4,902,420	5,020,160	5,151,910	5,191,710	3,179,700	803,020	569,130	417,680	421,920

Risk: Change in rate
Likelihood: High
Impact: See table below

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

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
38,910	49,020	50,200	51,520	51,920	31,800	8,030	5,690	4,180	4,220

9. Expected Interest Rates on Internal and External Borrowing

During the period of the Long Term Plan Council anticipates it will raise \$12 million in external loans for water pipe renewals and has included the cost of this borrowing in the estimates.

Council has also established reserves to fund renewal. Internal borrowing is used for new capital works or for renewals where there are insufficient reserve funds available. The primary objective of funding internally is to use reserves efficiently and create operational savings by eliminating the interest rate margin between investments and borrowing externally.

The parameters applying to Council's internal loans are:

- The term will be determined after considering the useful life of the new capital project and the availability of reserve funds over the anticipated term of the loan.

The table below shows the respective interest rates:

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Interest rate (internal)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Interest rate (external)	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Average borrowing (\$)	2,000,000	4,000,000	6,000,000	8,000,000	10,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000

- Principal amounts are repaid in monthly instalments. Amounts are agreed at the commencement of the loan and determined on a table mortgage basis.
- Interest is based on the average rate of Council's investments on the date the resolution to lend internally is made.
- Council has the ability to reset interest rates annually during the preparation of the Long Term Plan or Annual Plan

It is anticipated that external borrowing will be done through NZ Funding Agency, and internal borrowing will be from Council's depreciation reserves. The expected interest rates on internal borrowing is forecasted interest rates for investments and the interest rate for external borrowing is the rate which LGFA is currently lending funds.

Risk: Change in rate
 Likelihood: Medium
 Impact: See table below

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

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
20,000	40,000	60,000	80,000	100,000	120,000	120,000	120,000	120,000	120,000

NB There is no risk to a change in the interest rate for internal borrowing as this is set by Council

10. Climate Change and Natural Disasters

NIWA’s climate change projections for New Zealand projects the following for the Bay of Plenty Region:

- the projected Bay of Plenty temperature changes increase with time, and future annual average warming spans a wide range, 0.5-1.0oC by 2040, and 1.0-3.5oC by 2090;
- the area closest to the East Cape warms the least, with annual warming of 1.5 - 2.0°C compared with 2.5 - 3.5°C for most of the region under RCP8.5 by 2090;
- the average number of hot days and extreme hot days is expected to increase with time and scenario, with the largest increase in the central part of the region and the least increase in the eastern hill country;
- the number of frost days is expected to decrease throughout the region, with the largest decreases expected in inland areas
- the number of heavy rain days (i.e., days where the total precipitation exceeds 25mm) is projected to see little change for most of the Bay of Plenty region by 2040. By 2090, reductions in heavy rain days are projected for the Raukumara Ranges in particular, with small reductions across most of the region
- extreme, rare rainfall events are projected to become more severe
- drought potential is projected to increase across the Bay of Plenty
- annual mean wind speed is projected to slightly decrease in the Bay of Plenty, but there is a mixed direction of change for different seasons.

These projections aren’t dissimilar to the climate change data that international and national bodies have produced since the previous LTP.

Council considers how the latest climate change data and projections may affect the integrity of the LTP; the services council has to carry out, and Kawerau district in the future.

Council acknowledges that extreme weather events are likely to occur over the period of the Long Term Plan. However, it is anticipated that the district’s infrastructure has sufficient capacity to cope with the changing weather patterns and there will be minimal risk of significant costs or changes to levels of service arising from these weather events.

The planned costs included in this plan excludes any possible financial implications of natural disasters.

Risk: There is a risk that the predictions on climate change as provided by the International Panel on Climate Change and the MfE are over or under estimated.

There is also a risk the impacts of climate change for Council activities will be more significant than planned for. It is unlikely the risk will be lower than planned for.

Likelihood: High

Impact: Where the impacts of climate change have a potential implication for our services, options for adaptation will be identified and a planned programme will be prepared.

The additional operating and capital expenditure that is likely to be required falls outside the ten year life of this plan. We have identified projects in years 11-30 of our Infrastructure Strategy that will be required as a result of the impacts of climate change. We will need to balance the needs and expectations of our community so it is able to finance the forecast costs for addressing climate change.

At this stage, assessing the financial implications of adapting to the effects of climate change are ongoing. They will be refined in subsequent plans as investigations are progressed.

The planned costs in this Plan do not include any possible financial implications of natural disasters.

Insurance

Council has assumed that it will be able to obtain insurance cover for all existing policies (which includes cover for assets that are damaged by severe weather events) over the period of this Plan and that the cost will be similar, plus inflation.

Risk: That an extreme weather event causes significant damage.
 Likelihood: Medium
 Impact: Could be significant. Council has put in place all reasonable mitigations to reduce the impact of natural disasters.

11. Societal Changes

Council is aware that there will be some minor societal changes over the period of the Long Term Plan. As in the rest of the country, the district’s population will age and more people will receive some form of government benefit. However, Council has assumed that there will not be a significant change to the makeup of the district’s population over the period of the Plan, and therefore has not made any provision for additional (or reduced) services.

Risk: That there will be a significant change in the demographic makeup of the district requiring different Council services
 Likelihood: Low
 Impact: Minimal. Most of the current council services will still be required even if there was a significant societal change.

12. Possible Impact of Future Legislative Changes

The Local Government Act 2002 changes to date are included where appropriate into the Long Term Plan. There are no further anticipated changes to legislation affecting Council. Any future changes will be incorporated into Council’s operations as and when required.

Risk: That future legislative changes will require resources (costs) in addition to those planned
 Likelihood: Low
 Impact: Council will comply with all legislation prudently and in the best interests of our community.

13. Depreciation Rates on Planned Asset Acquisitions

The following depreciation rates will be used for the asset acquisitions in the Long Term Plan:

ASSET	DEPRECIATION RATE	DEPRECIATION BASIS
Operational	%	
Buildings	2.0 – 20.0	SL
Computers/electronic office equipment	20.0 - 33.3	SL
Fixtures, fittings and equipment	2- 20.0	DV
Plant (vehicles)	20.0	DV
Library lending matter (excluding special collections)	15.0	DV
Special Collections	Not Depreciated	
Infrastructural		
Transport Management:		
Street lighting	2.13 – 20.0	SL
Kerb, channel and footpath	1.0 – 20.0	SL
Pavement surface	5.16 – 33.3	SL
Pavement structure	1.25 – 20.0	SL
Stormwater	1.0 – 20.0	SL
Water Supply:		
Collection and storage	1.3 - 20.0	SL
Local distribution	1.3 - 20.0	SL
Wastewater:		
Reticulation system	1.3 - 20.0	SL
Pumping and treatment	1.3 - 20.0	SL
Restricted		
Buildings and Other	1.8- 2.5	SL

Note: SL = straight-line method of depreciation.
 DV = diminishing value method of depreciation.
 Pavement formation is not depreciated. It is assumed that renewals will occur at the end of the expected useful lives of assets.

Risk: That depreciation rates are greater (or less) than the estimate

Likelihood: Low. Council has recently reviewed the lives of its assets.

Impact: That current ratepayers will contribute more (or less) toward the cost of these assets than other generations of ratepayers. Council endeavours to achieve inter-generational equity for the cost/renewal of assets over their useful lives

14. Resource Consents

During the period of the Long Term Plan Council will apply to renew the resource consents for:

- disposing of waste onto land (worm farm)
- taking water for the purpose of providing drinking water to residents
- taking water from the Tarawera River to irrigate sports fields
- taking water from the Ruruanga Stream to irrigate sports fields, and
- taking and discharging geothermal steam into the Ruruanga Stream for heating the swimming pool.

Council anticipates that all these consents will be renewed, as to date there has been no indication to the contrary. All estimated costs associated with the renewals and any subsequent conditions which are reasonably anticipated are included in the Long Term Plan figures.

Risk: That resource consents may not be granted or may require additional costly conditions to be met

Likelihood: Low

Impact: Council would look for realistic alternatives if consents are not issued or there are costly conditions to be met

15. Currency Movements and Related Asset Values

Council has not made any assumptions about future movements in exchange rates for the period of the Long Term Plan as Council neither owns nor plans to acquire any assets that the value will be significantly affected by exchange rate movements.

Risk: That currency movements impact on the renewal cost of Council assets

Likelihood: Low

Impact: Minimal. Council assets are not significantly impacted by exchange rate fluctuations.

16. Emissions Trading Scheme (ETS)

Council does not own forestry and does not participate in the ETS. It does not operate a landfill, which was closed in 2006. While Council does have an ongoing liability for the maintenance and monitoring of the closed landfill, there are no ETS cost implications which need to be recognised. Council pays an ETS fee for the disposal of the district's solid waste at Tirohia, which is included in the Long Term Plan estimates.

Risk: That there will be future emissions costs for Council

Likelihood: Low

Impact: Council would need to consider how best to reduce any likely future emissions costs should this occur.

17. External Funding Assumptions

Council has included in the Long Term Plan all significant estimated external funds and the corresponding expenditure when it is considered reasonably certain that Council will receive these funds. Where Council is less than reasonably certain of receiving external funds the revenue has not been included in the Long Term Plan and the expenditure is only included if Council is prepared to fund the project in total.

Risk: That budgeted external funds are not received

Likelihood: Medium

Impact: Council would reduce the corresponding expenditure accordingly or consider funding the shortfall from other sources.

18. Significant Ratepayers

There are four significant ratepayers within the Kawerau district which combined are charged approximately 34 percent of the Council's total rates, and one of those ratepayers contributes 23 percent of total rates.

Council is aware that one of these ratepayers will be closing their operation after 1 July 2021, however, the impact of this closure on other ratepayers and whether Council will continue to provide existing services at the current level, is not known. For the purposes of preparing the Long

Term Plan it has been assumed there is no change to the services/activities resulting from this closure and that rates will remain affordable for the community.

Risk: That one or more of the significant ratepayers closes.
Likelihood: High
Impact: Council will consider the impact to other ratepayers and services.

19. Council Collaboration

Council is a shareholder in Bay of Plenty Local Authority Shared Services (BOPLASS). BOPLASS has achieved a number of significant savings for members through collaborative procurement projects. These include: insurance, printing and copying, telecommunications, courier services costs and others.

The Long Term Plan includes the lower cost estimates which have resulted from these procurement projects, as Council anticipates the cost savings to continue when new contracts are negotiated.

Risk: That cost savings previously achieved do not continue
Likelihood: Low
Impact: There would be additional costs for these shared services, but these are not a large portion of Council's total costs.

20. Quality of Asset Data

Council's storm-water, water supply and wastewater reticulation networks have been divided into six zones based on the estimated average date at which each zone was developed. Renewal/replacement of reticulation for each zone is averaged over ten years (apart from water which will be done over a period of 6 years). This allows for the spread of installation dates and different rates of deterioration. Replacement decisions are based on information including the condition, reliability and maintenance of the asset as well as age.

Risk: That asset data is incorrect and consequential planned renewals are not correct.
Likelihood: High - Council has only undertaken minimal samples of pipes to date but further investigations are planned.

Impact: Infrastructure may either be replaced before the end of its useful life or need replacement earlier than programmed. This could result in additional costs for residents.

21. COVID-19 Impacts

The global Covid-19 pandemic continues to develop across the world. In response to the pandemic and threat to public health the whole of New Zealand went into a high-level lockdown on Wednesday 25 March 2020. A further high-level lockdown for Auckland and a lower level lockdown for the rest of the country occurred on Wednesday 12 August 2020. The long-term impact on local, regional, and national economies is yet to be determined.

For the purpose of the Long-Term Plan and the associated strategies we have assumed that there will be no significant impact on our activities and services as a result of Covid-19. We have used the mid-scenario in terms of recovery which expects a prolonged but generally healthy economic recovery for our district.

Risk: There is more severe impact on our community's ability to pay than predicted.
Likelihood: High
Impact: Measures to contain Covid-19 in New Zealand have resulted in severe economic downturn. Levels of activity and employment have declined, with income and spending consequently uncertain. A prolonged future lockdown may impact on Council's revenue, expenditure, and timing of capital expenditure.

22. Capital Expenditure Delivery

The ten-year budget has been developed based on the best available information on the likely timing of capital projects and programmes.

Risk: That the actual timing of the capital programme is different from that forecasted.

Likelihood: High

Impact: The financial implications would depend on planned funding sources for the relevant capital expenditure and its associated expenses. The financial impact would therefore be on funding requirements, borrowings, interest expense, depreciation expense and consequential operating costs. Other areas such as the market's response to the increased programme certainty and any potential further Covid-19 lockdowns are beyond our control.

23. Delivery of Three Waters

The Long Term Plan anticipates that Council will continue to deliver drinking water, wastewater and stormwater services.

However, the government has signalled a possible reform that would remove the water, wastewater and stormwater activities and assets from councils, and transfer them to a new entity.

The Government is proposing to establish four publicly-owned entities to take responsibility of drinking water, wastewater and stormwater infrastructure across New Zealand.

Cabinet has agreed to the proposed boundaries of the four water providers, further details on the proposed water services entities, including governance arrangements, the role of Iwi and how they would be regulated.

However, the Government remains interested in continuing discussion with local government and Iwi/Māori most affected by the proposed boundaries for feedback on these before progressing them in legislation. If this was to occur, it could happen in 2023 or later. It is likely the income, expenses, assets and debt for these activities will be transferred.

Risk: The three waters reform may significantly change the way the three waters services are delivered and funded and that this change will result in significant funding and resourcing implications for the rest of the Council.

Likelihood: High

Impact: The current value of Council's three waters assets is \$25.3 million (approximately 37.2% of Council's total assets). Annual rates revenue collected to maintain and renew these assets is approximately \$2.7 million (approximately 25.0% of Council's total annual rates revenue)

24. Local Government Reforms

Government has signalled that as part of the three waters reforms, it will also be undertaking a comprehensive review of local government.

This may include at reviewing the activities and services currently being delivered by local government and whether they could deliver other activities and services.

There has been no more definitive statement concerning this possible reform to date and the 2021 – 2031 Long Term Plan has been prepared on the basis that existing services and activities will continue to be provided by the Kawerau District Council.

Risk: That Local Government reforms result in Council providing additional/different activities which could require additional resourcing/costs.

Likelihood: High

Impact: Any impact to Council will depend on the extent of change brought about by these reforms. At this time it is difficult to speculate what these impacts might be.

Statement of Responsibility and Cautionary Note



Cautionary Note

The forecast financial statements in this Plan are prepared on the basis of best-estimate assumptions as at 27 July 2021 of the future events Council expects to take place. Council is responsible for the prospective financial statements presented, including appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

The forecast financial statements are prospective financial information. Actual results may vary from the information presented and the variations may be material.

Estimates

Opening balances in the statement of financial position are based on the figures as at 30 June 2020 and adjusted for anticipated movements for 2020/21.

Authorisation for Issue

This document was adopted and authorised for issue by Council and is dated 27 July 2021.

The Local Government Act 2002 requires Council to adopt the Long Term Plan prior to the commencement of the first year to which it relates. However, due to a number of events impacting Council, this deadline was unable to be achieved. Council considers there are no adverse consequences resulting from the delay in adopting this document.

The financial information contained within these documents is prospective financial information in terms of Reporting Standards 42 “Perspective Financial Statements” (PBR). The purpose for which this has been prepared is to enable the public to participate in the decision making processes as to the services to be provided by the Council over the next 10 financial years, and to provide a broad accountability mechanism of the Council to the community. The financial information in the Long Term Plan may not be appropriate for purposes other than those described.

Prospective Statement of Accounting Policies



Reporting Entity

Council is a local authority under the Local Government Act. It designates itself as a Public Benefit Entity with the primary objective of providing goods and services for the benefit of the Kawerau Community rather than for financial return. The purpose of prospective financial statements in this Plan is to provide readers with information about:

- The core services Council intends to provide
- The expected cost of those services, and;

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 this Plan have been prepared in accordance with the requirements of the Local Government Act. This includes the requirement to comply with Generally Accepted Accounting Practice (NZ GAAP).

The financial statements comply with applicable reporting standards as appropriate for public benefit entities. The prospective financial statements have been prepared in accordance with the reduced disclosure regime of tier 2 public benefit entities. This is because Council:

- Has total expenses of less than \$30 million and
- Has neither debt or equity instruments nor holds assets in a fiduciary duty for external parties.

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

Measurement Basis

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

Estimates and assumptions are subject to ongoing review and any revisions to the accounting estimates reflected in the period of the revision and any future period(s) that are affected. Actual results may vary from the estimates. The accounting policies set out below have been applied consistently to all periods presented in the prospective financial statements.

Standards Issued and not yet Effective and not yet Adopted.

Standards, and amendments, issued but not yet effective that have not been early adopted, and which are relevant to Council are:

Financial Instruments

In March 2019, the XRB issued PBE IPSAS 41 Financial Instruments. PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments. PBE IPSAS 41 is effective for the year ending 30 June 2023, with early application permitted. The main changes under PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.

- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

Council plans to apply this standard in preparing its 30 June 2023 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Service Performance Reporting

In November 2017, the XRB issued PBE FRS 48 Service Performance Reporting, PBE IPSAS 48 is effective for annual periods beginning on or after 1 January 2021, with early adoption permitted. Council plans to apply the new standard in preparing the 30 June 2022 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Cashflow Statements

Disclosure Initiative (Amendments to IAS7), issued by the IASB in January 2016, amended IAS7 Statement of Cash flows to require entities to provide disclosures that enable users of financial statement to evaluate changes in liabilities arising from financial assets. The IPSASB subsequently amended IPSAS2 Cash Flow Statements in Improvements to IPSAS, 2018 and the NZASB amended PBE IPSAS2 in 2018 Omnibus Amendments to PBE Standards. The Council plans to apply the new standard in preparing the 30 June 2022 financial statements. Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Revenue

Rates revenue

Rates are set annually by Council resolution and rates revenue recognised at the start of the financial year to which the resolution applies. Rates are recognised at amounts due. Council does not treat any interest revenue generated from payment by instalments as sufficient to discount the amount of rates receivable. Rates arising from late payment penalties are recognised as revenue when rates become overdue.

Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rate remission policy.

Government Grants and Subsidies

Grants received from the Waka Kotahi (New Zealand Transport Agency) partly subsidise the cost of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Other Grants Revenue

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return if the conditions of the grant are not met. If there is an obligation, the grants are initially recorded as received in advance and recognised as revenue when conditions of the grant are satisfied.

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 year end is accrued based on the actual reading at 30 June.

Revenue from service provision is recognised according to the stage of progress at balance date, as a percentage of the total services to be provided.

Sales of goods are recognised when a product is sold to the customer. The recognised revenue is the gross amount of the sale.

Where a physical asset is acquired for no or nominal consideration, the fair value of the asset is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is also 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 specified criteria. These are recognised as expenditure when an application meeting the grant criteria is received.

Discretionary grants are those which Council has no obligation to award. Successful grants are recognised as expenditure in the financial year in which they are awarded.

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 which substantially transfers to the lessee all risks and rewards incidental to ownership of an asset, regardless of whether title is eventually transferred. On entering a lease, Council recognises finance leases in the Statement of Financial Position as assets and liabilities. Lease value is put at the lower of either the fair value of the asset or the current minimum lease payments.

The value of a leased 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 or 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 include cash in hand, on call deposits held with banks, bank overdrafts and other short-term highly liquid investments with original maturities of three months or less.

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

Trade and Other Receivables

Trade and other receivables are measured at face value, less any provision for impairment. Impairment is established when there is objective evidence that Council will not be able to collect the full amounts due under the original terms. The amount is calculated as the difference between the asset's carrying amount and the value of estimated future cash flows, discounted using the effective interest method.

Accounting Policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council applies the simplified ECL model of recognising lifetime ECL for receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are “written off”:

- When remitted in accordance with the Council’s rates remission policy; and
- In accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

Inventories

Inventories include all goods held for the purpose of eventual consumption.

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value; and
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

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

Any write-down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

When sections of land for sale are transferred from non-current assets held for sale, investment property or property, plant and equipment to inventory, the fair value of the land at the date of transfer is its deemed 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.

Classifications are made based on the purpose for which the investment is acquired and then re-evaluated at each 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 assets is impaired. Any impairment losses are recognised in the Statement of Comprehensive Revenue and Expense.

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, and not 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

These are the fixed utility systems (roads, water, wastewater and stormwater) owned by Council. Each asset class includes all items required for the network to function. Wastewater reticulation for example, includes pipes 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 are shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant or equipment is recognised as an asset only if its cost can be reliably measured and it is probable that the item will have future economic benefit or service potential for Council.

Council is planning to construct a further 17 retirement units during 2021 – 2021. These units will be sold to tenants who will acquire a licence to occupy, and at the end of the tenancy Council will acquire the unit back and then resell it to the next tenant. Therefore, these are assets that Council will continue to buy and resell at the end of each tenancy.

In most instances an item is recognised at cost value. Where an asset is acquired at no cost or 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 values listed in asset revaluation reserves are transferred to retained earnings.

Subsequent costs

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

Depreciation of Property, Plant and Equipment

Depreciation is charged on all property, plant and equipment other than land and pavement formation. It is calculated using either the straight-line or diminishing value method and set at rate which will write off the cost (or valuation) of the asset to its estimated residual value over its useful life.

The estimated useful lives, depreciation rates and basis of depreciation for all major asset classes are shown below:

Table: Depreciation of property, plant and equipment

Asset	Estimated useful life (years)	Depreciation rate	Method
Operational:		%	
Buildings	5-50	2.0-20.0	SL
Computers/electronic office equipment	3-5	20.0-33.3	SL
Fixtures, fittings and equipment	5-50	2- 20.0	DV
Plant (vehicles)	5	20.0	DV
Library collections (excluding special collections)	7	15.0	DV
Infrastructural:			
Transport Management:-			
Street lighting	5-50	2.0 – 20.0	SL
Kerb, channel and footpath	5-100	1.0 - 20.0	SL
Pavement surface	3-20	5.0 – 33.3	SL
Pavement structure	5-80	1.3 – 20.0	SL
Stormwater	5-100	1.0 - 20.0	SL
Water Systems:-			
Collection and storage	5 - 80	1.3- 20.0	SL
Local distribution	5 - 100	1.0- 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	5-25	4.0 - 20.0	SL

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

Revaluation

Land, buildings and infrastructure assets are revalued every three years. The next revaluation is due on 30 June 2022. The 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 from an independent valuer. These are also due to be revalued at 30 June 2022.

Infrastructural assets

Infrastructural assets are reported at fair value, based on market-based evidence from an independent valuer. The next valuation is 30 June 2022.

Infrastructural asset classes: are Roads, water reticulation, wastewater reticulation and stormwater systems.

Restricted land and buildings

Restricted land and buildings are recorded at fair value based on a depreciated replacement cost basis from an independent valuer. The next valuation will be as at 30 June 2022.

Land under roads

The valuation of land under roads is based on fair value of adjacent land, effective 1 July 2004. Under NZ IFRS, Council has elected to use the fair value 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 a 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 Revenue and Expense. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expense 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:

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

Payables and Deferred Revenue

Short-term payables are recorded at the amount payable.

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 an 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 expenditure will be required to settle the obligation and
- a reliable estimate can be made of the amount of the obligation.

These are not recognised for future operating losses.

Provisions are estimated at the current cost required to settle the obligation. A pre-tax discount rate which reflects current market assessments of the time value of money and relevant risks is used. Any increase in the value of the provision over time is recognised as an interest expense.

Landfill

Council has a resource consent responsibility to provide ongoing maintenance and monitoring of the closed Kawerau landfill. This is estimated to last until 30 June 2025. While Council recognises a liability for costs, the longevity of the responsibility makes it difficult to accurately estimate the level of cost that will be incurred. Estimates are based on existing technology and discounted at the rate of Council's weighted average interest rate.

Financial guarantee

A financial guarantee requires Council to make specified reimbursing payments to the holder for losses incurred when a specified debtor fails to make payment when due. Council currently does not have any financial guarantees.

Borrowings

Borrowings are initially recognised at fair value and then measured at amortised cost using the effective interest method. Council currently has no external borrowings, but intends to raise loans during the years 2021 to 2027.

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. Council may alter these without reference to the Courts or any third party. Transfers to and from Council-created reserves are at Council's discretion.

Restricted reserves

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

Legally restricted reserves are subject to specific conditions which Council must accept as binding and may not revise 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 except receivables and payables are stated exclusive of GST. Receivables and payables are GST-inclusive.

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 that which relates to investment and financing activities, is classified as operating cash flow in the Statement of Cash Flows.

Estimates and Assumptions

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of the circumstances. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year are discussed in the Significant Forecasting Assumptions on page 114.

Prospective Statement of Comprehensive Revenue and Expense 2021-2031



	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Revenue											
Rates	10,751,220	11,244,050	11,780,750	12,196,080	12,655,620	13,205,160	13,656,950	14,050,130	14,365,280	14,660,800	15,133,400
Subsidies and Grants	1,393,820	1,241,850	879,320	842,630	630,450	648,330	666,830	685,920	705,580	725,900	746,840
Interest Revenue	28,310	16,990	27,980	30,080	32,570	34,080	15,590	0	0	0	0
Fees and Charges	1,169,000	1,800,300	1,781,220	1,704,500	1,772,930	1,820,870	1,840,260	1,872,680	1,923,050	1,945,790	1,979,570
Other Revenue	1,684,730	670,000	622,170	624,340	626,500	678,720	81,000	83,350	85,770	88,260	90,820
Total Revenue	15,027,080	14,973,190	15,091,440	15,397,630	15,718,070	16,387,160	16,260,630	16,692,080	17,079,680	17,420,750	17,950,630
Expenditure											
Personnel Costs	5,366,150	5,868,230	6,007,440	5,958,090	6,059,320	6,180,190	6,315,630	6,460,390	6,615,010	6,786,390	6,968,570
Depreciation and amortisation	3,082,300	3,238,240	3,269,380	3,364,660	3,711,610	3,752,680	3,817,840	4,180,320	4,190,250	4,212,260	4,594,070
Finance Costs	6,210	28,980	80,500	129,010	177,310	231,810	280,910	304,210	302,700	303,000	307,000
Other Expenses	6,215,870	5,945,730	5,944,700	6,089,630	6,080,240	6,272,010	6,334,560	6,293,280	6,506,060	6,641,070	6,665,550
Total Expenditure	14,670,530	15,081,180	15,302,020	15,541,390	16,028,480	16,436,690	16,748,940	17,238,200	17,614,020	17,942,720	18,535,190
Surplus/(Deficit)	356,550	(107,990)	(210,580)	(143,760)	(310,410)	(49,530)	(488,310)	(546,120)	(534,340)	(521,970)	(584,560)
Other Comprehensive Revenue and Expense	0	0	0	0	0	0	0	0	0	0	0
Gain on Asset Revaluations	0	1,750,190	0	0	5,994,520	0	0	6,969,770	0	0	8,283,040
Total Comprehensive Revenue and Expense	356,550	1,642,200	(210,580)	(143,760)	5,684,110	(49,530)	(488,310)	6,423,650	(534,340)	(521,970)	7,698,480

Prospective Statement of Changes in Equity 2021-2031



	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Total Equity											
Opening Balance*	70,399,400	71,392,484	73,034,684	72,824,104	72,680,344	78,364,454	78,314,924	77,826,614	84,250,264	83,715,924	83,193,954
Total Comprehensive Income	356,550	1,642,200	(210,580)	(143,760)	5,684,110	(49,530)	(488,310)	6,423,650	(534,340)	(521,970)	7,698,480
Closing Balance	70,755,950	73,034,684	72,824,104	72,680,344	78,364,454	78,314,924	77,826,614	84,250,264	83,715,924	83,193,954	90,892,434
<i>Made up of:</i>											
Retained Earnings											
Opening Balance	35,250,270	37,047,843	35,190,673	34,921,283	34,754,563	34,325,153	34,412,893	37,836,463	37,948,483	37,045,483	37,100,673
Total Comprehensive Income	356,550	(107,990)	(210,580)	(143,760)	(310,410)	(49,530)	(488,310)	(546,120)	(534,340)	(521,970)	(584,560)
Movements in Depreciation Reserve	1,044,940	(1,749,180)	(58,810)	(22,960)	(119,000)	137,270	3,911,880	658,140	(368,660)	577,160	(779,340)
Closing Balance	36,651,760	35,190,673	34,921,283	34,754,563	34,325,153	34,412,893	37,836,463	37,948,483	37,045,483	37,100,673	35,736,773
Asset Revaluation Reserve											
Opening Balance	29,633,910	29,633,911	31,384,101	31,384,101	31,384,101	37,378,621	37,378,621	37,378,621	44,348,391	44,348,391	44,348,391
Asset Revaluation	0	1,750,190	0	0	5,994,520	0	0	6,969,770	0	0	8,283,040
Closing Balance	29,633,910	31,384,101	31,384,101	31,384,101	37,378,621	37,378,621	37,378,621	44,348,391	44,348,391	44,348,391	52,631,431
Depreciation Reserve											
Opening Balance	5,515,220	*4,710,730	6,459,910	6,518,720	6,541,680	6,660,680	6,523,410	2,611,530	1,953,390	2,322,050	1,744,890
Movements	(1,044,940)	1,749,180	58,810	22,960	119,000	(137,270)	(3,911,880)	(658,140)	368,660	(577,160)	779,340
Closing Balance	4,470,280	6,459,910	6,518,720	6,541,680	6,660,680	6,523,410	2,611,530	1,953,390	2,322,050	1,744,890	2,524,230

*Revised figure based on anticipated balance at 30 June 2021.

Prospective Statement of Financial Position as at 30 June for 10 years to 2031



	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
ASSETS											
Current Assets											
Cash & Cash Equivalents	2,648,950	4,839,694	4,965,139	5,075,172	5,228,644	5,154,777	1,204,617	401,422	736,836	98,529	745,304
Trade & Other Receivables	1,377,790	1,736,730	1,750,440	1,785,960	1,823,120	1,900,730	1,886,050	1,936,100	1,981,060	2,020,620	2,082,080
Inventories	1,495,800	778,550	628,520	483,120	332,830	199,180	201,160	199,850	206,610	210,900	211,670
Other Financial Assets	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	5,522,540	7,354,974	7,344,099	7,344,252	7,384,594	7,254,687	3,291,827	2,537,372	2,924,506	2,330,049	3,039,054
Non-Current Assets											
Property, Plant and Equipment	68,517,750	71,417,175	73,235,115	75,120,545	82,736,955	84,897,355	90,456,785	97,649,305	96,826,265	96,960,575	103,958,295
Intangible Assets	85,100	58,070	60,240	62,670	65,140	67,570	70,020	72,490	74,980	77,550	80,130
Investments in CCOs	36,250	36,250	36,250	36,250	36,250	36,250	36,250	36,250	36,250	36,250	36,250
Total Non-Current Assets	68,639,100	71,511,495	73,331,605	75,219,465	82,838,345	85,001,175	90,563,055	97,758,045	96,937,495	97,074,375	104,074,675
Total Assets	74,161,640	78,866,469	80,675,704	82,563,717	90,222,939	92,255,862	93,854,882	100,295,417	99,862,001	99,404,424	107,113,729

Prospective Statement of Financial Position (cont'd)

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
LIABILITIES											
Current Liabilities											
Trade & Other Payables	2,486,350	2,856,686	2,856,196	2,925,826	2,921,306	3,013,436	3,043,482	3,023,659	3,125,879	3,190,749	3,202,509
Provisions	10,000	10,000	10,000	10,000							
Employee Benefit Liabilities	639,910	693,990	710,450	704,610	716,590	730,880	746,900	764,020	782,300	802,570	824,110
Finance Leases	10,340	16,500	16,500	18,000	20,000	19,000	16,500	16,500	18,000	20,000	19,000
Total Current Liabilities	3,146,600	3,577,176	3,593,146	3,658,436	3,657,896	3,763,316	3,806,882	3,804,179	3,926,179	4,013,319	4,045,619
Non-Current Liabilities											
Provisions/Deferred Revenue	195,870	161,429	146,524	131,447	126,189	121,142	116,296	111,644	107,178	102,891	98,776
Employee Benefit Liabilities	53,660	52,760	54,010	53,570	54,480	55,560	56,780	58,080	59,470	61,010	62,650
Loans	0	2,000,000	4,000,000	6,000,000	8,000,000	10,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Finance Leases	9,560	40,420	57,920	39,920	19,920	920	48,310	71,250	53,250	33,250	14,250
Total Non-Current Liabilities	259,090	2,254,609	4,258,454	6,224,937	8,200,589	10,177,622	12,221,386	12,240,974	12,219,898	12,197,151	12,175,676
Total Liabilities	3,405,690	5,831,785	7,851,600	9,883,373	11,858,485	13,940,938	16,028,268	16,045,153	16,146,077	16,210,470	16,221,295
Net Assets	70,755,950	73,034,684	72,824,104	72,680,344	78,364,454	78,314,924	77,826,614	84,250,264	83,715,924	83,193,954	90,892,434
RATEPAYER EQUITY											
Retained Earnings	36,651,760	35,190,673	34,921,283	34,754,563	34,325,153	34,412,893	37,836,463	37,948,483	37,045,483	37,100,673	35,736,773
Reserves	34,104,190	37,844,011	37,902,821	37,925,781	44,039,301	43,902,031	39,990,151	46,301,781	46,670,441	46,093,281	55,155,661
Total Ratepayer Equity	70,755,950	73,034,684	72,824,104	72,680,344	78,364,454	78,314,924	77,826,614	84,250,264	83,715,924	83,193,954	90,892,434

Prospective Statement of Cash Flows 2021-2031



	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
CASHFLOW FROM OPERATING ACTIVITIES											
Cash will be provided from											
General Rates	9,556,800	10,080,720	10,565,750	10,925,120	11,369,540	11,852,050	12,365,760	12,678,020	12,970,230	13,234,520	13,669,350
Targeted Rates	1,064,010	1,169,580	1,201,290	1,235,440	1,248,920	1,275,500	1,305,870	1,322,060	1,350,090	1,386,720	1,402,590
Subsidies	1,393,820	1,241,850	879,320	842,630	630,450	648,330	666,830	685,920	705,580	725,900	746,840
Other Fees & Charges	2,853,730	2,464,357	2,397,685	2,323,363	2,394,172	2,494,542	1,916,414	1,951,378	2,004,354	2,029,763	2,066,274
Interest Income	28,310	16,990	27,980	30,080	32,570	34,080	15,590	-	-	-	-
Total cash provided	14,896,670	14,973,497	15,072,025	15,356,633	15,675,652	16,304,502	16,270,464	16,637,378	17,030,254	17,376,903	17,885,054
Cash will be spent on											
Payments to Suppliers & Employees	11,468,730	11,593,013	11,796,260	11,851,000	11,993,370	12,213,480	12,607,330	12,756,240	13,008,430	13,347,640	13,602,530
Interest Paid on Debt	6,200	28,980	80,500	129,010	177,310	231,810	280,910	304,210	302,700	303,000	307,000
Total cash spent	11,474,930	11,621,993	11,876,760	11,980,010	12,170,680	12,445,290	12,888,240	13,060,450	13,311,130	13,650,640	13,909,530
Net Cash Flow from Operations	3,421,740	3,351,504	3,195,265	3,376,623	3,504,972	3,859,212	3,382,224	3,576,928	3,719,124	3,726,263	3,975,524
CASHFLOW FROM INVESTING ACTIVITIES											
Cash will be provided from											
Disposal of Assets	1,860,000	3,500,000	1,920,000	1,280,000	0	0	0	0	0	0	0
Cash will be spent on											
Purchase & Development of Property, Plant & Equipment	6,350,250	6,991,450	7,007,320	6,530,090	5,333,500	5,913,080	9,377,270	4,403,070	3,367,210	4,346,570	3,308,750
Net Cash Flow from Investing	(4,490,250)	(3,491,450)	(5,087,320)	(5,250,090)	(5,333,500)	(5,913,080)	(9,377,270)	(4,403,070)	(3,367,210)	(4,346,570)	(3,308,750)

Prospective Statement of Cash Flows (cont'd)

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
CASHFLOW FROM FINANCING ACTIVITIES											
Cash will be provided from											
Loans Raised/Lump sum contributions	0	2,056,000	2,034,000	2,000,000	2,000,000	2,000,000	2,063,886	39,447	0	0	0
Cash will be spent on											
Debt Repayment	20,030	19,000	16,500	16,500	18,000	20,000	19,000	16,500	16,500	18,000	20,000
Net Cash Flow from Financing	(20,030)	2,037,000	2,017,500	1,983,500	1,982,000	1,980,000	2,044,886	22,947	(16,500)	(18,000)	(20,000)
Net Total Cash Inflow (Outflow)	(1,088,540)	1,897,054	125,445	110,033	153,472	(73,868)	(3,950,160)	(803,195)	335,414	(638,307)	646,774
Plus Projected Opening Cash Balances – 1 July	3,737,490	*2,942,640	4,839,694	4,965,139	5,075,172	5,228,644	5,154,777	1,204,617	401,422	736,836	98,529
Projected Closing Cash Balances - 30 June	2,648,950	4,839,694	4,965,139	5,075,172	5,228,644	5,154,777	1,204,617	401,422	736,836	98,529	745,304

*Revised figures based on anticipated balance at 30 June 2021.

Kawerau District Council:

Funding Impact Statement for 2021 – 2031 – Whole of Council

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	9,687,210	10,074,440	10,579,430	10,960,620	11,406,680	11,929,630	12,351,060	12,728,050	13,015,170	13,274,070	13,730,770
Targeted rates	1,064,010	1,169,580	1,201,290	1,235,440	1,248,920	1,275,500	1,305,870	1,322,060	1,350,090	1,386,720	1,402,590
Subsidies and grants for operating purposes	244,400	285,300	259,070	255,340	242,210	248,840	255,760	262,930	270,320	278,010	285,960
Fees and charges	1,684,700	1,800,300	1,766,220	1,704,500	1,772,930	1,805,870	1,840,260	1,872,680	1,908,050	1,945,790	1,979,570
Interest and dividends from investments	28,310	16,980	27,980	30,070	32,560	34,070	15,600	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,169,000	670,000	637,170	624,340	626,500	693,720	81,000	83,350	100,770	88,260	90,820
Total Operating Funding (A)	13,877,630	14,016,600	14,471,160	14,810,310	15,329,800	15,987,630	15,849,550	16,269,070	16,644,400	16,972,850	17,489,710
Applications of operating funding											
Payments to staff and suppliers	11,582,040	11,813,900	11,952,070	12,047,790	12,139,630	12,452,230	12,650,180	12,753,770	13,121,020	13,427,500	13,634,150
Finance Costs	6,200	29,000	80,500	129,000	177,300	231,800	280,900	304,200	302,700	303,000	307,000
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	11,588,240	11,842,900	12,032,570	12,176,790	12,316,930	12,684,030	12,931,080	13,057,970	13,423,720	13,730,500	13,941,150
Surplus (deficit) of operating funding (A - B)	2,289,390	2,173,700	2,438,590	2,633,520	3,012,870	3,303,600	2,918,470	3,211,100	3,220,680	3,242,350	3,548,560

Funding Impact Statement – (cont'd)

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Sources of capital funding											
Subsidies and grants for capital expenditure	1,149,420	956,550	620,250	587,290	388,240	399,490	411,070	422,990	435,260	447,890	460,880
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(20,030)	2,037,000	2,017,500	1,983,500	1,982,000	1,980,000	2,044,890	22,950	(16,500)	(18,000)	(20,000)
Gross proceeds from sale of assets	1,860,000	3,500,000	1,920,000	1,280,000	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	2,989,390	6,493,550	4,557,750	3,850,790	2,370,240	2,379,490	2,455,960	445,940	418,760	429,890	440,880
Applications of capital funding											
Capital expenditure											
- to meet additional demand	1,503,000	1,820,000	1,560,000	1,040,000	0	0	0	0	0	0	0
- to improve the level of service	0	532,000	330,000	280,000	0	0	0	0	0	0	0
- to replace existing assets	4,847,250	4,639,450	5,117,320	5,210,090	5,333,500	5,913,080	9,377,270	4,403,070	3,367,210	4,346,570	3,308,750
Increase (decrease) in reserves	(1,071,470)	1,675,800	(10,980)	(45,780)	49,610	(229,990)	(4,002,840)	(746,030)	272,230	(674,330)	680,690
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	5,278,780	8,667,250	6,996,340	6,484,310	5,383,110	5,683,090	5,374,430	3,657,040	3,639,440	3,672,240	3,989,440
Surplus (deficit) of capital funding (C – D)	(2,289,390)	(2,173,700)	(2,438,590)	(2,633,520)	(3,012,870)	(3,303,600)	(2,918,470)	(3,211,100)	(3,220,680)	(3,242,350)	(3,548,560)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0

Funding Impact Statement (cont'd)

<u>Annual Plan</u> <u>2020/21</u>		<u>LT P Estimate</u> <u>2021/22</u>
GENERAL RATES		
600.00	Uniform Annual General Charge¹ (UAGC) per separately used or inhabited part of a rating unit ² (Incl. GST)	600.00
1,752,000	Revenue sought from the UAGC (Incl GST)	1,758,000
Differential General Rate³:		
0.5014	Rateable rating units zoned Residential, Rural Lifestyle and Reserve in terms of Council's operative district plan, a rate per cents in \$ of Capital Value (Incl GST)	0.5313
3,350,280	Revenue sought from Residential, Rural Lifestyle and Reserve Rates (Incl GST)	3,574,440
2.0885	All other rateable rating units other than those zoned Residential, Rural Lifestyle and Reserve in Council's operative district plan, a rate per cents in \$ of Capital Value (Incl GST)	2.1460
6,059,410	Revenue sought from All Other Zones Rates (Incl GST)	6,241,470
TARGETED RATES⁴:		
82.00	Water Supply Rate (Incl GST)	69.30
231,160	Revenue sought from Water Supply Rate (Incl GST)	196,810
21.30	Water by meter – dollar per cubic metre (Incl GST)	0.23
63,810	Revenue sought from Water by Meter Rate (Incl GST)	69,000
163.10	Wastewater Disposal Rate (Incl GST)	177.70
468,420	Revenue sought from Wastewater Disposal Rate (Incl GST)	513,910
178.50	Refuse Collection Rate - 60 litre bin (Incl GST)	208.80
422,330	Revenue sought from Refuse Collection Rate – 60 litre bin (Incl GST)	477,110
238.50	Refuse Collection Rate - 120 litre bin (Incl GST)	268.80
77,990	Revenue sought from Refuse Collection Rate – 120 litre bin (Incl GST)	114,780

¹ The Uniform Annual General Charge (UAGC) is the "minimum contribution" for each rating unit towards the cost of those activities funded by the General Rate.

² 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 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**.

³ 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 55:45 (Commercial/Industrial: Residential) is charged for the total General Rate.

⁴ The water supply targeted rate funds the use costs related to the water supply service. The wastewater disposal targeted rate funds the use costs related to the wastewater collection and disposal service. The refuse collection targeted rates funds the costs related to the refuse collection service. Each of these targeted rates are charged on each separately used or inhabited part of a rating unit as defined for the UAGC which is connected to the service (water – except those rating units with a water meter, and wastewater) and per bin where Council provides the service (refuse collection).

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

Annual Plan
2020/21

CAPITAL VALUES (for assessing the General Rate)

668,185,000	Residential
290,132,000	Commercial/Industrial
958,317,000	Total Capital Values
352,991,000	Total Land Value (at end of previous financial year)
2,980	Number of rating units (at end of previous financial year)

LT P Estimate
2021/22

672,772,400
290,837,000
\$963,609,400
353,242,000
2,983

Impact of rating proposals for selected properties

Rating Impact for 2021/22						
	General Rate and UAGC	Targeted Rates			Total Rates (incl GST)	Increase
	(UAGC = \$600.00)	Water Supply	Wastewater	Refuse Collection		%
Residential:						
\$29,000	754.00	69.30	177.70	208.80	\$1,210	3.5%
\$170,000	1,503.00	69.30	177.70	208.80	\$1,959	4.4%
\$210,000	1,716.00	69.30	177.70	208.80	\$2,172	4.6%
\$230,000	1,822.00	69.30	177.70	208.80	\$2,278	4.6%
\$285,000	2,114.00	69.30	177.70	208.80	\$2,570	4.8%
\$335,000	2,380.00	69.30	177.70	208.80	\$2,836	4.9%
\$490,000	3,203.00	69.30	177.70	208.80	\$3,659	5.1%
Commercial:						
\$140,000	3,604.00	69.30	177.70	0	\$3,851	2.2%
\$175,000	4,355.00	69.30	177.70	0	\$4,602	2.3%
\$325,000	7,574.00	69.30	177.70	0	\$7,821	2.5%
\$850,000	18,841.00	69.30	177.70	0	\$19,088	2.6%
\$18,600,000	399,756.00	69.30	177.70	0	\$400,003	2.7%
\$29,400,000	631,524.00	69.30	177.70	0	\$631,771	2.7%
\$33,550,000	720,583.00	69.30	177.70	0	\$720,830	2.8%
\$120,500,000	2,586,530.00	69.30	177.70	0	\$2,586,777	2.8%

Projected Number of Rating Units (at end of each preceding financial year)

Year	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
No of rating units	2,983	2,985	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990



Prospective Revenue by Activity 2021-2031

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Democracy	3,430	1,160	16,170	1,180	1,180	16,190	1,200	1,210	16,210	1,220	1,230
Economic Development	1,568,070	1,154,000	1,108,370	1,154,860	1,203,740	1,266,260	679,800	691,760	705,880	721,830	734,960
Environmental Services	178,690	184,050	184,230	188,010	191,510	194,940	198,550	201,830	205,330	208,940	212,230
Roading	814,100	1,188,630	962,400	931,800	741,930	763,100	784,920	807,460	830,710	854,650	879,350
Stormwater	220,450	219,490	27,200	24,360	3,570	0	0	0	0	0	0
Water Supply	320,630	258,150	267,120	272,990	276,030	280,350	270,320	264,990	272,180	281,120	289,570
Wastewater	658,140	534,980	543,260	549,400	549,590	558,780	565,220	566,440	577,050	593,740	601,770
Solid Waste	1,037,510	1,163,580	1,189,340	1,217,650	1,236,750	1,260,170	1,285,530	1,303,660	1,326,690	1,353,180	1,370,790
Leisure & Recreation	651,040	208,750	214,170	88,530	91,530	94,620	97,880	101,460	106,400	112,310	118,140
Sundry	131,920	159,060	161,570	164,140	167,540	171,050	174,770	183,690	186,740	190,330	192,320
Eliminations	(244,110)	(173,130)	(161,850)	(155,930)	(152,000)	(147,960)	(148,640)	(158,490)	(162,700)	(170,650)	(180,540)
	5,339,870	4,898,720	4,511,980	4,436,990	4,311,370	4,457,500	3,909,550	3,964,010	4,064,490	4,146,670	4,219,820
General Rates	9,687,210	10,074,470	10,579,460	10,960,640	11,406,700	11,929,660	12,351,080	12,728,070	13,015,190	13,274,080	13,730,810
Total Revenue	15,027,080	14,973,190	15,091,440	15,397,630	15,718,070	16,387,160	16,260,630	16,692,080	17,079,680	17,420,750	17,950,630



Prospective Expenditure by Activity 2021-2031

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Democracy	855,770	743,770	782,380	781,830	791,760	825,770	830,520	839,660	878,310	883,000	899,200
Economic Development	2,386,710	2,110,050	2,116,910	2,167,570	2,191,770	2,218,950	2,109,460	2,142,470	2,184,980	2,240,560	2,277,070
Environmental Services	1,179,700	1,264,180	1,159,930	1,219,810	1,207,110	1,258,540	1,255,420	1,312,490	1,300,630	1,371,710	1,363,600
Roading	1,896,080	1,990,370	2,004,990	2,033,080	2,125,540	2,158,960	2,197,450	2,297,940	2,333,660	2,379,780	2,488,760
Stormwater	253,950	331,560	286,120	279,830	310,110	312,850	319,570	350,170	357,340	365,160	398,870
Water Supply	1,182,540	1,431,700	1,557,250	1,629,700	1,809,680	1,911,260	2,069,290	2,212,940	2,232,380	2,268,640	2,443,700
Wastewater	1,776,870	1,812,600	1,849,640	1,884,330	1,981,540	2,012,500	2,048,550	2,153,900	2,191,540	2,239,960	2,359,170
Solid Waste	1,826,130	1,935,030	1,971,160	2,027,320	2,049,400	2,091,080	2,140,010	2,165,030	2,207,390	2,264,120	2,288,900
Leisure & Recreation	4,234,390	4,283,880	4,417,280	4,374,900	4,432,360	4,520,590	4,666,390	4,674,010	4,855,550	4,878,950	4,987,950
Sundry	(31,130)	58,200	58,300	58,400	59,400	60,570	61,870	63,260	64,730	66,360	68,080
Eliminations	(890,480)	(880,160)	(901,940)	(915,380)	(930,190)	(934,380)	(949,590)	(973,670)	(992,490)	(1,015,520)	(1,040,110)
Total Expenditure	14,670,530	15,081,180	15,302,020	15,541,390	16,028,480	16,436,690	16,748,940	17,238,200	17,614,020	17,942,720	18,535,190

Prospective Operational Shortfall by Activity 2021-2031



	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Operating shortfall by activity:											
Economic Development	74,850	181,500	131,500	31,500	(61,540)	(311,540)	138,460	144,920	144,920	144,920	151,690
Roading	51,120	(186,750)	(16,500)	16,460	271,490	260,240	248,660	295,820	283,550	270,920	322,300
Stormwater	(30,000)	18,040	0	0	0	0	0	0	0	0	0
Leisure & Recreation	(452,520)	95,200	95,580	95,930	100,550	100,890	101,190	105,460	105,830	106,190	110,600
Sundry	0										
Total Operating Shortfall/(Surplus)	(356,550)	107,990	210,580	143,890	310,500	49,590	488,310	546,200	534,300	522,030	584,590
<i>Made up of:</i>											
Property sales surplus	(650,000)	(450,000)	(400,000)	(400,000)	(400,000)	(450,000)	0	0	0	0	0
Rate reduction – property sales	593,500	500,000	400,000	300,000	200,000						
Net proceeds from sales	(56,500)	50,000	0	(100,000)	(200,000)	(450,000)	0	0	0	0	0
Depreciation not funded:											
Economic Development	131,360	131,500	131,500	131,500	138,460	138,460	138,460	144,920	144,920	144,920	151,690
Roading	463,050	603,750	603,750	603,750	659,730	659,730	659,730	718,810	718,810	718,810	783,180
Stormwater	157,500	184,090	-	-	-	-	-	-	-	-	-
Leisure & Recreation	97,500	95,200	95,580	95,930	100,550	100,890	101,190	105,460	105,830	106,190	110,600
Total depreciation not funded	849,410	1,014,540	830,830	831,180	898,740	899,080	899,380	969,190	969,560	969,920	1,045,470
Funding for capital work :											
Roading, Stormwater & Leisure	(1,149,460)	(956,550)	(620,250)	(587,290)	(388,240)	(399,490)	(411,070)	(422,990)	(435,260)	(447,890)	(460,880)
Total subsidy for capital	(1,149,460)	(956,550)	(620,250)	(587,290)	(388,240)	(399,490)	(411,070)	(422,990)	(435,260)	(447,890)	(460,880)
Total operating shortfall /(Surplus)	(356,550)	107,990	210,580	143,890	310,500	49,590	488,310	546,200	534,300	522,030	584,590

Reconciliation from Operating Funding to Operating Surplus/Deficit 2021-2031



	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Operating Funding Surplus/(Deficit)	2,289,390	2,173,700	2,438,590	2,633,520	3,012,870	3,303,600	2,918,470	3,211,100	3,220,680	3,242,350	3,548,560
Plus subsidy for capital expenditure	1,149,460	956,550	620,250	587,290	388,240	399,490	411,070	422,990	435,260	447,890	460,880
Less depreciation	3,082,300	3,238,260	3,269,420	3,364,570	3,711,520	3,752,740	3,817,850	4,180,230	4,190,280	4,212,210	4,594,000
Operating Surplus/(Deficit)	356,550	(107,990)	(210,580)	(143,760)	(310,410)	(49,530)	(488,310)	(546,120)	(534,340)	(521,970)	(584,560)



Prospective Capital Programme 2021-2031

	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Economic and Community Development	1,523,740	1,831,400	1,571,640	1,051,840	32,030	32,640	33,300	34,020	34,790	35,630	36,500
Environmental Services	20,000	0	0	0	0	0	0	0	0	0	0
Roading	599,810	1,095,960	872,510	829,920	565,870	582,280	599,170	616,540	634,420	652,820	671,750
Stormwater	250,000	221,400	250,000	50,000	751,400	785,960	821,330	857,470	894,340	932,800	972,910
Water Supply	2,338,150	2,213,000	2,580,780	2,729,720	2,575,140	3,217,370	5,651,880	1,291,060	30,330	1,237,780	19,410
Wastewater	287,000	985,000	1,209,700	1,428,660	818,990	868,310	1,673,000	932,320	1,290,650	1,013,370	1,185,740
Solid Waste	5,000	3,000	0	0	3,000	0	5,000	10,000	0	0	0
Leisure and Recreation	1,048,470	371,340	265,370	234,200	355,600	208,310	276,310	271,950	210,960	232,170	239,690
Plant and Office Equipment	278,080	270,350	257,320	205,760	231,480	218,220	317,290	389,720	271,730	242,010	182,760
Total Assets	6,350,250	6,991,450	7,007,320	6,530,090	5,333,500	5,913,080	9,377,270	4,403,070	3,367,210	4,346,570	3,308,750
Funded by:											
Government Subsidies	1,149,460	956,550	620,250	587,290	388,240	399,490	411,070	422,990	435,260	447,890	460,880
Asset Disposals	1,860,000	3,500,000	1,920,000	1,280,000	0	0	0	0	0	0	0
Loans	0	2,056,000	2,034,000	2,000,000	2,000,000	2,000,000	2,063,886	39,447	0	0	0
Depreciation Reserves	3,340,790	478,900	2,433,070	2,662,800	2,945,260	3,513,590	6,902,314	3,940,633	2,931,950	3,898,680	2,847,870
Total Funding	6,350,250	6,991,450	7,007,320	6,530,090	5,333,500	5,913,080	9,377,270	4,403,070	3,367,210	4,346,570	3,308,750

Depreciation Expense by Activity 2021-2031



	Annual Plan 2020-21 \$	Forecast 2021-22 \$	Forecast 2022-23 \$	Forecast 2023-24 \$	Forecast 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$
Democracy	23,080	16,980	17,240	17,290	18,400	18,630	18,560	19,570	19,870	19,660	20,830
Economic Development	253,870	228,840	216,870	217,700	226,370	226,930	227,580	235,850	236,570	237,560	246,220
Environmental Services	39,370	42,290	42,340	42,820	45,790	46,000	45,870	48,850	48,540	49,000	51,600
Roading	803,900	879,850	881,850	884,040	961,320	963,470	965,690	1,047,200	1,049,500	1,052,010	1,140,690
Stormwater	210,400	246,130	245,810	245,750	268,580	268,590	268,590	292,640	292,650	292,650	318,840
Water Supply	447,220	556,330	582,550	609,780	728,320	760,510	817,290	944,670	945,000	957,460	1,086,080
Wastewater	429,900	521,900	522,250	522,490	601,350	601,420	601,520	685,200	685,260	685,450	776,440
Solid Waste	34,120	31,620	32,170	32,690	35,780	35,880	35,980	39,130	39,120	39,370	42,600
Leisure and Recreation	840,440	714,300	728,300	792,100	825,700	831,250	836,760	867,210	873,740	879,100	910,770
Total Depreciation Expense	3,082,300	3,238,240	3,269,380	3,364,660	3,711,610	3,752,680	3,817,840	4,180,320	4,190,250	4,212,260	4,594,070



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 record the amount that Council's assets have increased in value.

Current reserves, the purpose for holding each reserve and the Council activity to which each reserve relates, together with summary financial information across the ten years of the Long Term Plan are shown on the following page.

Council created Reserves – Purpose of Fund	Balance @ 1 July 2021	Deposits	Expenditure	Balance @ 30 June 2031
Asset Renewal Reserve (All Activities) To set funds aside for the renewal of assets utilised by the following activities:	\$	\$	\$	\$
Democracy	116,741	6,950	-	123,691
Building & Inspection	593	31	-	624
Environmental Health	3,935	100	-	4,035
Dog Pound	(71,720)	283,823	229,552	(17,449)
Roading/Footpaths	1,851,280	2,964,120	2,157,380	2,658,020
Stormwater	393,336	2,552,487	6,371,560	(3,425,737)
Water Supply	2,553,587	7,916,122	9,546,469	923,240

Council created Reserves – Purpose of Fund	Balance @ 1 July 2021	Deposits	Expenditure	Balance @ 30 June 2031
Wastewater	4,053,478	6,069,447	11,405,740	(1,282,815)
Refuse Disposal	(250,839)	103,538	103,465	(250,766)
Zero Waste	94,519	70,215	-	164,734
Library	(456,920)	764,523	1,071,439	(763,836)
Museum	(128,011)	214,196	161,562	(75,377)
Swimming Pool	(1,055,657)	2,092,788	394,743	642,388
Rec Centre	(189,287)	742,236	247,030	305,919
Town Hall	327,713	513,935	67,727	773,921
Concert Chamber	19,339	196,442	119,840	95,941
Town Centre Toilets	(154,072)	61,588	100,000	(192,484)
Sportsfields	661,983	1,166,243	253,860	1,574,366
Passive Reserves	(399,534)	700,823	585,421	(284,132)
Road Berms	223	-	-	223
Street Trees	21,231	21,405	-	42,636
Bedding Displays	1,258	54	-	1,312
Playgrounds	322,228	265,462	40,090	547,600
Pensioner Housing	(33,133)	-	-	(33,133)
Cemetery	59,844	59,464	-	119,308
Residential Developments	(730,230)	733,001	-	2,771
Retirement Village	(2,220,038)	2,303,610	-	83,572
Firmin Lodge	(212,548)	363,000	399,495	(249,043)
District Office & Depot	(330,638)	1,047,335	392,960	323,737
Finance	387,070	596,836	330,533	653,373
Operations & Services	5,713	(2)	-	5,711
Information Centre	(118,334)	98,880	57,040	(76,494)
Plant	177,420	1,610,560	1,669,806	118,174
Development Feasibility Fund	10,200	-	-	10,200
Total	4,710,730	33,519,212	35,705,712	2,524,230
Revaluation Reserve – Purpose of Fund	Balance @ 1 July 2021 \$	Additions \$	Expenditure \$	Balance @ 30 June 2031 \$
Revaluation Reserve - records the amount that Council's assets have increased in value.	29,633,911	22,997,520		52,631,431

Disclosure Statement

For period commencing 1 July 2021



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 Long Term 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.

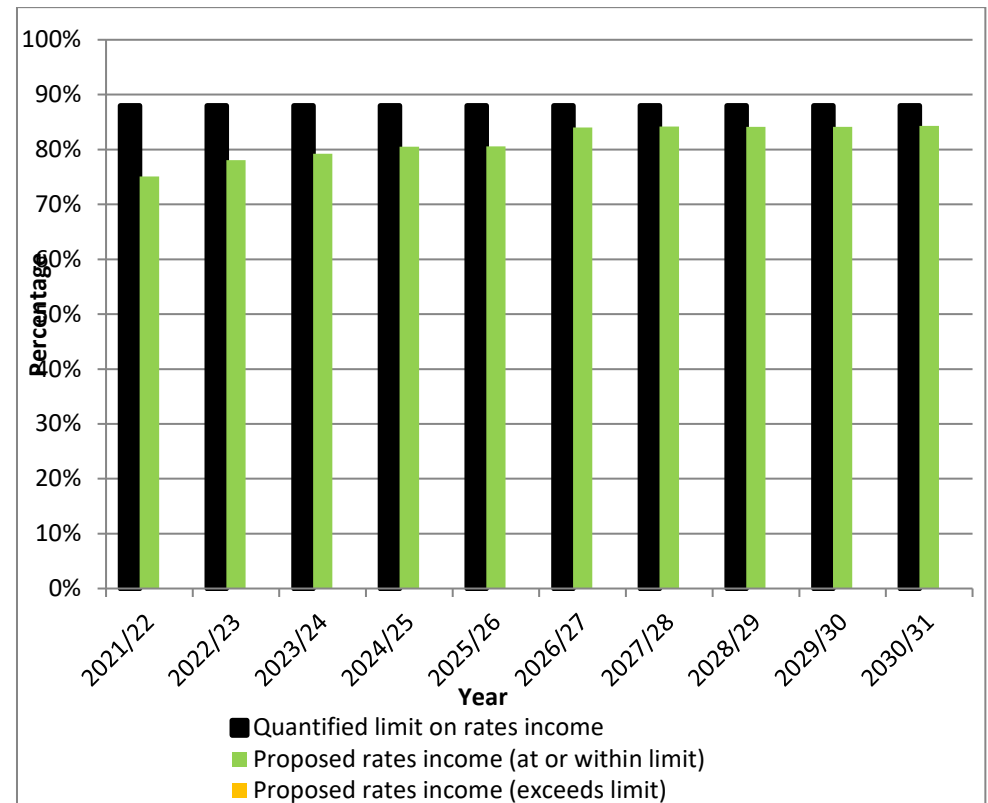
Rates Affordability Benchmark

Council meets the rates affordability benchmark if:

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

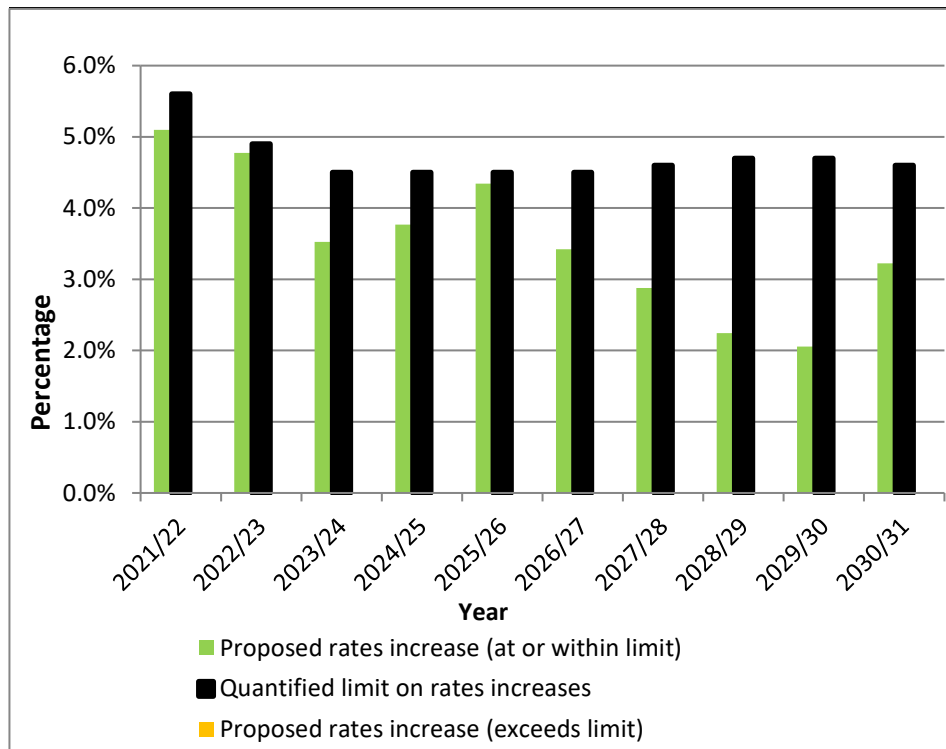
Rates (income) affordability

The following graph compares Council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is 88 percent of Total Budgeted Revenue.



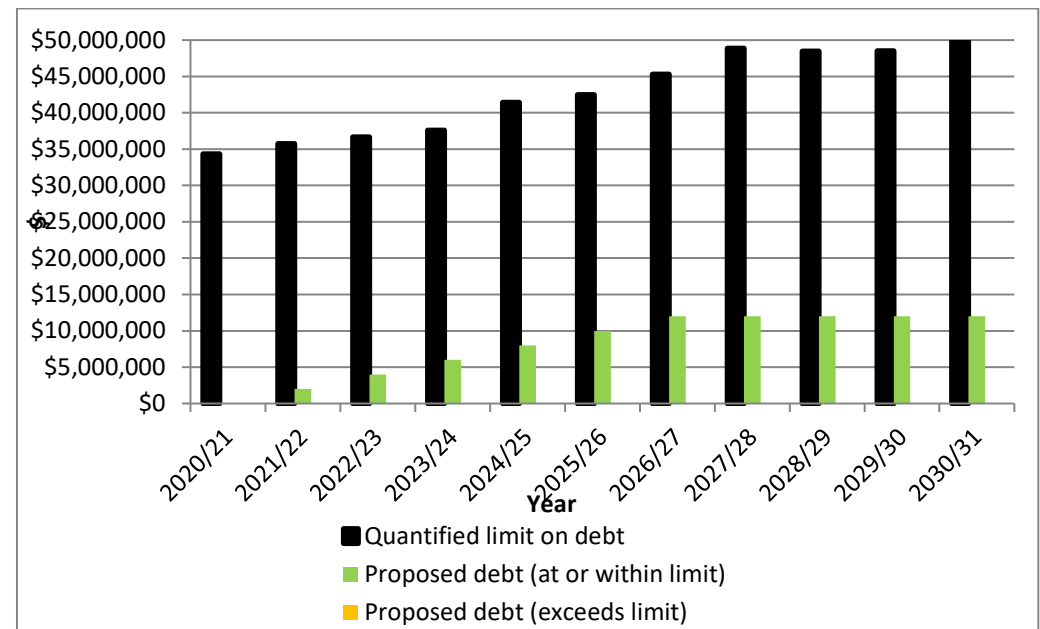
Rates (increases) affordability

The following graph compares Council's planned rates increases with a quantified limit on rates increases included in the Financial Strategy contained in this Long Term Plan. The quantified limit is that total rates increase (excluding rates penalties) in any one year will not exceed the underlying rate of inflation for Council costs plus two percent. Council has recently increased the level of services for a number of activities which resulted in increased costs. The rate increase has been spread over two years by using previous year's cash surpluses. Council believes it is acting prudently by spreading the rate increase and avoiding a large rate increase in one year.



Debt Affordability Benchmark

Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan. The quantified limit on borrowing for the period of the Long Term Plan (2021-31) is 50% of fixed assets (excluding finance leases).



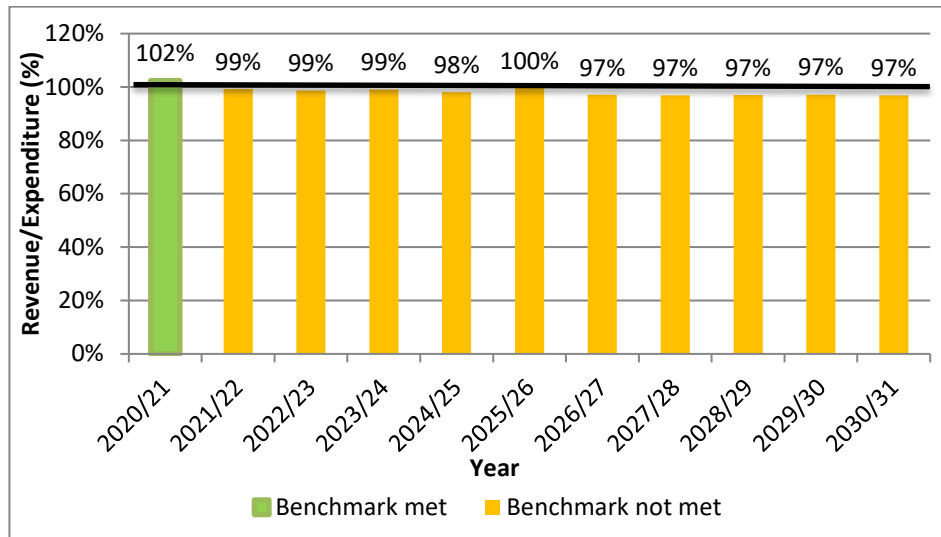
Comment

Council is proposing to borrow \$12 million over the next six years (2021 – 2027) to fund the replacement of AC and steel water pipes. Council has joined the Local Government Funding Agency (LGFA) to obtain the best interest rates and ensures funding is available when needed.

There is no other borrowing anticipated for the period of the 2021 – 2031 Long Term Plan apart from finance leases which are for the funding of Council's printer/copiers and telephone system.

Balanced Budget Benchmark

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



Comment

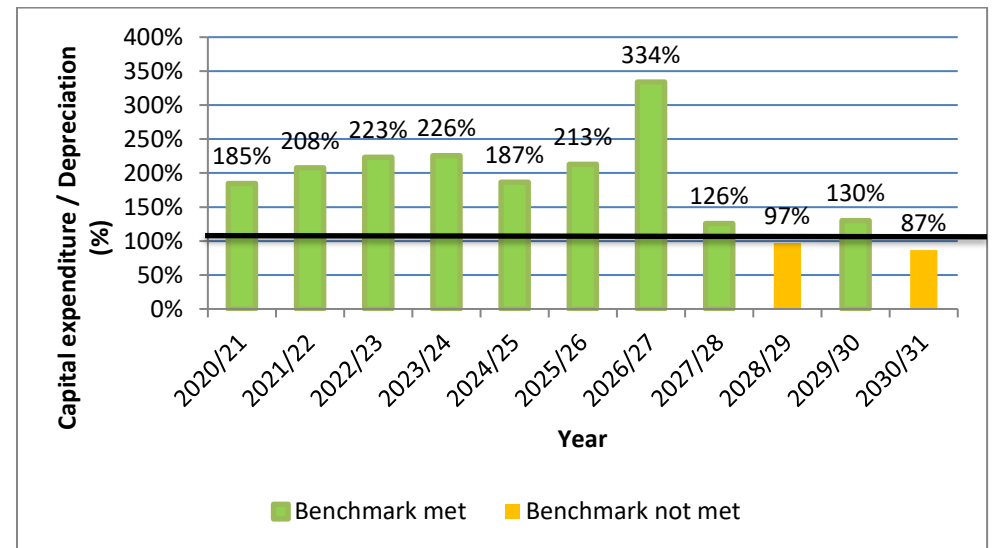
Council does not fully fund depreciation of assets for roads which are subject to New Zealand Transport Agency (NZTA) subsidies. The assumption has been made that when these assets are due for renewal, the NZTA will contribute towards the cost at the current agreed rate. The benefit of not funding the portion of depreciation where Council expects NZTA subsidies on asset renewals is that ratepayers are not funding depreciation which Council believes is unlikely to be required in the future.

Council also does not fully fund depreciation for buildings and facilities which will not be replaced, at least not as they are now. These 'non-critical' assets include the swimming pool complex, Town Hall, Concert

Chambers, Library/Museum building, District Office, Tarawera Park Amenity Building, Ron Hardie Recreation Centre, Council Depot and Pensioner Houses. The advantage of not funding depreciation on non-critical assets is that the community is not funding depreciation on assets that are unlikely to be replaced with buildings or facilities of equivalent value.

Essential Services Benchmark

The following graph displays Council's planned capital expenditure on network services as a proportion of expected depreciation on network services. Council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Comment

The town of Kawerau was built over a period of about 30 years from 1954 to 1987. With asset lives of up to 80 years, the majority of planned renewals won't occur until another 15 -23 years.

However, Council is proposing to replace all the AC and steel water pipes over the next 6 years. Other pipes will be replaced at the end of their life.

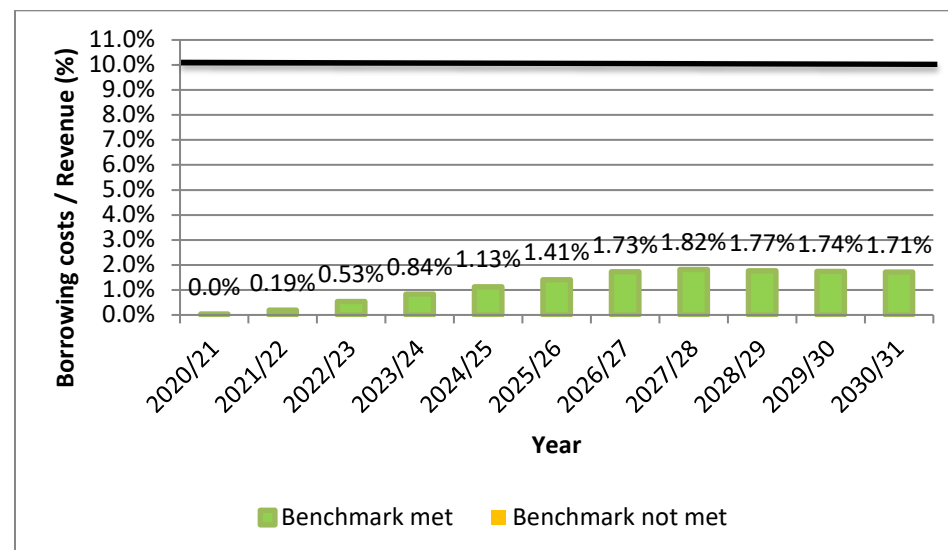
The following table broadly illustrates the age of Councils infrastructure.

Zone	Area	Built (Approx.)	Age in years (Approx.)
1	Area bounded by State Highway 34 and River Road up to overflow stream and the swimming pool complex and including Ward Street and northern half of Bell, Massey Street area.	1955-58	65
2	Cobham Drive and adjoining streets, Porritt Drive and the balance of the Bell, Massey Street area.	1963-68	57
3	River Road (Pump house to Fenton Mill Road), Fenton Mill Road, Valley Road (roundabout to SH 34).	1971-75	49
4	Valley Road (roundabout to unsealed section) and adjoining side streets.	1976-80	44
5	Hardie and Beattie Roads and adjoining side streets.	1983-87	37
6	Geothermal area (Recreation. Centre, Pool, Bowling Club, TAB carpark).	1960	58

Debt Servicing Benchmark

The following graph displays Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10 percent of its planned revenue.



Comment

Council's debt servicing relates to the interest costs on planned borrowing for the replacement of water pipes and finance charges on leased assets (photocopiers/printers and telephone hardware).



POLICIES | MAHERE KAUPAPA

Revenue and Financing Policy



Policy Objectives

The objectives of this policy are to explain who pays and why, to outline how Council's activities are funded and to meet the requirements of the Local Government Act 2002.

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 for the District. Kawerau's community outcomes are described in this Long Term 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), a user-pays system 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 benefit) then an appropriate funding option for that activity would be the general rate.

Industrial/Commercial All properties other than those defined as "Residential".

Residential Properties situated in any zone used solely for residential purposes.

Period of benefits A statutorily required assessment of the period over which the benefits from each activity will flow. This helps identify 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 adequately funded on an annual basis.

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

To ensure that each generation of ratepayers pay for the benefits they receive, the depreciation costs of an asset are funded from rates from the corresponding year. Infrastructural costs are thus spread more evenly across the life of the asset and the different ratepayers who benefit from it.

Funding of capital expenditure There are three types of capital expenditure which need to be funded: purchase of new assets, replacement of existing assets and repayment of loan principal on debt (both external and internal).

Depreciation reserves are used to fund capital expenditure in Council activities for which asset depreciation is funded. Internal borrowing is used when there are insufficient reserve funds for an activity. It is estimated that Council will need to borrow externally to fund some

infrastructural asset renewals during the current Long Term Plan. A table showing planned renewal expenditure is included in the financial statements.

The Local Government Act requires that Council operating revenues in any one financial year should be set at a level sufficient to meet all projected operating expenses, including depreciation costs. Depreciation on some assets is not fully funded (see Financial Strategy). Any capital expenditure on those assets is funded from general rates or internal loans.

Contributors to the need for an activity (polluter pays) The ‘polluter pays’ principle is that the person who creates a problem which incurs costs for Council, should contribute some or all of the funds to meet those costs. For example, dog owners who allow their dogs to roam should pay a fine to cover the cost of impounding. However, this is not always practical, as identifying and charging the offender is not always possible. Similarly, people who do graffiti or dump rubbish illegally are not always caught. Council’s policy is to recover these costs where practicable.

Costs and benefits of funding the activity distinctly from other activities When selecting a particular funding mechanism Council is required to consider the costs and benefits. 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 is assessed on a case-by-case basis. Council is also required to consider alternative funding mechanisms in terms of transparency and accountability. One which is targeted for specific cost items is more transparent to users of the activity than general or aggregated funding. 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 activity level. For some activities, it has divided costs into two components: availability of the service and use of the service. Activities have been separated in this way when 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 a private benefit.

‘Availability’ relates to the costs incurred to keep a service or asset in such a condition that it can become operational (e.g. keeping library items up to date). ‘Use’ relates to costs incurred as a result of the asset being used (e.g. the staff cost of issuing library items).

Legislative requirements

The Local Government Act requires that the funding needs of Council must be met from those sources which are deemed to be appropriate, following the consideration of:

- 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.

Council must then assess the overall impact on the community of allocating the liability for this revenue, before determining the appropriate funding mechanisms. The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

The second stage 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 Expenses

All operating expenses will be funded each year in accordance with the summary table which lists the following funding sources for each activity after Council determines:

- the beneficiaries of Council activities
- the ability of residents to pay for Council services
- whether there are any “exacerbators” for the particular activity; and
- the costs and benefits of using the selected funding source.

Funding of Capital Expenditure

Capital expenditure is funded in accordance with the type of expenditure that is incurred.

- Renewals are funded from depreciation reserves (unless funded by external loan)
- Capital expenditure to improve the level of service or met additional demand is funded from an internal loan
- External loans – to fund the replacement of water pipes (2021 – 2027)

Other sources of capital funding include:

- NZTA subsidy (Roading and Stormwater)
- Sale/Disposal of assets
- Grants from various funding agencies.

General Rate

Council charges general rates through both a Uniform Annual General Charge (UAGC) on each separately used or inhabited part of a rating unit and a rate in the dollar 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 and more even allocation of the general. The UAGC amount has been set by Council to produce the fairest and most equitable overall result for the community.

Council charges 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 the 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, other than 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 which 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

Much of Council's Roading expenditure is subsidised by the New Zealand Transport Agency (NZTA). Subsidies contribute to the long term maintenance of carriageways and stormwater drainage and lighting systems. There is also a small annual amount contributed by the NZ Defence Force for the up keep of returned servicemen graves, which is included in subsidies and grants.

Interest and Dividends

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

Interest is received from financial investments. Significant replacement of infrastructure assets will occur in the 2021 – 2031 period. Council will only have moderate cash surplus and depreciation reserves. While the reserves are invested in accordance with Council's Investment Policy and are retained for expenditure on asset replacement there will only be small proceeds from these investments. Interest revenue from the investment of these reserves lowers the amount of depreciation funding required from general rates.

Fees and Charges

Fees and charges are imposed on a wide range of activities. Council considers a number of matters 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 to people on low incomes
- The risk of people not using Council services if charges for those services are perceived to be too high
- In applicable cases, whether the user lives within or outside the district

Proceeds from Asset Sales

Proceeds from asset sales are used to repay debt, or are set aside in a reserve for the future acquisition of new assets.

Reserve Funds

Most Council reserve funds are held in depreciation reserves. These are used to finance the renewal of existing assets.

Financial Contributions

There is an ability for Council to collect financial contributions as per a Financial Contributions Policy.

Assessment of Overall Impact of Allocation of Revenue Needs

Council selects funding tools which lead to the most equitable funding of activities in terms of:

- The distribution of benefits across the community
- When the benefits are expected to occur
- The extent to which the action or inaction of particular individuals or group(s) contribute to the need to provide the activity
- Affordability.

While the level of private benefit provided by some activities would justify imposing user fees and charges, Council wishes to enhance community well-being by enabling every resident to access Council services. This is based on the principle that inability to pay should not restrict access to services. Council has therefore determined that general rates will be used to fund:

- Access to the Public Library / Museum for residents and ratepayers
- Access to the Swimming Pools
- Partial rental waivers for use of the Town Hall, Concert Chambers, Recreation Centre and Passive Reserves
- Free access to Town Centre Toilets
- Free access to the Refuse Transfer Station for charitable purposes.

Table: Allocation of costs

Significant Activity		Funding Ratio	
		Public Benefit (%)	Private Benefit (%)
Democracy		100	0
Economic and Community Development		100	0
Economic Development		0	10
Pensioner Housing		100	0
Community, Cultural and Social		0	0
Commercial Rental Buildings			10
Firmin Lodge		55	45
Information Centre		25	75
Environmental Services			
Resource Management - Planning	Availability	100	0
Resource Management - Consents		30	70
Building and Inspection	Availability	100	0
Building and Inspection	Use	20	80
Environmental Health	Availability	100	0
Environmental Health	Use	50	50
Dog Control		90	10
Dog Registration		0	100
Civil Defence		100	0
Roading		25	75
Stormwater		100	0
Water Supply			
Water Supply	Availability	100	0
Water Supply	Use	0	100
Wastewater			
Wastewater	Availability	100	0
Wastewater	Use	0	100
Solid Waste			
Refuse Collection		10	90
Refuse Disposal	Availability	100	0
Refuse Disposal	Use	0	100
Zero Waste		100	0

Significant Activity		Funding Ratio	
		Public Benefit (%)	Private Benefit (%)
Leisure and Recreation			
Library/Museum	Availability	100	0
Library/Museum	Use	95	5
Swimming Pools	Availability	100	0
Swimming Pools	Use	95	5
Public Halls			
Recreation Centre	Availability	100	0
Recreation Centre	Use	90	10
Town Hall	Availability	100	0
Town Hall	Use	90	10
Concert Chamber	Availability	100	0
Concert Chamber	Use	90	10
Bert Hamilton Hall	Availability & Use	90	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	100	0
Cemetery	Use	0	100

Table: Mix of funding mechanisms for operating expenses

Activity Group		Public Benefit	Private Benefit
Democracy		General Rates	
Economic and Community Development		General Rates	User Fees and Charges
Economic Development		General Rates	User Fees and Charges
Commercial Rental Buildings		General Rates	User Fees and Charges
Community, Cultural and Social Pensioner Housing	Availability	General Rates	User Fees and Charges
Commercial Rental Buildings Firman Lodge		General Rates	User Fees and Charges
Information Centre		General Rates	User Fees and Charges
Environmental Services		General Rates	User Fees and Charges
Resource Management - Planning	Availability	General Rates	User Fees and Charges
Resource Management - Consents		General Rates	User Fees and Charges
Building and Inspection	Availability	General Rates	User Fees and Charges
Building and Inspection	Use	General Rates	User Fees and Charges
Environmental Health	Availability	General Rates	User Fees and Charges
Environmental Health	Use	General Rates	User Fees and Charges
Dog Control		General Rates	

Activity Group		Public Benefit	Private Benefit
Dog Registration			User Fees and Charges
Civil Defence		General Rates	
Roading		General Rates	(Subsidies, LA Fuel Tax)
Stormwater		General Rates	
Water Supply			
Water Supply	Availability	General Rates	
Water Supply	Use		Targeted Rate and User Fees and Charges
Wastewater			
Wastewater	Availability	General Rates	
Wastewater	Use		Targeted Rate and User Fees and Charges

Activity Group		Public Benefit	Private Benefit
Solid Waste			
Refuse Collection		General Rates	Targeted Rate and User Fees and Charges
Refuse Disposal	Availability	General Rates	
Refuse Disposal	Use	General Rates	User Fees and Charges
Zero Waste		General Rates	
Leisure and Recreation			
Library/Museum	Availability	General Rates	
Library/Museum	Use	General Rates	User Fees and Charges
Swimming Pools	Availability	General Rates	
Swimming Pools	Use	General Rates	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	Availability	General Rates	
Town Centre Toilets	Use	General Rates	
Public Toilets		General Rates	
Parks and Reserves			
Sports Fields		General Rates	User Fees and Charges
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		Subsidy/Fees and Charges

Rating Policy



Policy Objectives

The objectives of this policy are to enable Council to:

- Generate sufficient rates revenue to ensure its activities are adequately funded
- Operate a rating system which is fair and equitable to the community of Kawerau; and
- Charge rates which are affordable for ratepayers.

Principles

This policy is based on the principle that Council rates should be fair, equitable and affordable.

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 that 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

1. General Rates

Council will levy general rates which comprise: a uniform annual general charge (UAGC) of \$600.00 (incl GST), 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 is the "minimum contribution" towards the cost of those activities that are funded by the General Rate. 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 properties and residential properties general rates revenue of 55:45.

2. Water Supply Rates

A uniform fixed amount is levied 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 supply rate.

3. Metered Water Charges

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

4. Wastewater Disposal Rates

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

5. Refuse Collection Rates

A uniform fixed amount is charged per bin on each rating unit from which Council removes refuse.

6. Levying and Collecting

Council sets and charge rates for each year from 1 July to 30 June. The instalment dates for 2021/22 are shown below.

Table: Due dates for rates (except metered water)

Instalment	Payment due date
1	Friday 27 August 2021
2	Friday 26 November 2021
3	Friday 25 February 2022
4	Friday 20 May 2022

Table: Due dates for Metered Water

Reading Date	Payment due date
30 September 2021	22 October 2021
30 December 2021	21 January 2022
31 March 2022	22 April 2022
30 June 2022	22 July 2022

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

7. Rates Penalty Charges

Council charges the following penalties on unpaid rates (except metered water):

Rates arrears penalty A penalty of 3 percent on rates levied before 1 July 2021, including previously applied penalties, remaining unpaid on 3 August 2021, to be added on 4 August 2021. An additional 3 percent penalty on any portion of these rates which are still not paid by 4 February 2022 will be added on 8 February 2022.

Rates instalment penalty. A penalty of 5 percent on the amount assessed for the current year which is not paid by the due date. This will be charged on the next working day after the due date.

Report of the Auditor

To the reader:

Independent Auditor's report on Kawerau District Council's 2021-2031 long-term plan

I am the Auditor-General's appointed auditor for Kawerau District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the

information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 27 July 2021.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 151 to 154 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of Matters

Without modifying our opinion, we draw attention to the following matters:

Uncertainty over three waters reforms

Pages 18 and 123 outline the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because final decisions have not yet been made. The plan was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the plan has been based.

Uncertainty over three waters renewals forecasts

Pages 19 to 21 and 122 outlines that the Council's forecasting for three waters asset renewals is based on the assets' minimum lifespan. We note that using mostly age-based information increases the risk that assets requiring renewal are not replaced at the best time. The Council plans to carry out an asset evaluation programme and to use this information to determine the actual renewals required.

Breach of the Local Government Act 2002

Page 124 states the Council failed to adopt the plan before the commencement of the first year to which it relates. This is a breach of section 93(3) of the Local Government Act 2002.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the

plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of *Professional and Ethical Standard 1* issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of *Professional and Ethical Standard 3 (Amended)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than our work in carrying out all legally required external audits, we have no relationship with, or interests in, the Council.



JR Smail
Audit New Zealand
On behalf of the Auditor-General, Auckland, New Zealand

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, proposal, decision, or other matter that concerns or is before a local authority, means the degree of

importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:

- a) the district or region
- b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter
- c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

Significant In relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.

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.

Strategic asset As defined in Section 5 of the Local Government Act is “an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes—

- a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- c) any equity securities held by the local authority in—
- d) a port company within the meaning of the Port Companies Act 1988:
 - ii) an airport company within the meaning of the Airport Authorities Act 1966”

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



Council Offices, Ranfurly Court, Kawerau

Phone 07 306 9009

Email kaweraudc@kaweraudc.govt.nz

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

Website www.kaweraudc.govt.nz