



# Annual Plan 2022/23

Council authorised these Prospective Financial Statements for issue on: Tuesday 28 June 2022

# Glossary

## **Activity**

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

## **Annual Plan**

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

## **Annual Report**

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

## **Asset**

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

## **Community Outcomes**

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

## **Council-Controlled Organisation (CCO)**

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

## **Financial Strategy**

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

## **Funding Impact Statement (FIS)**

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

## **Generally Accepted Accounting Practice (GAAP)**

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

## **Levels of Service**

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

## **Local Authority**

A regional council or territorial authority.

## **Local Government Act 2002 ("the act")**

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

## **Long Term Plan**

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

## **Postponement of Rates**

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

## **Remission of Rates**

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

**Separately Used or Inhabited Part of a Rating Unit**

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

**Significance**

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

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

**Significant**

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

**Special Consultative Procedure**

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

**Statement of Proposal**

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

**Strategic Asset**

An asset or group of assets that Council needs to retain to maintain its capacity to promote any community outcome it considers important to the current or future well-being of the Community. The key is whether the assets are essential to the continued delivery of the community outcome. Strategic assets are listed in Council's Significance Policy.

**Territorial Authority**

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

**Wastewater**

Sewage and other waste disposed of through the wastewater system.

**Wastewater Disposal Network**

Sewerage system.

# Contents

|  |           |
|--|-----------|
| <b>OVERVIEW</b> .....  | <b>1</b>  |
| Overview from the Mayor and CEO .....                                      | 2         |
| Rates for 2022/23 .....  | 4         |
| Council and Staff Information .....  | 6         |
| Elected Members of Council .....   | 8         |
| Operational Structure.....   | 9         |
| <b>GROUPS OF ACTIVITIES</b> .....  | <b>11</b> |
| Council's Activity Structure.....  | 12        |
| Democracy .....  | 13        |
| Economic and Community Development.....                                    | 15        |
| Environmental Services .....   | 17        |
| Roading and Footpaths.....   | 20        |
| Water Supply.....  | 27        |
| Wastewater .....   | 32        |
| Solid Waste .....  | 35        |
| Leisure and Recreation .....   | 37        |
| Council Controlled Organisations (CCOs) .....                              | 41        |
| <b>TOTAL COUNCIL PROSPECTIVE FINANCIAL STATEMENTS</b> .....                | <b>44</b> |
| Significant Forecasting Assumptions, Risks and Possible Implications ..... | 45        |
| Prospective Statement of Accounting Policies .....                         | 48        |
| Prospective Statement of Comprehensive Revenue and Expense.....            | 54        |
| Prospective Statement of Changes in Equity.....                            | 55        |
| Prospective Statement of Financial Position .....                          | 56        |
| Prospective Statement of Cash Flows .....                                  | 57        |
| Prospective Revenue by Activity.....                                       | 61        |
| Prospective Expenditure by Activity .....                                  | 61        |
| Prospective Operational Shortfall by Activity .....                        | 62        |
| Prospective Capital Programme.....   | 63        |
| Depreciation Expense by Activity .....                                     | 64        |
| <b>POLICIES</b> .....  | <b>68</b> |
| Revenue and Financing Policy.....  | 69        |
| Rating Policy.....   | 74        |
| Rate Remission and Postponement Policies .....                             | 76        |
| <b>FEES AND CHARGES</b> .....  | <b>77</b> |
| Fees and Charges.....  | 78        |
| 1. Finance and Corporate Services.....                                     | 79        |
| 2. Operations and Services .....   | 81        |
| 3. Regulatory and Planning Services.....                                   | 82        |

# Section 1: OVERVIEW

# Overview from the Mayor and CEO



## Welcome to Council's 2022/23 Annual Plan

The 2022/23 Annual Plan is the second year of the 2021 - 2031 Long Term Plan and is primarily in line with what was planned.

The purpose of the 2022/23 Annual Plan is to:

- Inform the community about Council's plan for the year and the associated costs and funding
- Provide a basis of accountability for Council to the community
- Give residents and ratepayers the opportunity to participate in decision-making processes.

Council received 80 submissions to the 2022/23 Annual Plan Consultation Document. Council heard and considered all of these submissions at an extraordinary meeting on the 14 June 2022. The submissions were mostly responding to the two consultation issues: possible establishment of an asbestos landfill, and how to spread the rating shortfall resulting from the reduced valuation of the Norske Skog property. There were also a variety of other topics included in the submissions which Council considered at the meeting 14 June 2022.

After considering all submissions, Council made the following decisions for the 2022/23 year:

- Amending the allocation of the General Rate to 48% residential and 52% commercial
- Increasing the Uniform Annual General Charge to \$750.00 per property (\$600 2021/22) to smooth some of the impacts resulting from the valuation changes.
- Delaying the possible establishment of an asbestos landfill, but leaving \$50k in the budget for design, concept planning and consultation. This has added \$200k to rates as Council's preferred option for consultation, had anticipated there would be surplus revenue to offset rates

Council decided that it was more equitable to spread the rating shortfall resulting from the Norske closure, across all ratepayers, otherwise it would be too bigger increase for the small number of commercial and industrial ratepayers

Finally, we would like to thank everyone who took the time to participate in the Annual Plan consultation process.

The following is a summary of the Council's rating requirements for 2022/23:

| Rates  | 2021/22             | 2022/23             | Difference       |             |
|--|---------------------|---------------------|------------------|-------------|
|  | \$                  | \$                  | \$               | %           |
| General Rates                                      | 10,074,470          | 10,762,550          | 688,080          | 6.8         |
| <u>Targeted Rates<br/>Uniform Annual Charges):</u> |                     |                     |                  |             |
| Water Supply*                                      | 208,070             | 216,440             | 8,370            | 4.0         |
| Wastewater   | 446,910             | 433,940             | -12,970          | -2.9        |
| Refuse Collection                                  | 514,600             | 540,690             | 26,090           | 5.1         |
| <b>Total Rates</b>                                 | <b>\$11,244,050</b> | <b>\$11,953,620</b> | <b>\$709,570</b> | <b>6.3%</b> |

\*includes water by Meter

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

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

The total rates increase for 2022/23 does not exceed either of these limits. Although the rates charged to individual properties will differ from the overall increase in rates due to the re-valuation of the district and the redistribution of rates due to the closure of Norske Skog

### Re-valuation of District

A rating re-valuation was carried out for the district in September 2021, and it will be these new values which will be used for charging rates for 2022/23. Council consider how to minimise the impact of the variable valuation increases as well as the significantly reduced valuation for Norske Skog. After consulting the community on 2 possible options Council decided that for 2022/23 the Uniform Annual General Charge would be increased to \$750.00 and the differential would be amended to 48% residential and 52% commercial/industrial (45:55 for 2021/22)

### Rate Remission

Council is increasing the rating cap for residential properties to \$4,530.00 (\$4,270.00 for 2021/22). This increase is in line with Council's existing policy of increasing the rating cap by the overall increase in rates.

Also Council will continue to provide a rate remission for the two farm blocks (30% for 2022/23) so the rates charged to these farm blocks is comparable to the rates charged by neighbouring councils.

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

### Balanced Budget Requirement

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



M J Campbell, JP  
**MAYOR**

In 1998/1999, Council decided, after consultation with the Community, that it would not fund depreciation on non-critical assets if there was no intention for them to be replaced. In establishing the level of funding for depreciation, Council resolved that depreciation will not be fully funded for roads that are subject to Waka Kotahi NZ Transport Agency subsidies and for some buildings, which will not be replaced, at least not as they are now.

The Significant Forecasting Assumptions, Risks and Possible Implications listed in section 3 of this Plan sets out the reasons for the non-funding of this depreciation.

### Council's Financial Management

Council's cash balances will be fully used during the year for renewing Council's 3 waters infrastructure and Council intends to borrow up to \$2.0 million to help fund this expenditure.

Council is also intending to complete the remaining 11 retirement units at Porritt Glade, so there will be cash flow shortfall until the units are sold.

### Financial Information

The prospective financial information contained in this Plan is based on assumptions that the Council reasonably expected to occur as at 30 June 2022. Actual results are likely to vary from the information presented and these variations may be material.

### Community Consultation

Council undertook the following consultation with the community prior to the adoption of its Annual Plan for 2022/23:

- Adopt Annual Plan - Consultation Document – 12 April 2022
- Public Notice for Annual Plan Consultation Document – 14 April 2022
- Submission period – 13 April to 18 May 2022
- Hearing and determine submissions to Annual Plan – 31 May and 14 June 2022
- Adopt 2022/23 Annual Plan – 28 June 2022.



R B George, CA, MBA  
**CHIEF EXECUTIVE OFFICER**

# Rates for 2022/23

| 2021/22              | Rates (includes GST)   | Proposed 2022/23       |
|----------------------|--|------------------------|
| \$                   | <b>General Rates</b>   | \$                     |
| 600.00               | Uniform Annual General Charge                                    | 750.00                 |
|                      | (Charged per separately used or inhabited part of a rating unit) |                        |
| .005313              | Residential Rates (per dollar of capital value)                  | .003530                |
| .021460              | Commercial/Industrial Rates (per dollar of capital value)        | .023288                |
|                      | <b>Targeted Rates</b>  |                        |
| 69.30                | Water Rate (per connected property)                              | 81.20                  |
| 177.70               | Wastewater Rate (per connected property)                         | 172.50                 |
| 208.80               | Refuse Collection (per serviced property) 60L bin                | 219.90                 |
| 268.80               | Refuse Collection (per serviced property) 120L bin               | 279.90                 |
| 0.23                 | Water by meter (per m <sup>3</sup> )                             | 0.27                   |
| \$4,270.00           | <b>Residential Rate Cap</b>                                      | \$4,530.00             |
|                      | <b>Capital Value</b>   |                        |
| 672,772,400          | Residential Capital Value  | 1,096,444,000          |
| 290,837,000          | Commercial/Industrial Capital Value                              | 269,735,500            |
| <b>\$963,609,400</b> | <b>Total Capital Value</b>                                       | <b>\$1,366,179,500</b> |

## How much will my Rates be for 2022/23?

### Rates Calculator

(\$)

|   |                         |          |
|---|-------------------------|----------|
| Write in your Capital Value here (available from your revaluation notice or by going to <a href="http://www.kaweraudc.govt.nz">www.kaweraudc.govt.nz</a> and accessing 'Your Property') | (a)                     | .....    |
| Uniform Annual General charge   | (b)                     | 750.00   |
| Rating factor from Rates and Service Fees table (Residential or Commercial)   | (c)                     | .....    |
| Multiply the annual value by the rating factor  | (d)=(a)x(c)             | .....    |
| Water Supply Rate   | (e)                     | .....    |
| Wastewater Disposal Rate  | (f)                     | .....    |
| Annual Refuse Collection Rate (small or large)  | (g)                     | .....    |
| Add all the different rate types together (this is the total projected rates for your property)   | (h)=(b)+(d)+(e)+(f)+(g) | \$ _____ |

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

### Rates and Service Fees

|                                |     | (\$)    |
|--------------------------------|-----|---------|
| Residential                    | (c) | .003530 |
| Commercial                     | (c) | .023288 |
| Water Supply Rate              | (e) | 81.20   |
| Wastewater Disposal Rate       | (f) | 172.50  |
| Refuse Collection Rate (small) | (g) | 219.90  |
| Refuse Collection Rate (large) | (g) | 279.90  |



## Council's Vision

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

## Mission Statement

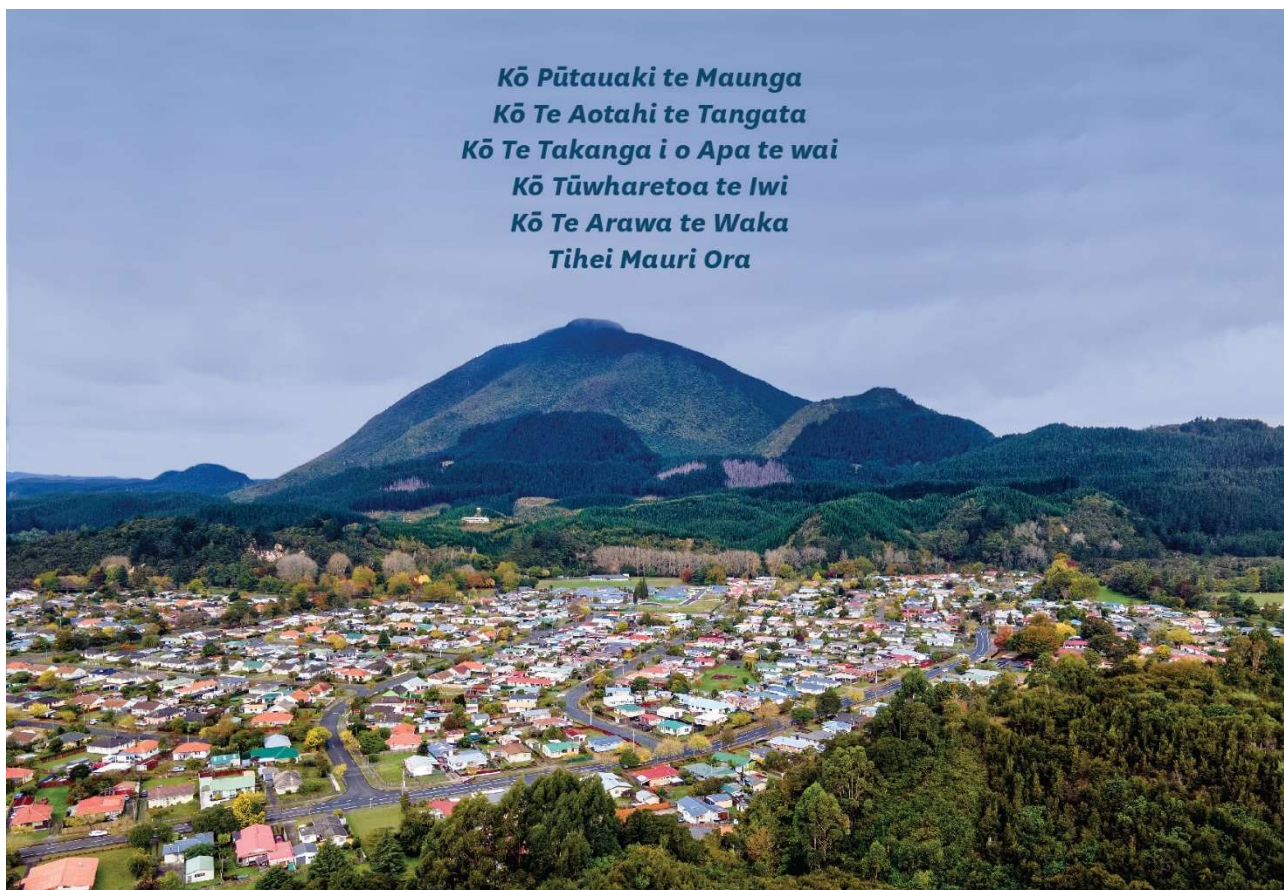
1. To represent the interests and aspirations of the Kawerau Community, within and beyond the District.
2. To promote the social, economic, environmental and cultural wellbeing of the Kawerau Community.
3. To continue to provide an industrial base within the District for established industries and their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

## Statement of Principles

To achieve its mission, Council will:

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

*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*



# Council and Staff Information

## Council Structure

### Council

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

### Regulatory and Services Committee

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

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

### Council Responsibilities

|                                       |                                |
|---------------------------------------|--------------------------------|
| Making Bylaws                         | Funding and Financial Policies |
| Setting Policy                        | Property 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                          |

### Regulatory and Services Committee Responsibilities

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

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

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

# Elected Members of Council



Mayor M J (Malcolm) Campbell, JP  
323 7772 (residential)  
027 457 6122  
[Mayor@kaweraudc.govt.nz](mailto:Mayor@kaweraudc.govt.nz)



Cr W (Warwick) Godfery  
323 7063 (residential)  
027 204 5278  
[warwick.godfery@gmail.com](mailto:warwick.godfery@gmail.com)



Cr C J (Carolyn) Ion  
323 9046 (residential)  
027 415 6458  
[ion.family@xtra.co.nz](mailto:ion.family@xtra.co.nz)



Cr B J (Berice) Julian  
323 9190 (residential)  
[berice@xtra.co.nz](mailto:berice@xtra.co.nz)



Cr S (Sela) Kingi  
323 6009 (residential)  
027 766 5023  
[kingiboss77@gmail.com](mailto:kingiboss77@gmail.com)



Cr Aaron Rangihika  
021 159 0794  
[aetkrangihika@gmail.com](mailto:aetkrangihika@gmail.com)



Cr R G K (Rex) Savage  
323 7287 (residential)  
[rgksavage@gmail.com](mailto:rgksavage@gmail.com)



Cr D (David) Sparks  
323 7776 (residential)  
027 321 0740  
[ulricsparks@gmail.com](mailto:ulricsparks@gmail.com)



Cr F K N (Faylene) Tunui  
323 7574 (residential)  
022 320 8840  
[deputy.mayor@kaweraudc.govt.nz](mailto:deputy.mayor@kaweraudc.govt.nz)

# Operational Structure

## Leadership Team



Russell George  
**Chief Executive Officer**

07 306 9009  
[russell.george@kaweraudc.govt.nz](mailto:russell.george@kaweraudc.govt.nz)



Hanno van der Merwe  
Group Manager -  
Operations & Services

07 306 9009  
[hanno.vandermerwe@kaweraudc.govt.nz](mailto:hanno.vandermerwe@kaweraudc.govt.nz)



Peter Christophers  
Group Manager -  
Finance & Corporate Services

07 306 9009  
[peter.christophers@kaweraudc.govt.nz](mailto:peter.christophers@kaweraudc.govt.nz)



Michaela Glaspey  
Group Manager -  
Planning, Compliance & Capability

07 306 9009  
[michaela.glaspey@kaweraudc.govt.nz](mailto:michaela.glaspey@kaweraudc.govt.nz)

## Departmental Structure

|                                |   |
|--------------------------------|---|
| <b>Operations and Services</b> | <ul style="list-style-type: none"><li>- Roading</li><li>- Stormwater</li><li>- Water Supply</li><li>- Wastewater</li><li>- Refuse Collection and Disposal</li><li>- Recycling (Zero Waste)</li><li>- Swimming Pools</li><li>- Parks and Reserves</li><li>- Public Halls and Facilities</li><li>- Cemetery</li></ul> |
|--------------------------------|---|

|                                |   |
|--------------------------------|---|
| <b>Chief Executive Officer</b> | <ul style="list-style-type: none"><li>- Operations and Services</li><li>- Regulatory and Planning</li><li>- Finance and Corporate Services</li><li>- Policy and Strategic Planning</li><li>- Economic Development</li></ul> |
|--------------------------------|---|

|                                |  |
|--------------------------------|--|
| <b>Regulatory and Planning</b> | <ul style="list-style-type: none"><li>- Resource Management</li><li>- Building Control</li><li>- Environmental Health</li><li>- Dog Registration and Control</li><li>- Civil Defence</li><li>- Health and Safety</li></ul> |
|--------------------------------|--|

|                                       |   |
|---------------------------------------|---|
| <b>Finance and Corporate Services</b> | <ul style="list-style-type: none"><li>- Finance</li><li>- Democracy Support</li><li>- Corporate Services</li><li>- Public Library</li><li>- Museum</li><li>- Residential Developments (Council)</li><li>- Communication</li><li>- Strategic Planning</li><li>- Grants and Funding</li></ul> |
|---------------------------------------|---|

|   |   |
|---|---|
| <b>Economic and Community Development</b> | <ul style="list-style-type: none"><li>- Economic Development</li><li>- Events Management</li><li>- i-Site</li><li>- Community Development</li><li>- Youth Development</li></ul> |
|---|---|

**Section 2:**  
**GROUPS OF ACTIVITIES**

# Council's Activity Structure

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

| <b>Activity Group</b>                 | <b>Activities</b>   |
|---------------------------------------|---|
| 1: Democracy                          | - Democracy   |
| 2: Economic and Community Development | - Economic Development<br>- Events Management<br>- Marketing and Tourism<br>- Pensioner Housing<br>- Residential Housing Development and Retirement Village<br>- Grants and Funding<br>- Information Centre<br>- Youth Development<br>- Facilities Management |
| 3: Environmental Services             | - Resource Management<br>- Building Control<br>- Environmental Health<br>- Dog Registration and Control<br>- Civil Defence  |
| 4: Roading                            | - 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<br>- Recycling (Zero Waste)  |
| 9: Leisure and Recreation             | - Public Library<br>- Museum<br>- Swimming Pools<br>- Public Halls and Facilities Maintenance<br>- Parks and Reserves<br>- Public Toilets<br>- Cemeteries   |

# Democracy

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

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

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

## Performance Measures and Targets

| Levels of Service   | Measures  | Current Performance (2020/21)           | Target 2022/23 | Data source                |
|---|---|---|----------------|----------------------------|
| Council informs the community about key issues and activities.            | Number of Newsletters   | 22 Newsletters circulated               | At least 20    | Council records            |
| Council encourages the community to contribute to Council decision-making | Provision of a public forum at council and committee meetings | Public forum held at all meetings       | Every meeting  | Council records            |
| The community has confidence in their Elected Members                     | Community satisfaction with Mayor and Councillors             | N/A                                     | >85%           | NRB Survey (every 3 years) |
| Financial management is prudent, effective and efficient                  | Community satisfaction with the way rates are spent           | N/A                                     | >90%           |                            |
|   | Percentage completion of the annual work programme            | 93/108 (86.1%) projects were completed. | >90%           | Council records            |





## Funding Impact Statement: Democracy

| Long Term Plan<br>2021/22 |  | Long Term Plan<br>2022/23 | Annual Plan<br>2022/23 |
|---------------------------|--|---------------------------|------------------------|
|                           | <b>Sources of operating funding</b>                                      |                           |                        |
| 702,610                   | General rates, uniform annual general charges, rates penalties           | 725,400                   | 795,450                |
| 0                         | Targeted rates   | 0                         | 0                      |
| 0                         | Subsidies and grants for operating purposes                              | 0                         | 0                      |
| 0                         | Fees and charges   | 0                         | 0                      |
| 1,160                     | Internal charges and overheads recovered                                 | 1,170                     | 1,160                  |
| 0                         | Local authorities fuel tax, fines, infringement fees, and other receipts | 15,000                    | 20,000                 |
| <b>703,770</b>            | <b>Total Operating Funding (A)</b>                                       | <b>741,570</b>            | <b>816,610</b>         |
|                           | <b>Applications of operating funding</b>                                 |                           |                        |
| 439,870                   | Payments to staff and suppliers  | 463,140                   | 502,820                |
| 420                       | Finance Costs  | 390                       | 420                    |
| 246,500                   | Internal charges and overheads applied                                   | 260,810                   | 295,250                |
| 0                         | Other operating funding applications                                     | 0                         | 0                      |
| <b>686,790</b>            | <b>Total applications of operating funding (B)</b>                       | <b>724,340</b>            | <b>798,490</b>         |
| <b>16,980</b>             | <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>17,230</b>             | <b>18,120</b>          |
|                           | <b>Sources of capital funding:</b>                                       |                           |                        |
| 0                         | Subsidies and grants for capital expenditure                             | 0                         | 0                      |
| 0                         | Development and financial contributions                                  | 0                         | 0                      |
| 0                         | Increase (decrease) in debt  | 0                         | 0                      |
| 0                         | Gross proceeds from sale of assets                                       | 0                         | 0                      |
| 0                         | Lump sum contributions   | 0                         | 0                      |
| 0                         | Other dedicated capital funding  | 0                         | 0                      |
| <b>0</b>                  | <b>Total sources of capital funding (C)</b>                              | <b>0</b>                  | <b>0</b>               |
|                           | <b>Applications of capital funding</b>                                   |                           |                        |
|                           | Capital expenditure  |                           |                        |
| 0                         | - to meet additional demand  | 0                         | 0                      |
| 0                         | - to improve the level of service  | 0                         | 0                      |
| 0                         | - to replace existing assets   | 0                         | 0                      |
| 16,980                    | Increase (decrease) in reserves  | 17,230                    | 18,120                 |
| 0                         | Increase (decrease) of investments                                       | 0                         | 0                      |
| <b>16,980</b>             | <b>Total applications of capital funding (D)</b>                         | <b>17,230</b>             | <b>18,120</b>          |
| <b>(16,980)</b>           | <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(17,230)</b>           | <b>(18,120)</b>        |
| <b>0</b>                  | <b>Funding balance ((A - B) + (C - D))</b>                               | <b>0</b>                  | <b>0</b>               |

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

There are no significant variances between the Long Term Plan and the Annual Plan figures for 2022/23.

# Economic and Community Development

This group covers the delivery of the following activities:

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

The aims of this group are:

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

## Performance Measures and Targets

| Levels of Service   | Measures  | Current performance (2020/21)                                    | Target 2022/23  | Data source                           |
|---|---|--|---|---------------------------------------|
| Council is actively involved in the Eastern Bay of Plenty Regional Economic Development Agency          | Representation at Trustee meetings                                      | Council was represented at all trustee meetings (6/6).           | Representation at least 90% of trustee meetings           | Toi EDA minutes                       |
| Council encourages positive perceptions of Kawerau by supporting local events.                          | Frequency of events from February to December.                          | No events held in August due to COVID.                           | At least 1 event held per month from February to December | Council records                       |
| Council provides a local information centre which is accessible to visitors and the local community     | Number of days open each year   | The Information Centre was open 364 days (except Christmas day). | At least 360 days   | Council records                       |
| Council provides an information centre which suits community needs                                      | Community satisfaction with the information centre                      | N/A  | >83%  | NRB survey (3 yearly)                 |
| Council supports young people to develop skills and attitudes needed to take a positive part in society | Youth Council in place  | Appointments made - March 2021.                                  | Annual appointments made                                  | Council records                       |
|   | Satisfaction with youth council collaboration from collaborating groups | 10/11 (90.9%) satisfaction with Youth Council collaboration      | >85%  | Annual survey of collaborating groups |

## Funding Impact Statement: Economic Development

| Long Term Plan<br>2021/22 |  | Long Term Plan<br>2022/23 | Annual Plan<br>2022/23 |
|---------------------------|--|---------------------------|------------------------|
|                           | <b>Sources of operating funding</b>                                      |                           |                        |
| 774,560                   | General rates, uniform annual general charges, rates penalties           | 877,040                   | 630,740                |
| 0                         | Targeted rates   | 0                         | 0                      |
| 0                         | Subsidies and grants for operating purposes                              | 0                         | 0                      |
| 554,000                   | Fees and charges   | 558,370                   | 556,100                |
| 0                         | Internal charges and overheads recovered                                 | 0                         | 0                      |
| 600,000                   | Local authorities fuel tax, fines, infringement fees, and other receipts | 550,000                   | 1,930,000              |
| <b>1,928,560</b>          | <b>Total Operating Funding (A)</b>                                       | <b>1,985,410</b>          | <b>3,116,840</b>       |
|                           | <b>Applications of operating funding</b>                                 |                           |                        |
| 1,354,670                 | Payments to staff and suppliers  | 1,350,490                 | 2,044,880              |
| 33,790                    | Finance Costs  | 23,000                    | 21,830                 |
| 492,760                   | Internal charges and overheads applied                                   | 526,550                   | 515,940                |
| 0                         | Other operating funding applications                                     | 0                         | 0                      |
| <b>1,881,220</b>          | <b>Total applications of operating funding (B)</b>                       | <b>1,900,040</b>          | <b>2,582,650</b>       |
| <b>47,340</b>             | <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>85,370</b>             | <b>534,190</b>         |
|                           | <b>Sources of capital funding:</b>                                       |                           |                        |
| 0                         | Subsidies and grants for capital expenditure                             | 0                         | 0                      |
| 0                         | Development and financial contributions                                  | 0                         | 0                      |
| 0                         | Increase (decrease) in debt  | 0                         | 0                      |
| 3,500,000                 | Gross proceeds from sale of assets                                       | 1,920,000                 | 0                      |
| 0                         | Lump sum contributions   | 0                         | 0                      |
| 0                         | Other dedicated capital funding  | 0                         | 4,020,000              |
| <b>3,500,000</b>          | <b>Total sources of capital funding (C)</b>                              | <b>1,920,000</b>          | <b>4,020,000</b>       |
|                           | <b>Applications of capital funding</b>                                   |                           |                        |
|                           | Capital expenditure  |                           |                        |
| 1,820,000                 | - to meet additional demand  | 1,560,000                 | 3,300,000              |
| 0                         | - to improve the level of service  | 0                         | 0                      |
| 11,400                    | - to replace existing assets   | 11,640                    | 11,600                 |
| 1,715,940                 | Increase (decrease) in reserves  | 433,730                   | 1,242,590              |
| 0                         | Increase (decrease) of investments                                       | 0                         | 0                      |
| <b>3,547,340</b>          | <b>Total applications of capital funding (D)</b>                         | <b>2,005,370</b>          | <b>4,554,190</b>       |
| <b>(47,340)</b>           | <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(85,370)</b>           | <b>(534,190)</b>       |
| <b>0</b>                  | <b>Funding balance ((A - B) + (C - D))</b>                               | <b>0</b>                  | <b>0</b>               |

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

The significant variance to the figures in the Long Term Plan for 2022/23, is that Council is using \$150k more from the proceeds of anticipated property sales which has reduced the rates figure as well as reducing the resourcing for events

# Environmental Services

Environmental Services encompasses the following activities:

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

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

## Performance Measures and Targets

| Levels of Service  | Measures   | Current performance (2020/21)   | Target 2022/23                                  | Data source                      |
|--|--|---|---|----------------------------------|
| Service users consider Council's Building Control Activity to be effective   | Satisfaction survey of service users - building consents processes       | 6/6 (100%)  | >90%  | Targeted survey of service users |
|  | Satisfaction survey of service users - building inspection processes     | 7/8 (87.5%)   | >90%  | Targeted survey of service users |
| Council provides in-house building consent, inspection and approval services   | Bi-annual Building Consent Authority accreditation re-assessment         | Accreditation and registration retained                                 | Accreditation and registration retained         | Council records                  |
| Kawerau buildings requiring Building Warrants of Fitness are compliant   | Number of buildings audited for BWOFF requirements                       | 28/80 (35%)   | >35%  | Council records                  |
| Registered premises comply with statutory requirements   | Audit of food premises operating Food Control Plans                      | 31/31 (100%)  | 100% annually                                   | Council records                  |
|  | Inspection of registered premises for compliance with relevant standards | 4/4 (100%)  | 100% annually                                   | Council records                  |
| Premises licensed under the Sale and Supply of Alcohol Act 2012 comply with licence conditions   | Inspection of licensed premises for compliance                           | 9/15 (60%)  | 100% annually                                   | Council records                  |
| Council responds to complaints and service requests for environmental health conditions (noise complaints, nuisance conditions/health risks) | Response to noise complaints   | 246/392 (62.8%) within 20 minutes and 363/392 (92.6%) within 30 minutes | 80% within 20 minutes and 98% within 30 minutes | Council records                  |
|  | Response to other Environmental Health service requests/complaints       | 61/69 (88.4%) responses within 1 working day                            | 100% within 1 working day                       | Council records                  |
| Council maintains community satisfaction levels for the Dog Control service  | Community satisfaction with Dog Control Service                          | N/A   | >77%  | Three yearly NRB Survey          |

| Levels of Service   | Measures   | Current performance (2020/21)  | Target 2022/23                                  | Data source  |
|---|--|--|---|--|
| Service requests about uncontrolled dogs are actioned   | Adherence to complaint response process to respond, investigate and record the complaint and advise complainant of progress or the outcome within 24 hours | 592/806 (73.4%) responded to within 20 minutes and 753/806 (93.4%) were responded to within 30 minutes | 80% within 20 minutes and 98% within 30 minutes | Council records  |
| Council provides community education initiatives to increase public awareness and readiness for local and regional hazards. | Percentage of residents that have an understanding of what the consequences would be if a disaster struck their area.                                      | New measure  | >80%  | 2 yearly survey undertaken by the BOP Regional Council |
|   | Percentage of residents that have any action to prepare for an emergency.  | New measure  | >80%  |  |
| Council will maintain capability to effectively respond to an emergency   | Council is prepared for and can respond to an emergency.   | New measure  | >70%  | Measures developed and audited by EMBOP                |



## Funding Impact Statement: Environmental Services

| Long Term Plan<br>2021/22 |  | Long Term Plan<br>2022/23 | Annual Plan<br>2022/23 |
|---------------------------|--|---------------------------|------------------------|
|                           | <b>Sources of operating funding</b>                                      |                           |                        |
| 1,080,130                 | General rates, uniform annual general charges, rates penalties           | 975,680                   | 1,141,270              |
| 0                         | Targeted rates   | 0                         | 0                      |
| 0                         | Subsidies and grants for operating purposes                              | 0                         | 0                      |
| 184,000                   | Fees and charges   | 184,180                   | 184,800                |
| 50                        | Internal charges and overheads recovered                                 | 50                        | 50                     |
| 0                         | Local authorities fuel tax, fines, infringement fees, and other receipts | 0                         | 0                      |
| <b>1,264,180</b>          | <b>Total Operating Funding (A)</b>                                       | <b>1,159,910</b>          | <b>1,326,120</b>       |
|                           | <b>Applications of operating funding</b>                                 |                           |                        |
| 811,360                   | Payments to staff and suppliers  | 701,850                   | 837,310                |
| 8,020                     | Finance Costs  | 7,740                     | 8,840                  |
| 402,480                   | Internal charges and overheads applied                                   | 407,960                   | 452,220                |
| 0                         | Other operating funding applications                                     | 0                         | 0                      |
| <b>1,221,860</b>          | <b>Total applications of operating funding (B)</b>                       | <b>1,117,550</b>          | <b>1,298,370</b>       |
| <b>42,320</b>             | <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>42,360</b>             | <b>27,750</b>          |
|                           | <b>Sources of capital funding:</b>                                       |                           |                        |
| 0                         | Subsidies and grants for capital expenditure                             | 0                         | 0                      |
| 0                         | Development and financial contributions                                  | 0                         | 0                      |
| 0                         | Increase (decrease) in debt  | 0                         | 0                      |
| 0                         | Gross proceeds from sale of assets                                       | 0                         | 0                      |
| 0                         | Lump sum contributions   | 0                         | 0                      |
| 0                         | Other dedicated capital funding  | 0                         | 0                      |
| <b>0</b>                  | <b>Total sources of capital funding (C)</b>                              | <b>0</b>                  | <b>0</b>               |
|                           | <b>Applications of capital funding</b>                                   |                           |                        |
|                           | Capital expenditure  |                           |                        |
| 0                         | - to meet additional demand  | 0                         | 0                      |
| 0                         | - to improve the level of service  | 0                         | 0                      |
| 0                         | - to replace existing assets*  | 0                         | 0                      |
| 42,320                    | Increase (decrease) in reserves  | 42,360                    | 27,750                 |
| 0                         | Increase (decrease) of investments                                       | 0                         | 0                      |
| <b>42,320</b>             | <b>Total applications of capital funding (D)</b>                         | <b>42,360</b>             | <b>27,750</b>          |
| <b>(42,320)</b>           | <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(42,360)</b>           | <b>(27,750)</b>        |
| <b>0</b>                  | <b>Funding balance ((A - B) + (C - D))</b>                               | <b>0</b>                  | <b>0</b>               |

### Explanation of significant variances between the Long Term Plan and the Annual Plan for 2022/23

There is additional expenditure and rates revenue needed for the on-going district plan and spatial plan renewal.

# Roading and Footpaths

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

The aims of this activity group are:

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

The roading group involves:

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

Principal objectives of this activity group are:

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



## Performance Measures and Targets

| Levels of Service  | Measures  | Current performance (2020/21)   | Target 2022/23  | Data source                    |
|--|---|---|---|--------------------------------|
| Council maintains community satisfaction levels for Rooding activity   | Community satisfaction with roading assets  | N/A   | >90%  | NRB survey (3 yearly)          |
| Council provides a network of roads which facilitates the safe movement of people and vehicles around the District | The change from the previous financial year in the number of fatalities and serious crashes on the local road network expressed as a number | There was 1 fatality on roads controlled by Council.  | Increase of zero or less  | NZ Police                      |
| Road Quality   | The average quality of ride on a sealed local road network, measured by smooth travel exposure  | The survey returned a 90% smooth travel exposure  | No less than 95%  | Annual independent survey      |
| Road maintenance   | The percentage of the sealed local road network that is resurfaced  | 3.75% of total roading network was resurfaced   | >5% resurfaced annually   | Council records                |
| Response to service requests (Roads)   | The percentage of customer service requests relating to roads to which Council responds within the timeframe specified                      | 0 potholes reported   | <b>Potholes</b><br>90% within 14 days and 100% within 28 days.    | Council records (RFS database) |
|  |   | Streetlights – 29/54 (53.7%) within 14 days, and 42/54 (77.8%) responded to within 28 days. | <b>Streetlights</b><br>90% within 14 days and 100% within 28 days |                                |
| Council provides an appropriate network of footpaths for pedestrian use.   | Community satisfaction with footpaths   | N/A   | >75%  | NRB survey (3 yearly)          |
| Footpath condition   | Percentage of footpaths that fall within the level of service or service standard for the condition of footpaths as set out in the LTP      | 100% of footpaths fell within the standard.   | >95% <sup>1</sup>   | Annual independent survey      |
| Response to service requests (Footpaths)   | The percentage of customer service requests relating to footpaths to which Council responds within the timeframe specified                  | 4/4 (100%) of service requests responded to within 14 days                                  | 100% within 14 days   | Council records (RFS database) |

<sup>1</sup> Against a standard of no more than 20 lips in the 70 km of footpaths



## Funding Impact Statement: Roading and Footpaths

| Long Term Plan<br>2021/22 |  | Long Term Plan<br>2022/23 | Annual Plan<br>2022/23 |
|---------------------------|--|---------------------------|------------------------|
|                           | <b>Sources of operating funding</b>                                      |                           |                        |
| 988,490                   | General rates, uniform annual general charges, rates penalties           | 1,059,090                 | 1,135,980              |
| 0                         | Targeted rates   | 0                         | 0                      |
| 234,900                   | Subsidies and grants for operating purposes                              | 234,900                   | 215,400                |
| 75,000                    | Fees and charges   | 17,000                    | 50,000                 |
| 18,230                    | Internal charges and overheads recovered                                 | 18,080                    | 13,460                 |
| 70,000                    | Local authorities fuel tax, fines, infringement fees, and other receipts | 72,170                    | 70,000                 |
| <b>1,386,620</b>          | <b>Total Operating Funding (A)</b>                                       | <b>1,401,240</b>          | <b>1,484,840</b>       |
|                           | <b>Applications of operating funding</b>                                 |                           |                        |
| 515,000                   | Payments to staff and suppliers  | 521,550                   | 509,800                |
| 0                         | Finance Costs  | 0                         | 0                      |
| 595,520                   | Internal charges and overheads applied                                   | 601,590                   | 655,320                |
| 0                         | Other operating funding applications                                     | 0                         | 0                      |
| <b>1,110,520</b>          | <b>Total applications of operating funding (B)</b>                       | <b>1,123,140</b>          | <b>1,165,120</b>       |
| <b>276,100</b>            | <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>278,100</b>            | <b>319,720</b>         |
|                           | <b>Sources of capital funding:</b>                                       |                           |                        |
| 790,500                   | Subsidies and grants for capital expenditure                             | 620,250                   | 647,250                |
| 0                         | Development and financial contributions                                  | 0                         | 0                      |
| 0                         | Increase (decrease) in debt  | 0                         | 0                      |
| 0                         | Gross proceeds from sale of assets                                       | 0                         | 0                      |
| 0                         | Lump sum contributions   | 0                         | 0                      |
| 0                         | Other dedicated capital funding  | 0                         | 0                      |
| <b>790,500</b>            | <b>Total sources of capital funding (C)</b>                              | <b>620,250</b>            | <b>647,250</b>         |
|                           | <b>Applications of capital funding</b>                                   |                           |                        |
|                           | Capital expenditure  |                           |                        |
| 0                         | - to meet additional demand  | 0                         | 0                      |
| 532,000                   | - to improve the level of service  | 330,000                   | 330,000                |
| 563,960                   | - to replace existing assets*  | 542,510                   | 579,000                |
| (29,360)                  | Increase (decrease) in reserves  | 25,840                    | 57,910                 |
| 0                         | Increase (decrease) of investments                                       | 0                         | 0                      |
| <b>1,066,600</b>          | <b>Total applications of capital funding (D)</b>                         | <b>898,350</b>            | <b>966,970</b>         |
| <b>(276,100)</b>          | <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(278,100)</b>          | <b>(319,720)</b>       |
| <b>0</b>                  | <b>Funding balance ((A - B) + (C - D))</b>                               | <b>0</b>                  | <b>0</b>               |

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

There are no significant differences between the Annual Plan and the Long Term Plan for 2022/23

## Capital Expenditure

| Long Term Plan<br>2021/22 |  | Long Term Plan<br>2022/23 | Annual Plan<br>2022/23 |
|---------------------------|--|---------------------------|------------------------|
| 80,000                    | Kerb Replacement                           | 80,000                    | 80,000                 |
| 62,000                    | Street Light Renewals                      | 32,000                    | 32,000                 |
| 130,000                   | Reseals                                    | 130,000                   | 130,000                |
| 60,000                    | Pavement Treatment                         | 60,000                    | 90,000                 |
| 35,000                    | Minor Safety Improvements                  | 35,000                    | 46,000                 |
| 14,400                    | Reseal Carparks                            | 14,846                    | 14,800                 |
| 155,000                   | Footpath Renewals/Town Centre Cobblestones | 160,000                   | 155,000                |
| 5,660                     | Rubbish Bin Replacements                   | 5,835                     | 5,800                  |
| 1,400                     | District Seating                           | 1,445                     | 1,400                  |
| 3,500                     | Town Centre Music                          | 3,609                     | 3,600                  |
| 3,500                     | Video Camera and Audio System Renewals     | 6,836                     | 6,800                  |
| 532,000                   | Other (CBD, walkways & road realignment)   | 330,000                   | 330,000                |
| 13,500                    | Decorative Lighting Renewals               | 12,939                    | 13,600                 |
| 0                         | Other (Seal, carpark & flood protection)   | 0                         | 0                      |
| <b>1,095,960</b>          | <b>Total Capital Expenditure</b>           | <b>872,510</b>            | <b>909,000</b>         |

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

There is no significant variances between the budget figures for the Annual Plan and Long term Plan for 2022/23



# Stormwater

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

The aim of this activity is:

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

The Stormwater group involves:

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

Principal objectives are:

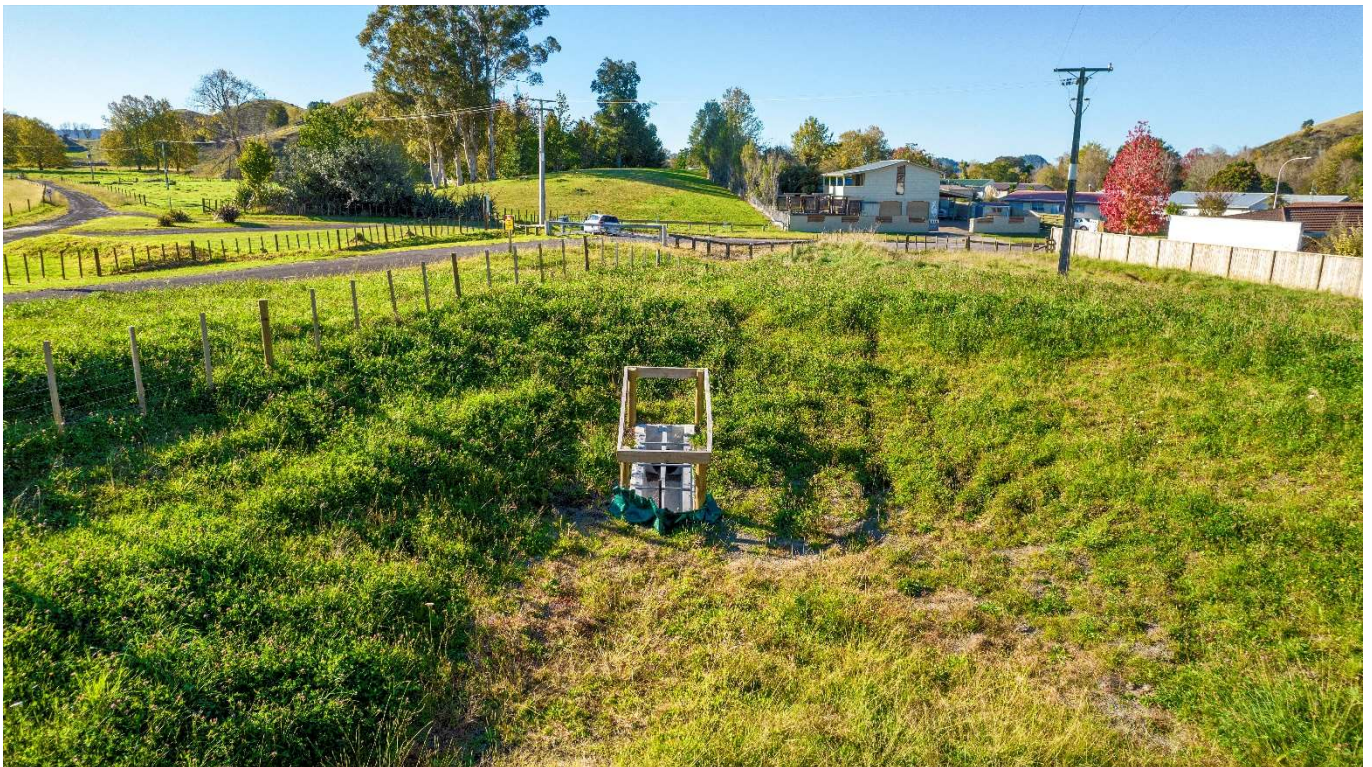
- To ensure the stormwater network continues to provide a high quality disposal system.
- To anticipate the time when it may be necessary to extend, upgrade or renew the existing stormwater scheme and to plan accordingly.
- To ensure the appropriate maintenance of the stormwater network in perpetuity,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

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

## Performance Measures and Targets

| Levels of Service  | Measures  | Current performance (2020/21) | Target 2022/23   | Data source   |
|--|---|-------------------------------|------------------|---|
| Council provides an effective stormwater network which removes stormwater to protect dwellings from flooding (System adequacy)       | The number of flooding events that occur in the District.   | 0 flooding event              | No more than 10  | Council records (RFS database)                        |
|  | Number of habitable floors affected by each flooding event.   | N/A                           | N/A              | Properties are not connected to the stormwater system |
| Council provides an effective stormwater network which removes stormwater to protect dwellings from flooding (customer satisfaction) | The number of complaints received by Council about the performance of its stormwater system.  | N/A                           | N/A              | Properties are not connected to the stormwater system |
| Response times   | The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site. | No flooding events            | Less than 1 hour | Council records (RFS database)                        |

| Levels of Service    | Measures  | Current performance (2020/21)  | Target 2022/23                           | Data source                           |
|----------------------|---|--|--|---------------------------------------|
| Discharge compliance | <p>Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of:</p> <ul style="list-style-type: none"> <li>• abatement notices</li> <li>• infringement notices</li> <li>• enforcement orders, and</li> <li>• convictions, received by Council in relation those resource consents.</li> </ul> | <p>Council complied with all the conditions of its resource consent. There were no notices, orders or convictions.</p> | <p>No notices, orders or convictions</p> | <p>Council records (RFS database)</p> |



## Funding Impact Statement: Stormwater

| Long Term Plan<br>2021/22 |  | Long Term Plan<br>2022/23 | Annual Plan<br>2022/23 |
|---------------------------|--|---------------------------|------------------------|
|                           | <b>Sources of operating funding</b>                                      |                           |                        |
| 93,990                    | General rates, uniform annual general charges, rates penalties           | 258,920                   | 75,820                 |
| 0                         | Targeted rates   | 0                         | 0                      |
| 49,500                    | Subsidies and grants for operating purposes                              | 23,250                    | 24,750                 |
| 0                         | Fees and charges   | 0                         | 0                      |
| 3,940                     | Internal charges and overheads recovered                                 | 3,950                     | 5,100                  |
| 0                         | Local authorities fuel tax, fines, infringement fees, and other receipts | 0                         | 0                      |
| <b>147,430</b>            | <b>Total Operating Funding (A)</b>                                       | <b>286,120</b>            | <b>105,670</b>         |
|                           | <b>Applications of operating funding</b>                                 |                           |                        |
| 66,000                    | Payments to staff and suppliers  | 31,000                    | 33,000                 |
| 0                         | Finance Costs  | 0                         | 0                      |
| 19,430                    | Internal charges and overheads applied                                   | 9,310                     | 10,960                 |
| 0                         | Other operating funding applications                                     | 0                         | 0                      |
| <b>85,430</b>             | <b>Total applications of operating funding (B)</b>                       | <b>40,310</b>             | <b>43,960</b>          |
| <b>62,000</b>             | <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>245,810</b>            | <b>61,710</b>          |
|                           | <b>Sources of capital funding:</b>                                       |                           |                        |
| 166,050                   | Subsidies and grants for capital expenditure                             | 0                         | 187,500                |
| 0                         | Development and financial contributions                                  | 0                         | 0                      |
| 0                         | Increase (decrease) in debt  | 0                         | 0                      |
| 0                         | Gross proceeds from sale of assets                                       | 0                         | 0                      |
| 0                         | Lump sum contributions   | 0                         | 0                      |
| 0                         | Other dedicated capital funding  | 0                         | 0                      |
| <b>166,050</b>            | <b>Total sources of capital funding (C)</b>                              | <b>0</b>                  | <b>187,500</b>         |
|                           | <b>Applications of capital funding</b>                                   |                           |                        |
|                           | Capital expenditure  |                           |                        |
| 0                         | - to meet additional demand  | 0                         | 0                      |
| 0                         | - to improve the level of service  | 0                         | 0                      |
| 221,400                   | - to replace existing assets*  | 250,000                   | 250,000                |
| 6,650                     | Increase (decrease) in reserves  | (4,190)                   | (790)                  |
| 0                         | Increase (decrease) of investments                                       | 0                         | 0                      |
| <b>228,050</b>            | <b>Total applications of capital funding (D)</b>                         | <b>245,810</b>            | <b>249,210</b>         |
| <b>(62,000)</b>           | <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(245,810)</b>          | <b>(61,710)</b>        |
| <b>0</b>                  | <b>Funding balance ((A - B) + (C - D))</b>                               | <b>0</b>                  | <b>0</b>               |

\*Stormwater pipe renewals

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

At the time the Long Term Plan was produced it was anticipated there would be no subsidy for the stormwater activity beyond 2021/22. However, Waka Kotahi NZ Transport Agency confirmed funding (subsidy) for the 3 years to 2023/24, which means Council only needs to fund 25% of the cost of this activity

# Water Supply

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

The Water Supply activity group involves:

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

Principal objectives are:

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

## Performance Measures and Targets

| Levels of Service                   | Measures  | Current performance (2020/21)   | Target 2022/23  | Data source                              |
|-------------------------------------|---|---|---|--|
| Provision of a quality water supply | Community satisfaction with water supply  | N/A   | >89%  | NRB Survey (every 3 years)               |
| Customer satisfaction               | The total number of complaints received about any of the following:<br>a) drinking water clarity<br>b) drinking water taste<br>c) drinking water odour<br>d) drinking water pressure or flow<br>e) continuity of supply, and<br>f) Council's response to any of these issues expressed per 1000 connections to the networked reticulation system. | Not achieved. There were 24 complaints about water clarity and there were 6 (2.1 per 1,000) complaints about water pressure | a) No more than 4 per 1000 connections<br>b) No more than 2 per 1000 connections<br>c) No more than 1 per 1000 connections<br>d) No more than 2 per 1000 connections<br>e) No more than 2 per 1000 connections<br>f) 0 per 1000 connections | Council records (RFS database)           |
| Safety of drinking water            | The extent to which Council's drinking water supply complies with:<br>a) part 4 of the 2008 drinking-water standards (bacteria compliance criteria), and<br>b) part 5 of the 2008 drinking-water standards (protozoal compliance criteria).   | Not achieved. Council had one instance of protozoal non-compliance (No instances of bacterial non-compliance)               | a) No more than 1 instance of bacteria criteria non-compliance and<br>b) No instances of protozoal criteria non-compliance  | Toi Te Ora Public Health service reports |

| Levels of Service  | Measures   | Current performance (2020/21)  | Target 2022/23                                  | Data source                    |
|--|--|--|---|--------------------------------|
| <p>Safety of drinking water</p> <p>The extent to which Council's drinking water supply complies with:</p> <p>c) part 4 of the 2008 drinking-water standards (bacteria compliance criteria), and</p> <p>d) part 5 of the 2008 drinking-water standards (protozoal compliance criteria).</p> <p>Not achieved.</p> <p>Council had one instance of protozoal non-compliance (No instances of bacterial non-compliance)</p> <p>c) No more than 1 instance of bacteria criteria non-compliance and</p> <p>d) No instances of protozoal criteria non-compliance</p> <p>Toi Te Ora Public Health service reports</p> |  |  |   |                                |
| Maintenance of the reticulation network  | The percentage of real water loss from the Council's networked reticulation system, measured using the minimum night flow (MNF) analysis method contained in the DIA Guidelines. | Average real water loss was 179 litres per day per connection          | <200 litres per connection per day <sup>1</sup> | Council records                |
| Demand management  | The average consumption of drinking water per day per resident within the district.  | Average consumption was 0.52 m3 per day                                | <0.6 m3   | Council records                |
| Fault response times   | Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response times are: <sup>2</sup>  |  |   |                                |
|  | a) attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and                                      | There were 4 urgent callouts which were all attended to within 2 hours | Less than two hours                             | Council records (RFS database) |
|  | b) resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.          | All urgent callouts were resolved within 8 hours                       | Less than 8 hours                               |                                |
|  | c) attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and                                  | 68 non-urgent call-outs were all responded to within 24 hours          | 24 hours  |                                |
|  | d) resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption       | All 68 callouts were resolved within 24 hours                          | 48 hours  |                                |

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

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

| Levels of Service  | Measures   | Current performance (2020/21)                      | Target 2022/23          | Data source          |
|--|--|--|-------------------------|----------------------|
| The water supply is reliable and has minimal disruptions | Number of unplanned shutdowns - reticulation   | There were 16 unplanned shutdowns during the year  | No more than 12         | Council records      |
|  | Number of unplanned shutdowns - pump stations  | There were no unplanned shutdowns of pump stations | None                    | Council records      |
|  | Number of water main breaks  | There were 7 water main breaks during year         | No more than 8          | Council records      |
| Water is sourced with minimal environmental effects      | Compliance with BOP Regional Council water supply resource consents as reported in Annual Consents and Compliance Field Sheet. | Achieved compliance                                | Compliance <sup>3</sup> | BOP Regional Council |



<sup>3</sup> BOPRC inspection reports state either compliance or non-compliance.



## Funding Impact Statement: Water Supply

| Long Term Plan<br>2021/22 |  | Long Term Plan<br>2022/23 | Annual Plan<br>2022/23 |
|---------------------------|--|---------------------------|------------------------|
|                           | <b>Sources of operating funding</b>                                      |                           |                        |
| 1,173,550                 | General rates, uniform annual general charges, rates penalties           | 1,290,120                 | 1,350,860              |
| 208,070                   | Targeted rates   | 214,650                   | 216,440                |
| 0                         | Subsidies and grants for operating purposes                              | 0                         | 0                      |
| 0                         | Fees and charges   | 0                         | 0                      |
| 50,080                    | Internal charges and overheads recovered                                 | 52,470                    | 63,480                 |
| 0                         | Local authorities fuel tax, fines, infringement fees, and other receipts | 0                         | 0                      |
| <b>1,431,700</b>          | <b>Total Operating Funding (A)</b>                                       | <b>1,557,240</b>          | <b>1,630,780</b>       |
|                           | <b>Applications of operating funding</b>                                 |                           |                        |
| 466,600                   | Payments to staff and suppliers  | 498,230                   | 520,900                |
| 25,000                    | Finance Costs  | 75,000                    | 105,000                |
| 383,770                   | Internal charges and overheads applied                                   | 401,460                   | 421,980                |
| 0                         | Other operating funding applications                                     | 0                         | 0                      |
| <b>875,370</b>            | <b>Total applications of operating funding (B)</b>                       | <b>974,690</b>            | <b>1,047,880</b>       |
| <b>556,330</b>            | <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>582,550</b>            | <b>582,900</b>         |
|                           | <b>Sources of capital funding:</b>                                       |                           |                        |
| 0                         | Subsidies and grants for capital expenditure                             | 0                         | 0                      |
| 0                         | Development and financial contributions                                  | 0                         | 0                      |
| 2,000,000                 | Increase (decrease) in debt  | 2,000,000                 | 2,000,000              |
| 0                         | Gross proceeds from sale of assets                                       | 0                         | 0                      |
| 0                         | Lump sum contributions   | 0                         | 0                      |
| 0                         | Other dedicated capital funding  | 0                         | 0                      |
| <b>2,000,000</b>          | <b>Total sources of capital funding (C)</b>                              | <b>2,000,000</b>          | <b>2,000,000</b>       |
|                           | <b>Applications of capital funding</b>                                   |                           |                        |
|                           | Capital expenditure  |                           |                        |
| 0                         | - to meet additional demand  | 0                         | 0                      |
| 0                         | - to improve the level of service  | 0                         | 0                      |
| 2,213,000                 | - to replace existing assets*  | 2,580,780                 | 2,581,000              |
| 343,330                   | Increase (decrease) in reserves  | 1,770                     | 1,900                  |
| 0                         | Increase (decrease) of investments                                       | 0                         | 0                      |
| <b>2,556,330</b>          | <b>Total applications of capital funding (D)</b>                         | <b>2,582,550</b>          | <b>2,582,900</b>       |
| <b>(556,330)</b>          | <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(582,550)</b>          | <b>(582,900)</b>       |
| <b>0</b>                  | <b>Funding balance ((A - B) + (C - D))</b>                               | <b>0</b>                  | <b>0</b>               |

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

There are no significant variances between the LTP and the Annual Plan.

## Capital Expenditure

| Long Term Plan<br>2021/22 |                                  | Long Term Plan<br>2022/23 | Annual Plan<br>2022/23 |
|---------------------------|----------------------------------|---------------------------|------------------------|
| 1,810,000                 | Pipework Replacement             | 1,900,500                 | 2,130,000              |
| 150,000                   | Toby Replacement                 | 157,500                   | 150,000                |
| 40,000                    | Valve Replacement                | 42,000                    | 42,000                 |
| 200,000                   | Refurbish Pumps                  | 22,155                    | 22,000                 |
| 13,000                    | UV Tube Replacement              | 13,650                    | 17,000                 |
| 0                         | Reservoir, Headworks & Hydrants  | 44,975                    | 220,000                |
| <b>2,213,000</b>          | <b>Total Capital Expenditure</b> | <b>2,580,780</b>          | <b>2,581,000</b>       |



# Wastewater

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

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

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

## Performance Measures and Targets

| Levels of Service   | Measures  | Current performance (2020/21)                                  | Target 2022/23  | Data source                    |
|---|---|--|---|--------------------------------|
| Provision of domestic wastewater collection and primary treatment               | Community satisfaction with wastewater disposal   | N/A  | >96%  | NRB survey                     |
| Customer satisfaction   | The total number of complaints received about any of the following:<br>a) sewage odour<br>b) sewerage system faults<br>c) sewerage system blockages, and<br>d) Council’s response to issues with its sewerage system,<br>expressed per 1000 connections to the sewerage system. | Achieved.  | a) No more than 1 per 1000 connections<br>b) No more than 15 per 1000 connections<br>c) No more than 15 per 1000 connections<br>d) 0 per 1000 connections | Council records (RFS database) |
| System adequacy   | The number of dry weather sewage overflows from Council’s sewerage system, expressed per 1000 connections to that sewerage system.  | There was 1 dry weather overflows during year.                 | 0 per 1000 connections to the sewerage system   | Council records                |
| Fault response times  | Where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, the median response times are:   |  |   |                                |
|   | a) attendance time: from the time that Council receives notification to the time that service personnel reach the site, and   | There was 1 attendance within 0.17 hour                        | Less than 1 hour  | Council records (RFS database) |
|   | b) resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.  | The blockage (causing the overflow) was resolved after 2 weeks | Less than 8 hours   | Council records (RFS database) |
| Council provides a reliable domestic wastewater collection and disposal service | Number of disruptions to wastewater collection service  | There was 1 disruption to the wastewater service.              | No more than 50   | Council records                |

| Levels of Service                                   | Measures   | Current performance (2020/21)  | Target 2022/23                    | Data source          |
|---|--|--|-----------------------------------|----------------------|
| Discharge compliance                                | Compliance with resource consents for discharge from Council's sewerage system measured by the number of:<br><br>a) abatement notices<br>b) infringement notices<br>c) enforcement orders, and<br>d) convictions,<br><br>received in relation those resource consents. | There was no notices, orders or convictions issued   | No notices, orders or convictions | Council records      |
| The wastewater treatment plant operates effectively | Compliance with BOPRC wastewater treatment plant resource consents as reported in annual Consents and Compliance Field Sheet   | Council did not comply with conditions of the resource consent due to volumes received from dairy factory. | Compliance <sup>4</sup>           | BOP Regional Council |



<sup>4</sup> BOPRC inspection reports state either compliance or non-compliance.

## Funding Impact Statement: Wastewater

| Long Term Plan 2021/22 |  | Long Term Plan 2022/23 | Annual Plan 2022/23 |
|------------------------|--|------------------------|---------------------|
|                        | <b>Sources of operating funding</b>                                      |                        |                     |
| 1,277,630              | General rates, uniform annual general charges, rates penalties           | 1,306,370              | 1,357,400           |
| 446,910                | Targeted rates   | 459,290                | 433,940             |
| 0                      | Subsidies and grants for operating purposes                              | 0                      | 0                   |
| 50,000                 | Fees and charges   | 51,700                 | 40,000              |
| 38,070                 | Internal charges and overheads recovered                                 | 32,270                 | 31,940              |
| 0                      | Local authorities fuel tax, fines, infringement fees, and other receipts | 0                      | 0                   |
| <b>1,812,610</b>       | <b>Total Operating Funding (A)</b>                                       | <b>1,849,630</b>       | <b>1,863,280</b>    |
|                        | <b>Applications of operating funding</b>                                 |                        |                     |
| 731,790                | Payments to staff and suppliers  | 750,900                | 723,190             |
| 0                      | Finance Costs  | 0                      | 0                   |
| 558,910                | Internal charges and overheads applied                                   | 576,480                | 607,800             |
| 0                      | Other operating funding applications                                     | 0                      | 0                   |
| <b>1,290,700</b>       | <b>Total applications of operating funding (B)</b>                       | <b>1,327,380</b>       | <b>1,330,990</b>    |
| <b>521,910</b>         | <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>522,250</b>         | <b>532,290</b>      |
|                        | <b>Sources of capital funding:</b>                                       |                        |                     |
| 0                      | Subsidies and grants for capital expenditure                             | 0                      | 0                   |
| 0                      | Development and financial contributions                                  | 0                      | 0                   |
| 0                      | Increase (decrease) in debt  | 0                      | 0                   |
| 0                      | Gross proceeds from sale of assets                                       | 0                      | 0                   |
| 0                      | Lump sum contributions   | 0                      | 0                   |
| 0                      | Other dedicated capital funding  | 0                      | 0                   |
| <b>0</b>               | <b>Total sources of capital funding (C)</b>                              | <b>0</b>               | <b>0</b>            |
|                        | <b>Applications of capital funding</b>                                   |                        |                     |
|                        | Capital expenditure  |                        |                     |
| 0                      | - to meet additional demand  | 0                      | 0                   |
| 0                      | - to improve the level of service  | 0                      | 0                   |
| 985,000                | - to replace existing assets   | 1,209,700              | 1,206,000           |
| (463,090)              | Increase (decrease) in reserves  | (687,450)              | (673,710)           |
| 0                      | Increase (decrease) of investments                                       | 0                      | 0                   |
| <b>521,910</b>         | <b>Total applications of capital funding (D)</b>                         | <b>522,250</b>         | <b>532,290</b>      |
| <b>(521,910)</b>       | <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(522,250)</b>       | <b>(532,290)</b>    |
| <b>0</b>               | <b>Funding balance ((A - B) + (C - D))</b>                               | <b>0</b>               | <b>0</b>            |

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

There are no significant variances between the Long Term Plan for 2022/23 and the Annual Plan.

## Capital Expenditure

| Long Term Plan 2021/22 |                                  | Long Term Plan 2022/23 | Annual Plan 2022/23 |
|------------------------|----------------------------------|------------------------|---------------------|
| 700,000                | Pipework Replacement             | 791,160                | 790,000             |
| 35,000                 | Refurbish Pumps                  | 36,190                 | 36,000              |
| 50,000                 | Milliscreen Bearings             | 15,410                 | 15,000              |
| 200,000                | WWTP & Pump Station Renewals     | 366,940                | 365,000             |
| <b>985,000</b>         | <b>Total Capital Expenditure</b> | <b>1,209,700</b>       | <b>1,206,000</b>    |

# Solid Waste

This group includes:

- Refuse Collection
- Refuse Disposal
- Zero Waste

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

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

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

## Performance Measures and Targets

### Refuse Collection and Disposal

| Levels of Service   | Measures  | Current performance (2020/21)                                  | Target 2022/23          | Data source          |
|---|---|--|-------------------------|----------------------|
| Provision of a cost effective refuse collection and disposal that will encourage a healthy, clean and tidy district                               | Community satisfaction with refuse collection   | N/A  | >92%                    | NRB survey           |
|   | Community satisfaction with refuse disposal   | N/A  | >74%                    |                      |
| Council's refuse collection and disposal services meet the needs of the Kawerau Community and help maintain public health and a clean environment | Level of compliance with BOP Regional Council refuse disposal resource consents as reported in annual Consents and Compliance Field Sheet | No abatement notices, enforcement orders or convictions issued | Compliance <sup>5</sup> | BOP Regional Council |

### Recycling (Zero Waste)

| Levels of Service  | Measures   | Current performance (2020/21) | Target 2022/23               | Data source      |
|--|--|-------------------------------|------------------------------|------------------|
| Council's refuse collection and disposal services meet the needs of the Kawerau Community                          | Community satisfaction with recycling services                       | N/A                           | >92%                         | NRB survey       |
| Material which would otherwise go to landfill as household refuse is collected by the recycling collection service | Average amount of recyclable material collected from each household. | 250kg per household average   | No less than 178kg per annum | Council records. |

<sup>5</sup> BOPRC inspection reports state either compliance or non-compliance

## Funding Impact Statement: Solid Waste

| Long Term Plan<br>2021/22 |  | Long Term Plan<br>2022/23 | Annual Plan<br>2022/23 |
|---------------------------|--|---------------------------|------------------------|
|                           | <b>Sources of operating funding</b>                                      |                           |                        |
| 771,460                   | General rates, uniform annual general charges, rates penalties           | 781,830                   | 849,050                |
| 514,600                   | Targeted rates   | 527,350                   | 540,690                |
| 0                         | Subsidies and grants for operating purposes                              | 0                         | 0                      |
| 601,100                   | Fees and charges   | 613,120                   | 694,400                |
| 47,870                    | Internal charges and overheads recovered                                 | 48,870                    | 48,820                 |
| 0                         | Local authorities fuel tax, fines, infringement fees, and other receipts | 0                         | 0                      |
| <b>1,935,030</b>          | <b>Total Operating Funding (A)</b>                                       | <b>1,971,170</b>          | <b>2,132,960</b>       |
|                           | <b>Applications of operating funding</b>                                 |                           |                        |
| 1,329,690                 | Payments to staff and suppliers  | 1,347,070                 | 1,412,050              |
| 4,500                     | Finance Costs  | 4,140                     | 4,370                  |
| 569,230                   | Internal charges and overheads applied                                   | 587,790                   | 682,980                |
| 0                         | Other operating funding applications                                     | 0                         | 0                      |
| <b>1,903,420</b>          | <b>Total applications of operating funding (B)</b>                       | <b>1,939,000</b>          | <b>2,099,400</b>       |
| <b>31,610</b>             | <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>32,170</b>             | <b>33,560</b>          |
|                           | <b>Sources of capital funding:</b>                                       |                           |                        |
| 0                         | Subsidies and grants for capital expenditure                             | 0                         | 0                      |
| 0                         | Development and financial contributions                                  | 0                         | 0                      |
| 0                         | Increase (decrease) in debt  | 0                         | 0                      |
| 0                         | Gross proceeds from sale of assets                                       | 0                         | 0                      |
| 0                         | Lump sum contributions   | 0                         | 0                      |
| 0                         | Other dedicated capital funding  | 0                         | 0                      |
| <b>0</b>                  | <b>Total sources of capital funding (C)</b>                              | <b>0</b>                  | <b>0</b>               |
|                           | <b>Applications of capital funding</b>                                   |                           |                        |
|                           | Capital expenditure  |                           |                        |
| 0                         | - to meet additional demand  | 0                         | 0                      |
| 0                         | - to improve the level of service  | 0                         | 0                      |
| 3,000                     | - to replace existing assets*  | 0                         | 50,000                 |
| 28,610                    | Increase (decrease) in reserves  | 32,170                    | (16,440)               |
| 0                         | Increase (decrease) of investments                                       | 0                         | 0                      |
| <b>31,610</b>             | <b>Total applications of capital funding (D)</b>                         | <b>32,170</b>             | <b>33,560</b>          |
| <b>(31,610)</b>           | <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(32,170)</b>           | <b>(33,560)</b>        |
| <b>0</b>                  | <b>Funding balance ((A - B) + (C - D))</b>                               | <b>0</b>                  | <b>0</b>               |

\*Hotmix and concrete apron

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

There are additional operating costs and revenue for rubbish collection and disposal to match increasing costs and volumes. Also provision has been for the design, resource consent and consultation for a contaminated material disposal landfill site.

# Leisure and Recreation

The Leisure and Recreation group of activities comprises:

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

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

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

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

## Performance Measures and Targets

### Public Library

| Levels of Service   | Measures  | Current performance (2020/22)                        | Target 2022/23 | Data source                |
|---|---|--|----------------|----------------------------|
| The library is accessible to the public   | Percentage of the population who are active members of the library <sup>6</sup> | 24.5% were active members                            | >25%           | Council records            |
|   | New items per 1,000 population added to the collection each year.               | 496 new items per 1000 pop were added to collection. | >500           | Council records            |
| Council provides public library services and resources which suit Community needs | Community satisfaction with the Public Library                                  | N/A  | >86%           | NRB survey (every 3 years) |

### Museum

| Levels of Service  | Measures  | Current performance (2020/21)            | Target 2022/23 | Data source                |
|--|---|--|----------------|----------------------------|
| Council provides a museum service which reflects Community needs<br>Council provides a museum service which reflects Community needs | Number of exhibitions held                                      | 7 exhibitions were held                  | 6              | Council records            |
|  | Number of objects accessioned to the museum collection annually | 65 objects were accessioned for the year | 200            | Council records            |
|  | Community satisfaction with the Museum                          | N/A                                      | >62%           | NRB survey (every 3 years) |

### Swimming Pools

| Levels of Service   | Measures            | Current performance (2020/21) | Target 2022/23 | Data source     |
|---|---------------------|-------------------------------|----------------|-----------------|
| Council provides a Swimming Pool Complex which is accessible to the Community | Weeks open per year | Pool open for 48 weeks        | At least 48    | Council records |

<sup>6</sup> Those who have used library services in the past two years.



| Levels of Service   | Measures  | Current performance (2020/21)              | Target 2022/23                  | Data source                |
|---|---|--|---------------------------------|----------------------------|
| Council provides a Swimming Pool Complex which reflects the community's needs | Community satisfaction with Public Swimming Pools | N/A  | >93%                            | NRB survey (every 3 years) |
| Pool water meets water quality standards                                      | Level of compliance with standards                | There was at least 97% compliance of tests | Full compliance in 95% of tests | Council records            |

### Public Halls and Facilities

| Levels of Service  | Measures  | Current performance (2020/21)                  | Target 2022/23                                   | Data source                |
|--|---|--|--|----------------------------|
| Council provides public halls and facilities which reflects Community needs  | Community satisfaction with Public Halls            | N/A  | >81%   | NRB Survey (every 3 years) |
|  | User satisfaction with Public Halls                 | N/A  | >93%   |                            |
|  | Community satisfaction with Public Toilets          | N/A  | >70%   |                            |
|  | User satisfaction with Public Toilets               | N/A  | >87%   |                            |
| Four community halls are available for hire: Ron Hardie Recreation Centre, Town Hall, Concert Chamber and Bert Hamilton Hall | Number of weeks public halls available for hire     | All halls were available for at least 50 weeks | Each hall is available for 50 weeks <sup>7</sup> | Council records            |
| Clean public toilets are provided in the central business district   | Number of days town centre public toilets are open. | Toilets were open for 365 days of the year.    | Open at least 360 days                           | Council records            |

### Parks and Reserves

| Levels of Service  | Measures  | Current performance (2020/21)                            | Target 2022/23                          | Data source                |
|--|---|--|---|----------------------------|
| Council provides parks and reserves which meet community needs                           | Community satisfaction with Parks and Reserves                                  | N/A  | >93%                                    | NRB Survey (every 3 years) |
| Sports field playing surfaces meet the requirements of the codes for which they are used | Implementation of recommendations of NZ Sports Turf Institute advisory reports. | NZ Sports Turf Institute recommendations implemented     | 100%                                    | Council records            |
| Bedding displays are attractive and updated to suit the season                           | Number of bedding displays  | There were 2 separate bedding displays planted           | 2 (1 summer and 1 winter)               | Council records            |
| Playground equipment is safe for children to use   | Monthly inspections of all playground equipment                                 | 10 inspections conducted during year                     | 12 inspections conducted                | Council records            |
| The Kawerau cemetery meets Community interment needs in the present and the medium term  | Community satisfaction with the Cemetery  | N/A  | >78%                                    | NRB survey (every 3 years) |
|  | Number of burial plots available  | There are enough plots available for a further 10 years. | At least enough for the next five years | Council records            |

<sup>7</sup> Each hall is closed for scheduled maintenance for up to two weeks per year.

## Funding Impact Statement: Leisure and Recreation

| Long Term Plan<br>2021/22 |  | Long Term Plan<br>2022/23 | Annual Plan<br>2022/23 |
|---------------------------|--|---------------------------|------------------------|
|                           | <b>Sources of operating funding</b>                                      |                           |                        |
| 3,979,910                 | General rates, uniform annual general charges, rates penalties           | 4,107,550                 | 4,145,510              |
| 0                         | Targeted rates   | 0                         | 0                      |
| 900                       | Subsidies and grants for operating purposes                              | 126,920                   | 900                    |
| 193,000                   | Fees and charges   | 70,850                    | 80,000                 |
| 14,850                    | Internal charges and overheads recovered                                 | 16,400                    | 14,020                 |
|                           | Local authorities fuel tax, fines, infringement fees, and other receipts | 0                         |                        |
| <b>4,188,660</b>          | <b>Total Operating Funding (A)</b>                                       | <b>4,321,720</b>          | <b>4,240,430</b>       |
|                           |  |                           |                        |
|                           | <b>Applications of operating funding</b>                                 |                           |                        |
| 2,289,640                 | Payments to staff and suppliers  | 2,365,890                 | 2,270,480              |
| 43,240                    | Finance Costs  | 41,760                    | 36,380                 |
| 1,236,660                 | Internal charges and overheads applied                                   | 1,281,330                 | 1,323,410              |
| 0                         | Other operating funding applications                                     | 0                         | 0                      |
| <b>3,569,540</b>          | <b>Total applications of operating funding (B)</b>                       | <b>3,688,980</b>          | <b>3,630,270</b>       |
|                           |  |                           |                        |
| <b>619,120</b>            | <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>632,740</b>            | <b>610,160</b>         |
|                           |  |                           |                        |
|                           | <b>Sources of capital funding:</b>                                       |                           |                        |
| 0                         | Subsidies and grants for capital expenditure                             | 0                         | 0                      |
| 0                         | Development and financial contributions                                  | 0                         | 0                      |
| 0                         | Increase (decrease) in debt  | 0                         | 0                      |
| 0                         | Gross proceeds from sale of assets                                       | 0                         | 0                      |
| 0                         | Lump sum contributions   | 0                         | 0                      |
| 0                         | Other dedicated capital funding  | 0                         | 0                      |
| <b>0</b>                  | <b>Total sources of capital funding (C)</b>                              | <b>0</b>                  | <b>0</b>               |
|                           |  |                           |                        |
|                           | <b>Applications of capital funding</b>                                   |                           |                        |
|                           | Capital expenditure  |                           |                        |
| 0                         | - to meet additional demand  | 0                         | 0                      |
| 0                         | - to improve the level of service  | 0                         | 0                      |
| 371,340                   | - to replace existing assets*  | 265,370                   | 285,460                |
| 247,780                   | Increase (decrease) in reserves  | 367,370                   | 324,700                |
| 0                         | Increase (decrease) of investments                                       | 0                         | 0                      |
|                           |  |                           |                        |
| <b>619,120</b>            | <b>Total applications of capital funding (D)</b>                         | <b>632,740</b>            | <b>610,160</b>         |
|                           |  |                           |                        |
| <b>(619,120)</b>          | <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(632,740)</b>          | <b>(610,160)</b>       |
|                           |  |                           |                        |
| <b>0</b>                  | <b>Funding balance ((A - B) + (C - D))</b>                               | <b>0</b>                  | <b>0</b>               |

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

There are reduced subsidies and grants (\$126k) and also for salaries, as it had been anticipated that Council would receive employment subsidy from National Libraries for another year.

## Capital Expenditure

| Long Term Plan<br>2021/22 |  | Long Term Plan<br>2022/23 | Annual Plan<br>2022/23 |
|---------------------------|--|---------------------------|------------------------|
| 72,940                    | Library and Museum - Collection Renewals | 74,400                    | 74,400                 |
| 39,600                    | -Office Equipment/ Furniture             | 1,990                     | 1,990                  |
| 13,700                    | -Building                                | 12,120                    | 12,120                 |
| 6,500                     | Swimming Pool                            | 55,500                    | 44,000                 |
| 71,600                    | Recreation Centre                        | 6,730                     | 6,700                  |
| 2,700                     | Town Hall                                | 22,750                    | 22,700                 |
| 14,600                    | Concert Chambers                         | 10,470                    | 10,400                 |
| 70,000                    | Public Toilets                           | 0                         | 0                      |
| 22,000                    | Sportsfields and Amenity Buildings       | 22,700                    | 22,700                 |
| 53,800                    | Passive Reserve Renewals                 | 54,880                    | 54,950                 |
| 3,900                     | Playground Renewals                      | 3,830                     | 35,500                 |
| 0                         | Cemetery (Building and Carpark)          | 0                         | 0                      |
| <b>371,340</b>            | <b>Total Capital Expenditure</b>         | <b>265,370</b>            | <b>285,460</b>         |



# Council Controlled Organisations (CCOs)

## Introduction

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

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

## CCO Performance Measures and Targets

The following is a report of performance targets for the 2019/20 year.

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

### About this CCO

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

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

### Governance

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

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

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

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

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

## Policies and Objectives in regard to Ownership and Control

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

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

These will be achieved primarily through:

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

## Nature and Scope of Activities

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

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

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

## Key Performance Targets

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

- Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.
- A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.
- Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.
- Number of listed projects to increase by 5% per year. Number of active users to increase by 10% per year.
- At least one meeting per year (with the leadership team of each shareholding Council).
- Performance against budgets reviewed quarterly. Company remains financially viable.

# Toi Economic Development Agency (Toi-EDA)

## About Toi-EDA

Toi-EDA is the Eastern Bay of Plenty Regional Economic Development Agency set up by three territorial authorities (Kawerau, 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 goods or services for the Community of social benefit rather than making a financial return. Accordingly, it is designated as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

## Toi-EDA as an Exempt CCO

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

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

## Trustees

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

The Trustees' role is to:

- Provide strategic leadership and oversee strategy
- Meet and network with key stakeholders
- Provide advocacy
- Ensure sustainable economic development
- Monitor progress
- Provide governance
- Generate ideas / foster growth
- Influence the community and stakeholders
- Support staff

- Take positions / prepare submissions on major developments
- Perform a custodial role over resources

### **Significant Policies and Objectives in regard to Ownership and Control**

- To attract people to work, live and play in the Eastern Bay of Plenty
- To align Toi-EDA with regional and national economic development activity
- To encourage alignment with Maori economic development
- To support and develop industry
- To align training and education with employment needs
- To advocate for improved infrastructure and transportation
- To foster communication with the community and partners
- To secure and diversify the Toi-EDA funding base

### **Nature and Scope of Activities**

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



**Section 3:  
TOTAL COUNCIL  
PROSPECTIVE  
FINANCIAL  
STATEMENTS**

# Significant Forecasting Assumptions, Risks and Possible Implications

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

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

The Plan must clearly identify:

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

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

## 1. Useful lives of significant assets

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

## 2. Sources of funds for future replacement of significant assets

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



### 3. Projected growth change factors (population and development)

Based on population projections provided by Stats NZ, the district is expected to have an increase in population (since the last census) and a consequential growth in demand for additional infrastructural services. The existing infrastructural network will cope with any additional demand to a population of at least 10,000 (Kawerau's current population estimate is just over 7,500). Growth is monitored to determine any potential additional demand on infrastructural services and Council through its economic development initiatives anticipates that the projected population will continue to rise

### 4. Cost factors (inflation)

The forecasts in this Plan have been adjusted for inflation using the following projections of price level change adjusters prepared for the Society of Local Government Managers by Business and Economic Research Limited (BERL) apart from costs which are fixed for 2022/23 and where it is anticipated that increases will vary from inflation.

**Inflation adjusters: Percent change per annum**

| Year ending | Roads | Property | Water | Energy | Staff | Other |
|-------------|-------|----------|-------|--------|-------|-------|
| 2022/23     | 2.3%  | 2.1%     | 2.9%  | 2.8%   | 2.3%  | 2.6%  |

Source: BERL 2021

### 5. New Zealand Transport Agency (NZTA) subsidy rates

Waka Kotahi (formerly NZTA) contributes significantly to the costs of maintaining and renewing the roads and stormwater systems. The assumption has been made that when roads and stormwater systems are due for renewal, Waka Kotahi will contribute towards the cost on the agreed rate of 75% (75% for 2021/22). The budgeted Waka Kotahi subsidy for 2022/23 is \$1,074,900.

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

Risk: Change in rate  
Likelihood: Moderate  
Impact: \$53,745

### 6. Revaluation of non-current assets

Council's current accounting policy is that Infrastructural assets (including land and buildings) are revalued on a three-yearly basis. The last revaluation was as at 30 June 2019. However, due to the significant movement in land values these were re-valued as at 30 June 2021. The next revaluation will occur as at 30 June 2022, and provision has been included in these financial statements for the possible movements in the value of Council's non-current assets.

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

### 7. Forecast return on investments

The interest rates on invested funds assumed for the 2022/23 Annual Plan period is shown in the table below. This rate is based on the interest rates on current investments as at June 2022.

|                     | 2022/23     |
|---------------------|-------------|
| Interest rate       | 1.0%        |
| Average investments | \$2,000,000 |

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

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

### 8. Expected interest rates on internal borrowing

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

- The term of the internal loan will be determined after considering the original purpose of the reserve fund
- Principal amounts are repaid in quarterly instalments on the due date of each rates instalment. Amounts are agreed upon at the commencement of the loan and determined on a table mortgage basis
- Interest is charged to the activity centre based upon the average rate of Council's investments on the date it resolves to lend internally

- Council has the ability to reset interest rates annually during the preparation of the Annual Plan

It is anticipated that all internal borrowing will be done internally from depreciation reserves. The expected interest rates on borrowing are based on the forecast interest rates for investments.

|                              | 2022/23     |
|------------------------------|-------------|
| Interest rate (Internal)     | 2.0%        |
| Interest rate (External)     | 3.5%        |
| Average borrowing (internal) | \$1,689,400 |
| Average borrowing (External) | \$3,000,000 |

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

Risk: Change in rate  
 Likelihood: High  
 Impact: \$26,890

**9. Climate Change**

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



**10. Insurance**

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

**11. Societal Changes**

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

**12. Impact of Future Legislative Changes**

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

# Prospective Statement of Accounting Policies

## Reporting entity

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

## Statement of Compliance and Basis of Preparation

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

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

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

## Measurement Base

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

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

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

## Revenue

### Rates revenue

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

### Government grants and subsidies

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

### Petrol tax

Petrol tax is recognised as revenue on receipt.

### Interest revenue

Interest is recognised as revenue using the effective interest method.

### Other revenue

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

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

## Borrowing costs

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

## Grant expenditure

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

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

## Support activity costs

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

## Leases

### Finance leases

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

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

### Operating leases

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

## Cash and cash equivalents

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

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

## Trade and other receivables

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

## Inventories

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

## Investments

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

## Impairment of financial assets

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

## Non-current assets for sale

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

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

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

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

## Impairment of non-financial assets

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

## Property, plant and equipment

### Operational assets

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

### Infrastructure assets

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

### Restricted assets

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

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

### Additions

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

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

### Disposals

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

### Subsequent costs

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

## Depreciation of property, plant and equipment

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

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

### Depreciation of property, plant and equipment

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

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

### Revaluation

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

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

### Operational land and buildings

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

### Infrastructural assets

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

### Restricted land and buildings

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

### Land under roads

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

### Library collections

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

### Accounting for revaluations

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

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

## Intangible assets

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

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

## Employee benefits

### Short-term benefits

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

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

### Long-term benefits

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

## Provisions

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

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

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

## Landfill

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

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

## Financial guarantee

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

## Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Council currently has no external borrowings apart from finance leases for office equipment.

However, Council anticipates that it will need to borrow funds during 2022/23, which will be principally used to fund water infrastructure renewals.

## Ratepayer equity

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

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

### Council created reserves

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

## Restricted reserves

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

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

## Goods and Services Tax (GST)

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

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

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

## Estimates and Assumptions

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





# Prospective Statement of Comprehensive Revenue and Expense

| <u>Long Term Plan</u><br><u>2021/22</u> |                                      | <u>Long Term Plan</u><br><u>Estimate</u><br><u>2022/23</u> | <u>Annual Plan</u><br><u>Estimate</u><br><u>2022/23</u> |
|---|--------------------------------------|--|---|
|   | <b>Revenue</b>                       |  |   |
| 10,074,470                              | General Rates                        | 10,579,460   | 10,762,550  |
|   | Targeted Rates                       |  |   |
| 208,070                                 | - Water Supply                       | 214,650  | 216,440   |
| 446,910                                 | - Wastewater                         | 459,290  | 433,940   |
| 514,600                                 | - Refuse Collection                  | 527,350  | 540,690   |
| <b>11,244,050</b>                       | <b>Total Rates</b>                   | <b>11,780,750</b>  | <b>11,953,620</b>                                       |
| 1,241,850                               | Government Grants & Subsidies        | 879,320  | 1,075,800   |
| 70,000                                  | Petrol Tax                           | 72,170   | 70,000  |
| 16,990                                  | Interest Revenue                     | 27,980   | 34,390  |
| 2,400,300                               | Other Revenue                        | 2,331,220  | 3,610,500   |
| <b>14,973,190</b>                       | <b>Total Revenue</b>                 | <b>15,091,440</b>  | <b>16,744,310</b>                                       |
|   | <b>Operating Expenditure</b>         |  |   |
| 5,868,230                               | Personnel Costs                      | 6,007,440  | 6,111,890   |
| 3,238,240                               | Depreciation                         | 3,269,380  | 3,316,270   |
| 28,980                                  | Finance Costs                        | 80,500   | 110,000   |
| 5,945,730                               | Other Costs                          | 5,944,700  | 6,967,200   |
| <b>15,081,180</b>                       | <b>Total Operating Expenditure</b>   | <b>15,302,020</b>  | <b>16,505,360</b>                                       |
| <b>(107,990)</b>                        | <b>Operating Surplus (Shortfall)</b> | <b>(210,580)</b>   | <b>238,950</b>  |
|   | <b>Other Comprehensive Income</b>    |  |   |
| 1,750,190                               | Gain on Asset Revaluation            | 0  | 0   |
| <b>1,642,200</b>                        | <b>Total Comprehensive Income</b>    | <b>(210,580)</b>   | <b>238,950</b>  |

# Prospective Statement of Changes in Equity

| <u>Long Term Plan</u><br><u>2021/22</u> |                                  | <u>Long Term Plan</u><br><u>Estimate</u><br><u>2022/23</u> | <u>Annual Plan</u><br><u>Estimate</u><br><u>2022/23</u> |
|---|----------------------------------|--|---|
|   | <b>Total Equity</b>              |  |   |
| 71,392,484                              | Opening Balance                  | 73,034,684   | 87,079,400  |
| 1,642,200                               | Total Comprehensive Income       | (210,580)  | 238,950   |
| <b>73,034,684</b>                       | <b>Closing Balance</b>           | <b>72,824,104</b>  | <b>87,318,350</b>                                       |
|   | <b>Made up of:</b>               |  |   |
|   | <i>Retained Earnings</i>         |  |   |
| 37,047,843                              | Opening Balance                  | 35,190,673   | 35,354,210  |
| (107,990)                               | Operating Surplus (Shortfall)    | (210,580)  | 238,950   |
| (1,749,180)                             | Movement in Depreciation Reserve | (58,810)   | (943,640)   |
| <b>35,190,673</b>                       | <b>Closing Balance</b>           | <b>34,921,283</b>  | <b>34,649,520</b>                                       |
|   | <i>Asset Revaluation Reserve</i> |  |   |
| 29,633,911                              | Opening Balance                  | 31,384,101   | 45,164,270  |
| 1,750,190                               | Asset Revaluation                | 0  | 0   |
| <b>31,384,101</b>                       | <b>Closing Balance</b>           | <b>31,384,101</b>  | <b>45,164,270</b>                                       |
|   | <i>Depreciation Reserves</i>     |  |   |
| 4,710,730                               | Opening Balance                  | 6,459,910  | 6,560,920   |
| 1,749,180                               | Movement in Reserve              | 58,810   | 943,640   |
| <b>6,459,910</b>                        | <b>Closing Balance</b>           | <b>6,518,720</b>   | <b>7,504,560</b>  |



# Prospective Statement of Financial Position

| <u>Long Term Plan</u><br><u>2021/22</u> |                                      | <u>Long Term Plan</u><br><u>Estimate</u><br><u>2022/23</u> | <u>Annual Plan</u><br><u>Estimate</u><br><u>2022/23</u> |
|---|--------------------------------------|--|---|
| <b><u>ASSETS</u></b>                    |                                      |  |   |
| <b>Current Assets</b>                   |                                      |  |   |
| 4,839,694                               | Cash & cash equivalents              | 4,965,139  | 5,074,310   |
| 1,736,730                               | Trade & other receivables            | 1,750,440  | 1,720,340   |
| 778,550                                 | Inventories                          | 628,520  | 417,910   |
| 0                                       | Other financial assets               | 0  | 0   |
| <b>7,354,974</b>                        | <b>Total Current Assets</b>          | <b>7,344,099</b>   | <b>7,212,560</b>  |
| <b>Non Current Assets</b>               |                                      |  |   |
| 71,417,175                              | Property, plant & equipment          | 73,235,115   | 96,502,730  |
| 58,070                                  | Intangible assets                    | 60,240   | 60,240  |
| 36,250                                  | Investments                          | 36,250   | 36,250  |
| <b>71,511,495</b>                       | <b>Total Non Current Assets</b>      | <b>73,331,605</b>  | <b>96,599,220</b>                                       |
| <b>78,866,469</b>                       | <b><u>TOTAL ASSETS</u></b>           | <b>80,675,704</b>  | <b>103,811,780</b>                                      |
| <b><u>LIABILITIES</u></b>               |                                      |  |   |
| <b>Current Liabilities</b>              |                                      |  |   |
| 2,856,686                               | Trade and other payables             | 2,856,196  | 2,791,880   |
| 10,000                                  | Provisions                           | 10,000   | 10,000  |
| 693,990                                 | Employee benefit liabilities         | 710,450  | 763,990   |
| 16,500                                  | Borrowings                           | 16,500   | 16,500  |
| <b>3,577,176</b>                        | <b>Total Current Liabilities</b>     | <b>3,593,146</b>   | <b>3,582,370</b>  |
| <b>Non Current Liabilities</b>          |                                      |  |   |
| 161,429                                 | Provisions and deferred revenue      | 146,524  | 181,340   |
| 52,760                                  | Employee benefit liabilities         | 54,010   | 61,120  |
| 2,040,420                               | Borrowings & Residents Liability     | 4,057,920  | 12,668,600  |
| <b>2,254,609</b>                        | <b>Total Non Current Liabilities</b> | <b>4,258,454</b>   | <b>12,911,060</b>                                       |
| <b>5,831,785</b>                        | <b><u>TOTAL LIABILITIES</u></b>      | <b>7,851,600</b>   | <b>16,493,430</b>                                       |
| <b>73,034,684</b>                       | <b>NET ASSETS</b>                    | <b>72,824,104</b>  | <b>87,318,350</b>                                       |
| <b><u>RATEPAYER EQUITY</u></b>          |                                      |  |   |
| 35,190,673                              | Retained earnings                    | 34,921,283   | 34,649,520  |
| 37,844,011                              | Reserves                             | 37,902,821   | 52,668,830  |
| <b>73,034,684</b>                       | <b><u>Total Ratepayer Equity</u></b> | <b>72,824,104</b>  | <b>87,318,350</b>                                       |

# Prospective Statement of Cash Flows

| <u>Long Term Plan</u><br><u>2021/22</u> |   | <u>Long Term Plan</u><br><u>Estimate</u><br><u>2022/23</u> | <u>Annual Plan</u><br><u>Estimate</u><br><u>2022/23</u> |
|---|---|--|---|
|   | <b><u>Cash Flow from Operating Activities</u></b>         |  |   |
|   | <b>Cash will be provided from:</b>                        |  |   |
| 10,080,720                              | General Rates   | 10,565,750   | 10,778,940  |
| 1,169,580                               | Targeted Rates  | 1,201,290  | 1,191,070   |
| 1,241,850                               | Government Subsidies                                      | 879,320  | 1,075,800   |
| 2,464,357                               | Other fees & Charges                                      | 2,397,685  | 3,680,500   |
| 16,990                                  | Interest Income   | 27,980   | 34,440  |
| <b>14,973,497</b>                       |   | <b>15,072,025</b>  | <b>16,760,700</b>                                       |
|   | <b>Cash will be spent on:</b>                             |  |   |
| 11,593,013                              | Payments to suppliers and employees                       | 11,796,260   | 12,497,310  |
| 28,980                                  | Interest paid on debt                                     | 80,500   | 110,000   |
| <b>11,621,993</b>                       | Total cash spent  | <b>11,876,760</b>  | <b>12,607,310</b>                                       |
| <b>3,351,504</b>                        | <b>Net Cash Flow from Operations</b>                      | <b>3,195,265</b>   | <b>4,153,390</b>  |
|   | <b><u>Cash Flow from Investing Activities</u></b>         |  |   |
|   | <b>Cash will be provided from:</b>                        |  |   |
| 3,500,000                               | Disposal of assets  | 1,920,000  | 0   |
|   | <b>Cash will be spent on:</b>                             |  |   |
| 6,991,450                               | Purchase and development of property, plant and equipment | 7,007,320  | 8,850,360   |
| 0                                       | Net purchase of investments                               | 0  | 0   |
| <b>(3,491,450)</b>                      | <b>Net Cash Flow from Investing</b>                       | <b>(5,087,320)</b>   | <b>(8,850,360)</b>                                      |
|   | <b><u>Cash Flow from Financing Activities</u></b>         |  |   |
|   | <b>Cash will be provided from:</b>                        |  |   |
| 2,056,000                               | Loans raised/contributions                                | 2,034,000  | 6,020,000   |
|   | <b>Cash will be spent on:</b>                             |  |   |
| 19,000                                  | Debt repayment  | 16,500   | 11,500  |
| <b>2,037,000</b>                        | <b>Net Cash Flow from Financing</b>                       | <b>2,017,500</b>   | <b>6,008,500</b>  |
| <b>1,897,054</b>                        | <b>Net total cash inflow (outflow)</b>                    | <b>125,445</b>   | <b>1,311,530</b>  |
| 2,942,640                               | <b>Plus Projected Opening Cash Balances 1 July</b>        | 4,839,694  | 3,762,780   |
| <b>4,839,694</b>                        | <b>Projected Closing Cash Balances 30 June</b>            | <b>4,965,139</b>   | <b>5,074,310</b>  |

# Prospective Funding Impact Statement

| <u>Long Term Plan</u><br><u>2021/22</u> |  | <u>Long Term Plan</u><br><u>Estimate</u><br><u>2022/23</u> | <u>Annual Plan</u><br><u>Estimate</u><br><u>2022/23</u> |
|---|--|--|---|
|   | <b>Sources of operating funding</b>                                      |  |   |
| 10,074,470                              | General rates, uniform annual general charges, rates penalties           | 10,579,430   | 10,762,550  |
| 1,169,580                               | Targeted rates   | 1,201,290  | 1,191,070   |
| 285,300                                 | Subsidies and grants for operating purposes                              | 259,070  | 241,020   |
| 1,800,300                               | Fees and charges   | 1,766,220  | 1,660,500   |
| 16,980                                  | Interest and dividends from investments                                  | 27,980   | 34,390  |
| 670,000                                 | Local authorities fuel tax, fines, infringement fees, and other receipts | 637,170  | 2,020,000   |
| <b>14,016,600</b>                       | <b>Total Operating Funding (A)</b>                                       | <b>14,471,160</b>  | <b>15,909,530</b>                                       |
|   | <b>Applications of operating funding</b>                                 |  |   |
| 11,813,900                              | Payments to staff and suppliers  | 11,952,070   | 13,079,140  |
| 29,000                                  | Finance Costs  | 80,500   | 110,000   |
| 0                                       | Other operating funding applications                                     | 0  | 0   |
| <b>11,842,900</b>                       | <b>Total applications of operating funding (B)</b>                       | <b>12,032,570</b>  | <b>13,189,140</b>                                       |
| <b>2,173,700</b>                        | <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>2,438,590</b>   | <b>2,720,390</b>  |
|   | <b>Sources of capital funding:</b>                                       |  |   |
| 956,550                                 | Subsidies and grants for capital expenditure                             | 620,250  | 834,750   |
| 0                                       | Development and financial contributions                                  | 0  | 0   |
| 2,037,000                               | Increase (decrease) in debt  | 2,017,500  | 1,995,490   |
| 3,500,000                               | Gross proceeds from sale of assets                                       | 1,920,000  | 0   |
| 0                                       | Lump sum contributions   | 0  | 4,020,000   |
| 0                                       | Other dedicated capital funding  | 0  | 0   |
| <b>6,493,550</b>                        | <b>Total sources of capital funding (C)</b>                              | <b>4,557,750</b>   | <b>6,850,240</b>  |
|   | <b>Applications of capital funding</b>                                   |  |   |
|   | Capital expenditure  |  |   |
| 1,820,000                               | - to meet additional demand  | 1,560,000  | 3,300,000   |
| 532,000                                 | - to improve the level of service  | 330,000  | 330,000   |
| 4,639,450                               | - to replace existing assets   | 5,117,320  | 5,220,360   |
| 1,675,800                               | Increase (decrease) in reserves  | (10,980)   | 720,270   |
| 0                                       | Increase (decrease) of investments                                       | 0  | 0   |
| <b>8,667,250</b>                        | <b>Total applications of capital funding (D)</b>                         | <b>6,996,340</b>   | <b>9,570,630</b>  |
| <b>(2,173,700)</b>                      | <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(2,438,590)</b>   | <b>(2,720,390)</b>                                      |
| <b>0</b>                                | <b>Funding balance ((A - B) + (C - D))</b>                               | <b>0</b>   | <b>0</b>  |

# Prospective Funding Impact Statement – continued

| <u>Long Term Plan</u><br><u>2021/22</u><br>(\$) |  | <u>Annual Plan</u><br><u>2022/23</u><br>(\$) |
|---|--|--|
|   | <b>GENERAL RATES</b>   |  |
| 600.00  | <b>Uniform Annual General Charge<sup>8</sup> (UAGC)</b> per separately used or inhabited part of a rating unit <sup>9</sup> (Incl GST)                                 | 750.00                                       |
| 1,758,000                                       | Total revenue from the UAGC (Incl GST)   | 2,207,250                                    |
|   | <b>Differential General Rate<sup>10</sup>:</b>   |  |
| 0.5313  | Properties zoned “Residential”, “Rural Lifestyle” and “Reserve” in terms of Council’s operative district plan, Rate per cents in \$ of Capital Value (Incl GST)        | 0.3530                                       |
| 3,574,440                                       | Revenue sought from Residential, Rural Lifestyle and Reserve Rate (Incl GST)   | 3,870,830                                    |
| 2.1460  | All other zoned properties of Council’s operative district plan (other than Residential, Rural Lifestyle and Reserve) Rate per cents in \$ of Capital Value (Incl GST) | 2.3288                                       |
| 6,241,470                                       | Revenue sought from all Other Zones Rate (Incl GST)  | 6,281,600                                    |
|   | <b>TARGETED RATES<sup>11</sup></b>   |  |
| 69.30   | Water Supply Rate – excluding properties supplied by meter (Incl GST)  | 81.20  |
| 196,810   | Revenue sought from Water Supply Rate (Incl GST)   | 230,620                                      |
| 0.23  | Water by meter – per cubic metre (Incl GST)  | 0.27   |
| 69,000  | Revenue sought from Water by Meter Rate (Incl GST)   | 81,000                                       |
| 177.70  | Wastewater Disposal Rate (Incl GST)  | 172.50                                       |
| 513,910   | Revenue sought from Wastewater Disposal Rate (Incl GST)  | 499,030                                      |
| 208.80  | Refuse Collection Rate (per serviced property) 60-litre bin  | 219.90                                       |
| 477,110   | Revenue sought from Refuse Collection Rate 60–litre bin (Incl GST)   | 502,690                                      |
| 268.80  | Refuse Collection (per serviced property) 120-litre bin  | 279.90                                       |
| 114,780   | Revenue sought from Refuse Collection Rate 120-litre (Incl GST)  | 119,240                                      |
|   | <b>CAPITAL VALUES (at end of previous financial year)</b>  |  |
| 672,772,400                                     | Residential  | 1,096,444,000                                |
| 290,837,000                                     | Commercial/Industrial  | 269,735,500                                  |
| <b>963,609,400</b>                              | <b>Total Capital Values</b>  | <b>1,366,179,500</b>                         |
| <b>353,242,000</b>                              | <b>Total Land Value</b>  | <b>515,146,000</b>                           |
| <b>2,983</b>                                    | <b>Number of rating units (at end of previous financial year)</b>  | <b>2,987</b>                                 |

<sup>8</sup> The Uniform Annual General Charge (UAGC) is the minimum contribution for each rating unit towards the costs of those activities funded by the General Rate.

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

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

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

<sup>11</sup> The water supply targeted rate funds the use costs related to the water supply service. The wastewater targeted rate funds the use costs related to the wastewater collection and disposal service. The refuse collection targeted rate funds the costs related to the refuse collection service. Each of these targeted rates (excluding water by meter 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 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.

# Prospective Funding Impact Statement – continued

| Capital Value (2021)          | General Rate & UAGC | Targeted Rates |            |        | Total Rates     | Increase % |
|-------------------------------|---------------------|----------------|------------|--------|-----------------|------------|
|                               | (UAGC = \$600)      | Water          | Wastewater | Refuse |                 |            |
| <b>Residential:</b>           |                     |                |            |        |                 |            |
| \$52,000                      | 933.56              | 81.20          | 172.50     | 219.90 | \$ 1,407.16     | 16.3%      |
| \$310,000                     | 1,844.30            | 81.20          | 172.50     | 219.90 | \$ 2,317.90     | 18.3%      |
| \$400,000                     | 2,162.00            | 81.20          | 172.50     | 219.90 | \$ 2,635.60     | 21.4%      |
| \$445,000                     | 2,320.85            | 81.20          | 172.50     | 219.90 | \$ 2,794.45     | 22.7%      |
| \$450,000                     | 2,338.50            | 81.20          | 172.50     | 219.90 | \$ 2,812.10     | 9.4%       |
| \$530,000                     | 2,620.90            | 81.20          | 172.50     | 219.90 | \$ 3,094.50     | 9.1%       |
| \$580,000                     | 2,797.40            | 81.20          | 172.50     | 219.90 | \$ 3,271.00     | 8.3%       |
| \$600,000                     | 2,868.00            | 81.20          | 172.50     | 219.90 | \$ 3,341.60     | 1.7%       |
| \$660,000                     | 3,079.80            | 81.20          | 172.50     | 219.90 | \$ 3,553.40     | -2.9%      |
| <b>Commercial/Industrial:</b> |                     |                |            |        |                 |            |
| \$170,000                     | 4,708.96            | 81.20          | 172.50     |        | \$ 4,962.66     | 28.9%      |
| \$240,000                     | 6,339.12            | 81.20          | 172.50     |        | \$ 6,592.82     | 43.2%      |
| \$405,000                     | 10,181.64           | 81.20          | 172.50     |        | \$ 10,435.34    | 33.4%      |
| \$1,090,000                   | 26,133.92           | 81.20          | 172.50     |        | \$ 26,387.62    | 38.2%      |
| \$20,300,000                  | 473,496.40          | 81.20          | 172.50     |        | \$ 473,750.10   | 18.4%      |
| \$30,700,000                  | 715,691.60          | 81.20          | 172.50     |        | \$ 715,945.30   | 13.3%      |
| \$34,750,000                  | 810,008.00          | 81.20          | 172.50     |        | \$ 810,261.70   | 12.4%      |
| \$20,500,000                  | 478,154.00          | 81.20          | 172.50     |        | \$ 478,407.70   | -70.4%     |
| \$46,250,000                  | 1,077,820.00        | 81.20          | 172.50     |        | \$ 1,078,073.70 | 11.2%      |



# Prospective Revenue by Activity

| <u>Long Term Plan</u><br><u>2021/22</u> |                                  | <u>Long Term Plan</u><br><u>Estimate</u><br><u>2022/23</u> | <u>Annual Plan</u><br><u>Estimate</u><br><u>2022/23</u> |
|---|----------------------------------|--|---|
| 1,160                                   | Democracy                        | 16,170   | 21,160  |
| 1,154,000                               | Economic & Community Development | 1,108,370  | 2,486,100   |
| 184,050                                 | Environmental Services           | 184,230  | 184,850   |
| 1,188,630                               | Roading                          | 962,400  | 996,110   |
| 219,490                                 | Stormwater                       | 27,200   | 217,350   |
| 258,150                                 | Water Supply                     | 267,120  | 279,920   |
| 534,980                                 | Wastewater                       | 543,260  | 505,880   |
| 1,163,580                               | Solid Waste                      | 1,189,340  | 1,283,910   |
| 208,750                                 | Leisure & Recreation             | 214,170  | 94,920  |
| 159,060                                 | Sundry                           | 161,570  | 90,520  |
| (173,130)                               | Eliminations                     | (161,850)  | (178,960)   |
| <b>4,898,720</b>                        |                                  | <b>4,511,980</b>   | <b>5,981,760</b>  |
| 10,074,470                              | General Rates                    | 10,579,460   | 10,762,550  |
| <b>14,973,190</b>                       | <b>Total Revenue</b>             | <b>15,091,440</b>  | <b>16,744,310</b>                                       |

# Prospective Expenditure by Activity

| <u>Long Term Plan</u><br><u>2021/22</u> |                                  | <u>Long Term Plan</u><br><u>Estimate</u><br><u>2022/23</u> | <u>Annual Plan</u><br><u>Estimate</u><br><u>2022/23</u> |
|---|----------------------------------|--|---|
| 743,770                                 | Democracy                        | 782,380  | 851,610   |
| 2,110,050                               | Economic & Community Development | 2,116,910  | 2,811,840   |
| 1,264,180                               | Environmental Services           | 1,159,930  | 1,326,100   |
| 1,990,370                               | Roading                          | 2,004,990  | 2,088,590   |
| 331,560                                 | Stormwater                       | 286,120  | 289,790   |
| 1,431,700                               | Water Supply                     | 1,557,250  | 1,630,770   |
| 1,812,600                               | Wastewater                       | 1,849,640  | 1,863,270   |
| 1,935,030                               | Solid Waste                      | 1,971,160  | 2,132,940   |
| 4,283,880                               | Leisure & Recreation             | 4,417,280  | 4,353,450   |
| 58,200                                  | Sundry                           | 58,300   | 50,100  |
| (880,160)                               | Eliminations                     | (901,940)  | (893,100)   |
| <b>15,081,180</b>                       | <b>Total Expenditure</b>         | <b>15,302,020</b>  | <b>16,505,360</b>                                       |



# Prospective Operational Shortfall by Activity

| <u>Long Term Plan</u><br><u>2021/22</u> |  | <u>Long Term Plan</u><br><u>Estimate</u><br><u>2021/22</u> | <u>Annual Plan</u><br><u>Estimate</u><br><u>2022/23</u> |
|---|--|--|---|
|   | <b>Operating shortfall by activity:</b>    |  |   |
| 181,500                                 | Economic & Community Development           | 131,500  | (305,000)   |
| (186,750)                               | Roading                                    | (16,500)   | (43,500)  |
| 18,040                                  | Stormwater                                 | 0  | (3,460)   |
| 95,200                                  | Leisure & Recreation                       | 95,580   | 113,010   |
| 0                                       | Sundry                                     | 0  | 0   |
| <b>107,990</b>                          | <b>Total Operating (Surplus)/Shortfall</b> | <b>210,580</b>   | <b>(238,950)</b>  |
|   | <b>Made up of:</b>                         |  |   |
| 50,000                                  | Funding to/(from) property sales (net)     | 0  | (430,000)   |
| <b>50,000</b>                           |  | <b>0</b>   | <b>(430,000)</b>  |
|   | <b>Depreciation not funded:</b>            |  |   |
| 131,500                                 | Economic & Community Development           | 131,500  | 125,000   |
| 603,750                                 | Roading                                    | 603,750  | 603,750   |
| 184,090                                 | Stormwater                                 | 0  | 184,130   |
| 95,200                                  | Leisure & Recreation                       | 95,580   | 113,000   |
| <b>1,014,540</b>                        |  | <b>830,830</b>   | <b>1,025,880</b>  |
|   | <b>Plus funding for capital work:</b>      |  |   |
| (956,550)                               | Roading, Stormwater & Leisure              | (620,250)  | (834,830)   |
| <b>107,990</b>                          | <b>Operational Deficit/(Surplus)</b>       | <b>210,580</b>   | <b>(238,950)</b>  |

## Reconciliation from operating funding to operation surplus/deficit

| <u>Long Term Plan</u><br><u>2021/22</u> |                                      | <u>Long Term Plan</u><br><u>Estimate</u><br><u>2022/23</u> | <u>Annual Plan</u><br><u>Estimate</u><br><u>2022/23</u> |
|---|--------------------------------------|--|---|
| 2,173,700                               | Operating Funding Surplus/(deficit)  | 2,438,590  | 2,720,390   |
| 956,550                                 | Plus subsidy for capital expenditure | 620,250  | 834,830   |
| 3,238,280                               | Less depreciation                    | 3,269,420  | 3,316,270   |
| <b>107,990</b>                          | <b>Operating (Surplus)/Deficit</b>   | <b>210,580</b>   | <b>(238,950)</b>  |

# Prospective Capital Programme

| <u>Long Term Plan</u><br><u>2021/22</u> |                                    | <u>Long Term Plan</u><br><u>Estimate</u><br><u>2022/23</u> | <u>Annual Plan</u><br><u>Estimate</u><br><u>2022/23</u> |
|---|------------------------------------|--|---|
| 1,831,400                               | Economic and Community Development | 1,571,640  | 3,311,600   |
| 0                                       | Environmental Services             | 0  | 0   |
| 1,095,960                               | Roading and Footpaths              | 872,510  | 909,000   |
| 221,400                                 | Stormwater                         | 250,000  | 250,000   |
| 2,213,000                               | Water Supply                       | 2,580,780  | 2,581,000   |
| 985,000                                 | Wastewater                         | 1,209,700  | 1,256,000   |
| 3,000                                   | Solid Waste                        | 0  | 0   |
| 371,340                                 | Leisure & Recreation               | 265,370  | 285,460   |
| 270,350                                 | Plant Buildings & Office Equipment | 257,320  | 257,300   |
| <b>6,991,450</b>                        | <b>Total Asset Renewals</b>        | <b>7,007,320</b>   | <b>8,850,360</b>  |
|   | <b>Funded By:</b>                  |  |   |
| 956,550                                 | Government Subsidies/Grants        | 620,250  | 834,750   |
| 3,500,000                               | Asset Disposals                    | 1,920,000  | 0   |
| 2,056,000                               | Loans/Capital Contributions        | 2,034,000  | 4,150,000   |
| 478,900                                 | Depreciation Reserves              | 2,433,070  | 3,865,610   |
| <b>6,991,450</b>                        | <b>Total Funding</b>               | <b>7,007,320</b>   | <b>8,850,360</b>  |

The significant variances between the Long Term Plan and the Annual Plan budgets for 2022/23 are:

- Additional subsidy for storm water that was not included in the LTP for 2022/23
- Additional revenue and expenditure for residential sections and houses than was initially budgeted
- Additional staffing \$104.5k for 2 additional positions to meet the necessary level of service
- Council's assets and revaluation reserve are higher than budgeted in the LTP due to the significant movement in property values over the last couple of years
- Resident's Liability is significantly higher than the LTP for 2022/23 due to the need to recognise the Occupation Right Agreement (as well as the building assets) in Council's Statement of Financial Position

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

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

Subsidised roading and stormwater expenditure is subsidised by Waka Kotahi.

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

# Depreciation Expense by Activity

| <u>Long Term Plan</u><br><u>2021/22</u> |                                    | <u>Long Term Plan</u><br><u>Estimate</u><br><u>2022/23</u> | <u>Annual Plan</u><br><u>Estimate</u><br><u>2022/23</u> |
|---|------------------------------------|--|---|
| 16,980                                  | Democracy                          | 17,240   | 18,0120   |
| 228,840                                 | Economic and Community Development | 216,870  | 229,190   |
| 42,290                                  | Environmental Services             | 42,340   | 27,750  |
| 879,850                                 | Roading                            | 881,850  | 923,470   |
| 246,130                                 | Stormwater                         | 245,810  | 245,830   |
| 556,330                                 | Water Supply                       | 582,550  | 582,890   |
| 521,900                                 | Wastewater                         | 522,250  | 531,720   |
| 31,620                                  | Solid Waste                        | 32,170   | 34,120  |
| 714,300                                 | Leisure & Recreation               | 728,300  | 723,180   |
| <b>3,238,240</b>                        | <b>Total Depreciation Expense</b>  | <b>3,269,380</b>   | <b>3,316,270</b>  |

## Reserve Funds

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

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

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

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

Over the page is a list of current reserves outlining the purpose for holding each reserve and the Council activity to which each reserve relates, together with summary financial information for the 2022/23 year.

| <b>Restricted Reserve – Purpose of Fund</b>   | <b>Balance @ 1 July 2022</b> | <b>Deposits</b>  | <b>Expenditure</b> | <b>Balance @ 30 June 2023</b> |
|---|------------------------------|------------------|--------------------|-------------------------------|
|   | \$                           | \$               | \$                 | \$                            |
| <b>Council created Reserves – Purpose of Fund</b>                                       | <b>Balance @ 1 July 2022</b> | <b>Deposits</b>  | <b>Expenditure</b> | <b>Balance @ 30 June 2023</b> |
|   | \$                           | \$               | \$                 | \$                            |
| <b>Asset Renewal Reserve (All Activities)</b>   |                              |                  |                    |                               |
| To set funds aside for the renewal of assets utilised by the following activities:      |                              |                  |                    |                               |
| Democracy   | 115,802                      | 650              | -                  | 116,462                       |
| Building & Inspection   | 596                          | 2                | -                  | 598                           |
| Environmental Health  | 4,070                        | 5                | -                  | 4,075                         |
| Dog Control   | (112,287)                    | 11,216           | 20,005             | (121,076)                     |
| Roading/Footpaths   | 1,330,620                    | 307,250          | 261,750            | 1,376,120                     |
| Stormwater  | 424,195                      | 245,500          | 62,500             | 607,195                       |
| Water Supply  | 3,664,830                    | 575,800          | 593,300            | 3,647,330                     |
| Wastewater  | 3,539,060                    | 520,000          | 1,206,000          | 2,853,061                     |
| Refuse Disposal   | (276,015)                    | 8,700            | 70,140             | (337,456)                     |
| Zero Waste  | 100,080                      | 6,000            | -                  | 106,080                       |
| Library   | (525,550)                    | 84,635           | 88,510             | (529,425)                     |
| Museum  | (123,880)                    | 20,593           | 13,980             | (117,267)                     |
| Swimming Pool   | (442,160)                    | 135,000          | 65,002             | (372,162)                     |
| Rec Centre  | (180,958)                    | 62,500           | 6,700              | (125,158)                     |
| Town Hall   | 375,227                      | 48,000           | 22,700             | 400,527                       |
| Concert Chamber   | 24,807                       | 18,000           | 10,400             | 32,407                        |
| Town Centre Toilets   | (217,670)                    | 4,200            | -                  | (213,470)                     |
| Sportsfields  | 513,738                      | 110,000          | 22,700             | 601,038                       |
| Passive Reserves  | (358,785)                    | 65,000           | 54,950             | (348,735)                     |
| Road Berms  | 223                          | -                | -                  | 223                           |
| Street Trees  | 23,114                       | 1,880            | -                  | 24,994                        |
| Bedding Displays  | 1,252                        | (7)              | -                  | 1,245                         |
| Playgrounds   | 347,600                      | 26,000           | 35,500             | 338,100                       |
| Pensioner Housing   | (131,240)                    | (0)              | -                  | (131,240)                     |
| Cemetery  | 66,230                       | 5,600            | -                  | 71,830                        |
| Commercial Rental Buildings   | (854,200)                    | 201,000          | -                  | (653,200)                     |
| Firmin Field Building   | (198,780)                    | 36,300           | 63,860             | (226,340)                     |
| I-Site  | (103,664)                    | 10,014           | 6,314              | (99,964)                      |
| Retirement Village  | (615,948)                    | 981,449          | 1,449              | 364,052                       |
| District Office & Depot   | (321,213)                    | 97,999           | 35,000             | (258,214)                     |
| Finance   | 431,452                      | 57,005           | 49,000             | 439,457                       |
| Operations & Services   | 5,712                        | (0)              | -                  | 5,712                         |
| Plant   | 44,460                       | 150,900          | 157,800            | 37,560                        |
| Development Contributions   | 10,200                       |                  |                    | 10,200                        |
| <b>Total</b>  | <b>6,560,920</b>             | <b>3,791,200</b> | <b>2,847,560</b>   | <b>7,504,560</b>              |
| <b>Revaluation Reserve – Purpose of Fund</b>  | <b>Balance @ 1 July 2022</b> | <b>Additions</b> | <b>Expenditure</b> | <b>Balance @ 30 June 2023</b> |
|   | \$                           | \$               | \$                 | \$                            |
| Revaluation Reserve - records the amount that Council's assets have increased in value. | 45,164,270                   | 0                | 0                  | 45,164,270                    |

# Disclosure Statement

For the period ending 30 June 2023

## Purpose of this Statement

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

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

| Benchmarks                    |  | Planned                                    | Met |
|-------------------------------|--|--|-----|
| Rates affordability benchmark |  |  |     |
| Income                        | [quantified limit on rates – 88% of total revenue]                             | 76.3%                                      | Yes |
| Increases                     | [quantified limit on rates increases–inflation plus 2%]                        | 6.3%                                       | Yes |
| Debt affordability benchmark  | [quantified limit on borrowing – Borrowing < 50% of fixed assets = \$47.4 mil] | \$4.0 mil -<br>excluding<br>finance leases | Yes |
| Balanced budget benchmark     | 100%   | 101.4%                                     | Yes |
| Essential services benchmark  | 100%   | 300.4%                                     | Yes |
| Debt servicing benchmark      | <15% of revenue  | 0.6%                                       | Yes |

## Notes

### 1 Rates affordability benchmark

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

### 2 Debt affordability benchmark

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

### 3 Balanced budget benchmark

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

#### **4 Essential services benchmark**

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

#### **5 Debt servicing benchmark**

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



# Section 4: POLICIES

# Revenue and Financing Policy

## Policy Objectives

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

## Principles

This policy is based on the principles that:

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

## Definitions

### Community outcomes

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

### Distribution of benefits

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

### Industrial/Commercial

All properties other than those classified as "Residential".

### Residential

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

### Period of benefits

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

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

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

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

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

### Funding of capital expenditure

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

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

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

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

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



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

### **Contributors to the need for an activity (polluter pays)**

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

### **Costs and benefits of funding the activity distinctly from other activities**

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

### **Overall impact of the method of funding**

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

## **Background**

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

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

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

### **Legislative requirements**

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

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

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

## **Policy Statement**

### **Funding for Operating and Capital Expenditure**

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

### **General rate**

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

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

other. The general rate (including the UAGC) is apportioned on a ratio of 55:45 Industrial/Commercial: Residential.

### **Targeted rates**

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

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

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

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

### **Grants and subsidies**

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

### **Interest and dividends**

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

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

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

### **Fees and charges**

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

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

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

### **Proceeds from asset sales**

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

### **Reserve funds**

Most Council reserve funds are associated with depreciation reserves.

### **Financial contributions**

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

### **Assessment of the overall impact of allocation of revenue needs**

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

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

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

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

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

## Summary – Allocation of Costs

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

**Summary – Mix of Funding Mechanisms for the District**

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

# Rating Policy

## Policy Objectives

The objectives of this policy are:

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

## Principles

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

## Definitions

### Capital value

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

### Differential rating system

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

### Industrial/commercial land

All rateable land other than that classified as residential.

### Rating unit

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

### Residential land

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

### Residual waste

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

### Separately used or inhabited part of a rating unit

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

## Background

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

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

## Policy Statement

### General Rates

Council will levy general rates which comprises: a uniform annual general charge (UAGC) of \$750 including GST (\$600 for 2021/22), and a differential rate based on the capital value of the rating unit.

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

The differential general rate will be set so as to retain the ratio between commercial/industrial and residential general rates revenue of 52:48 (55:45 2021/22).

### Water Rates

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

### Metered Water Charges

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

## Wastewater Rates

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

## Refuse Collection Rates

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

## Levying and Collecting

Council will set and charge rates for the year 1 July to 30 June. The due dates for the payment of instalments in the 2022/23 year are shown below:

| Instalment no. | Due date                |
|----------------|-------------------------|
| 1              | Friday 26 August 2022   |
| 2              | Friday 25 November 2022 |
| 3              | Friday 24 February 2023 |
| 4              | Friday 26 May 2023      |

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

## Rates Penalty Charges

Council also charges the following penalties:

### Rates Instalment Penalty

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

### Rates Arrears Penalty

A penalty of 3 percent of the value of any part of the rates for the previous year which remains outstanding on 5 July 2022, and a further 3 percent penalty on any portion of this amount (including arrears penalties) which are still not paid by 6 January 2023.



# Rate Remission and Postponement Policies

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

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

The only changes to these policies for 2022/23 is a proposed increase in the rating cap for high valued residential properties to \$4,530.00 (\$4,270 2021/22) in accordance with Council's policy, and ... otherwise all rate remission and postponement policies remain unchanged.



**Section 5:  
FEES AND CHARGES**



# Fees and Charges

## 1. Finance and Corporate Services

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

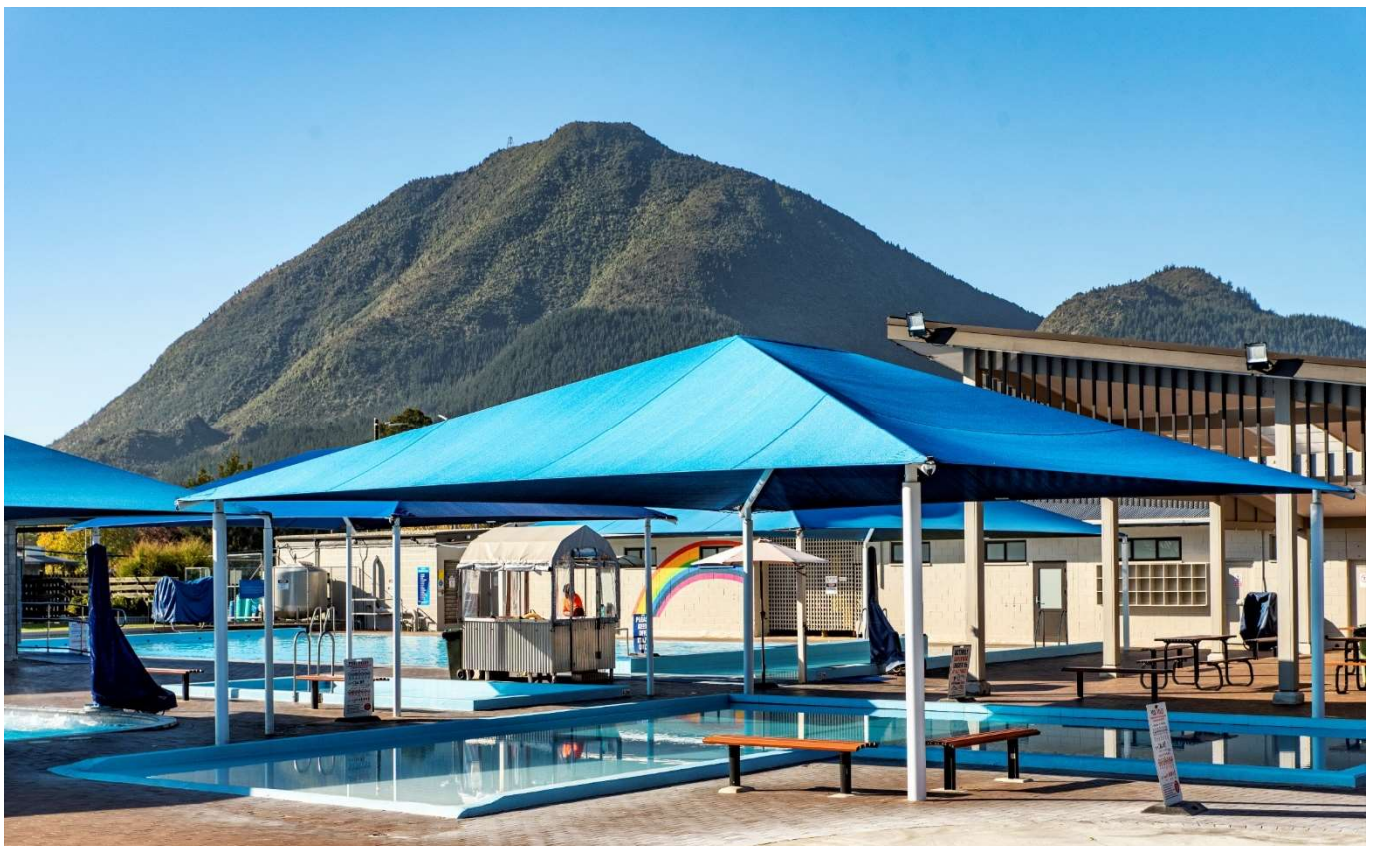
## 2. Operations and Services

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

## 3. Regulatory and Planning Services

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

**NB: All fees and charges include GST**



# Finance and Corporate Services

## 1.1 Cemetery

### Purchase of Plots

#### **Adults**

Purchase of each with Right of Burial in perpetuity \$1,300

#### **Children**

Purchase of each plot \$650

#### **Stillborn Infants/Ashes**

Plot provided \$195

#### **RSA**

No charge

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

### Burial Fees

Adults \$520  
 Children (under 10 years) \$230  
 Stillborn Infants \$100  
 Second Interment \$520  
 Ashes \$100  
 RSA \$520  
 Weekend or Public Holiday \$130

### Miscellaneous

Exhumation of Casket from the Cemetery \$640  
 Re-interment of any Casket in the Cemetery \$450  
 Scatter Ashes in Garden of Remembrance No charge  
 Purchase Niche in Wall of Remembrance \$75  
 Purchase of Plaque with the Standard Inscription \$200  
 Permit Fee to install a Plaque in Wall of Remembrance \$5  
 Headstone Permit \$5

## 1.2 Plans/Reports

Annual Plan (per copy) \$22  
 Annual Report (per copy) \$22  
 Long Term Plan (per copy) \$22

NB: These charges apply only to non residents who are not ratepayers.

## 1.3 Facilities for Hire

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

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

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

The event:

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

### Boyce Park

Casual Hire (per day) \$22.00

### Circus Paddock

Hire (per day) \$44.00  
 Power Charge (per day) Actual Cost

### Concert Chamber

Seats 260 – 270 people

#### **Discounted**

Casual Hire (per hour) \$12.00  
 Bulk Hire (20 hours or more – per hour) \$6.00  
 Kitchen Hire (per hour) \$22.00  
 Piano (per hour) \$2.00

#### **Not Discounted**

Casual Hire (per hour) \$42.00  
 Bulk Hire (20 hours or more – per hour) \$21.00  
 Kitchen Hire (per hour) \$75.00  
 Piano (per hour) \$2.00

### Firmin Field

Casual Hire (per day) \$22.00

### Maurie Kjar Swimming Pool

Private Hire (per hour) \$28.00  
 BBQ Hire (per BBQ) – small \$5.50  
 BBQ Hire (per BBQ) - large \$11.00

### **Prideaux Park**

|                        |         |
|------------------------|---------|
| Casual Hire (per day)  | \$22.00 |
| Pavilion (per hour)    | \$11.00 |
| Floodlights (per hour) | \$11.00 |

### **Stoneham Park**

|                       |         |
|-----------------------|---------|
| Casual Hire (per day) | \$22.00 |
|-----------------------|---------|

### **Tarawera Park**

|                                 |         |
|---------------------------------|---------|
| Casual Hire (per field per day) | \$22.00 |
|---------------------------------|---------|

### **Toilets**

|                                |         |
|--------------------------------|---------|
| Service Fee (per toilet block) | \$44.00 |
|--------------------------------|---------|

**Town Hall** Seats maximum of 530 people or 250 seated with tables

### **Discounted**

|   |         |
|---|---------|
| Casual Hire (per hour)                  | \$14.50 |
| Bulk Hire (20 hours or more – per hour) | \$7.00  |
| Heating (per hour)                      | \$13.00 |
| Kitchen Hire (per hour)                 | \$22.00 |
| Spotlights (per day)                    | \$22.00 |

### **Not Discounted**

|   |         |
|---|---------|
| Casual Hire (per hour)                  | \$48.00 |
| Bulk Hire (20 hours or more – per hour) | \$24.00 |
| Heating (per hour)                      | \$44.00 |
| Kitchen Hire (per hour)                 | \$75.00 |
| Spotlights (per day)                    | \$22.00 |
| Piano (per hour)                        | \$2.00  |

**Recreation Centre** - Tiered seating for 360 people

### **Discounted**

|   |         |
|---|---------|
| Casual Hire (per hour)                  | \$22.00 |
| Bulk Hire (20 hours or more – per hour) | \$11.00 |
| Kitchen Hire (per hour)                 | \$22.00 |

### **Not Discounted**

|   |         |
|---|---------|
| Casual Hire (per hour)                  | \$73.00 |
| Bulk Hire (20 hours or more – per hour) | \$34.00 |
| Kitchen (per hour)                      | \$78.00 |

### **Bert Hamilton Hall**

|                            |         |
|----------------------------|---------|
| Day Hire – up 4 hours      | \$13.50 |
| Evening Hire – from 5:00pm | \$22.00 |

### **Firmin Lodge**

|   |           |
|---|-----------|
| Casual Hire (per hour) – hall & kitchen | \$44.00*  |
| Small occupancy (overnight) per night   | \$300.00* |
| Shared occupancy (2 groups) per night   | \$550.00* |
| Sole occupancy – per night              | \$960.00* |

\*discount of 50% for specific events

## **1.4 Library and Museum Fees**

|                                      |             |
|--------------------------------------|-------------|
| Local Requests (per item)            | \$0.50      |
| Inter-loan Requests (per item)       | \$2.00      |
| Lost Book Fee                        | Actual Cost |
| Replacement Library Cards (per card) | \$2.20      |

### **Overdue Fines**

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

### **Withdrawn Library Items for Sale**

|                  |        |
|------------------|--------|
| Hardback Books   | \$1.00 |
| Softback Books   | \$0.50 |
| Children's Books | \$0.50 |
| Magazines        | \$0.50 |
| Cassette Tapes   | \$1.00 |
| Videos/DVDs      | \$2.00 |
| Computer CDs     | \$5.00 |

### **Printing and Photocopying**

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

### **Museum Charges**

|                     |                 |
|---------------------|-----------------|
| <b>Photocopies:</b> |                 |
| Black and White A4  | \$1.00 per copy |
| Colour A4           | \$2.00 per copy |
| Black and White A3  | \$2.00 per copy |
| Colour A3           | \$4.00 per copy |

### **Laminated photocopies:**

|                    |                 |
|--------------------|-----------------|
| Black and White A4 | \$3.30 per copy |
| Colour A4          | \$4.40 per copy |
| Black and White A3 | \$4.40 per copy |
| Colour A3          | \$7.70 per copy |

### **Images for publication:**

|                         |                   |
|-------------------------|-------------------|
| Local history/Education | \$11.00 per image |
| Commercial              | \$55.00 per image |

### **Digital Scan:**

|                            |                   |
|----------------------------|-------------------|
| First image (incl CD)      | \$27.50 per image |
| Additional image (same CD) | \$22.00 per image |

### **Commercial prints (Black & White/Colour):**

|       |         |
|-------|---------|
| 6x4   | \$11.00 |
| 5x7   | \$14.50 |
| 6x8   | \$16.50 |
| 8x10  | \$26.50 |
| 8x12  | \$26.50 |
| 12x18 | \$38.50 |

## **1.5 Freedom Camping Fee**

|  |         |
|--|---------|
| Power Box - Bond                                 | \$25.00 |
| Power usage fee                                  | \$5.00  |
| Freedom camping fee – per night (after 3 nights) | \$10.00 |

# 1. Operations and Services

## 2.1 Landfill and Solid Waste

### Non Recycled Loads

|  |                      |
|--|----------------------|
| Bag  | \$5.50 (\$16 max)    |
| Car  | \$16                 |
| All other vehicles<br>(including trailers) | \$16+<br>\$260/tonne |

### Fully Recycled Loads

|  |                                       |
|--|---------------------------------------|
| Bag  | \$3.20 (\$10 max)                     |
| Car  | \$10                                  |
| All other vehicles<br>(including trailers) | \$5.50/m <sup>3</sup> (\$5.50<br>min) |

### Partially Recycled Loads

|  |                       |
|--|-----------------------|
| Car  | \$11                  |
| All other vehicles<br>(including trailers) | \$11 +<br>\$216/tonne |

### Green Waste

|         |                     |
|---------|---------------------|
| Trailer | \$11/m <sup>3</sup> |
| Truck   | \$11/m <sup>3</sup> |

### Other Material

|                        |             |
|------------------------|-------------|
| Soil & Broken Concrete | \$65/tonne  |
| Tyres – car and ute    | \$11 each   |
| Tyres – truck          | \$33 each   |
| Timber                 | \$260/tonne |

## 2.2 Miscellaneous

### Rubbish Bin Hire (set of 5 bins per event)

|            |         |
|------------|---------|
| Serviced   | \$80.00 |
| Unserviced | \$43.00 |

### Residual Refuse Bin upgrade to 120-litre

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

### **Notes:**

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

### Replacement Lost or Stolen Bins

|                                |      |
|--------------------------------|------|
| 120-litre residual wheelie bin | \$11 |
| 60-litre residual wheelie bin  | \$11 |
| 240-litre green wheelie bin    | \$11 |
| 60-litre recycle bin           | \$11 |

# 2. Regulatory and Planning Services

## 3.1 Annual Premises Licence and Registration Fees

|   |                 |
|---|-----------------|
| Hairdresser's Registration -p/annum     | \$100           |
| Offensive Trade Registration p/annum    | No charge fixed |
| Registration Fee – Undertakers Premises | \$90            |

## 3.2 Other Inspection Fees

|                                  |             |
|----------------------------------|-------------|
| Abandoned vehicles               | \$220       |
| Private Swimming Pool inspection | \$66        |
| Services not otherwise listed    | Actual Cost |
| Specific expertise               | Actual Cost |

## 3.3 Building

|   |   |
|---|---|
| Solid fuel heater – Free standing                         | \$265   |
| Solid fuel heater – Inbuilt                               | \$330   |
| Marquee – Public use                                      | \$390   |
| Marquee – Private use                                     | \$390   |
| Garage/Carport  | \$390   |
| Garage/Carport – Specific design                          | \$517   |
| Conservatory (Deck in situ)                               | \$390   |
| Conservatory (New deck)                                   | \$583   |
| Wet area shower   | \$390   |
| Dwelling alterations – Minor                              | \$583   |
| Dwelling alterations – Complex                            | \$1,210   |
| Relocated dwelling  | \$770   |
| New dwelling  | \$1,628   |
| Commercial  | \$2,607 deposit                                 |
| Industrial  | \$3,492 deposit                                 |
| Industrial/Commercial alterations                         | \$962 deposit                                   |
| Certificate of acceptance                                 | Cost of consent + \$440 penalty + \$192 deposit |
| Amendment   | \$192 deposit                                   |
| Exemption   | \$93  |
| Exemption (discretionary)                                 | \$176   |
| Compliance schedule                                       | \$126   |
| Certificate of public use – with building consent         | \$77  |
| Certificate of public use – lodged after building consent | \$143   |
| Extension of time   | \$50  |
| Extension of time – with inspection                       | \$110   |
| Waiver and modification                                   | \$160   |
| Notice to fix   | \$126   |
| Swimming pool fencing                                     | \$126   |
| BWOF audit – three yearly                                 | \$160   |
| Processing and inspection fee (p/hr)                      | \$126   |
| Land Information Memorandum                               | \$168   |

Project Information Memorandum \$66

### Building Infringement Offences and Fees

| Provision under Building Act (section, description)   | Infringement Fee |
|---|------------------|
| s40 Failing to comply with the requirement that building work must be carried out in accordance with a building consent   | \$750            |
| s42 Failing to apply for certificate of acceptance for urgent work as soon as reasonably practicable after completion of building work                                | \$500            |
| s101 Failing to comply with requirement to obtain a compliance schedule   | \$250            |
| s108(5)(a) Failing to display a building warrant of fitness required to be displayed  | \$250            |
| s108(5)(b) Displaying a false or misleading building warrant of fitness   | \$1,000          |
| s108(5)(c) Displaying a building warrant of fitness other than in accordance with section 108   | \$1,000          |
| s116B(1)(a) Using, or knowingly permitting the use of, a building for a use for which it is not safe or not sanitary  | \$1,500          |
| s116B(1)(b) Using, or knowingly permitting the use of, a building that has inadequate means of escape from fire   | \$2,000          |
| s124 Failing to comply with a notice, within the time stated in the notice, requiring work to be carried out on a dangerous, earthquake-prone, or insanitary building | \$1,000          |
| s128 Using or occupying a building, or permitting another person to do so, contrary to a territorial authority's hoarding, fence, or notice                           | \$2,000          |
| s168 Failing to comply with a notice to fix   | \$1,000          |
| s363 Using, or permitting use of building having no consent or code compliance certificate or certificate for public use for premises for public use                  | \$1,500          |
| s367 Willfully obstructing, hindering, or resisting a person executing powers conferred under the Act or its regulations  | \$500            |
| s368 Willfully removing or defacing a notice published under the Act or inciting another person to do so  | \$500            |

## 3.4 Dog Control

### Registration Charges for Puppies and Pro-rata Refunds for Disposals

| Month     | Entire Dog | Desexed Dog |
|-----------|------------|-------------|
| July      | \$74.00    | \$37.00     |
| August    | \$68.00    | \$34.00     |
| September | \$62.00    | \$31.00     |
| October   | \$56.00    | \$28.00     |
| November  | \$50.00    | \$25.00     |
| December  | \$44.00    | \$22.00     |
| January   | \$38.00    | \$19.00     |
| February  | \$30.00    | 15.00       |
| March     | \$24.00    | \$12.00     |
| April     | \$18.00    | \$9.00      |
| May       | \$12.00    | \$6.00      |
| June      | \$6.00     | \$3.00      |

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

NB: All new dogs registered MUST be microchipped.

|                                      |          |
|--------------------------------------|----------|
| Replacement Tag Fee                  | \$5.30   |
| Microchipping Fee                    | \$16.00  |
| Impound Fees:                        |          |
| Seizure Fee                          | \$85.00  |
| First Impound Fee                    | \$85.00  |
| Second and Subsequent Impounding Fee | \$116.50 |
| Third and Subsequent Impounding Fee  | \$148.00 |
| Sustenance Fee (daily)               | \$11.00  |
| Rehoming Fee                         | \$11.00  |

### Infringement Offences and Fees

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

## 3.5 Environmental Health

### Food Premises:

|  |       |
|--|-------|
| Registration Fee - Food (per annum)  | \$165 |
| Registration Fee – National Programme  | \$165 |
| Verification Fee – Food Plan   | \$165 |
| Compliance & Monitoring (p.h) – Food Plan  | \$55  |
| Hawkers Licences (issued per Bylaws)   | \$33  |
| Mobile Shops Bylaw Licence (per annum)   | \$308 |
| - If trading within the Kawerau District more than once a fortnight on average.    |       |
| Mobile Shops Bylaw Licence (per annum)   | \$132 |
| - If trading within the Kawerau District less than once a fortnight on average, or |       |
| Mobile Shops Bylaw Licence (per month)   | \$11  |

## 3.6 Miscellaneous Fees

### Event Fees and Charges

|                                      |          |
|--------------------------------------|----------|
| Amusement Device Permit (one device) | \$12.70  |
| Additional amusement devices         | \$2.50ea |
| Food Sale Licence (each)             | \$11     |

**NB: The devices certificate of registration must be provided.**

|   |      |
|---|------|
| Marquee Building Consent (exceeding 100m <sup>2</sup> ) | \$64 |
|---|------|

### Impoundment of Bicycles, Skateboards or Scooters

|                 |              |
|-----------------|--------------|
| Impoundment Fee | Maximum \$55 |
|-----------------|--------------|

## 3.7 Liquor Licensing

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

## 3.8 Noise Control

|                              |          |
|------------------------------|----------|
| Impounded stereo release fee | \$110.00 |
|------------------------------|----------|

**NB: Stereos are kept for a minimum of one month**

### Stock Impounding Fees

Council will recover actual costs when an animal is impounded

## 3.9 Resource Management Activity

| <b><u>Land Use Consent:</u></b>                 | <b><u>Deposit*</u></b> |
|---|------------------------|
| Notified application (ex cost of advertisement) | \$2,750*               |
| Limited notified                                | \$1,320*               |
| Boundary Activity - approved by neighbours      | \$220.00               |
| Non-notified                                    | \$572.00*              |
| Change or cancellation of conditions (S127)     | \$572.00*              |
| Extension of approval period (S125)             | \$572.00*              |
| Review of consent conditions (S128)             | \$572.00*              |
| Cost of commissioning report and other costs    | Actual cost            |
| Monitoring                                      | \$143 p/hr             |
| Certificate of Compliance (S139)                | \$143 p/hr             |
| Existing use certificate                        | \$143 p/hr             |

| <b><u>Subdivision Consent:</u></b>                                       | <b><u>Deposit*</u></b> |
|--|------------------------|
| Notified application 1-3 lots (excl cost of advertisement)               | \$2,750.00*            |
| Limited notified   | \$1,320.00*            |
| Non-notified   | \$572.00*              |
| Each additional lot  | \$55.00                |
| Company lease, cross lease, unit title plan                              | \$572.00*              |
| Certification of survey plans (S223)                                     | \$143.00*              |
| Issue of compliance certificate (S224(c))                                | \$220.00*              |
| Combined survey plans and compliance certificates                        | \$275.00*              |
| Inspections to confirm compliance with conditions S224(c) or S224(f)     | \$143 p/hr             |
| Extension, re-approval or variation of scheme plan or land transfer plan | \$572.00*              |
| Certificate under S226   | \$143 p/hr             |
| Preparation of bond documents, consent notices, other legal              | Actual cost            |
| Engineering plan checking and inspection                                 | \$143 p/hr             |
| Right of way   | \$572.00*              |

\* Deposits only – Additional charges may apply

| <b>Plan Changes, Designations, Heritage Orders</b>          | <b>Deposit*</b> |
|---|-----------------|
| Request for plan change                                     | \$4,400.00*     |
| Notice of requirement for designation / heritage order      | \$4,400.00*     |
| Alteration, review, renewal of designation / heritage order | \$880.00*       |
| Waiver of requirement for Outline Plan                      | \$352.00        |

| <b>Miscellaneous Charges</b>        | <b>Deposit*</b> |
|-------------------------------------|-----------------|
| Operative Plan (per copy)           |                 |
| -Mail list print version            | \$110.00        |
| -Photocopy                          | \$27.50         |
| Planning certificate sale of liquor | \$286.00*       |
| Overseas investment certificate     | \$132.00*       |
| Certificates requiring Council Seal | \$60.00*        |
| Processing and Inspection Fee       | \$165.00p/hr    |
| Request for Information             | Actual cost     |

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