

Mahere Iwa Tau Long Term Plan 2025-2034

Our future and how we are planning to get there



**KAWERAU
DISTRICT COUNCIL**

Te Kaunihera ā rohe o Kawerau

TAONGA O TE WHENUA - TREASURE OF THE LAND

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



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



Contents

OVERVIEW | TIROHANGA WHĀNUI..... 3

Message from the Mayor and Chief Executive.....	4
How we developed our Long Term Plan.....	6
Infrastructure Strategy.....	23
Balancing the Budget.....	40
Rates Charges.....	41

WHO WE ARE | KO WAI MĀTOU44

The District of Kawerau.....	45
About the Council.....	46

PLANNING AND DECISION MAKING

WHIRIWHIRI KAUPAPA51

Strategic Framework.....	52
Community Outcomes.....	53
Summary of Significance and Engagement Policy.....	54
Working with Others.....	57
Relationships with Māori, Tangata Whenua and Iwi.....	59

COUNCIL ACTIVITIES | NGA MAHI O TE KAUNIHERA.....60

Council's Activity Structure.....	61
Promoting Community Wellbeing.....	62
Activity Group 1: Democracy.....	64
Activity Group 2: Economic and Community Development.....	69
Activity Group 3: Environmental Services.....	77
Activity Group 4: Roading and Footpaths.....	87
Activity Group 5: Stormwater.....	95
Activity Group 6: Water Supply.....	101
Activity Group 7: Wastewater.....	111
Activity Group 8: Solid Waste.....	119
Activity Group 9: Leisure and Recreation.....	127

FINANCIAL STATEMENTS | PŪRONGO PŪTEA... 140

Statement of Responsibility and Cautionary Note.....	153
Prospective Statement of Accounting Policies.....	154
Prospective Statement of Comprehensive Revenue and Expense 2025-2034.....	167
Prospective Statement of Changes in Equity 2025-2034.....	168
Prospective Statement of Financial Position as at 30 June for 9 years to 2034.....	169
Prospective Statement of Cash Flows 2025-2034.....	171
Kawerau District Council: Funding Impact Statement for 2025 – 2034 – Whole of Council.....	173
Prospective Revenue by Activity 2025-2034.....	179
Prospective Expenditure by Activity 2025-2034.....	180
Prospective Operational Shortfall (Surplus) by Activity.....	181
Reconciliation from Operating Funding to Operating Surplus/Deficit 2025-2034.....	182
Prospective Capital Programme 2025-2034.....	183
Depreciation Expense by Activity 2025-2034.....	184
Reserve Funds.....	185
Disclosure Statement.....	186

POLICIES | MAHERE KAUPAPA..... 191

Revenue and Financing Policy.....	192
Rating Policy.....	200
Rates Remission and Postponement Policies.....	203
Report of the Auditor.....	210
Glossary.....	213

Our Vision

To create a resilient and sustainable Kawerau District that can meet the needs of the future.





Tirohanga Whānui Overview

Message from the Mayor and Chief Executive

Tēnā tātau katoa – Welcome to Kawerau District Council’s Mahere Iwa Tau Long Term Plan 2025 – 2034

The Long Term Plan 2025-2034 sets the course for the Kawerau District over the coming nine years and beyond, providing clear direction, financial prudence, and careful planning to ensure that the Kawerau District prospers and grows regardless of any future changes.

Throughout these planning processes, early engagement and consultation with our community, we have undertaken to provide an opportunity for feedback and to continue the conversation about major decisions and issues facing the district.

With the three waters reforms (Local Water Done Well) unfolding in parallel with the Long Term Plan 2025-2034, we have indicated that we wish to retain these services in-house for the community and will continue to move forward with major three waters infrastructural investment.

The community has endorsed these decisions throughout the engagement and formal consultation processes for this plan, and long term and annual planning undertaken in previous years.

The investment into three waters infrastructure, and particularly the drinking water pipe renewals, requires modest levels of debt. However, the community showed continued support for Council’s principle of multiple generations who will benefit from this infrastructure, paying their fair share of the investment required.

Our focus is to consistently deliver our core responsibilities – maintaining quality roads and footpaths, refuse and recycling operations, and the

provision of safe and high quality drinking water that complies with all drinking water standards.

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

Another key strategy is continuing to grow our district through the provision of another residential development to provide the district with increased capacity for the predicted population growth. This economic growth both locally and regionally is being planned for within the spatial planning and regional economic development strategies recently completed.

These important investments in infrastructure and current service levels result in the rates increase for year one of the Long Term Plan 2025-2034 being an average of 8.5% for ratepayers.

These are challenging times, and we expect there will be areas to navigate in the coming years, with various legislative reforms underway for the Resource Management, Building, Civil Defence Emergency Management and Health and Safety acts. These changes and the proposed recommendations of the Local Government Review, are likely to impact Kawerau District Council.

However, there are also opportunities such as the increasing focus on climate change providing the opportunity for Kawerau to position itself as a great place to live, and as a great place commercial and industrial ventures with the 'green economy'.

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

We look forward to continuing to serve our district in the future amid the challenges, change and opportunity.

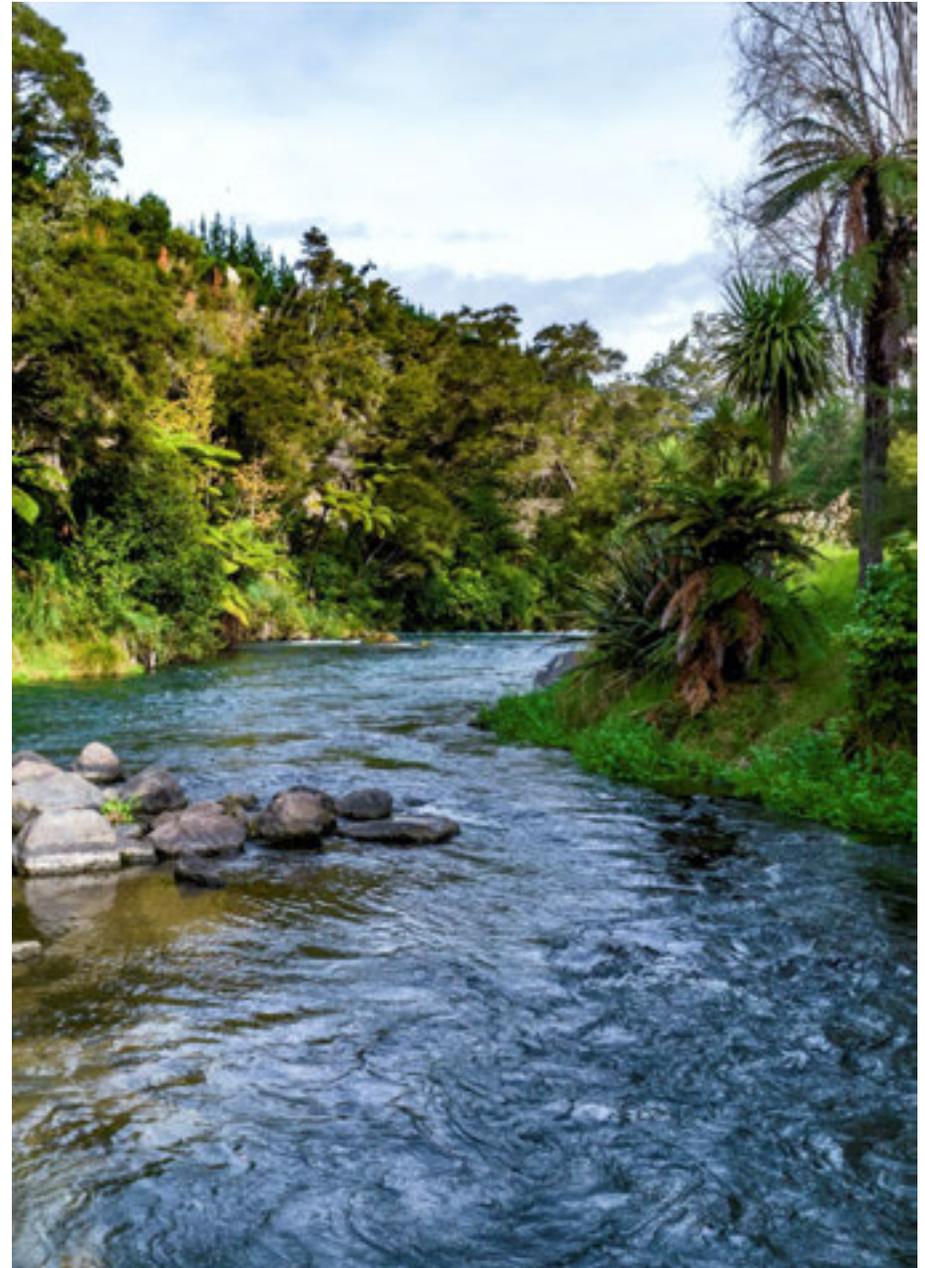
Ngā mihi nui



Faylene Tunui
Mayor | Kahika



Morgan Godfery
Chief Executive | Tumu Whakarae



How we developed our Long Term Plan

Kawerau District Council prides itself on ensuring robust community engagement programmes, for special consultative processes and matters of importance, are completed and that the feedback informs our decision-making.

This principle is well supported by the Mayor, elected members and Council staff who are readily available to support engagement programmes and ensure ongoing improvements and well-formed connections to residents, Tangata Whenua and Iwi, businesses and stakeholders.

In the lead-up to this Long Term Plan, Council initially engaged with the community for their vision and feedback in 2023 from 11 August to 2 September. The engagement received 80 responses and an additional 47 vision statements. Council acknowledges the community for this feedback which assisted in setting the direction, planning and reviews undertaken of the activities and services provided to the community.

Following the change of government in late 2023, Council prudently resolved on 20 March 2024 to proceed with an enhanced annual plan for 1 July 2024 to 30 June 2025 due to the coalition government's Local Water Done Well reforms, in particular the Water Services Acts Repeal Act 2024. Therefore, this Long Term Plan covers a nine year period.

Following this initial feedback in 2023 and subsequent activity reviews completed in 2024 and 2025, Council prepared a draft Long Term Plan with associated financial budgets, consultation documents and commenced community engagement using a variety of methods to connect with our communities of interest.

In the lead-up to the Long Term Plan engagement and consultation process, Council utilised a variety of communication channels to advertise the upcoming consultation and submission period.

Council provided a number of opportunities for face-to-face | kanohi-ki-te-kanohi engagement with the community at stakeholder, organisation, and public meetings. Council wishes to acknowledge and thank Grey Power Kawerau and Districts; Industrial Symbiosis Kawerau (ISK), Rautahi Marae, and the Kawerau Markets for hosting and supporting Council's engagement process.

Council also acknowledges and thanks the representatives who attended the Council-led and ISK-led business forums, and members of the community who attended public meetings. Thank you for taking the time to attend, ask questions, give feedback, and discuss ideas during this engagement process.

Council prepared a Comprehensive Consultation Document that underwent auditing by Audit New Zealand as part of the Long Term Plan 2025-2034 background documents and information process. Council also prepared a Summary Consultation Document (comprising an A3-folded flyer) that was distributed to every household in the District. This provided a summary of the proposals for the nine-year long term plan, outlined the achievements, future plans, and proposed rates.

Supplementary information, including the comprehensive consultation document were available via the website and provided via regular updates on social media, Council Pānui, advertisements in the Beacon newspaper, the Echo and Eastern Bay radio stations. During the formal engagement period, Council continued a high level of communications to residents and

stakeholders and staff, via the Council communication channels in conjunction with formal stakeholder meetings.

We encouraged feedback and formal submissions via a variety of channels to ensure the opportunity to provide feedback was provided to all of the community. These channels included social media, online submission forms, email and hard copy submission forms available from the Council Offices, library and Kawerau isite visitor information centre.

A total of 23 submissions were received and tabled at the Hearing on Wednesday 28 May 2025. Two submitters - Bay of Plenty Regional Council and Sport Bay of Plenty – spoke to their submissions.

BELOW: Consultation drop-in session at the Kawerau Markets with Mayor Faylene Tunui, Councillor Berice Julian and Group Manager Finance and Corporate Services Lee-Anne Butler.



Our Engagement Approach

Engagement meetings and events comprised a number of internal (staff) briefings, followed by external events with Council's valued stakeholders and community members:

- 1 April, 2 April and 3 April – Council staff engagement meetings with the Three Waters team, Council office staff, and the Operations team;
- 11 April - Grey Power Kawerau and Districts Meeting (attended by approx. 50 people).
- 14 April – Industrial Symbiosis Kawerau (ISK) hosted hui with industry and business leaders.
- 15 April – Kawerau business forum hosted by Council at the Concert Chamber (attended by approx. 30 people).
- 15 April – 5:15pm evening meeting for the public at Concert Chamber (attended by approx. 4 people).
- 17 April – Morning meeting for the public at Rautahi Marae (attended by approx. 6 people).
- 8 May – Drop in session at the Kawerau Market, Circus Paddock.
- 28 May – Hearing for Submitters to the Long Term Plan

Council acknowledges the support of Council Iwi Liaison and Cultural Advisor Te Haukaka Te Rire, the community and the support of the Mayor and Councillors, Chief Executive, Senior Leadership team and staff and Sport Bay of Plenty and Bay of Plenty Regional Council for presenting their respective submissions to Council.

How we communicated

The communication channels we used included:

- Stakeholder and Business Meetings
- Public Meetings
- Council Website www.kaweraudc.govt.nz
- Letterbox drops with meeting invitations and information
- Social Media
- Long Term Plan Summary Consultation Document printed and delivered to every household in the District
- Community Pānui (Council's newsletter: published fortnightly, with one issue per month delivered to all homes in the District and the alternate issue published online)
- Presentations to community organisations and groups
- Local print and radio advertising and media releases
- Drop-in Session at the Kawerau Markets
- Formal Hearing opportunity for submitters



Above: An example of the social media advertising during consultation.

Consultation Procedure

The Long Term Plan Consultation Document and supporting information were adopted on 9 April 2025 and the consultation period was from 11 April to 12 May 2025. Council held the Long Term Plan hearings and deliberations meeting on 28 May 2025.

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

Our key proposals for consultation were:

- **Topic 1:**
Timeframe to transition to targeted water and wastewater rates to fully fund these activities. Currently a significant portion of these activities are funded by the general rate.
- **Topic 2:**
Timeframe to fully fund the depreciation on Council's strategic assets which are currently only funded to 65%, with a plan to increase by 3% from 2026-27 up to 100% over the next 12 years.
- **Topic 3:**
Developing concept plans for a new library and research centre for the community.

The number of submissions at 23 is considerably lower than in the previous year's enhanced Annual Plan 2024-25 which received 59. It was also lower than the previous Long Term Plan 2021-2031, which received 80 submissions on replacing the drinking water pipes, reducing rates with sales proceeds and progressing Stoneham Park residential development.

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

BELOW: A member of the public completes their submission.



TOP: Council Chief Executive Morgan Godfery presenting at the Long Term Plan consultation hui at Rautahi Marae in April.

BELOW: The Hearing gave submitters an opportunity to present feedback to the Mayor and Elected Members on Wednesday, 28 May 2025.



Stakeholder Feedback

In total, 23 formal submissions were received to the Mahere Iwa Tau | Long Term Plan 2025-2034 during the formal consultation period of 11 April to 12 May 2025 which related to the three consultation topics. Two submitters presented their submission at the Long Term Plan hearing on 28 May 2025. The following table outlines the submissions received and the respective support for the three consultation topics which guided Council's decision-making.

Council Consultation Topics – Proposals	Option One	Option Two	Blank
(1). Timeframe to transition to water and wastewater activities being fully funded by targeted rates	18	4	1
(2). Timeframe to fully fund the depreciation on Council's strategic assets	17	3	3
(3). Whether to investigate and develop plans to establish a new library and research centre for the community in year two of the Long Term Plan, or delay until the next Long Term Plan in 2027-28.	6	14	3

In addition, submissions included a number of other topics relating to a variety of other topics including:

- Trial late nights at the pools e.g. open pools from 12 noon – 8pm at least once or twice a week
- Relocate the Kawerau markets back to the town centre
- Provide more opportunities for children to play in Kawerau
- Re-instate the Seniors' Forum
- Have an investment strategy where depreciation could be interest bearing

Overview of Decisions on Key Proposals of Consultation Topics

Submitters' feedback for the three proposals in the Long Term Plan provided a clear direction for decision-making and Council decided to progress the following consultation initiatives:

Topic 1: Timeframe to transition to water and wastewater activities being fully funded by targeted rates (as part of Local Water Done Well).

Decision: The timeframe to transition to fully funded water and wastewater targeted rates will be over nine years (Council's preferred option).

Topic 2: Timeframe to fully fund the depreciation on Council's strategic assets (roading, water and wastewater networks and infrastructure)

Decision: Remain at 65% funding levels in 2025-2026 and then increase funding for depreciation by 3% each year for the next 12 years (Council's preferred option).

Topic 3: Whether to investigate and develop plans to establish a new library and research centre

Decision: Incorporate \$60,000 budget for concept plans for a Community Library and Research Centre into the next Long Term Plan in 2027-2028. This delays the investigations, in line with the feedback received from submitters.

Climate Change

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

Adaptation

Council's current focus is to ascertain the risks for the district in with increased climate change. This will assist with further planning and mitigation (as appropriate) to protect people and property from the effects of unpredictable weather events associated with climate change.

Council has continued to work with our neighbours during regional emergency events

Mitigation

Council will continue to assess opportunities to mitigate and assist decrease its carbon footprint. One area that has been progressed recently, is the installation of solar panels to assist the council's operations in power outages. This provides better business continuity during emergency events and is likely to be supplemented in the future.

Future

The Kawerau District offers the unique opportunity as a 'green economy' with the renewable energy and process heat available for industry. Existing industry in the district has furthered their operations with the support of this green economy.

Further opportunities exist for Kawerau with the future addition of the proposed Kawerau Container Terminal that will reduce carbon emissions by some 16,000 tonnes each year by transporting products by rail rather than road. Council continues to offer its support and applauds those involved with this private enterprise that will benefit the district.

Financial Strategy

Introduction

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

Population Change

The census in 2023 put Kawerau's population at 7,610 a 2% increase since the 2018 census (7,460). Population projections provided by Statistics New Zealand indicate Kawerau's projected population in 2033 will be between 8,000 – 8,500. The existing infrastructural network has capacity for a district population of at least 10,000. Albeit, Council will continue to monitor any potential additional demands on infrastructural services. It is not anticipated that the current levels of service will change over the period of the Long Term Plan 2025-2034.

During the last three years Council has continued investing in asset renewals of the water reticulation systems within the district. This has necessitated, for the first time in many years, Council to uplift loans to fund this capital renewal project. As at 30 June 2025, Council will have \$6m in debt. This is still a relatively low debt level, which continues to give Council capacity to borrow should the need arise.

Council has developed a number of strategies including spatial planning and the regional economic development strategy since the last long term plan, with the goal to encourage growth through a planned approach at a regional and local level.

A recent boundary reorganisation approved in late 2024, further enhances the private industrial land and enables further expansion of the industrial hub for which Kawerau is renowned. The district's natural resources

available and the proximity to regional transport networks and regional, national and global markets continue to offer opportunities for commercial ventures.

The residential growth strategy continues with Council progressing various residential development within the district, including the Stoneham Park residential development, which will provide additional housing for the community, while also increasing Council's rating database in the next six years.

The priorities for the next nine years are for Council to maintain and continue the current levels of service, maintain Council's assets and complete capital infrastructure projects.

Prudent Financial Management – Balanced Budget Requirement

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

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

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

Council's infrastructure assets significantly increased in value following the last revaluation in June 2022. From this Council's depreciation expenditure has also risen. Council's balancing of the budget is impacted by any non-funding of depreciation, which in recent years has impacted the rates requirement. This resulted in Council reducing the level of depreciation funding to ensure rates affordability for the community. This is further discussed under Council's funding and financial policies.

Council's Funding and Financial Policies

Since 1998/99 Council has funded the annual depreciation expense of strategic assets, apart from depreciation on non-critical assets. The specific buildings considered non-critical comprise: Town Hall, Concert Chamber, Ron Hardie Recreation Centre, Library/Museum Building, Museum Archives Building, District Office, Council Depot, Tarawera Park Amenity Building, Maurie Kjar Aquatic Centre, and rental Pensioner Housing, Bert Hamilton Hall and Rangī Delamere Centre.

Council also decided to not fully fund depreciation on roads subject to New Zealand Transport Agency subsidies.

The principle of those buildings being non-strategic remains, largely due to the level of utilisation in many cases significantly below total capacity. As a result, the assets are not likely to be replaced directly in their present form

or they may be replaced with rented accommodation or buildings funded by way of loans.

Council has by resolution again in 2025, confirmed the 1998/99 decision and will continue the policy of not funding non-critical, non-strategic assets. Council believes the reasons for doing so have not changed and that the policy is appropriate for the Kawerau District.

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

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

New Zealand Transport Agency has recently confirmed that the subsidy rates for Kawerau will be 75% for 2024 - 2027. Therefore, Council considers the risk of the subsidy rate being decreased to be very low. Should it occur, Council would look at alternative funding options such as rating and loans.

In 2023/24 Council resolved to fund 65% of depreciation for all other assets, due to the need to make rates affordable for the community following the 2022 revaluations. With the revaluation of Councils assets increasing depreciation and the inflationary impacts increasing the rates requirement, the depreciation funding levels were key to rates affordability. Council intends to gradually start increasing the funding of depreciation annually by 3% from 2026/27 (year two of the LTP). The funding of depreciation has been consulted with the community in the Long Term Plan Consultation Document.

Council are aware of the impact of not fully funding depreciation has on the balanced budget which is discussed further under the "Prudent Financial Management - Balanced Budget Requirement".

Table: Estimated lives of non-critical assets

Building	Year Built	Gross Replacement Cost 2022 (\$)	Expected Life	End of Life
District Office	1960	5,060,000	80	2040
Town Hall	1960	4,610,000	85	2045
Concert Chamber	1953	1,540,000	85	2040
Library/Museum	1953-2008	2,360,000	85	2040
Tarawera Park Amenity Building	1985	1,380,000	75	2060
Ron Hardie Recreation Centre	1969-1999	6,950,000	70	2040
Maurie Kjar Aquatic Centre	1957-2006	3,263,000	50-75	2035-75
Depot	1955-1980	1,324,000	70-75	2030
*Pensioner Housing/BH Hall	1965-1984	4,475,000	70-90	2055
Museum/Archives Building (16-18 Jellicoe Court)	1955	880,000	95	2050

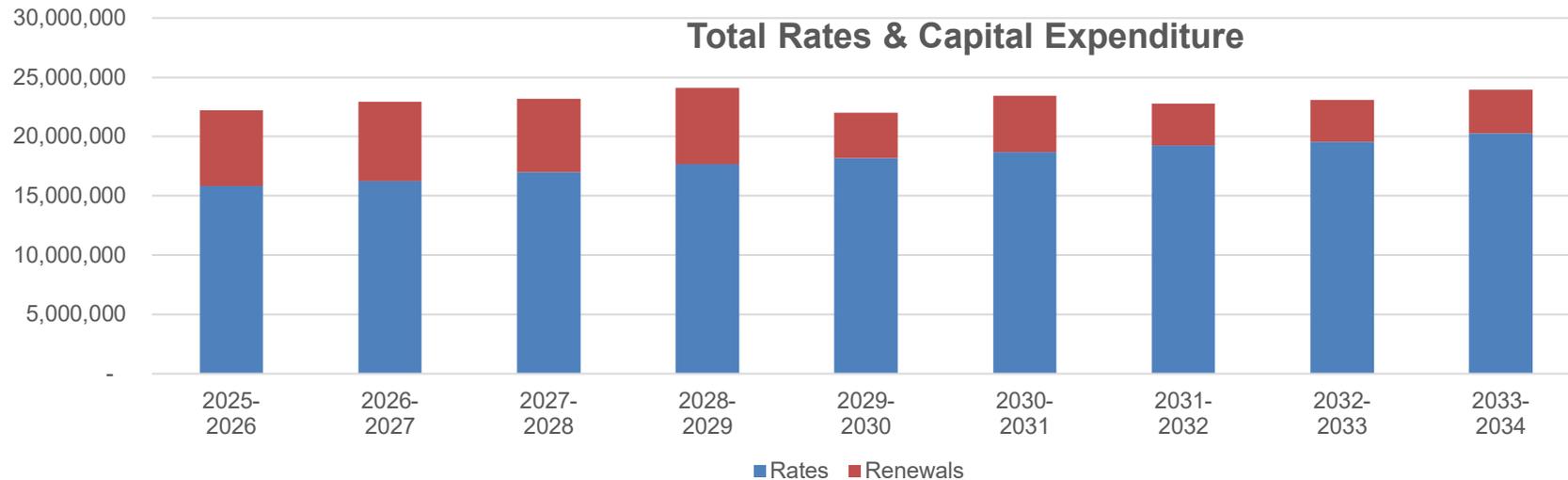
*Pensioner Housing refers to the suite of 27 rental properties, owned by Council, managed by a community trust.

Table: Budgeted non-funded depreciation on assets

Asset	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Economic Development	\$216,980	\$214,960	\$229,970	\$227,890	\$225,790	\$238,690	\$236,540	\$234,380	\$246,860
Roading *	\$978,420	\$974,380	\$1,054,760	\$1,049,950	\$1,044,800	\$1,119,530	\$1,113,630	\$1,107,430	\$1,178,530
Stormwater	\$192,000	\$144,000	\$104,950	\$90,950	\$80,460	\$75,620	\$64,280	\$52,930	\$44,600
Water	\$245,800	\$237,490	\$246,420	\$228,320	\$202,460	\$192,390	\$163,850	\$135,480	\$114,840
Wastewater	\$234,500	\$214,400	\$215,140	\$192,880	\$170,630	\$161,840	\$137,560	\$113,290	\$95,850
Solid Waste	\$6,200	\$5,660	\$5,680	\$5,100	\$4,500	\$4,280	\$3,640	\$2,990	\$2,530
Leisure & Recreation	\$210,410	\$187,600	\$186,440	\$170,460	\$159,680	\$155,440	\$143,620	\$131,440	\$124,700
Total	\$2,084,310	\$1,978,490	\$2,043,360	\$1,965,550	\$1,888,320	\$1,947,790	\$1,863,120	\$1,777,940	\$1,807,910

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

Projected Rates and Capital Expenditure 2025 – 2034

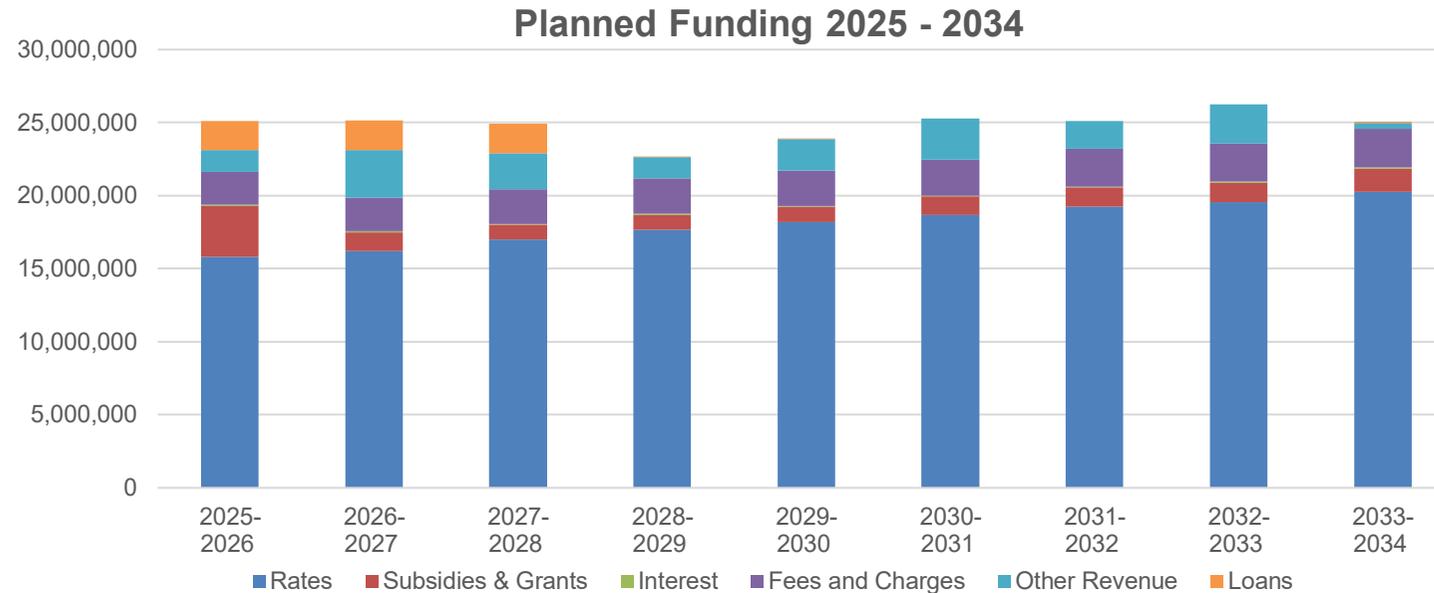


Council is forecasting its operating expenditure to increase from \$21.9 million to \$26.0 million between 1 July 2025 and 30 June 2034. These increases are as a result of:

- **Price increases**
Inflation and the factors that influence inflation will increase the cost of doing business.
- **Service level increases**
There are no increases in the levels of service for some activities.
- **Depreciation and interest payments**
The increased capital expenditure programme means corresponding increases in costs in these areas especially as Council will be borrowing an additional \$6.0 million over the next nine years

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

Planned funding for the next 10 years



Delivery of Three Waters

The Financial Strategy anticipates that Council will continue to deliver drinking water, wastewater and stormwater services for the period of the strategy and is prepared on the basis that delivery of these services will be by an in-house business unit.

This service delivery option was consulted on with the community, which supported the continuation of water services delivery via an in-house business unit but is yet to be confirmed as part of the Local Water Done Well legislative changes and Water Services Delivery process and this is still pending approval of the Secretary of Local Government.

There are still uncertainties regarding the full impacts and requirements the Local Water Done Well legislation, will have on the delivery of three waters. The preferred option is that Council's will continue to have overall ownership, decision-making and accountability of the three waters service delivery. Council has prepared the Long Term Plan on the basis that the three waters services will continue to be delivered by Council for the nine year period.

However, with the Local Water Done Well legislation impacts, there is a level of uncertainty (and therefore risk) with the structure of water services delivery and how this is funded.

Rates and Rates Increase

The Long Term Plan includes a rates increase of 8.5 percent for 2025/26 and between 1.5 and 4.9 percent for each of the following nine years. Contributing to the increase in the next three years in particular is the increased debt servicing costs for the loans funding the drinking water reticulation renewals. Council has endeavoured to keep rates increases to affordable levels over the period, while also ensuring its costs are funded and finances are prudently managed.

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

Council also charges targeted rates for the following services:

- Water supply
- Wastewater disposal
- Refuse collection

The rateable values of all properties in the district are reviewed three-yearly. The last revaluation was conducted in August 2024, and the next will be in 2027. Following the next district revaluation Council will undertake a full review of its rating policy to ensure that the rates charged to individual properties are fair and reasonable.

While there is still uncertainty regarding the delivery and funding of water, wastewater and stormwater (three waters) with the new Local Water Done Well legislation, these activities are included in the Long Term Plan as Council delivered services. The Long Term Plan also accounts for a gradual increase in targeted rates for the water and wastewater activities, while reducing the level of the general rate that funds these activities.

The Local Water Done Well legislation requires ring-fencing and transparency with regards to all three waters expenditure and revenue.

What is a Reasonable Level of Rates?

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

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

- Are there sufficient revenues to cover all expenses?
- Is revenue set at a level that will enable Council to undertake an ongoing asset renewal and replacement programme?
- Are rates and fees affordable for the community?
- Have the needs of current and future ratepayers been considered?
- And finally, does Council have a balanced budget overall?

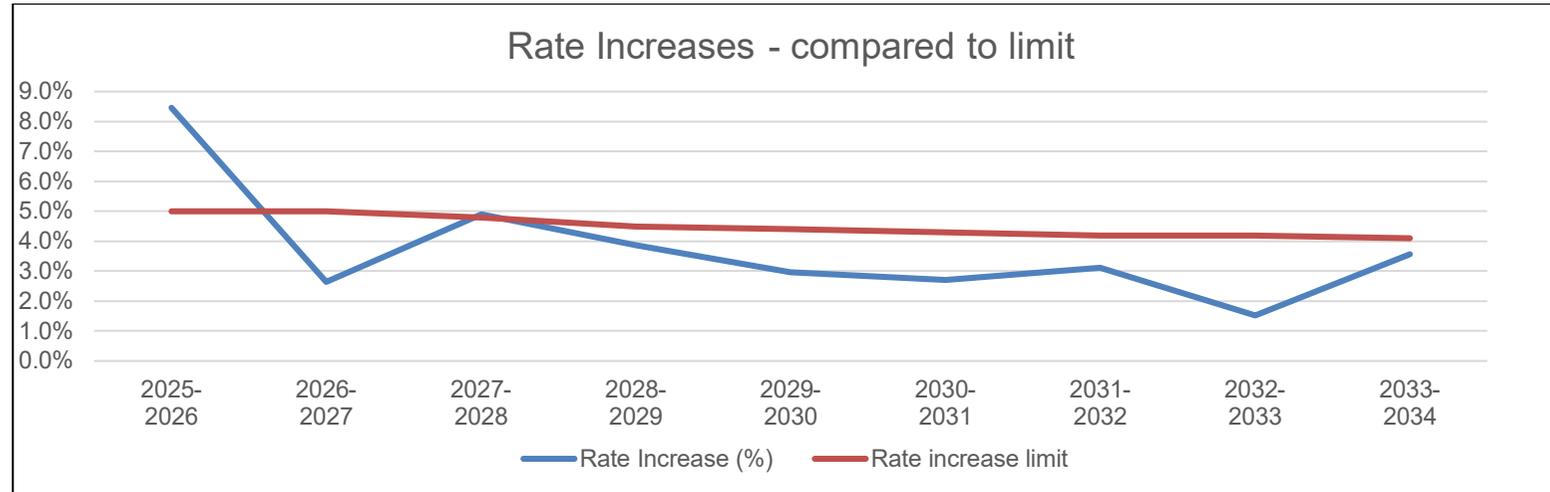
After taking the above factors into consideration, Council has determined the quantum of rates for the next nine years. The increases are between 1.5 to 8.5 percent.

Council has set the following limits for rates for the period of the Long Term Plan:

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

The table below shows the budgeted rates increases for the next nine years. While the rate increase for 2025/26 is 8.5%, the rate increases for the following 8 years are either below or close to the rate increase limit. Council believes that these rate increases are affordable for the community.

Rate increases for next nine years (compared to limit)



Debt and Issuing Securities

As at 30 June 2025, Council will have loans totalling \$6.0 million (for drinking water pipe renewals) as well as finance leases for funding the office telephones and photocopiers. Council also has internal loans, funded from depreciation reserves, which totals approximately \$1.5 million. The interest rate for the internal loans is determined annually based on investment rates.

Council is intending to borrow a further \$6.0 million over the next three years to complete the replacement of drinking water pipes which began in 2022.

Council’s limit on borrowings for the period of this Long Term Plan is “total debt won’t exceed 50% of Council’s fixed assets or that the interest

expense won’t exceed 10% of total annual revenue”. Council’s projected borrowing is well within these limits. The security for any external loan raised will be over future rates.

Financial and Equity Security Investments

It is anticipated that at 30 June 2025 Council will have cash totalling \$3.5 million (including short term deposits). These funds are both general funds and depreciation reserves which will be used to fund programmed asset renewals. These assets are critical to enabling Council to continue to provide current levels of service.

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

Council also invests surplus general funds at various times throughout the year. The interest earned is used to reduce the amount required in rates. Council has budgeted to earn \$85k in interest for 2025/26.

Council's invests funds in accordance with its investment policy. This stipulates where funds can be invested and limits the amount which can be invested in a single institution. The anticipated average return is 2.8% per annum, over the nine years, ranging from 1.9% to 2.7%.

Council also holds equity securities in Civic Assurance (31,161 shares) and BOPLASS Ltd (5,091 shares). The reasons for holding shares in these organisations are to allow Council to participate in their operation and to benefit from the advantages of being a shareholder. Also, Council will have \$300k in bonds at 30 June 2025 which is required when borrowing funds from Local Government Funding Agency (LGFA). Interest is earned from these funds and Council is anticipating it will invest a further \$300k in bonds over the next nine years.

Operating Expenditure

Operating expenditure covers Council's day-to-day services and operations, from collecting rubbish and providing street lighting to maintaining gardens and issuing building consents. The majority of operating expenditure is used for roading, followed by parks and reserves, wastewater and water. The tables below apportion the rate funding for the major activity areas for the 2025/26 year, for the average residential ratepayer.

Rates charges

CV = \$435,000	\$
UAGC	900
General Rate	2,124
Water Supply	130
Wastewater Charge	219
Refuse	302
Total	3,675

Contribution to Council activities

Activity Group	\$
Democracy	202
Economic Development	245
Environmental Services	293
Roading	263
Stormwater	27
Water Supply	463
Wastewater & Solid Waste	1,151
Leisure & Recreation	1,020
Other - Vandalism	11
Total	3,675

Asset Renewals

Capital expenditure can be categorised into two categories: renewals being replacement of existing assets; and new assets being a service improvement or addition for growth. The key priority in this financial strategy is on renewals, as Council has additional infrastructure capacity within current infrastructure.

Council at 30 June 2024 had non-current assets worth \$111.8 million. It plans during the next nine years to undertake renewals of \$45.6 million. Asset management plans are in place for each asset category. These are key planning tools to ensure maintenance and future renewals are done to meet required levels of service. The Long Term Plan identifies how the planned expenditure will be met.

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

Asset renewals are generally funded from depreciation reserves or loans.

The continuation of the water pipe replacement programme (a further \$9.4 million over the next four years) will be funded from external loans and

depreciation reserves. The loans will be repaid over the life of the assets thereby ensuring there is intergenerational equity.

Most roading renewal expenditure receives a New Zealand Transport Agency subsidy. The subsidy rate is 75 percent for the Long Term Plan period 2025 to 2034. The subsidy rate is confirmed at 75% until 2027, however there is uncertainty of subsidy rate from 2027 onwards.

Council has not budgeted for any significant capital projects to provide increased levels of service or catering for growth apart from the development and sale of Council land, particularly the Stoneham Park subdivision. The district has excess capacity in its infrastructure which can accommodate at least the projected level of growth over the next nine years.

Council has asset management plans for: roading, water supply, storm-water and wastewater. Condition assessments have been conducted for these activities.

Asset expenditure by Activity Group

Year	2025/26 \$	2026/27 \$	2027/28 \$	2028/29 \$	2029/30 \$	2030/31 \$	2031/32 \$	2032/33 \$	2033/34 \$
Economic Development	1,188,730	615,410	174,130	889,380	38,460	1,016,030	262,230	65,370	14,710
Roading	543,180	555,030	763,620	774,810	780,520	1,051,210	1,062,620	1,068,220	1,367,310
Water	2,228,840	3,985,550*	2,798,410	2,842,120	211,490	183,110	187,950	386,120	197,170
Wastewater	1,742,400	1,963,070	1,797,540	1,371,260	1,623,290	1,318,670	1,369,010	1,432,700	1,550,740
Solid Waste	0	10,720	16,610	11,420	58,740	6,040	12,400	6,350	19,510
Leisure & Recreation	392,690	409,280	358,720	232,700	264,430	290,320	295,730	308,190	245,290
Overheads	101,450	52,850	58,700	118,240	591,760	558,100	39,300	60,500	130,840
Plant	157,490	136,280	160,940	139,060	183,020	285,110	204,250	169,180	111,240
Buildings	39,240	41,810	39,360	52,510	45,040	44,430	43,140	48,020	44,980
Total	6,394,020	7,770,000	6,168,030	6,431,500	3,796,750	4,753,020	3,476,630	3,544,650	3,681,790

*includes \$1.1 mil for improvements to water supply

Uncertainty and Risk

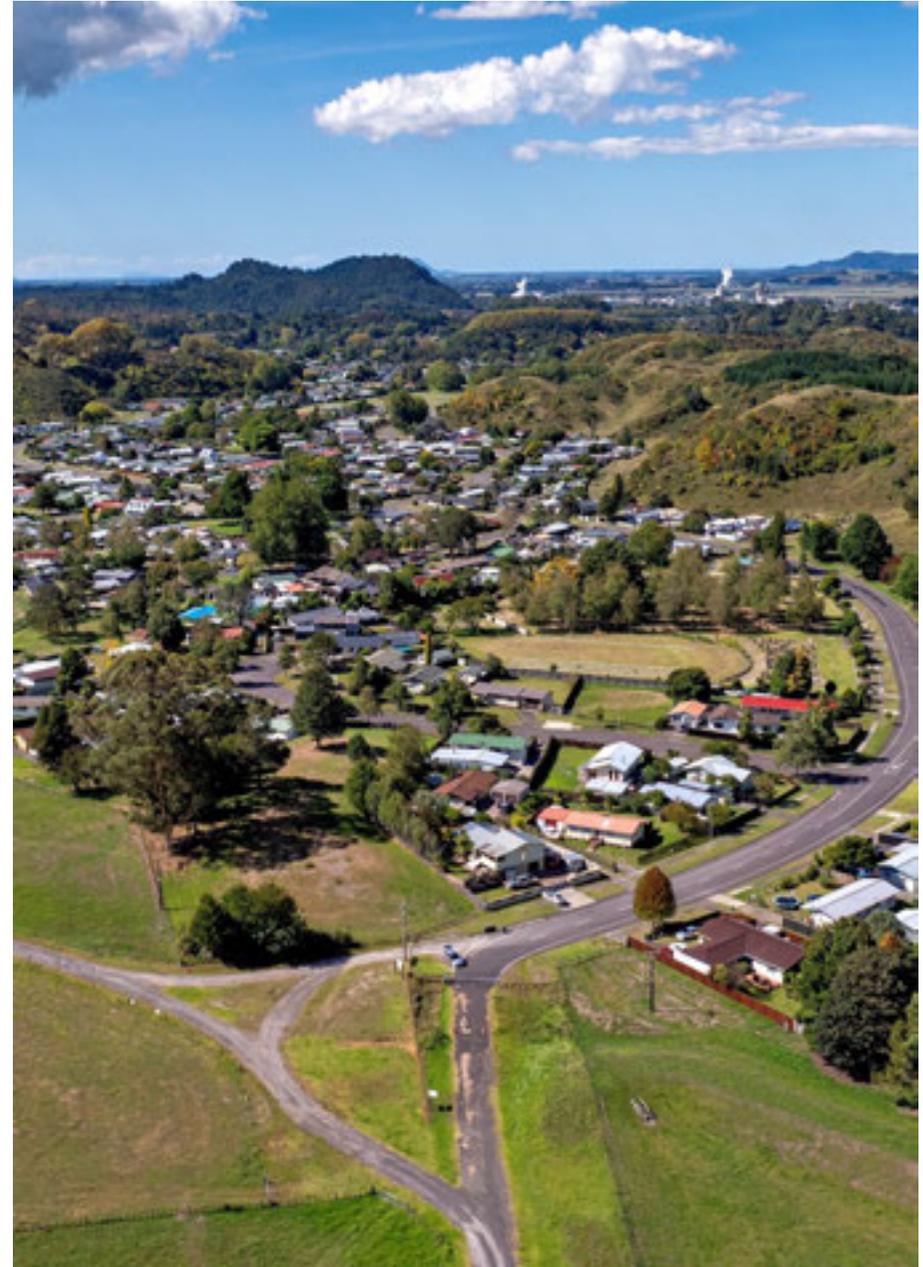
In preparing the Long Term Plan 2025-2034 there are forecasting assumptions made, which are detailed under the Significant Forecasting assumptions section of the Long Term Plan. It is important to read these assumptions in conjunction with the financial strategy.

A particular area of uncertainty is with regards to Local Water Done Well and impacts of the legislative changes regarding water services delivery. The Long Term Plan has been prepared on the basis of Council delivering water services through an in-house business unit.

Changes from Long Term Plan 2021-2031

There are no significant changes to this Long Term Plan when compared to the Plan for 2021-2031. Council has planned for a gradual increase in the targeted rates for water and wastewater services. Also, a 3% increase in the funding of depreciation for Strategic Assets is planned for each year of the Long Term Plan.

In the previous Long Term Plan, the rates increase for 2025/26 was 4.3%, in this Long Term Plan the increase for 2025/26 is 8.5%, which is due to higher personnel, operating and finance costs to deliver the same levels of service to the community. Depreciation expenditure has also increased following the revaluation of Council's assets.



Infrastructure Strategy

Purpose of the Strategy

This Infrastructure Strategy is intended to help Council and the Community make informed decisions about the major infrastructure decisions and investments which will need to be made over the next 30 years. This Strategy specifically address the Roothing, Stormwater, Water Supply and Wastewater activities. Other activities that have significant assets and infrastructure such as pools and buildings are outside the scope of this document.

The Strategy outlines:

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

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

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

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

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

For the Kawerau District Council (Council), infrastructure spending accounts for approximately 39 percent of operating expenditure and around 76 percent of capital expenditure for the next nine years. Expenditure that both maintains the standard of Kawerau's infrastructure and is affordable now and in the future will provide a platform for economic development, contribute to the quality of life of the Kawerau community and help Kawerau remain an attractive place to live and do business.

What is Infrastructure

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

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

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

Water Supply infrastructure is that used for collection and storage and the reticulation used for local distribution of drinking (potable) water.

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

Council infrastructure has a total value at 30 June 2024 of \$58.7 million and over the next nine years, \$35.0 million (including inflation) will be spent on renewals and improvements to infrastructure. Over the full 30 year infrastructure strategy period, \$154.3 million (including inflation) is planned to be spent.

Assumptions and Drivers of Capital Expenditure

Developing and maintaining infrastructure and the associated capital expenditure are driven by the following considerations:

- Levels of Service
- Future growth and development of the District
- Additional infrastructure required and increased complexity of infrastructure.
- Replacement options for aging, damaged and failed infrastructure.
- Replacement schedules of existing infrastructure.

These considerations are evaluated by bearing in mind public consultation, engineering analyses, available technical information and other Council strategies (Financial and Service Delivery).

Based on these considerations, adequate capital investment requirements can be developed and included in the long term plans and year investment strategies.

Levels of Service

Based on community feedback from previous LTP consultation, it is assumed that levels of service will remain the same for stormwater and wastewater. There is no increased or reduced demand for service and there is no provision in this strategy for any increase in the level of service for these activities.

The stormwater system is designed to manage rainfall run-off and mitigate surface water flooding. Stormwater is collected almost exclusively from the roading network and channelled through a network of pipes into natural waterways. It currently consists of approximately 31.5 km of stormwater pipes and together with cesspits, manholes, stormwater outfalls, and other components

There are currently 2,880 properties connected to the wastewater system that services a population of 7,900. It is estimated that the system currently has capacity for a population of around 10,000, and it is not anticipated that the population will exceed that number for the period of this strategy.

Council maintains and operates a water supply network in a manner that is fit for purpose and does not compromise public safety. There are currently 2,910 properties connected to the water supply network and services a population of 7,900. It is estimated that the system currently has capacity for a population in excess of 10,000, but it is not anticipated that the population will exceed that number for the period of this strategy.

For water supply, increases in the levels of service in the previous 10 years were due to central government regulations (chlorination and fluoridation) and were funded externally. Future mandated increases in levels of service are very hard to predict and will most likely be externally funded and are not included in this Infrastructure Strategy. There is an increase in the level of service for water supply in 2026/27, with the construction of a manganese removal plant at a cost of around \$1.1 mil.

Council is installing this plant to remove manganese from the Te Wai o Marukaa spring water, as it causes discoloration. This plant will provide an additional usable source for water and therefore increase capacity and resilience.

The community is served by a 43 km roading network (excluding SH 34) as well as 73 km of footpaths and 1,074 streetlights, which provides

access to all the properties within the community and enables travel in and around the district. This also includes operational activities such as removing trees that may damage footpaths and removing lips and falls mechanically.

Council is to continue providing the same levels of service delivery for all infrastructure services of roading, water, wastewater and stormwater. Council is committed to meeting all service performance targets as detailed in this Long term Plan under each activity and ensuring compliance with all regulatory requirements for roading, water, wastewater and stormwater services.

Future Growth and Development

The current Kawerau District population is estimated to be 7,900 residents. The current infrastructure is sufficient for 10,000 residents. It is not expected that the Kawerau district population growth will exceed 2,000 new residents over the 30 year Infrastructure Strategy period.

New subdivision developments localised infrastructure (roading, reticulation, pumpstations etc) are all installed and funded by the developers. It is therefore not required to include additional domestic use infrastructure.

Council is undertaking a residential development on Stoneham Park, which when completed will establish around 104 sections. The development will be done over five stages at a total cost of \$12 mil to be completed in 2031. The development includes an estimated cost of \$4.4 mil in additional infrastructure which when completed, will be added to Council's assets along with the additional depreciation costs. These infrastructure costs are included in the Long Term Plan 2025 – 2034 at the completion of each stage of the development.

The reason Council are undertaking this development is to provide additional reasonably priced residential sections for the community. The community has in the past asked Council to provide more affordable

housing. Also, recent statistics indicate that Kawerau has one of the highest number of people per residential property. The funding for this development is from government subsidy (better off funding) and the sales of sections. The whole development will require approximately 65 section sales to breakeven.

There is interest from heavy and light industry to invest in the district and utilise municipal services and infrastructure. Any industrial or commercial use will require resource and trade waste consents and agreements from Council. The additional burden on the existing infrastructure can therefore be controlled to ensure that the existing infrastructure is sufficient.

Additional infrastructure that may be needed to allow new industries and businesses in the district, may then be appropriately planned and funded through developer contributions or external funding when needed.

Therefore, only limited additional infrastructure is included in this Infrastructure Strategy, primarily to support the development of the Putauaki Industrial block (connections to existing reticulation) and connections to the planned Stoneham Park and other small sub-divisions.

Additional and increased complexity of infrastructure

There is currently no additional infrastructure planned for any of the Council activities covered by this Infrastructure Strategy, other than for water the manganese removal system which is planned for 2026/27. Additional water supply infrastructure (Fluoridation of the water supply) are funded externally and will be completed before this Strategy period.

Minor improvements and upgrades of the wastewater treatment plant and stormwater outfalls are included in this Strategy.

Additional roading infrastructure will be funded through the New Zealand Transport Agency, and only the Council contributions are included in this Strategy.

Replacement Options

New materials and methods to replace infrastructure are continuously being developed. This Infrastructure Strategy utilises the latest replacement costs to replace aging and failing infrastructure with the latest products and most cost effective installation methods.

It is expected that newer products and methods will be developed, however these products and methods will generally be more cost effective and require less investment. However, at the same time Health and Safety and other regulatory costs are expected to increase. It is not realistic to estimate future cost savings and increases other than inflationary increases.

Replacement Schedules

The quantity of pipes and valves and other Three Waters infrastructure are recorded in Council's Asset Finda software programme. The data has been taken from as built plans and a high level of verification as to the location of the pipe, diameter, valve and manhole locations has been

undertaken. The underlying information about the quantities of the assets is around 95 percent accurate.

Replacement schedules for reticulation and other Three Waters are based on their installation dates estimated lifetimes.

The roading assets are recorded in the RAMM asset management system. The roading assets are all above ground and are easy to verify.

The condition of the roading assets are evaluated on a regular bases by external contractors and consultants and is well understood. Replacement schedules are based on these condition assessments, New Zealand Transport Agency funding and Council performance indicators and levels of service.

Quality of Data

All roading data is recoded both in Excel spreadsheets as well as in the NZTA mandated RAMM database. A data validation project was undertaken by WSP in 2021 to verify the information contained in the RAMM database. Overall, the data was found to be reliable and therefore management concludes that there is a 99 percent accuracy of roading asset data.

For stormwater assets all formal asset management financial reporting including valuation is currently held in Excel spreadsheets. This is being migrated into the AssetFinda system. It is estimated by management following a recent location and verification exercise for cesspits and manholes, that the data for stormwater is 95 percent accurate.

Similarly, for wastewater assets all formal asset management financial reporting including valuation is currently held in Excel spreadsheets. This is being migrated into the AssetFinda system. Management have

concluded that the accuracy of wastewater data is approximately 90 percent for location, quantity and materials.

For water supply services, management has recently undertaken a significant review the asset data, which included rezoning the location of the network so as to provide more meaningful data.

Overall, it is believed the location, quantity, and materials are 98 percent accurate, while the diameter of the pipe network is 95 percent accurate.

Inflation

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

Table: Inflation adjusters: percentage change per annum

Year ending	Roading	Property	Water	Pipes	Staff	Other
June 2026	3.0%	3.0%	5.6%	3.5%	3.5%	2.7%
June 2027	3.0%	2.9%	5.4%	3.5%	3.3%	2.6%
June 2028	3.0%	2.7%	4.9%	3.2%	2.8%	2.6%
June 2029	2.8%	2.4%	4.6%	3.1%	2.6%	2.2%
June 2030	2.7%	2.4%	4.3%	2.9%	2.4%	2.1%
June 2031	2.4%	2.2%	3.3%	2.8%	2.2%	2.1%
June 2032	2.4%	2.2%	3.0%	2.6%	2.1%	2.0%
June 2033	2.4%	2.1%	2.4%	2.5%	2.0%	2.0%
June 2034	2.3%	2.1%	2.3%	2.4%	1.9%	1.9%

Source: BERL Aug 2024

Risk Management

The estimated useful life of each class of Council infrastructure is set out in the Statement of Accounting Policies in the current Long Term Plan.

Overestimating useful lives could lead to earlier than forecasted failure and emergency replacement which is generally significantly more expensive than planned replacement. This is especially true for critical infrastructure, and hence critical infrastructure is replaced earlier than the expected useful service life.

Underestimating useful life could mean that infrastructure is replaced before it needs to be. This increases the planned capital expenditure and requires higher levels of asset depreciation. Assets that are not critical and have a very low failure consequence are therefore replaced only when there is an observed decline in integrity or if failures are starting to occur.

Insurance

A funding arrangement between central and local government will enable certain infrastructure, such as reticulation systems, to be restored after a natural disaster. The arrangement provides that central government would meet up to 60 percent of the cost and Council the remaining 40 percent. Council has insurance of \$30 million to meet its share of the cost in the event of a disaster.

Funding and Affordability

Council funds the depreciation expense for each activity apart from non-strategic assets and a percentage of depreciation from 2023/24 (to recognise the uncertainty around the three waters legislation and to reduce the proposed rate increase). Council has funded depreciation since 1998 and is planning to fully fund the depreciation on its strategic assets by 2037/38. These depreciation funds are set aside in reserves and used to pay for renewals. The exception is the replacement of the water pipes which Council is funding from loans (\$12.0 million). The Long Term Plan anticipates that Council will have depreciation reserves of approximately \$4.4 million at 30 June 2034 and there will be sufficient reserves during the remaining period of the strategy to fund all the necessary infrastructure renewals.

Council previously made the decision to fund the annual depreciation and set aside the money to pay for future renewals because it believed that it was financially prudent to do so and also ensured that the cost of these assets was spread equitably and affordably over each generation of ratepayers. Similarly borrowing (up to 50 years) will ensure that there is intergenerational equity for the funding of these assets.

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

Strategic Issues for Infrastructure

Renewal Options and Funding

Kawerau was purpose-built and much of the reticulation infrastructure was constructed over a short period of time. For the previous 70 years, Council's main focus has been on maintenance of these assets. The older infrastructure is nearing the end of their lifetimes and needs to be replaced in the next 30 years. The uniformity in age means that this will occur in large chunks and create expenditure 'spikes'.

Council has adopted a strategy to 'smooth' the renewal of its infrastructure assets. For the stormwater and wastewater infrastructure, Council has divided the reticulation network into six zones based on the estimated average date when each zone was developed. Renewal/replacement expenditure for each zone is averaged over five to ten years. This allows for the spread of renewals and reducing spikes in the renewal schedules. Age is not the only criteria for replacement. Final replacement decisions also include information on the condition, reliability and maintenance of the assets. The cost of these renewals will be funded from reserves.

For the water supply infrastructure, Council has subdivided the network into smaller zones for the purpose of a prioritised replacement programme developed to replace pipes installed prior to 1996, by 2029. The reason for this strategy for water supply is replace those pipes that have a significant buildup of manganese, which contributes to the discoloration of the water, and also potentially are due for replacement in the next 5 to 15 years. Most of the cost of the water pipe replacement will be funded from loans, as there are insufficient reserves set aside to meet these replacement costs.

Council's overall objective is to maximise the life of the district's infrastructure without compromising service. This reduces the overall cost to the community in the long term.

Legislation Changes

The Local Water Done Well legislation requires councils to review the way water services are delivered to the community. The two options available are:

- Council continues to deliver water services via an in-house business unit
- Water services are delivered via a multi council controlled organisation

Council's preferred option is that water services will be delivered via an in-house business unit and the Long Term Plan 2025-2034 has been prepared on this basis. This also means the water services assets are retained by Council and are therefore included in this strategy.

There are some minor additional costs to implement this option and also changes to how Council funds these services.

Council has incorporated the costs and the funding changes into the Long Term Plan.

Links to other Strategic Documents

Public infrastructure supports activities that contributes toward the economic, social, cultural and environmental wellbeing of the Community. In addition to the activities' infrastructure discussed in this Strategy, Council owns its public parks, reserves, buildings and facilities. The parts that make up those networks and structures and the tools and equipment used to manage and maintain them, are known as Council's assets.

Every three years Council develops a Long Term Plan which sets out the range and level of services it will provide to meet identified community needs and Community Outcomes and indicates anticipated expenditure on assets for the next 10 years.

Each year Council adopts an Annual Plan, which contains the budget for council services. Council's ability to deliver services and to do so at a reasonable cost depends on the condition, performance and risk profile of its assets.

In this way, Council's Infrastructure Strategy is closely linked to its Annual Plan and Long Term Plan.

This Infrastructure Strategy was developed in conjunction with the Kawerau District Council Long Term Plan 2025-2034. It will underpin and be integrated into both that document, and the Annual Plans over the next thirty years.

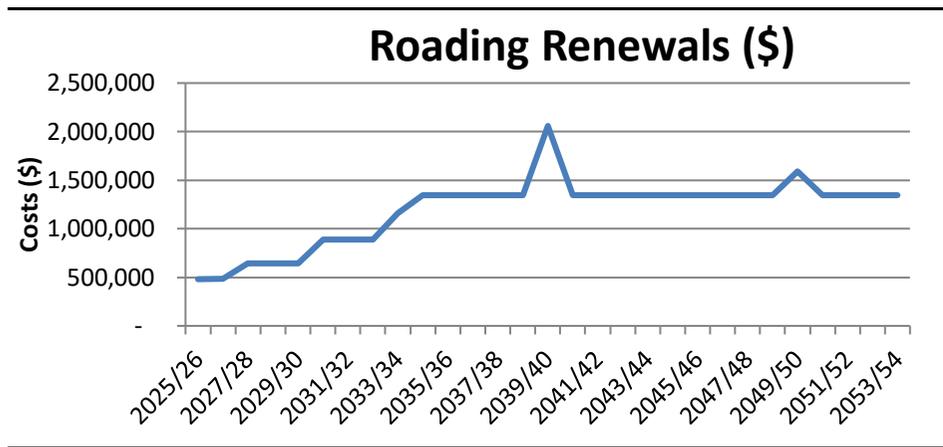


Roading

Roading assets include the road carriageway, street lights, footpaths, kerbs, bridges and culverts. The net value of Council’s roading assets at 30 June 2024 was \$22.3 million. Key components of the roading network are shown in the following table:

Population served	7,900
Length of Roads (kms)	43
Length of Kerbs (kms)	77
Structures (one Bridge, six culverts)	7
Number of Street Lights	1,064

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



Roothing renewals stated in today's \$

The renewal and replacement of these assets have been smoothed mostly to align with the NZTA approved roading programme. There are expenditure spikes in 2039/40 and 2049/50 for the renewal of culverts to maintain/increase the stormwater capacity of the roads to cope future heavy rainfall events.



Stormwater, Water Supply and Wastewater (Three Waters)

Kawerau is unusual in that, because the town was purpose-built, much of the reticulation infrastructure was constructed at the same time. Because the town is only 71 years old, Council’s focus to date, apart from the replacement of water pipes, has been on maintenance. As it ages however, infrastructure will start needing to be replaced. The uniformity in age means that this will occur in large chunks and create expenditure ‘spikes’.

Infrastructure Asset Condition and Information

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

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

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

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

Smoothing of Renewals

Council has adopted a strategy to ‘smooth’ the renewal of infrastructure assets. For Stormwater, Water Supply and Wastewater infrastructure, the reticulation network is divided into six zones based on the estimated average date at which each was developed. Renewal/replacement funding for each zone is averaged over ten years. This allows for the spread of

renewals dates and recognises the different end of life dates. Also replacement decisions are based on information including the condition, reliability and maintenance of the asset as well as age.

The exception is the water pipes which Council has decided to replace all the steel and AC pipes over a six-year period (commencing 2022). The reason for this is that the existing pipes have a build-up of manganese which regularly discolours the water and also some of the pipes are coming to the end of their useful life.

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

Stormwater

The Stormwater activity involves Council disposing of stormwater from the roading network, repairing or replacing unsound pipes and other structures, cleaning pipes and cesspits, planning to meet future requirements and improving operations. Stormwater is collected predominantly from the roading network and channeled through a network of pipes into natural waterways. The nett value of Council’s stormwater assets at 30 June 2024 was \$6.0 million.

Table: Key components of the stormwater system

Length of reticulation	31.5km
Number of cesspits	783
Number of outfalls	20
Number of manholes	538

The network is predominantly concrete pipes and manholes with some earthen ware, PVC and PE in the town centre where it is impacted by Geothermal. The more modern smaller diameter pipes are PE.

The allocated life expectancy of stormwater pipes, manholes, cesspits and outfall structures are 70 - 100 years based on professional knowledge and local conditions. In geothermal areas, all concrete pipes have been replaced with more appropriate PVC and PE pipes, or relined where possible.

Areas subject to geothermal activity do decrease faster and a shorter 40 year lifetimes are applied.

Improved Technology

Thrusting of smaller pipes is significantly more cost effective than traditional digging and have reduced the replacement costs of smaller stormwater pipes.

Relining of larger pipes is very cost effective and have become the standard way to replace stormwater pipes that have not collapsed.

Environmental Effects

Climate change has resulted in increased rainfall intensities. In the previous Long Term Plan period, Council constructed a number of flow diversion structures (detention basins) to collect, slow and redirect flows in extreme weather events. In addition, two major culverts under River Road were replaced to increase peak flows and eliminate build-up of debris material and water, which had previously resulted in houses being flooded in localised areas around the culverts and via run-off in the upper valley catchment areas.

Following these improvements, ongoing monitoring of both climate change and stormwater networks performance has continued to determine if additional improvements are required. The district is undertaking stormwater modelling to assess how extreme weather events including a 1 in 100 year event, (1% AEP) may impact the district.

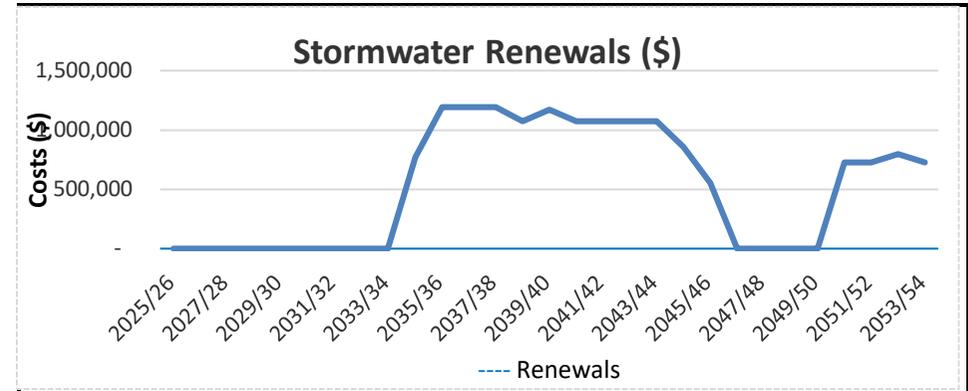
Earthquake Resilience

The stormwater network suffered no damage following the 1987 earthquake event, which indicates that the stormwater network is at minimal risk from small to moderate earthquakes. There is always a possibility however, that another earthquake of a similar or greater magnitude could cause more serious damage. Stormwater pipes are being replaced and relined with polyethylene (PE) which is more flexible than traditional concrete and is able to withstand earthquakes.

Stormwater pipe renewals

Council plans to replace approximately 18 kilometres of Stormwater pipes over the twelve years (2034 – 2046) and a further 4.9 kilometres from 2050 to 2054.

Planned expenditure for stormwater pipe renewals for the next 30 years is shown on the table below:



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

Water Supply

The water supply network comprises springs, pumps, reservoirs and pipes. It distributes potable (drinkable) water to around 2,745 households, five large industrial plants and approximately 160 business premises. Water is principally sourced from a bore field with two springs potentially also available. Resource consents from the Bay of Plenty Regional Council stipulate the volume of water which may be taken and maximum extraction rates.

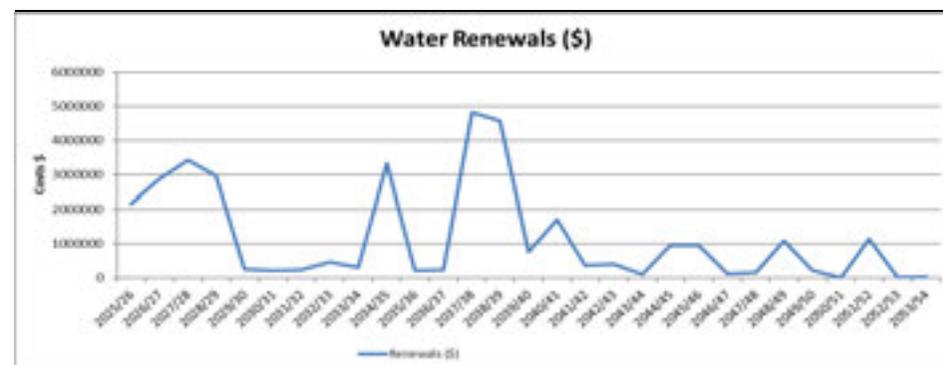
From source the water is treated by UV (ultraviolet), Chlorine and Fluorination and then pumped to three reservoirs, from where it is circulated through the reticulation network by gravity. Large water users have metered supplies. The nett value of Council's water supply assets at 30 June 2024 was \$16.0 million. Key components of the system are summarised below.

Number of properties connected	2,910
Length of reticulation (kms)	78
Number of pumping stations	2
Number of treatment plants	1
Number of water sources	3

The Water Supply network reticulation consist of Steel, AC and PVC/PE pipes. Up to June 2021, pipes were generally replaced after regular failures occurred. However, Council resolved from 1 July 2021 to replace all the AC and steel pipes over a 6 year period (\$2.0 million annually).The network is being replaced with polyethylene pipes (PE) and after 2029, only polyethylene (PE) and PVC pipes will remain.

Council will replace approximately 27 km of water supply pipes over the next four years at a cost of \$9.4 million. This will mean that no further pipe renewal will need to occur for at least 30 years apart from the gravity and rising mains to the reservoirs and treatment plant.

Programmed Water supply renewals



Following the three years of pipe renewals, the next expenditure spike in 2034/35 is for renewal of the small reservoir on Monica Lanham Reserve followed in the next couple of years by replacement of trunk and gravity mains. The current main source of water is the Tarawera bores which were fully upgraded in 2021-23.

The Pumphouse spring or Te Wai o Marukaa is currently not used, because of the high levels of manganese in the water which causes discolouration. Council plans to install a manganese removal plant in 2026/27, so this source of water will be available.

Although not a Council-owned water source, Umukaraka Spring has been an additional water source for the community historically thanks to the generosity of the owners Māori Investments Limited (MIL). Council and MIL previously had an agreement to supply the community with water from Umukaraka. With MIL consent, Council recently upgraded the telemetry

and water infrastructure at Umukaraka, and sourced water for the community during the recent 2024-2025 summer period.

The gravity main from the Umukaraka Spring to the treatment plant is made from AC pipe, is 3,200 metres long, and 450 mm in diameter. Recent assessments of the gravity main, which was installed in 1968, shows the line is expected to last for many more years.

The small reservoir on Monika Lanham reserve suffered some damage during the Edgecumbe earthquake and further deteriorated due to low pH water. The reservoir is currently being assessed to confirm the remaining life. The reservoir is planned to be replaced by a larger 4.5 million litre reservoir in 2034/35, however this date may be brought forward depending on the structural evaluation outcome.

Improved Technology

Thrusting of smaller pipes is significantly more cost effective than traditional trenching and laying and have reduced the replacement costs of water supply pipes.

The replacement pipe material (polyethylene) is a significant improvement on the material that currently comprises the network for Three Waters reticulation. This material is expected to last longer and is considerably easier to maintain. Due to greater flexibility than previous materials, PE pipes can withstand greater effects of earthquakes.

Environmental Effects

The change in climate has resulted in increased rainfall intensities in recent years. It may also cause increased and prolonged droughts.

Local demand for water is not expected to increase markedly over the life of this strategy. The Bay of Plenty Regional Council will undertake a review of the water allocations when issuing resource consents. Water for human consumption is given high priority compared with other uses (e.g. irrigation or industry) so minimal impact is expected in relation to

Kawerau's water supply infrastructure. If the Regional Council was to reduce the maximum amount of water that Council could take, Council would have to start imposing water restrictions in summer.

There would be no additional costs associated with this risk; however, it may result in a reduced level of service for the community. Albeit, lowering water usage provides for better stewardship of this resource.

Other climate change impacts such as sea level rise and increases in droughts and floods are unlikely to have significant impact on the water supply infrastructure.

Earthquake Resilience

The water supply network suffered no damage in the 1987 event, which indicates that the water supply network is at minimal risk from small to moderate earthquakes. There is always a possibility that another earthquake of a similar or greater magnitude could cause more serious damage.

Water supply pipes are being replaced or relined with polyethylene, which is more flexible than traditional concrete and AC pipes and is better able to withstand earthquakes

Wastewater

The Kawerau District wastewater network comprises of tobies and larger industrial connections with testable and non-testable backflow prevention, small pipes connecting users to the network, and large pipes, manholes , and pumpstations to carry wastewater to the treatment plant. Treated sewerage is discharged to ground at the rapid infiltration basins in Spencer Avenue. The screened solid waste is sent to landfill, and the biosolids is processed through worm farming. The service collects wastewater from around 2,715 households, five large industrial plants and approximately 160 businesses. The trade wastewater for large clients is metered and monitored.

The nett value of Council’s wastewater assets at 30 June 2024 was \$14.3 million.

Table: Key components of the wastewater system

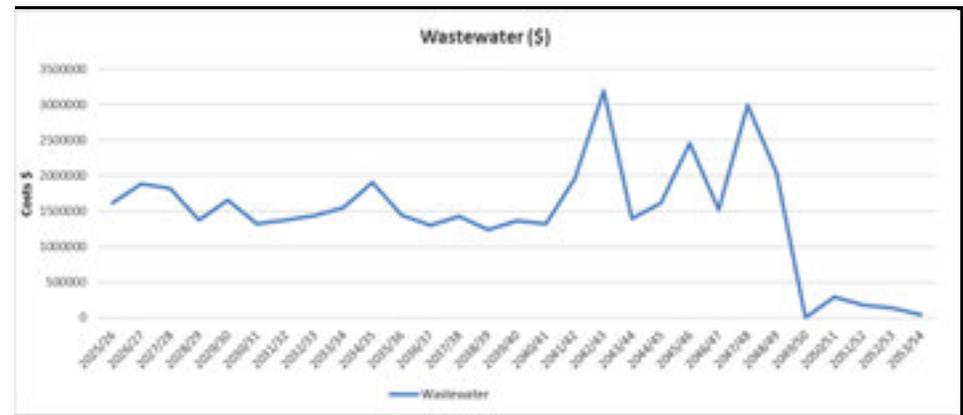
Number of properties connected	2,880
Length of reticulation (kms)	62.6
Number of pumping stations	6
Manholes	772
Treatment Plant	1
Wastewater treated (average m3 per day)	2,200

The wastewater network reticulation consist of concrete/earthenware, AC, PVC and PE pipes. Pipes are generally replaced after regular failures occur. However, in geothermal areas, the network have been replaced with polyethylene pipes prior to the anticipated life of these pipes. It is anticipated that the lifetimes of polyethylene pipes in this area will be approximately half of the life in the non-geothermal areas (40 years).

PVC and PE pipes (which have been estimated to have a life of 80 years) will not reach the end of their lifetimes during this Infrastructure Strategy but their lives will be evaluated and applied in future strategies.

Council will replace approximately 19 km of pipes over the next nine years and a further 28.5 km of pipes from 2034 to 2054.

Table: Programmed wastewater renewal expenditure



NB These renewal costs have been smoothed up until 2040.

The largest portion of wastewater renewal expenditure over the thirty years is for the replacement of wastewater pipes. The expenditure spike in 2042/43, 2045/46 and 2047/48 is for additional pipe renewals and upgrades to the wastewater treatment plant.

Improved Technology

Thrusting of smaller pipes is significantly more cost effective than traditional trenching and laying and have reduced the replacement costs of wastewater pipes.

The replacement pipe material (polyethylene) is a significant improvement on the older material that currently comprises the network for Three Waters reticulation. Polyethylene is expected to last longer and is

considerably easier to maintain. It has greater flexibility than previously used materials and is able to withstand the effects of earthquakes.

Environmental Effects

The change in climate has resulted in increased rainfall intensities in recent years. It may also cause increased and prolonged droughts.

The prolonged high rainfall events between 2022 and 2024 and corresponding high water levels did not affect the treatment plant or the rapid infiltration basins. There were no changes observed in the capacity to dispose treated waste water or process biosolids. Also no changes in environmental ground water test results were observed.

Other climate change impacts such as sea level rise and increases in droughts and floods are unlikely to have significant impact on the wastewater infrastructure.

Earthquake Resilience

The wastewater network suffered no damage in the 1987 Edgecumbe earthquake event, which indicates that the wastewater network is at minimal risk from small to moderate earthquakes. There is always a possibility that another earthquake of a similar or greater magnitude could cause more serious damage. Wastewater pipes are being replaced or relined with polyethylene which is more flexible than traditional concrete/earthenware and AC pipes and is able to better withstand earthquakes.



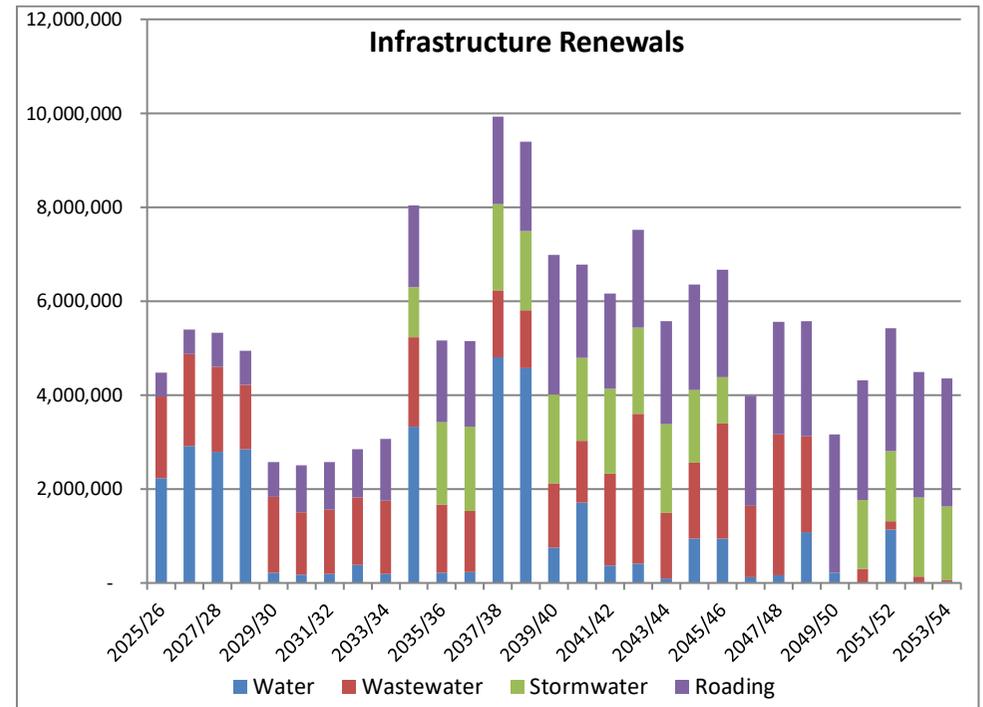
Conclusion

The costs associated with the proposed renewals/upgrades (including inflation) for roading, water supply, wastewater and stormwater are shown in the table below:

Table: Cost of Replacement Programme

Renewal	Most likely scenario
Roading: Roading renewals 2025 - 54	\$53,201,300
Water: Water reticulation renewals 2025 - 54	\$34,129,200
Wastewater: Wastewater renewals 2025 - 54	\$42,021,300
Stormwater: Stormwater renewals 2025 - 54	\$26,036,200
Total	\$155,388,000

Renewal Programme – 2025 - 2054

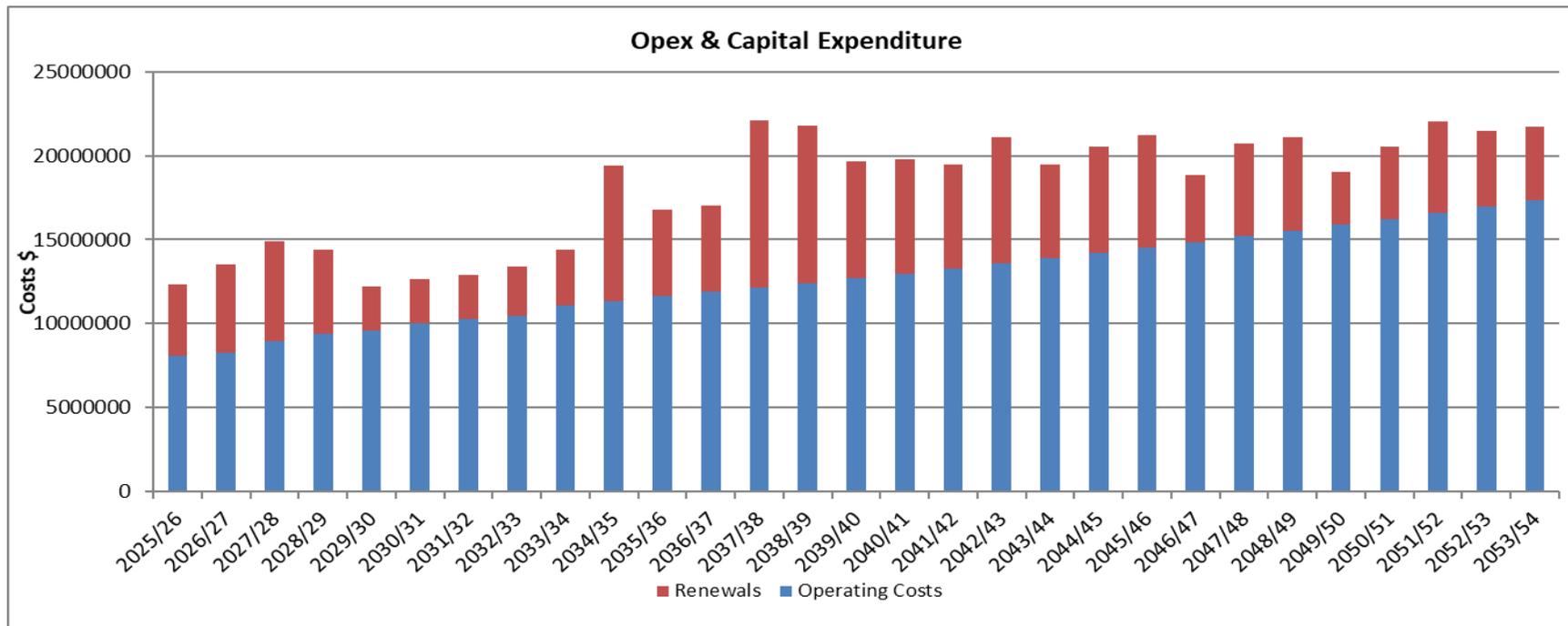


The proposed infrastructure replacement programme for the next 29 years as well as the annual renewal and operational (including inflation) are shown in the following tables:

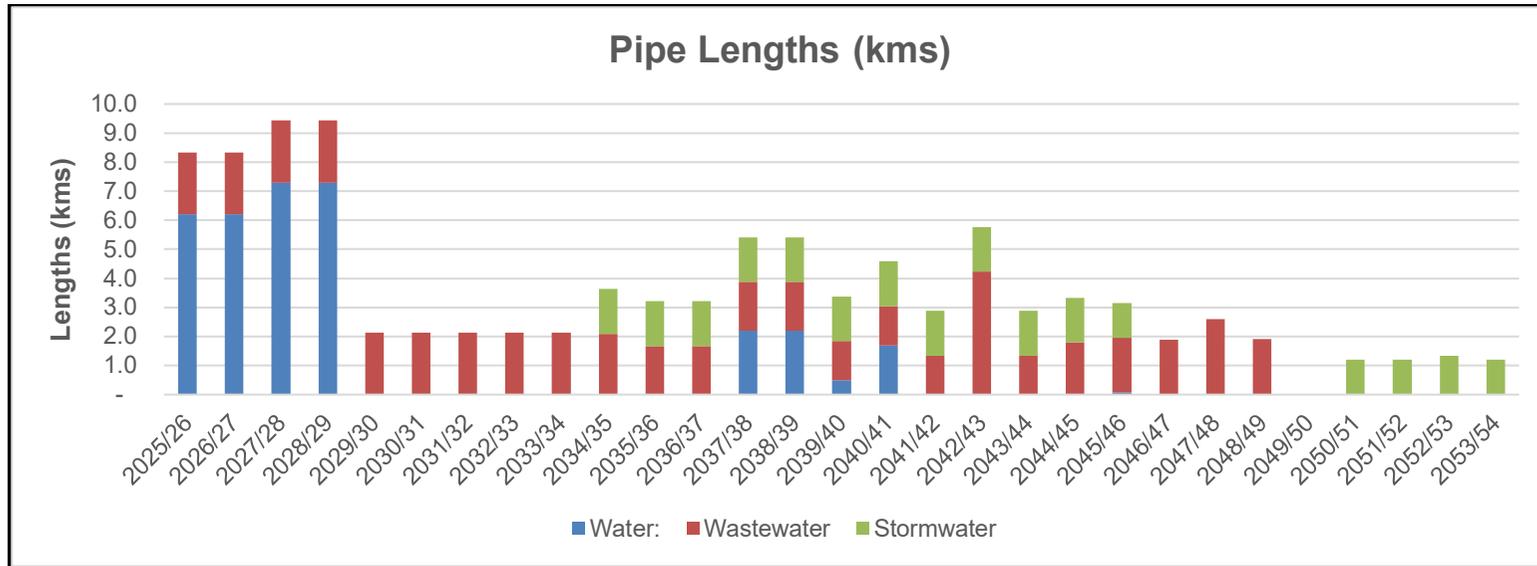
Renewal Programme – 2025-2054 (\$)

Year	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035 - 40	2040 - 45	2045 - 50	2050 - 54
Water	2,228,836	2,913,092	2,798,410	2,842,120	211,490	183,110	187,950	386,120	197,170	3,327,598	10,574,955	3,518,166	2,526,961	1,160,712
Wastewater	1,742,400	1,963,070	1,797,540	1,371,260	1,623,290	1,318,670	1,369,010	1,432,700	1,550,740	1,906,702	6,789,718	9,484,422	9,019,037	652,708
Stormwater	-	-	-	-	-	-	-	-	-	1,064,192	8,942,874	8,843,755	985,673	6,199,686
Roading	543,180	555,030	763,620	774,810	780,520	1,051,210	1,062,620	1,068,220	1,367,310	1,745,895	10,317,702	10,541,716	12,415,095	10,570,355
Total	4,514,416	5,431,192	5,359,570	4,988,190	2,615,300	2,552,990	2,619,580	2,887,040	3,115,220	8,044,387	36,625,249	32,388,059	24,946,766	18,583,461

Annual Operating and Capital Expenditure for Infrastructure 2025-54



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



Balancing the Budget

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

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

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

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

Council has not for every year set its operating revenue at a level that meets the operating costs for the Long Term Plan 2025-2034. The reason is because in 1998/99 Council decided not to fund depreciation on certain assets. The non-funding of depreciation applied to roads subject to New Zealand Transport Agency subsidies and buildings and facilities assessed as being individually non-critical, as they were unlikely to be replaced in their present form if destroyed. The non-critical assets included the Maurie

Kjar Aquatic Centre, Town Hall, Concert Chamber, Library/Museum, District Office, Tarawera Park Amenity Building, Ron Hardie Recreation Centre, Council Depot, Rangī Delamere Centre and Pensioner Houses.

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

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

Council's infrastructure assets significantly increased in value following the revaluation in June 2022, which also increased the depreciation expense for these activities. Council resolved from 1 July 2023 to reduce the level of depreciation funding for strategic assets (to 65%) so rates were affordability for the community. Council has since budgeted to slowly increase the level of funding for depreciation by 3% annually from 2026/27.

Rates Charges

Rates for 2025/26

2024/25	Rates (includes GST)	2025/26
\$	General Rates	\$
900.00	Uniform Annual General Charge (Charged per separately used or inhabited part of a rating unit)	900.00
.004246	Residential Rates (per dollar of capital value)	.004884
.028362	Commercial/Industrial Rates (per dollar of capital value)	.029885
	Targeted Rates	
84.50	Water Rate (per connected property)	129.60
170.00	Wastewater Rate (per connected property)	219.40
267.70	Refuse Collection (per serviced property) 60 & 80L bin	301.70
327.7	Refuse Collection (per serviced property) 120L bin	361.70
0.27	Water by meter (\$ per m ³)	0.41
5,500.00	Residential Rate Cap	* Not Applicable
	Capital Value	
1,121,915,000	Residential Capital Value	1,078,676,500
301,595,500	Commercial/Industrial Capital Value	275,391,000
\$1,423,510,500	Total Capital Value	\$1,345,067,500

* For the 2024/25 year Council had a remission policy for a residential rates cap, this remission has been removed for 2025/26.

The following are example properties of Rates Impact:

Residential

Capital Value	Rates 2024/25	Rates 2025/26	Increase \$	Increase %	Cost per Week 2025/26	Weekly increase 2025/26
Residential:						
\$305,000	\$2,739	\$3,040	\$301	11.0%	\$58	\$6
\$390,000	\$3,121	\$3,456	\$335	10.7%	\$66	\$6
\$435,000	\$3,312	\$3,675	\$363	11.0%	\$71	\$7
\$520,000	\$3,673	\$4,091	\$418	11.4%	\$79	\$8
\$650,000	\$4,225	\$4,725	\$500	11.8%	\$91	\$10

Important note when comparing the rates between 2024-2025 and 2025-2026 the new capital values apply when calculating the rates. This does result in variable changes in property rates, as it depends on the movement in the revaluation. Also varying the rates impact on individual properties is the gradual increase of the water and wastewater targeted rates. As targeted rates are a set amount per property this does impact lower value properties more than higher value properties

Commercial and Industrial

Capital Value	Rates 2024/25	Rates 2025/26	Increase \$	Increase %	Cost per Week 2025/26	Weekly Increase 2025/26
Commercial/Industrial						
\$240,000	\$7,961	\$8,422	\$461	5.8%	\$87	\$9
\$405,000	\$12,641	\$13,352	\$711	5.6%	\$147	\$14
\$1,101,000	\$31,417	\$31,433	\$16	0%	\$604	\$0
\$11,693,000	\$332,764	\$350,565	\$17,801	5.3%	\$6,742	\$343
\$19,300,000	\$579,485	\$578,030	-\$1,455*	-0.3%	\$11,116	-\$28
\$34,750,000	\$986,650	\$1,039,753	\$53,103	5.4%	\$19,995	\$1,201
\$46,250,000	\$1,312,813	\$1,383,430	\$70,617	5.4%	\$26,604	\$1,358

* This decrease reflects a reduction in the capital value due to the 2024 districtwide revaluation.
All rates amounts above are stated as GST inclusive.

How much will my Rates be for 2025/26?

Rates Calculator

Write your Capital Value per 2024 revaluation here (available from your rates invoice or by going to www.kaweraudc.govt.nz and accessing 'Your Property')	(a)	.....
Uniform Annual General Charge	(b)	900.00
Rating factor from Rates and Service Fees table (Residential or Commercial)	(c)	.....
Multiply the annual value by the rating factor	(d)=(a)x(c)	.....
Water Supply Rate	(e)	.....
Wastewater Disposal Rate	(f)	.....
Annual Refuse Collection Rate (small or large)	(g)	.....
Add all the different rate types together (this is the total projected rates for your property)	(h)=(b)+(d)+(e)+(f)+(g)	TOTAL \$

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

Rates and Service Fees

		(\$)
Residential	(c)	.004884
Commercial	(c)	.029885
Water Supply Rate	(e)	129.60
Wastewater Disposal Rate	(f)	219.40
Refuse Collection Rate (60 & 80L)	(g)	301.70
Refuse Collection Rate (large)	(g)	361.70



Ko wai mātou
Who we are

The District of Kawerau

About our District

Kawerau lies in the Eastern Bay of Plenty region, 80 kilometres southeast of Tauranga and 58 kilometres east of Rotorua. An enclave of some 26 square kilometres within the Whakatāne District, the Kawerau District is comprised mainly of urban, industrial and commercial land, with only a small area of rural land.

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

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

The census in 2023 put Kawerau's population at 7,610 a 2% increase (2018 census 7,460). Kawerau is 64th in size out of the 67 territorial authority areas in New Zealand. It has 2,420 occupied dwellings and 250 unoccupied dwellings. Kawerau has a significant population of people of Māori descent at 63.9 percent and higher than average populations of people aged over 70 and people in the 20 – 24 year old age group.

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

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

The township of Kawerau originated from the decision in 1951 by the Government and the Fletcher group to form the Tasman Pulp and Paper Company Limited as a joint venture. An integrated pulp and paper mill was built at Onepū, near the Tarawera River and a town of 3,500 people was planned nearby. By October 1953, the first house was completed. The name 'Kawerau' was chosen for the new town. The Kawerau Borough was officially created on 31 March 1954 by Order in Council.

About the Council

Council Structure

Council

The Council comprises the Mayor and eight councillors elected from the district for a triennium. Council meets monthly, usually on the last Wednesday, and is responsible for governance and making decisions about the overarching objectives, strategies and policies which determine the day to day running of the Council operations.

Regulatory and Services Committee

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

Audit and Risk Committee

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

Functions of Council

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

Functions of Regulatory & Services Committee

REGULATORY		SERVICES	
Resource Management District Plan Submissions on Regional Plans Resource Consents Subdivisions		Swimming Pools	Economic Development
		Parks and Reserves	Public Library
		Cemetery	Museum
		Roading	Public Halls and Facilities
		Footpaths	Leases
Public Health	Bylaws	Water Supply	Facility Rentals
Building	Dog Control	Stormwater	Asset Management
Plumbing	Noise Control	Wastewater	Investments
Drainage	Stock Control	Refuse and Recycling	Loans
Sale of Liquor	Civil Defence	Plant and Equipment	Accounting
Gambling Venues		Public Toilets	Grants

Functions of Audit and Risk Committee

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

Elected Members of Council



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Mayor | Kahika

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Aaron Rangihika
Deputy Mayor |
Koromātua Waha Tuarā

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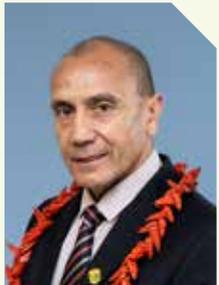
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Sandra Rieger

People and Culture Manager

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Departmental Structure

Chief Executive Officer					
Operations and Services	Regulatory and Planning	Finance and Corporate Services	Economic and Community Development	Communication and community engagement Residential Developments	People and Culture
<ul style="list-style-type: none"> • Roading • Stormwater • Water Supply • Wastewater • Refuse Collection and Disposal • Recycling (ZerWaste) • Aquatic Centre • Parks and Reserves • Public Halls and Facilities • Cemetery 	<ul style="list-style-type: none"> • Resource Management • Building Control • Environmental Health • Dog Registration and Control • Emergency Management • Health and Safety 	<ul style="list-style-type: none"> • Finance • Democracy Support • Corporate Services • Public Library • Museum • Information Technology • Strategic Planning 	<ul style="list-style-type: none"> • Economic Development • Events Management • i-SITE • Firmin Lodge • Grants & Funding • Community Development • Youth Development 	<ul style="list-style-type: none"> • Council Communications • Community Engagement • Residential Development • Retirement Village • Partnership Liaison and Consultation • Electoral Processes 	<ul style="list-style-type: none"> • Human Resources • Staff recruitment



Whiriwhiri kaupapa **Planning and** **decision making**

Strategic Framework

Council's Vision

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

Mission Statement

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

Statement of Principles

To achieve its mission, Council will:

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

Community Outcomes

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

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



ABOVE: Lake Pupuwharau frames Pūtauaki Maunga.

Leadership

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

Equity

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

Activity

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

Development

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

Environment

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

Regulation

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

Services

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

Summary of Significance and Engagement Policy

Introduction

Kawerau District Council (Council) is responsible for making decisions that affect the community. It is Council's responsibility to gather information, views and preferences from the Kawerau community and use that information to inform decision-making.

Council is committed to an open dialogue and working relationship with Māori, Tangata Whenua and Iwi and will continue to take steps towards growing our relationships. Council recognises its responsibility and obligations to Māori under Te Tiriti o Waitangi.

Council will continue to refine our processes to engage more effectively with groups and communities, to increase reach across the district, to have a better consensus of what the community wants and therefore, help inform decision-making.

Pūtake | Policy Purpose

The purpose of this policy is to let both the Council and community identify the level of significance of engagement for proposals, matters or decisions. This policy will help the community understand when and how they will be engaged in decision-making.

- To enable Council and the community to identify the degree of significance attached to a particular issue, proposal, decision, matters, assets and activities;
- To inform Council from the beginning of the decision-making process about the level and form of engagement required; and

- To provide clarity about when and how communities can expect to be engaged in decisions made by Council.

Whānuitanga | Scope

- This policy applies to Council elected members and staff
- This policy applies to any proposal presented to Council and its committees for a decision
- This policy does not affect any statutory requirement to undertake any specific consultation and decision-making processes (e.g. under the Local Government Act 2002 (LGA) or Resource Management Legislation).

Ngā Tikanga Whakahaera | Engagement Principles

Engagement will be:

- Meaningful – based on an open mind and willingness to listen
- Respectful – with the aim of building Council-community relationships
- Supported by the provision of information which is balanced, sufficient and in plain language
- Inclusive and endeavour to reach all those impacted / affected
- Flexible and tailored to meet the needs of those who are being engaged
- Coordinated across Council departments to minimise duplication, engagement fatigue and make sure no misinformation is going out to the community
- Pragmatic, efficient and value for money

These principles align with LGA 2002 principles, ensuring Council meets their statutory responsibilities.

How Council engages:

Council works with its communities on a variety of levels including as customers, stakeholders, ratepayers, subject matter experts and partners. We also have working relationships with a wide range of groups such as community organisations, business organisations and government sectors.

We seek to have ongoing conversations with the community and use a wide variety of channels to do so including the Council website, pānui (newsletter), social media (Facebook and Antenna), local newspapers, radio, Annual and Long-Term Plans, elected members, public meetings, workshops, events, libraries, and surveys.

Council is guided by the type and nature of the decision when determining how it will go about communicating and engaging with its communities.

Council will consider the significance of the matter and the extent to which views and preferences of those likely to be affected by, or have an interest in, the matter are already known in designing the engagement process.

Council will make available all information regarding decisions it makes in response to all submissions from the community

Kaupapa Here | Policy

The policy is applied in two steps:

1. Determining the significance of the proposal, decision or matter
2. Determining the requirement to engage or not, and if there is a requirement to engage, what the level of engagement should be.

Where Council makes a decision that is significantly inconsistent with this policy, the steps identified in section 80 of the LGA 2002 will be applied.

There may be occasions when Council may not follow this policy, for example where failure to make a decision urgently would result in unreasonable or significant damage to property, risk to people's health and safety, or the loss of a substantial opportunity to achieve Council's strategic objectives.

Whakahirahiratanga | significance

Council will take into account the following matters when determining the level of significance of a proposal or decision:

- Whether there is a legal requirement to engage with the community and what that requirement is
- Whether the proposal or decision affects the level of service of a significant activity
- The level of financial consequence of the proposal or decision
- Whether the proposal or decision affects a large part of the community, and the extent to which they are affected
- The likely impact on the future and present interests of the community, recognising Tangata Whenua and their relationship to the land and water
- Whether community interest* in the proposal or decision is high, and/or there are divided community views
- Whether community views are already known from previous engagement processes
- Whether the decision is reversible

Please refer to the full policy on the Council website for further information regarding the factor relevant to assessing against these criteria are set out in Appendix 4 [Appendix 4 Determining and assessing significance]

Tūtakitakitanga | Engagement

Council acknowledges that community engagement occurs across a spectrum at differing levels and is broader than consultation. Engagement is a process that involves all or some of the community and can be focused on sharing information, generating ideas, decision-making, and/or problem solving

Council staff will consider existing information on the community's views and perceptions related to a proposal before undertaking any further community engagement

The engagement approach (platform, questions, audiences, tactics, analysis, reporting) and associated communications, will be outlined by Council staff in a communications plan specific to the proposal

Each Council communications' plan will be informed by the proposal details. Council may use a variety of engagement techniques based on a range of factors, including history and public awareness of the issue/proposal, stakeholder involvement, and timing related to other events and budgets as relevant to the significance. [see the council website for the full policy, definitions and process chart]

There are times when it will not be appropriate to engage with the community on certain issues proposals, decisions, or matters. Examples of this include organisational decisions such as staff changes or matters that do not materially reduce or affect a level of service. [refer to the full policy online for other examples, such as under emergency, or for the protection of privacy and safety of individuals, confidentiality]

Use of Special Consultative Procedure

The Special Consultative Procedure will be used as set out in s83 LGA 2002 or the principles of consultation as set out in s82 LGA 2002.

Working with Others

Council remains committed to maintaining positive working relationships to enhance community wellbeing and to assist in providing effective, sustainable services.

Relationships with Iwi and Tangata Whenua, community, health and educational organisations, business and industry, are significant. The individual and collective voices of our community provide Council with the views of those interests and groups and form an important part of decision making.

The local government sector is an area where relationships are maintained at governance and operational levels of Council.

Recently, Council collaborated with our neighbours Whakatāne and Ōpōtiki District Councils and the Bay of Plenty Regional Council to finalise strategic growth outputs including the Our Places – Eastern Bay Spatial Plan and the Regional Economic Development Strategy. These strategies demonstrate a wholistic relationship between the territorial and regional council for the betterment of the region. From these key strategies, Council will develop further strategies within economic and community development incorporating a local lens.

Council continues to partner with other organisations, industry and business to advocate and support growth and sustainability. Key partnerships for Council include the Kawerau-based Industrial Symbiosis Kawerau (ISK) organisation, that began with the shared purpose of creating opportunities for industrial and business development. Council has been a strategic partner since its inception in 2011.

While Kawerau, Ōpōtiki and Whakatāne District Councils, the Bay of Plenty Regional Council and the Mataatua Iwi Forum are joint settlers of Toi EDA, the economic development agency for the Eastern Bay of Plenty

- Kawerau District Council has resolved for a hiatus during a review of the strategic direction with regard to economic development.

The Triennial Agreement is another agreement which recognises the importance of local government authorities working together to improve the Bay of Plenty. Established after the triennial elections by the local authorities in each region, this agreement recognises the shared desire of local government in the Bay of Plenty to work collaboratively to maximise effectiveness and efficiency in the coming three-year period. The key objectives are to:

- Promote the social, cultural, economic and environmental wellbeing of the Bay of Plenty communities now and in the future.
- Promote an agreed consultation process for the Regional Policy Statement.

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

Kawerau Youth Council

The Kawerau Youth Council was established in 2008. The objective is to develop self-confident youth leaders who go on to be role models and mentors for other young people.

Members are selected annually at the beginning of the school year from young people aged between 12 and 24 years. Two elected District Councillors are appointed as mentors to the Youth Council. Council engages with the group over matters concerning young people.

The Kawerau Youth Council meets monthly and aims to advocate for youth, is involved in organising youth events and helping run community events.



Relationships with Māori, Tangata Whenua and Iwi

Kawerau District Council is committed to an open dialogue and working relationship with Māori, Tangata Whenua and Iwi and is working to grow relationships.

Council acknowledges Ngāti Tuwharetoa ki Kawerau as tangata whenua of Kawerau. The Ngāti Tuwharetoa (Bay of Plenty) Settlement Trust is the consultation entity officially recognised following Te Tiriti o Waitangi settlement processes.

Working to honour and establish ongoing relationships with Tangata Whenua and Iwi, Council is fortunate for the support and guidance of Kaumātua Te Haukakawa Te Rire for his ongoing mahi, support and commitment to the Council Iwi Liaison and Cultural Advisor role.

This is an integral role supporting Council decision-making and implementing a consistent Te Ao Māori (Māori world view) that enables Council to seek out Tikanga protocols and advice for inclusive participation in decision-making processes.

Te Haukakawa believes the value and importance of the role relies on listening to one-another and kōrero kanohi ki te kanohi (talking face-to-face). A regular Iwi Liaison Hui with governance and operations provides the opportunity for reciprocal sharing of information and ongoing guidance. The strength of the relationship is the open approach across all areas of Council. The ability to positively influence decision-making is evident in the outcomes such as the new Cemetery Naming Board.

During the past three years, Council has been privileged and grateful for the cultural expertise provided by Ngāti Tūwharetoa ki Kawerau Kaumātua including Tomairangi Fox and Graham Te Rire. Council also acknowledges Tūwharetoa ki Kawerau Hauora, Putauaki Industrial Trust and Māori Investments Limited (MIL) as significant Iwi partners.

A significant proportion of Māori residents in Kawerau are from iwi other than tangata whenua. Council enables these people to contribute to decision-making by engaging with the committee of Rautahi Marae, an urban marae in the district. The Marae committee is another of Council's consultation partners and we acknowledge the support of Rautahi Marae Chairman Te Waraki (Chic) Te Ruki.

Te Rūnanga o Ngāti Awa is also recognised by Council as a consultation partner as Ngāti Awa has a historical tribal interest and owns land in and around the Kawerau District. Te Mana o Ngāti Rangitahi is also recognised as a consultation partner, with relation to the whenua and Tarawera River.

The Local Water Done Well legislation and the ensuing impacts on the delivery of three waters services to the community, continue to be an important issue that Council will jointly work on with our Kaumātua and Tūwharetoa ki Kawerau Tangata Whenua and Iwi.

BELOW: Council Iwi Liaison and Cultural Advisor Te Haukakawa Te Rire.





Nga mahi o te kaunihera Council activities

Council's Activity Structure

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



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

Promoting Community Wellbeing

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

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

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

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

Activity Group 1: Democracy



What We Do

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

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

The next Council election is due in October 2025. Following the decision to introduce Māori wards in 2023, and completion of a representation review, the basis for the 2025 Kawerau District election is:

- the Mayor elected 'at large'
- two councillors elected 'at large'

- three councillors elected from the Kawerau Māori Ward and
- three Councillors elected from the Kawerau General Ward

Council has the following Committees:

- Regulatory and Services Committee
- Audit and Risk Committee

Rationale for Delivery

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

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

Programme of Work

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

- Triennial Elections for Mayor and Councillors (2025, 2028 and 2031)
- Community satisfaction surveys – three yearly surveys (2026, 2029 and 2032)
- A Representation Arrangements Review in 2027
- Setting Long Term Plans in 2027, 2030 and 2033 and Annual Plans in all other years of this Plan
- Ongoing support for the Mayor's Taskforce for Jobs.

Democracy - significant effects of providing this activity

Potential Significant Negative effects	 Social	 Cultural	 Economic	 Environmental	Mitigation
<p>Council is required to balance the needs and wants of different community members. Some decisions made for the wider public good might at times have a negative impact on some individuals or groups.</p>	●	●	●	●	<p>Maintain good relationships and communication with the community and provide ongoing consultation opportunities to provide input and feedback. Council will continue to provide opportunities for the public to raise issues and concerns at the public forum section of each Council meeting.</p>
<p>Council is required to comply with Government legislation or directives that may be perceived negatively by some or all of the community.</p>	●	●	●	●	<p>Maintain effective and timely communication with the community detailing information on the impacts of legislative changes.</p>

Statement of Intended Service Provision: Democracy

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
<p>Council advocates within and beyond the district and governs for community needs and interests.</p> <p>Council embraces involvement from all sectors of the community in its democracy and decision making.</p>	Quality Indicators							
	The community has confidence in the quality of democracy and representation provided by their Elected Members	Community satisfaction with Mayor and Councillors ¹	Not Applicable (For 2022/23 = 69% Community satisfaction) National Benchmark = 53%)	Equal to or above NZ benchmark ²	Not applicable	Not applicable	Equal to or above NZ benchmark	Three yearly community survey
	Financial management is prudent, effective and efficient	Community satisfaction with the Way Rates are Spent ¹	Not Applicable (For 2022/23 = 62% Community satisfaction National Benchmark = 39%)	Equal to or above NZ benchmark	Not applicable	Not applicable	Equal to or above NZ benchmark	Three yearly community survey
		Percentage completion of the annual work programme	73%	>90%	>90%	>90%	>90%	Capital works records
	Quantity Indicators							
	Council informs the community about key issues and activities.	Number of Community Engagements (includes newsletters, publications, public meetings).	21	At least 20 community engagements	At least 20 community engagements	At least 20 community engagements	At least 20 community engagements	Council engagement records
	Responsiveness Indicators							
	Council encourages the community to contribute to Council decision-making	Provision of a public forum at public Council and Committee meetings	Every meeting	Every meeting	Every meeting	Every meeting	Every meeting	Council minute records

¹ Based on those who are aware of Council

² The Community survey is completed every three years to measure community satisfaction. There are National Benchmarks collected as comparative data for Council's performance. Council has set the performance targets for community satisfaction as equal to or above the National Benchmarks to provide the community with reassurance Council is aiming to be at or above the National Benchmark levels.

Kawerau District Council: Funding Impact Statement for 2025 – 2034 - Democracy

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	928,810	953,950	986,640	1,001,350	1,036,500	1,019,770	1,070,120	1,096,560	1,081,900	1,125,800
Targeted rates	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	28,600	0	0	29,240	0	0	29,830	0	0
Total Operating Funding (A)	928,810	982,550	986,640	1,001,350	1,065,740	1,019,770	1,070,120	1,126,390	1,081,900	1,125,800
Applications of operating funding										
Payments to staff and suppliers	578,000	614,230	609,090	623,500	664,140	627,380	666,930	706,280	667,200	706,270
Finance Costs	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	333,360	350,690	359,360	356,530	379,150	369,690	377,540	393,360	387,520	389,320
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	911,360	964,920	968,450	980,030	1,043,290	997,070	1,044,470	1,099,640	1,054,720	1,095,590
Surplus (deficit) of operating funding (A-B)	17,450	17,630	18,190	21,320	22,450	22,700	25,650	26,750	27,180	30,210

Funding Impact Statement: Democracy (continued)

	Annual Plan 2024- 25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	17,450	17,630	18,190	21,320	22,450	22,700	25,650	26,750	27,180	30,210
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	17,450	17,630	18,190	21,320	22,450	22,700	25,650	26,750	27,180	30,210
Surplus (deficit) of capital funding (C – D)	(17,450)	(17,630)	(18,190)	(21,320)	(22,450)	(22,700)	(25,650)	(26,750)	(27,180)	(30,210)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0

Activity Group 2: Economic and Community Development



What We Do

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

- Economic Development
- Events Management
- Grants and Funding
- Visitor Information Centre (I-Site)
- Firmin Lodge
- Youth Development
- Residential Development and Retirement Village

- Community Development
- Pensioner Housing

Economic Development

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

Council is a key member of Industrial Symbiosis Kawerau (ISK), which is based on the principles of creating shared opportunities synergies. ISK aims to stimulate external investment interests; demonstrate the benefits of the Kawerau District to regional, national and global audiences. Council also works closely with our neighbours Ōpōtiki and Whakatāne District Councils and the Bay of Plenty Regional Council on a variety of regional strategies, including Our Places Spatial Plan, and the Regional Economic Development Strategy.

Events Management

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

Residential Development

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

- Ongoing sales of house and land packages in Bell Street and Hine Te Ariki Place and Central Cove (Tiwhatiwha Crescent).
- Development of Stoneham Park (potentially 104 sections)
- Managing Porritt Glade retirement village in accordance with legislation to provide quality and affordable retirement living.

Grants and Funding

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

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

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

Kawerau isite - Visitor Information Centre

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

Youth Development

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

Community Development

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

Pensioner Housing

Council owns seven pensioner units in Waterhouse Street and twenty units in Porritt Drive. They are leased and managed by the Kawerau Social Services Trust Board that operates Mountain View Rest Home. This is considered a more effective and efficient option than Council operating the pensioner rental units in-house.

Rationale for Delivery

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

Economic Development

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

Residential Development

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

Events Management

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

Grants and Funding

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

Visitor Information Centre isite

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

Youth Development

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

Community Development

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

Pensioner Housing

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

Programme of Work

Economic Development

Council will continue encouraging economic growth and development, through member organisations and partnerships in the district and region. In addition, the district will formalise a new district economic strategy and plan, following the recent adoption of the Eastern Bay regional economic strategy.

Residential Development

Council plans to subdivide and develop Stoneham Park for residential dwellings over the next five years, maximising the land space through the provision of the District Plan Change 4 (Residential Growth Precinct). Council will continue to market the remaining sections at Central Cove as well as those in Bell Street and Hine Te Ariki. Council will manage the Porritt Glade Retirement Village completed in 2023, and fully occupied.

Events Management

Council will continue to deliver events such as the Christmas in the Park event as well as assisting with other events.

Youth Development

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

Kawerau isite Visitor Information Centre

Since 2017, Council has managed the operation of the isite visitor information centre in-house. Current operations will be consolidated and then adapted or modified where required.

Pensioner Housing & Commercial Rental Buildings

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

Economic and Community Development - significant effects of providing this activity

Potential Significant Negative effects	 Social	 Cultural	 Economic	 Environmental	Mitigation
High levels of industrial growth or inappropriate development may have a negative impact.	●	●	●	●	Ensuring support for industrial growth has regard for environmental, cultural and social sustainability, through District Plan and Economic Development Strategies.
The difficult economic environment may impact the number of events provided for the community.	●	●	●	●	Council support is provided to assist with events delivery, where possible and if funding is available. Council will seek external funding sources to support Council-led community events.

Statement of Intended Service Provision: Economic and Community Development

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Quality Indicators								
Council works in partnership to attract people to visit, live and do business in Kawerau and to enhance economic and employment opportunities for our community.	Council provides an Information Centre which suits community needs	Community satisfaction with the Information Centre ³	Not Applicable (For 2022/23 user satisfaction = 88% and Community satisfaction = 67%)	Equal to or above 88%	Not Applicable	Not Applicable	Equal to or above 88%	Three yearly community survey
Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity	Council supports young people to develop skills and attitudes needed to take a positive part in society	Satisfaction with youth council collaboration from collaborating groups ⁴	95%	>95%	>95%	>95%	>95%	Annual survey of collaborating groups.
	Council encourages positive perceptions of Kawerau by supporting local events	Frequency of events from February to December	Achieved (one each month, total of 33 events)	At least 1 per month	Council Event records			
	Council provides a local Information Centre which is accessible to visitors and the local community	Number of days open each year ⁵	Achieved (open 365/366 days)	At least 360	At least 360	At least 360	At least 360	isite door counter
Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity	Council supports young people to develop skills and attitudes needed to take a positive part in society.	Youth Council in place	Achieved	Annual appointments made	Annual appointments made	Annual appointments made	Annual appointments made	Council record of appointments

³ The target is based on the 2023 user satisfaction results provided by SIL Research. Council has selected this target of 88% to ensure Council is at a minimum continuing to meet the 2023 user satisfaction target

⁴ Target based on 2023/24 results and set to maintain Council's standards, target set at 95%

⁵ Council's target for the local information centre being open at least 360 days of the year is to ensure high accessibility for all visitors, residents and ratepayers to the Information Centre (isite)

Kawerau District Council: Funding Impact Statement for 2025 – 2034 - Economic and Community Development

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	1,154,660	1,196,150	1,234,300	1,240,770	1,265,950	1,295,020	1,304,670	1,327,760	1,360,360	1,363,190
Targeted rates	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	175,000	179,760	184,520	189,280	193,530	197,610	201,690	205,770	209,850	213,760
Fees and charges	358,000	371,710	383,380	393,990	404,040	413,670	422,650	431,720	440,460	448,950
Internal charges and overheads recovered	2,000	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	575,500	1,396,000	3,226,000	2,422,520	1,352,520	2,076,190	2,743,020	1,830,300	2,630,140	296,000
Total Operating Funding (A)	2,265,160	3,143,620	5,028,200	4,246,560	3,216,040	3,982,490	4,672,030	3,795,550	4,640,810	2,321,900
Applications of operating funding										
Payments to staff and suppliers	4,089,450	3,922,210	2,369,130	1,455,680	2,472,620	1,302,320	2,567,600	1,823,370	1,451,010	1,373,500
Finance Costs	21,750	20,800	19,810	18,770	17,700	16,580	15,420	14,210	12,950	11,650
Internal charges and overheads applied	568,370	619,390	642,700	627,580	638,150	654,110	644,610	653,870	674,830	657,660
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	4,679,570	4,562,400	3,031,640	2,102,030	3,128,470	1,973,010	3,227,630	2,491,450	2,138,790	2,042,810
Surplus (deficit) of operating funding (A - B)	(2,414,410)	(1,418,780)	1,996,560	2,144,530	87,570	2,009,480	1,444,400	1,304,100	2,502,020	279,090

Funding Impact Statement: Economic and Community Development (Continued)

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of capital funding										
Subsidies and grants for capital expenditure	3,000,000	2,676,000	432,000	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	3,000,000	2,676,000	432,000	0	0	0	0	0	0	0
Applications of capital funding										
Capital expenditure										
- to meet additional demand*	0	1,146,430	602,850	161,220	876,150	24,910	1,002,190	248,090	50,940	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	12,000	42,300	12,560	12,910	13,230	13,550	13,840	14,140	14,430	14,710
Increase (decrease) in reserves	573,590	68,490	1,813,150	1,970,400	(801,810)	1,971,020	428,370	1,041,870	2,436,650	264,380
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	585,590	1,257,220	2,428,560	2,144,530	87,570	2,009,480	1,444,400	1,304,100	2,502,020	279,090
Surplus (deficit) of capital funding (C-D)	2,414,410	1,418,780	(1,996,560)	(2,144,530)	(87,570)	(2,009,480)	(1,444,400)	(1,304,100)	(2,502,020)	(279,090)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0

Breakdown of Capital Expenditure: Economic and Community Development

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Stoneham Park Infrastructure	0	1,146,430	602,850	161,220	876,150	24,910	1,002,190	248,090	50,940	0
Renewals Firmin Lodge	6,500	6,690	6,880	7,070	7,240	7,420	7,580	7,750	7,910	8,070
Renewals isite	5,500	35,610	5,680	5,840	5,990	6,130	6,260	6,390	6,520	6,640
Total Capital Expenditure	12,000	1,188,730	615,410	174,130	889,380	38,460	1,016,030	262,230	65,370	14,710

Activity Group 3: Environmental Services



What We Do

The Environmental Services group of activities includes the delivery of:

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

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

Rationale for Delivery

Resource Management Planning

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

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

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

BELOW: Dog registration and control is an important function of Council.



Building Control

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

Council (as distinct from the BCA) also:

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

Environmental Health

Under the Health Act 1956, Council must:

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

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

Under the Sale and Supply of Alcohol Act 2012 Council must deal with licensing matters and establish a licensing committee(s) for Kawerau. The District Licensing Committee (DLC) is responsible for licence and managers' certificate applications and renewals and enforces licence suspensions for non-compliance with public health or precaution requirements.

Dog Registration and Control

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

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

Civil Defence Emergency Management

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

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

Programme of Work

Resource Management Planning

Council will continue to promulgate and give effect to District Plan changes to ensure its continuing effectiveness and compliance with National Environmental Standards. The full review should be completed in 2025/26. Council will continue to work proactively with industry, developers and landowners to facilitate projects and process resource consents which may be required.

Building Control

Council’s programme of work will focus on maintaining quality assurance systems so that accreditation reassessments are successful and BCA accreditation and registration are retained. The next review for continued compliance is due in October 2025.

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

Environmental Health

A continuing focus of work over the 2025/26 year will ensuring compliance with approved Food Plans. Council will carry out policy and bylaw reviews as they become due.

Dog Registration and Control

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

Civil Defence Emergency Management

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



Environmental Services - significant effects of providing this activity

Potential Significant Negative effects	 Social	 Cultural	 Economic	 Environmental	Mitigation
Resource Management Planning that does not reflect community expectations and Resource Management Act provisions could result in ad hoc, uncontrolled, unconsented or unsustainable development.	●	●	●	●	Ensuring support for industrial growth has regard for environmental, cultural and social sustainability, through District Plan, Spatial Plan, Economic Development Strategies and consenting processes.
Building Control If accreditation not retained and provision of building control services, this would require local community to travel outside the district for building advice and services	●		●	●	Council ensures resources, systems and appropriately trained staff maintain accreditation to provide in-house building control services to the community.
Dog Registration and Control Dog owners fail to exercise responsible dog control, which has the potential for dog attacks, aggression and excessive barking.	●		●	●	Council allocates sufficient resources to enforce the dog control rules and regulations to minimise danger, distress or nuisance by dogs in the community.
Environmental Health Decisions made on environmental health and licensing (i.e: alcohol, food and gambling) can have negative impacts on community health and safety, and social and environmental wellbeing	●		●	●	For Council decision making, all relevant information and legislation is considered to make robust decisions to protect the community.
Civil Defence Being unprepared to respond to an emergency could pose serious risk to human life and well-being, and infrastructure assets.	●	●	●	●	Maintaining an effective and adequately trained Civil Defence staff is key to being able to respond in a Civil Defence Emergency. Practice exercises are undertaken annually. Council is part of Emergency Management Bay of Plenty, where cross-Regional support is provided.

Statement of Intended Service Provision

Building Control

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Council regulates, monitors and acts to protect public health and safety, to prevent harm and nuisance and to improve standards in Kawerau residential, commercial and public environments.	Quality Indicators							
	Service users consider Council's Building Control Activity to be effective	Council meets statutory timeframes for processing building consents ⁶	New target (unaudited 50/50 consents = 100% for 2023/24)	100%	100%	100%	100%	Building Consents
	Quantity Indicators							
	Council provides in-house building consent, inspection and approval services	Bi-annual Building Consent Authority accreditation re-assessment ⁷	BCA registered and accredited.	Accreditation and registration retained	Accreditation Registration			

Resource Management

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Council regulates, monitors and acts to protect public health and safety, to prevent harm and nuisance and to improve standards in Kawerau's home, commercial and public environments.	Quality Indicators							
	Service users consider Council's Resource Management Activity to be effective	Council meets statutory timeframes for processing resource consents. ⁸	New target (unaudited 7/9 consents = 78% for 2023/24)	100%	100%	100%	100%	Resource Consents

⁶ The target is set per the statutory requirement of 100% and the time it takes to process is measured according to MBIE and IANZ guidelines per the Building Act 2004.

⁷ Accreditation as a Building Control Authority allows Council the ability to provide in-house Building Control Services. This requires meeting the Building Act requirements, which includes being audited every 2 years by International Accreditation New Zealand (IANZ)

⁸ The target is set per the statutory requirement of 100%. The nature of the timeframe differs depending on the nature of the resource consent.

Environmental Health

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Council regulates, monitors and acts to protect public health and safety, to prevent harm and nuisance and to improve standards in Kawerau residential, commercial and public environments.	Quantity Indicators							
	Council ensures environmental and public health standards are maintained	Licensed food premises are inspected as per required inspection timeframes ⁹	100%	100% annually	100% annually	100% annually	100% annually	Licensing Database Records
		Registered Premises are inspected for compliance with relevant standards ¹⁰	Not Achieved (5/7 premises = 71%)	100% annually	100% annually	100% annually	100% annually	Licensing Database Records
	Premises licensed under the Sale and Supply of Alcohol Act 2012 comply with licence conditions	Inspection of licensed premises for compliance at least once a year, except for special licences ¹¹	Not Achieved 12/13 (92%)	100% annually	100% annually	100% annually	100% annually	Licensing Database Records
	Responsiveness Indicators							
	Council responds to complaints and service requests for environmental health conditions (noise complaints, nuisance conditions/health risks)	Timeliness of response to priority one ¹² noise complaints (excludes antenno and email requests)	48% within 20 minutes (target 80%) & 67% within 30 minutes (target 98%)	Priority 1 80% within 30 minutes	Priority 1 85% within 30 minutes	Priority 1 90% within 30 minutes	Priority 1 90% within 30 minutes	Council Request for Service Database
Response to other Environmental Health service requests/complaints ¹³		Not achieved (9/10 = 90%)	100% within 1 working day	100% within 1 working day	100% within 1 working day	100% within 1 working day	Council Request for Service Database	

⁹ All food premises are inspected either every year, 18 months or two years. The target is set at 100% of those requiring inspection each year. The regularity of the inspections is determined by the grading they receive in compliance with the Food Safety Standards. The number of non-compliance standard determines the inspection timeframes, if more non-compliance the shorter the inspection period applies.

¹⁰ The registered premises are Hairdressers and Funeral Homes, which are inspected annually to ensure compliance with the relevant legislation applicable to the business type, therefore target 100%.

¹¹ All premises with a license under the Sale and Supply of Alcohol Act are inspected yearly to ensure compliance with their license conditions, therefore target set at 100%.

¹² Priority 1 noise complaints are those where the noise is still occurring and the complaints are made by phone.

¹³ Given the health aspects of such complaints, Council's target is set to ensure complaints are addressed quickly.

Dog Registration and Control

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Council regulates, monitors and acts to protect public health and safety, to prevent harm and nuisance and to improve standards in Kawerau residential, commercial and public environments.	Quality Indicators							
	Council maintains community satisfaction levels for the Dog Control service	Community satisfaction with Dog Control Service ¹⁴	Not Applicable (For 2022/23 community satisfaction = 34% National Benchmark 63%)	Equal to or above NZ benchmark	Not applicable	Not applicable	Equal to or above NZ benchmark	Three yearly community survey
	Responsiveness Indicators							
	Council responses to complaints and service requests for dog control matters	Timeliness of response from time dispatched to priority one dog complaints (excluding jobs received by antenno or email.)	66% responded to within 20 minutes and 77% within 30 minutes	80% within 30 minutes ¹⁵	85% within 30 minutes	90% within 30 minutes	90% within 30 minutes	Council Request for Service Database

¹⁴ The New Zealand Benchmark is provided by SIL Research, Council has selected this target to ensure Council is meeting the New Zealand Benchmark as a minimum standard.

¹⁵ This target while aspirational, reflects the level of service Council would like to aim for, however important to note the service is delivered by contractor outside of normal Council work hours.

Emergency Management (Civil Defence)

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Council regulates, monitors and acts to protect public health and safety, to prevent harm and nuisance and to improve standards in Kawerau residential, commercial and public environments.	Quality Indicators							
	Council provides community education initiatives to increase public awareness and readiness for local and regional hazards	Council delivers initiative projects to the community to promote community resilience and safety.	New measure	3 Projects	3 Projects	3 Projects	3 Projects	Project records
	Quantity Indicators							
	Council will maintain capability to effectively respond to an emergency	Undertake Civil Defence training exercises	New measure	1 exercise	1 exercise	1 exercise	1 exercise	Exercise records

Kawerau District Council: Funding Impact Statement for 2025 – 2034 - Environmental Services

	Annual Plan 2024- 25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	1,377,410	1,485,280	1,369,160	1,454,260	1,434,150	1,531,900	1,522,650	1,599,430	1,587,250	1,659,350
Targeted rates	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	179,000	191,400	196,460	201,520	206,040	210,380	214,720	219,060	223,400	227,550
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	1,556,410	1,676,680	1,565,620	1,655,780	1,640,190	1,742,280	1,737,370	1,818,490	1,810,650	1,886,900
Applications of operating funding										
Payments to staff and suppliers	995,990	1,054,590	925,680	988,570	974,230	1,035,950	1,017,630	1,079,970	1,059,510	1,122,080
Finance Costs	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	525,920	586,640	603,090	622,970	620,390	658,540	652,640	671,370	684,240	692,460
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,521,910	1,641,230	1,528,770	1,611,540	1,594,620	1,694,490	1,670,270	1,751,340	1,743,750	1,814,540
Surplus (deficit) of operating funding (A - B)	34,500	35,450	36,850	44,240	45,570	47,790	67,100	67,150	66,900	72,360

Funding Impact Statement: Environmental Services (continued)

	Annual Plan 2024- 25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	34,500	35,450	36,850	44,240	45,570	47,790	67,100	67,150	66,900	72,360
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	34,500	35,450	36,850	44,240	45,570	47,790	67,100	67,150	66,900	72,360
Surplus (deficit) of capital funding (C – D)	(34,500)	(35,450)	(36,850)	(44,240)	(45,570)	(47,790)	(67,100)	(67,150)	(66,900)	(72,360)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0

Activity Group 4: Roading and Footpaths



ABOVE: Roading maintenance underway in the district.

What we do

Kawerau has a network of approximately 43 kilometres of sealed roads, associated footpaths, and other infrastructure including bridges, kerbing, car parks, streetlights and signs. Council provides or contracts the maintenance, repair and upgrading of this infrastructure in the district. The section of State Highway 34 which runs through Kawerau is managed by the New Zealand Transport Agency (NZTA), not Council.

Rationale for Delivery

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

Programme of Work

Footpaths

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

District Roads

Council is committed to maintaining and renewing the district's roads to ensure there is no deterioration.

In 2025/26 Council will carry out reseals for approximately 5% of the network, ensuring continued safe and comfortable passage for vehicles

Roading and Footpaths - Significant effects of providing this activity

Potential Significant Negative effects	 Social	 Cultural	 Economic	 Environmental	Mitigation
Traffic accidents occur on district's roads.	●	●	●	●	To reduce the potential number and severity of traffic accidents, Council undertakes safety audits, provides streetlighting, signage and pavement marking. Council is a member of Road Safety Eastern BOP, which undertakes various community road safety programmes.
Funding shortfalls impact the maintenance of reseals and footpath repairs, which result in poor or unsafe roads and footpaths.	●		●	●	Independent assessments are completed annually to assess the quality of roads and footpaths. Safety issues raised by the community are assessed and addressed. Asset management plans are in place to manage roading infrastructure.
The maintenance of the roading network may cause nuisances such as short-term delays to traffic, dust, noise and odours.	●		●		Ensuring appropriate traffic management minimises health and safety issues, delays and appropriate measures are in place to reduce dust, noise or odour nuisances.

Statement of Intended Service Provision

Community Outcome	Level of Service	Measure	Performance Results (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Roading								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Quality Indicators							
	Council maintains community satisfaction levels for roading activity	Community satisfaction with roading assets (based on user satisfaction)	Not Applicable (For 2022/23 = 57% User satisfaction National Benchmark = 43%)	Equal to or above NZ benchmark ¹⁶	Not applicable	Not applicable	Equal to or above NZ benchmark	Three yearly community survey
	Council provides a network of roads which facilitates the safe movement of people and vehicles around the District	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	Achieved. There were no fatalities, with one serious injury on the roads controlled by Council	Increase of zero or less	Increase of zero or less	Increase of zero or less	Increase of zero or less	RAMM Management System
	Road quality	The average quality of ride on a sealed local road network, measured by smooth travel exposure ¹⁷	Achieved 95%	No less than 95%	No less than 95%	No less than 95%	No less than 95%	Annual independent survey
	Quantity Indicators							
	Road maintenance	The percentage of the sealed local road network that is resurfaced.	Not achieved. Resealing was scaled back due to staffing shortages	>5%	>5%	>5%	>5%	RAMM Management System
Council infrastructure and services are accessible, age and disability-	Responsiveness Indicators							
	Response to service requests	The percentage of customer service	Not Achieved Potholes:	Potholes: 90%	Potholes: 90%	Potholes: 90%	Potholes: 90%	Council

¹⁶ The New Zealand Benchmark is provided by SIL Research, Council has selected this target to ensure Council is meeting the New Zealand Benchmark as a minimum standard.

¹⁷ The percentage of Vehicle Kilometres Travelled in the District exposed to roads with roughness less than the threshold for urban roads set by the National State Highway Strategy

Community Outcome	Level of Service	Measure	Performance Results (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
friendly, effective, efficient and affordable, now and for the future.		requests relating to roads to which Council responds within the timeframe specified.	33% repaired within 14 days and 67% within 28 days	repaired within 14 days and 100% within 28 days	repaired within 14 days and 100% within 28 days	repaired within 14 days and 100% within 28 days	repaired within 14 days and 100% within 28 days	Request for Service Database
			Not Achieved Streetlights: 73.1% repaired within 14 days and 87.8% within 28 days.	Streetlights: 90% repaired within 14 days and 100% within 28 days	Streetlights: 90% repaired within 14 days and 100% within 28 days	Streetlights: 90% repaired within 14 days and 100% within 28 days	Streetlights: 90% repaired within 14 days and 100% within 28 days	Council Request for Service Database
Footpaths								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Quality Indicators							
	Council provides an appropriate network of footpaths for pedestrian use	Community satisfaction with footpaths (based on user satisfaction)	Not Applicable (For 2022/23 = 60% User satisfaction National Benchmark = 60%)	Equal to or above NZ benchmark ¹⁸	Not applicable	Not applicable	Equal to or above NZ benchmark	3 yearly community survey
	Footpath condition	Percentage of footpaths that fall within the level of service or service standard for the condition of footpaths set out in the Activity Management Plan	Achieved 99%	>95% of all qualifying footpaths achieve a grade of 3 or less as measured	>95% of all qualifying footpaths achieve a grade of 3 or less as measured	>95% of all qualifying footpaths achieve a grade of 3 or less as measured	>95% of all qualifying footpaths achieve a grade of 3 or less as measured	Annual independent survey

¹⁸ The New Zealand Benchmark is provided by SIL Research, Council has selected this target to ensure Council is meeting the New Zealand Benchmark as a minimum standard.

Community Outcome	Level of Service	Measure	Performance Results (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
				through three yearly footpath inspection				
Responsiveness Indicators								
	Response to service requests	The percentage of footpath-related customer service requests to which Council responds within the timeframe specified.	Not achieved 70% within 14 days	100% within 14 days	100% within 14 days	100% within 14 days	100% within 14 days	Council Request for Service Database

Kawerau District Council: Funding Impact Statement for 2025-2034 – Roading

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	1,239,020	1,247,090	1,311,760	1,431,690	1,474,610	1,523,200	1,656,500	1,697,310	1,751,950	1,878,740
Targeted rates	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	277,200	243,280	247,650	266,070	286,700	308,150	329,710	351,840	374,740	398,630
Fees and charges	50,000	40,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	65,000	66,960	68,980	71,060	73,020	74,980	76,810	78,640	80,530	82,360
Total Operating Funding (A)	1,631,220	1,597,330	1,645,390	1,785,820	1,851,330	1,923,330	2,080,020	2,144,790	2,224,220	2,376,730
Applications of operating funding										
Payments to staff and suppliers	528,060	528,350	542,110	573,190	606,930	641,450	675,640	710,520	746,140	782,880
Finance Costs	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	680,210	628,540	652,440	720,360	741,180	767,240	848,630	866,850	898,170	972,470
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,208,270	1,156,890	1,194,550	1,293,550	1,348,110	1,408,690	1,524,270	1,577,370	1,644,310	1,755,350
Surplus (deficit) of operating funding (A - B)	422,950	440,440	450,840	492,270	503,220	514,640	555,750	567,420	579,910	621,380

Funding Impact Statement: Roading (continued)

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of capital funding										
Subsidies and grants for capital expenditure	1,313,250	342,020	348,920	499,240	505,600	512,190	708,990	715,640	722,540	940,320
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	1,313,250	342,020	348,920	499,240	505,600	512,190	708,990	715,640	722,540	940,320
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	1,000,000	0	0	0	0	0	0	0	0	0
- to replace existing assets	822,900	543,180	555,030	763,620	774,810	780,520	1,051,210	1,062,620	1,068,220	1,367,310
Increase (decrease) in reserves	(86,700)	239,280	244,730	227,880	234,010	246,310	213,530	220,440	234,230	194,390
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	1,736,200	782,460	799,760	991,500	1,008,820	1,026,830	1,264,740	1,283,060	1,302,450	1,561,700
Surplus (deficit) of capital funding (C – D)	(422,950)	(440,440)	(450,840)	(492,260)	(503,220)	(514,640)	(555,750)	(567,420)	(579,910)	(621,380)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0

Breakdown of Capital Expenditure: Roading

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Kerb replacement	84,000	84,000	86,530	89,140	91,590	94,040	96,340	98,640	101,010	103,310
Street Light renewals	62,000	40,500	41,270	90,230	90,230	90,230	178,420	178,420	178,420	265,500
Reseals	135,000	136,700	139,130	191,310	191,310	191,310	246,590	246,590	246,590	318,050
Pavement Treatment	75,000	76,700	78,050	131,180	131,180	131,180	194,550	194,550	194,550	289,520
Minor Safety Improvements	40,000	0	0	0	0	0	0	0	0	0
Stormwater Catchpits	60,000	60,000	61,080	66,770	72,810	79,140	85,540	92,120	98,940	106,090
Reseal Carparks	30,000	54,700	56,350	58,050	59,650	61,245	62,740	64,235	65,780	67,275
Footpath Repairs	160,000	58,100	59,160	97,010	97,010	97,010	143,870	143,870	143,870	171,280
Rubbish bin Replacements	6,000	6,180	6,370	6,560	6,740	6,920	7,090	7,260	7,435	7,600
District Seating	1,500	1,550	1,590	1,640	1,685	1,730	1,770	1,815	1,860	1,900
Town Centre Music	3,700	3,810	3,920	4,045	4,155	4,270	4,370	4,475	4,585	4,690
Video Camera renewals	7,000	6,830	7,035	7,250	7,445	7,645	7,835	8,020	8,210	8,400
Decorative Lighting Renewals	13,700	14,110	14,540	14,975	15,390	15,800	16,185	16,575	16,970	17,360
Other (Flooding, speed management, signs & security)	1,145,000	-	-	5,465	5,615	-	5,910	6,050	-	6,335
Total Capital Expenditure	1,822,900	543,180	555,030	763,620	774,810	780,520	1,051,210	1,062,620	1,068,220	1,367,310

Activity Group 5: Stormwater



ABOVE: Culverts replaced on River Road provide additional capacity in extreme weather events.

What We Do

Kawerau's stormwater system is a 31.5 kilometre network of pipes, manholes and cesspits which collects stormwater from roads and transports it to the Tarawera River either directly, or via the Ruruanga Stream and the Overflow Stream, which are tributaries.

The activity involves:

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

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

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

Rationale for Delivery

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

Programme of Work

Council will:

- Continue pipe cleaning and inspections with CCTV, to reduce the number of blockages caused by debris and tree roots.
- Replace any stormwater pipes which are shown to be damaged or failing (NB: The next lot of pipe renewal is planned to commence in 2035)
- Ongoing inspections of lines to confirm renewal programs.

Stormwater Supply - Significant effects of providing this activity

Potential Significant Negative effects	 Social	 Cultural	 Economic	 Environmental	Mitigation
<p>The collection and discharge of stormwater has a negative environmental effect because it may contain contaminants such as grit, organic material and chemicals from roads and other surfaces.</p>	●	●		●	<p>This is managed by swift responses from Council staff in the event of a spill or contamination to mitigate or minimise the impact via detours, closures and actions.</p> <p>Monitoring will assist investigations of reducing incidents of contaminate discharges.</p>
<p>The changes in weather may cause extreme weather events causing flooding damage to critical infrastructure assets.</p> <p>The effects of climate change on new and existing residential developments may be negative due to extreme weather events.</p>	●	●	●	●	<p>Proactive removal of debris and leaves and other preventative works such a detention bund maintenance are completed to reduce the impacts of a severe weather event.</p> <p>As part of the District Plan review Council is completing stormwater modeling which will provide robust technical data of the effects of a 1%AEP (1/100 year event) climate change adjusted weather event. The district-wide modelling will enable council to prioritise and plan to mitigate future extreme weather events via long term capital expenditure.</p>

Statement of Intended Service Provision: Stormwater

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Quality Indicators							
	Council provides an effective stormwater network which removes stormwater to protect dwellings from flooding (System adequacy)	The number of flood events that occur in the District.	Achieved No flood events	No more than 10	No more than 10	No more than 10	No more than 10	Council Request for Service Database
		For each flood event, the number of habitable floors affected (expressed per 1,000 properties connect to Council's stormwater system).	N/A (mandatory measure)	Not applicable	Not applicable	Not applicable	Not applicable	
	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 (expressed per 1,000 properties connect to Council's stormwater system)..	N/A (mandatory measure)	Not applicable. ¹⁹	Not applicable	Not applicable	Not applicable	
	Responsiveness Indicators							
	Response times	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	Less than one hour	Less than one hour	Less than one hour	Less than one hour	Less than one hour	Council Request for Service Database

¹⁹ Kawerau properties are not connected to Council's stormwater system, the stormwater system only collects water from roads.

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Stormwater								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Discharge compliance	<p>Compliance with Council's resource consents for discharge from the system, measured by the number of:</p> <ul style="list-style-type: none"> • abatement notices • infringement notices • enforcement orders, and • convictions, received by Council in relation to those resource consents. 	No notices, orders or convictions	No notices, orders or convictions	No notices, orders or convictions	No notices, orders or convictions	No notices, orders or convictions	Resource Consent Records

Kawerau District Council: Funding Impact Statement for 2025 – 2034 - Stormwater

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	128,380	166,050	201,500	263,800	278,330	289,510	322,660	334,450	346,560	382,070
Targeted rates	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	61,500	31,500	32,080	24,320	24,980	25,650	26,270	26,900	27,550	28,170
Fees and charges	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	189,880	197,550	233,580	288,120	303,310	315,160	348,930	361,350	374,110	410,240
Applications of operating funding										
Payments to staff and suppliers	82,000	52,000	42,770	32,420	33,310	34,200	35,030	35,860	36,730	37,560
Finance Costs	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	27,220	17,140	14,470	10,530	10,840	11,290	11,100	11,350	11,880	11,480
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	109,220	69,140	57,240	42,950	44,150	45,490	46,130	47,210	48,610	49,040
Surplus (deficit) of operating funding (A - B)	80,660	128,410	176,340	245,170	259,160	269,670	302,800	314,140	325,500	361,200

Funding Impact Statement: Stormwater (continued)

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0
- to replace existing assets*	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	80,660	128,410	176,340	245,170	259,160	269,670	302,800	314,140	325,500	361,200
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	80,660	128,410	176,340	245,170	259,160	269,670	302,800	314,140	325,500	361,200
Surplus (deficit) of capital funding (C – D)	(80,660)	(128,410)	(176,340)	(245,170)	(259,160)	(269,670)	(302,800)	(314,140)	(325,500)	(361,200)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0

*Stormwater pipe renewals

Activity Group 6: Water Supply



What We Do

The Kawerau drinking water supply provides water to a population of approximately 7,610 people and is categorised as a medium sized drinking water supply by the Health (Drinking Water) Amendment Act 2019. Raw water is sourced from bores and two springs and transported by gravity mains to a pumphouse. At the pumphouse, water is pumped through a UV treatment plant for disinfection and chlorine is added for residual protection along with caustic soda for pH correction. Fluoride is also added (required by the Medical Officer of Health) to help reduce the incidence of tooth decay in the community. After treatment, the water is

conveyed to one of three reservoirs, which gravity feeds two distribution networks.

Water is supplied to properties through a network of approximately 78km of pipes. The pipes are 27% A.C, 55% P.V.C/Polyethylene and 18% Steel/Iron. The network was installed from 1955, when the town water supply was established, and continued as the town grew until 1985. Limited additional pipework has been added to the network since then. The typical life of AC pipes is 60 years. Approximately fifty percent of the total pipe network has been replaced in the period 2010-2024. Further replacement is programmed for 2025 – 2029. Kawerau's water supply system can supply a maximum capacity of 12,000 m³ per day. Usage fluctuates significantly according to temperature and season. Winter usage can be less than 3,000 m³ per day but in summer it increases to as much as 12,000 m³ per day.

Rationale for Delivery

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

Programme of Work

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

- Council will continue to replace all AC and steel/iron pipe over the next four years for a total cost of \$9.4 million.
- Council is planning to construct a manganese removal plant in 2026/27 at a cost of \$1.1 mil to improve the quality and resilience of supply.
- Ongoing replacement of hydrants, valves and tobies when renewing the pipes.
- Renewal of UV plant 2026/27; Major reservoir valve renewals 2027/28.
- The smaller reservoir on Monika Lanham will be replaced in 2034/35.

Water Supply - significant effects of providing this activity

Potential Significant Negative effects	 Social	 Cultural	 Economic	 Environmental	Mitigation
The volume of water consumed by the community exceeds the current consented levels of supply		●	●	●	Timely communication to the community to advise of necessary water reductions and potential restrictions to reduce the level of water consumed. Additionally, Council will review whether to meter water in the future, as appropriate, with regard to consents, relevant legislation and water service delivery plans.
Disruption to water supply due to asset failure may negatively impact communities and businesses.	●		●		Council maintenance, renewals and replacement of assets is managed to minimise the risk of failure. Council staff have a prompt response time to any supply issues that occur. Data on service requests on issues raised are monitored to ensure that issues are addressed. Asset management plans are in place to manage water supply assets. The drinking water supply pumps at the water treatment plant have been renewed in the 2024-2025 year providing surety of supply and greater efficiency.
Possible water contamination due to network components, poor monitoring of water sources and other activity causing contamination.	●	●	●	●	Water treatment is compliant with regulations, with regular monitoring of water quality via Taumata Arowai. Renewals and replacement of reticulation networks are underway to minimise potential contamination.
Council's reticulation renewal programme may cause disruption to the community and businesses, such as interruption to water services, noise, dust and traffic flows.	●	●	●	●	Timely engagement and updates are provided to the community through all communication channels on work underway and potential disruptions.

Statement of Intended Service Provision

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Water Supply								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Quality Indicators							
	Provision of a quality water supply	Community satisfaction with water supply	Not Applicable (For 2022/23 = 36% User satisfaction National Benchmark = 73%)	Equal to or above NZ benchmark ²⁰	Not applicable	Not applicable	Equal to or above NZ benchmark	Three yearly community survey
	Customer satisfaction	The total number of complaints received about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply, and f) Council's response to any of these issues expressed per 1000 connections to the networked reticulation system.	Not Achieved (per 1,000 connections) a) 7.6 complaints b) 0 complaints c) 0 complaints d) 0.3 complaints e) 0 complaints f) 0 complaints	a) No more than 4 per 1000 connections b) No more than 2 per 1000 connections c) No more than 1 per 1000 connections d) No more than 2 per 1000 connections e) No more than 2 per 1000 connections f) 0 per 1000 connections	a) No more than 4 per 1000 connections b) No more than 2 per 1000 connections c) No more than 1 per 1000 connections d) No more than 2 per 1000 connections e) No more than 2 per 1000 connections f) 0 per 1000 connections	a) No more than 4 per 1000 connections b) No more than 2 per 1000 connections c) No more than 1 per 1000 connections d) No more than 2 per 1000 connections e) No more than 2 per 1000 connections f) 0 per 1000 connections	a) No more than 4 per 1000 connections b) No more than 2 per 1000 connections c) No more than 1 per 1000 connections s) No more than 2 per 1000 connections e) No more than 2 per 1000 connections f) 0 per 1000 connections	Council Request for Service Database

²⁰ The New Zealand Benchmark is provided by SIL Research, Council has selected this target to ensure Council is meeting the New Zealand Benchmark as a minimum standard.

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Safety of drinking water in compliance with Drinking Water Quality Assurance Rules 2022	The extent to which the drinking water supply complies with the following parts of the drinking water quality assurance rules: a) 4.4 T1 Treatment Rules b) 4.5 D1.1 Distribution System Rules c) 4.7.1 T2 Treatment Monitoring Rules d) 4.7.2 T2 Filtration Rules e) 4.7.3 T2 UV Rules f) 4.7.4 T2 Chlorine Rules g) 4.8 D2.1 Distribution System Rule h) 4.10.1 T3 Bacterial Rules i) 4.10.2 T3 Protozoal Rules j) 4.11.5 D3 29 Microbiological Monitoring Rules	New Measure	100%	100%	100%	100%	Drinking Water Reports
	Maintenance of the reticulation network	The percentage of real water loss from the Council's networked reticulation system, measured using the minimum night flow (MNF) analysis method contained in the DIA Guidelines.	154 litres per connection per day	<200 litres per connection per day ²¹	<200 litres per connection per day	<200 litres per connection per day	<200 litres per connection per day	Water Loss Calculation Data

²¹ Measured using the minimum night flow (MNF) analysis method contained in the DIA Guidelines.

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source	
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Quantity Indicators								
	Demand management	The average consumption of drinking water per day per resident within the district.	0.41m3	<0.6 m3	<0.6 m3	<0.6 m3	<0.6 m3	Water Consumption Records	
	Responsiveness Indicators								
	Fault response times	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response times are							
			median response time for attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and	Achieved 1 urgent call-out and median response time was 29 minutes	Less than two hours	Less than two hours	Less than two hours	Less than two hours	Council Request for Service Database
		median resolution time of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	Achieved 100% within 8 hours (median resolution was 1 hour and 59 minutes)	Less than 8 hours	Less than 8 hours	Less than 8 hours	Less than 8 hours	Council Request for Service Database	
	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	Achieved 107 non-urgent call-outs (median response time of 30 minutes (all less than 24 hours)	24 hours	24 hours	24 hours	24 hours	Council Request for Service Database		

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Water Supply (Continued)								
		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	Achieved 100% within 48 hours (median resolution was 1.37 hours)	48 hours	48 hours	48 hours	48 hours	Council Request for Service Database
Reliability Indicators								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	The water supply is reliable and has minimal disruptions	Number of unplanned shutdowns – reticulation	Achieved 1 unplanned shutdown	No more than 12	No more than 12	No more than 12	No more than 12	Council Request for Service Database and Water maintenance records
		Number of unplanned shutdowns – pump stations	Achieved None	None	None	None	None	
		Number of water main breaks	Achieved 1 water main break	No more than 8	No more than 8	No more than 8	No more than 8	
Environmental Indicators								
	Water is sourced with minimal environmental effects	Compliance with BOP Regional Council water supply resource consents as reported in Annual Consents and Compliance Field Sheet.	Compliance with old consent	Compliance ²²	Compliance	Compliance	Compliance	BOP Regional Council

²² BOPRC inspection reports state either compliance or non-compliance.

Kawerau District Council: Funding Impact Statement for 2025 – 2035 - Water Supply

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	1,569,370	1,858,650	1,803,120	1,821,960	1,765,940	1,482,050	1,217,050	847,910	434,380	0
Targeted rates	275,000	421,720	545,500	742,920	1,024,710	1,241,630	1,589,530	1,978,860	2,421,730	3,027,070
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	28,000	42,940	55,540	75,640	104,330	126,420	161,840	201,480	246,580	308,210
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	1,872,370	2,323,310	2,404,160	2,640,520	2,894,980	2,850,100	2,968,420	3,028,250	3,102,690	3,335,280
Applications of operating funding										
Payments to staff and suppliers	623,500	731,340	712,110	731,430	837,620	771,940	792,840	807,920	827,500	935,070
Finance Costs	345,000	455,000	495,000	605,000	660,000	660,000	660,000	660,000	660,000	660,000
Internal charges and overheads applied	455,590	673,470	685,370	692,950	738,740	731,990	736,910	751,080	773,280	799,950
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,424,090	1,859,810	1,892,480	2,029,380	2,236,360	2,163,930	2,189,750	2,219,000	2,260,780	2,395,020
Surplus (deficit) of operating funding (A - B)	448,280	463,500	511,680	611,140	658,620	686,170	778,670	809,250	841,910	940,260

Funding Impact Statement: Water Supply (continued)

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	2,000,000	2,000,000	2,000,000	2,000,000	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	2,000,000	2,000,000	2,000,000	2,000,000	0	0	0	0	0	0
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	1,072,460	0	0	0	0	0	0	0
- to replace existing assets	2,140,000	2,228,840	2,913,090	2,798,410	2,842,120	211,490	183,110	187,950	386,120	197,170
Increase (decrease) in reserves	308,280	234,660	(1,473,870)	(187,270)	(2,183,500)	474,680	595,560	621,300	455,790	743,090
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	2,448,280	2,463,500	2,511,680	2,611,140	658,620	686,170	778,670	809,250	841,910	940,260
Surplus (deficit) of capital funding (C–D)	(448,280)	(463,500)	(511,680)	(611,140)	(658,620)	(686,170)	(778,670)	(809,250)	(841,910)	(940,260)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0

Breakdown of Capital Expenditure: Water Supply

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Pipework Replacement/Extension	2,000,000	2,000,000	2,144,930	2,579,880	2,672,350	0	0	0	0	0
Toby Replacement	50,000	50,000	51,820	53,500	55,180	56,770	58,360	59,900	61,390	62,840
Value Refurbishment	75,000	0	0	29,900	0	21,970	0	0	145,600	0
Refurbish Pumps	-	30,000	17,800	24,030	0	0	0	0	0	0
UV Tube Replacements	15,000	15,840	16,410	16,940	17,470	17,970	18,470	18,960	19,430	19,890
Manganese Removal Plant	0	0	1,072,460	0	0	0	0	0	0	0
Headworks, Dosing & Hydrants	-	133,000	682,130	94,160	97,120	114,780	106,280	109,090	159,700	114,440
Total Capital Expenditure	2,140,000	2,228,840	3,985,550	2,798,410	2,842,120	211,490	183,110	187,950	386,120	197,170

Activity Group 7: Wastewater



ABOVE: The Wastewater Treatment Plant control room.

What We Do

Council's wastewater system is concerned with the collection, treatment and disposal of wastewater (sewage) from properties in the district. Its components are a network of underground pipes, pumping stations and a treatment plant with soakage basins.

Wastewater enters the network from properties in the district and is conveyed to the treatment plant where it is treated and then disposed of in rapid infiltration basins and by vermicomposting.

The Wastewater Activity involves:

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

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

Rationale for Delivery

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

Programme of Work

Council will maintain its regime of pipe inspection and cleaning using CCTV to inspect sections at a time. This will continue reducing the number of blockages and providing better information on pipe deterioration. Significant renewal of wastewater pipes (21.3 kms) is planned over the next nine years. Also there are upgrades programmed for the wastewater treatment plant and pumping station for the next three years.

Wastewater Supply - significant effects of providing this activity

Potential Significant Negative effects	 Social	 Cultural	 Economic	 Environmental	Mitigation
The potential overflow of untreated wastewater due to pipe blockages, pump or plant malfunctions, pose health, safety, environmental risk	●	●	●	●	The impact of blockages or pump and plant malfunction is minimised by very prompt attendance to blockages and malfunctions to reduce the quantity of spillage, and by disinfection of contaminated areas
Disruption to wastewater services due to asset failure may negatively impact communities and businesses. Including the potential impact if the treatment plant failed for a period in excess of one day	●	●	●	●	Council maintenance, renewals and replacement of assets is managed to minimise the risk of failure. CCTV inspections are used to identify blockages, root intrusion or structural issues, which assist in addressing any issues. Council staff have a prompt response time to addressing issues that occur. Council have generators as a source of power, should there be prolonged electricity outages.
The discharge from treatment plant does not meet consent conditions and may result in negative effects on the environment and public health risk.	●	●	●	●	Council performs ongoing monitoring of treatment discharge. Upgrades and maintenance of the plant to ensure resource consents are met.

Statement of Intended Service Provision

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Wastewater								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Quality Indicators							
	Provision of domestic wastewater collection and primary treatment	Community satisfaction with wastewater disposal	Not Applicable (For 2022/23 User satisfaction = 82% National Benchmark = 74%)	Equal to or above NZ benchmark ²³	Not applicable	Not applicable	Equal to or above NZ benchmark	3 yearly community survey
	Customer satisfaction	The total number of complaints received about any of the following: a) sewage odour b) sewerage system faults c) sewerage system blockages, and d) Council's response to issues with its sewerage system, expressed per 1000 connections to the sewerage system.	Achieved (per 1,000 connections) a) Nil per 1,000 b) Nil per 1,000 c) 2.4 per 1,000 d) Nil per 1,000	a) No more than 1 per 1000 connections b) No more than 15 per 1000 connections c) No more than 15 per 1000 connections d) 0 per 1000 connections	a) No more than 1 per 1000 connections b) No more than 15 per 1000 connections c) No more than 15 per 1000 connections d) 0 per 1000 connections	a) No more than 1 per 1000 connections b) No more than 15 per 1000 connections c) No more than 15 per 1000 connections d) 0 per 1000 connections	a) No more than 1 per 1000 connections b) No more than 15 per 1000 connections c) No more than 15 per 1000 connections d) 0 per 1000 connections	Council Request for Service Database

²³ The New Zealand Benchmark is provided by SIL Research, Council has selected this target to ensure Council is meeting the New Zealand Benchmark as a minimum standard.

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
	Quantity Indicators							
	System adequacy	The number of dry weather sewage overflows from Council's sewerage system, expressed per 1000 connections to that sewerage system.	Not Achieved (2 overflows)	0 per 1000 connections to the sewerage system	0 per 1000 connections to the sewerage system	0 per 1000 connections to the sewerage system	0 per 1000 connections to the sewerage system	Council Request for Service Database
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Responsiveness Indicators							
	Fault response times	Where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, the median response times are:						
		a) median attendance time: from the time that Council receives notification to the time that service personnel reach the site, and	Achieved 2 overflows attended to in 5 minutes	Less than 1 hour	Less than 1 hour	Less than 1 hour	Less than 1 hour	Council Request for Service Database
		b) median resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	Achieved 2 overflows, both resolved within 2 hours and 25 minutes	Less than 8 hours	Less than 8 hours	Less than 8 hours	Less than 8 hours	Council Request for Service Database
	Reliability Indicators							
Council provides a reliable domestic wastewater collection and disposal service	Number of disruptions to wastewater collection service	Achieved No disruptions to wastewater service	No more than 15	No more than 15	No more than 15	No more than 15	Council Request for Service Database	

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Wastewater (Continued)								
Environmental Indicators								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Discharge compliance	Compliance with resource consents for discharge from Council's sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders, and d) convictions, received in relation those resource consents.	Achieved a) 0 b) 0 c) 0 d) 0	No notices, orders or convictions	No notices, orders or convictions	No notices, orders or convictions	No notices, orders or convictions	Resource Consent Records
	The wastewater treatment plant operates effectively	Compliance with wastewater treatment plant resource consents as reported in annual Consents and Compliance Field Sheet	Achieved Complied with all consents	Compliance ²⁴	Compliance	Compliance	Compliance	Resource Consent Records

²⁴ BOPRC inspection reports state either compliance or non-compliance.

Kawerau District Council: Funding Impact Statement for 2025 – 2034 - Wastewater

	Annual Plan 2024- 25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	1,430,300	1,665,230	1,556,770	1,510,160	1,353,140	1,197,520	968,460	702,220	360,960	0
Targeted rates	430,000	555,080	699,420	925,580	1,152,680	1,463,630	1,798,560	2,223,700	2,647,060	3,218,420
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and Charges	100,000	105,570	111,240	116,720	122,100	127,290	131,540	135,510	138,820	142,030
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	1,960,300	2,325,880	2,367,430	2,552,460	2,627,920	2,788,440	2,898,560	3,061,430	3,146,840	3,360,450
Applications of operating funding										
Payments to staff and suppliers	796,190	840,260	826,010	890,550	892,220	955,860	950,110	1,008,760	997,600	1,053,100
Finance Costs	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	738,220	1,040,080	1,075,550	1,123,100	1,174,270	1,247,890	1,286,420	1,365,370	1,437,060	1,513,660
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,534,410	1,880,340	1,901,560	2,013,650	2,066,490	2,203,750	2,236,530	2,374,130	2,434,660	2,566,760
Surplus (deficit) of operating funding (A - B)	425,890	445,540	465,870	538,810	561,430	584,690	662,030	687,300	712,180	793,690

Funding Impact Statement: Wastewater (continued)

	Annual Plan 2024- 25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	765,000	1,742,400	1,963,070	1,797,540	1,371,260	1,623,290	1,318,670	1,369,010	1,432,700	1,550,740
Increase (decrease) in reserves	(339,110)	(1,296,860)	(1,497,200)	(1,258,730)	(809,830)	(1,038,600)	(656,640)	(681,710)	(720,520)	(757,050)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	425,890	445,540	465,870	538,810	561,430	584,690	662,030	687,300	712,180	793,690
Surplus (deficit) of capital funding (C – D)	(425,890)	(445,540)	(465,870)	(538,810)	(561,430)	(584,690)	(662,030)	(687,300)	(712,180)	(793,690)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0

Breakdown of Capital Expenditure: Wastewater

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Pipework Replacement/Extension	765,000	1,117,100	1,157,780	1,195,330	1,232,880	1,268,340	1,303,800	1,338,220	1,371,600	1,527,000
Pumping Station	0	45,200	64,660	0	0	0	14,870	0	0	23,740
Treatment Plant	0	580,100	740,630	602,210	138,380	354,950	0	30,790	61,100	0
Total Capital Expenditure	765,000	1,742,400	1,963,070	1,797,540	1,371,260	1,623,290	1,318,670	1,369,010	1,432,700	1,550,740

Activity Group 8: Solid Waste



ABOVE: The Kawerau Transfer Station

What We Do

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

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

The transfer station offers recycling facilities and plans to improve the availability of this waste diversion service for the community.

It is open from 12 p.m. to 4.00 p.m. every day except Christmas Day.

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

Rationale for Delivery

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

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

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

Programme of Work

Council will continue to work toward the goal of reducing the volume of waste going to landfill with measures such as continued community education, reviewing collection operations and annual review of transfer station fees. The Waste Management and Minimisation Plan is due for review in 2024/25.

Waste Management and Minimisation Plan

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

Solid Waste - Significant Effects of Providing This Activity

Potential Significant Negative effects	 Social	 Cultural	 Economic	 Environmental	Mitigation
Refuse collection, disposal services and the recycling activity can cause odour, vermin infestations, visual pollution and health risks.	●	●	●	●	Effective and regularity of the collection and disposal services minimises these impacts. Council will continue to encourage the reduction in the quantity of the residual waste going to landfill
Illegal dumping and tipping of waste has negative impact on the environment and has potential health risks.	●	●		●	Council provides affordable refuse collection, recycling and refuse disposal services for the community. Council employs district cleaners to keep district asset's tidy and reduce any potential health risks.

Statement of Intended Service Provision

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Refuse Collection and Disposal								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future. Council sustainably manages Kawerau's environment through its stewardship, planning and consents.	Quality Indicators							
	Provision of a cost effective refuse collection and disposal that will encourage a healthy, clean and tidy district	Community satisfaction with refuse collection (based on user satisfaction) ²⁵	Not applicable (For 2022/23 User satisfaction 90%, target >92% The National Benchmark was 73%)	Equal to or above NZ benchmark	Not applicable	Not applicable	Equal to or above NZ benchmark	Three yearly community survey
		Community satisfaction with refuse disposal (based on user satisfaction) ²⁶	Not applicable (For 2022/23 User satisfaction 78%, target >74% The National Benchmark was 66%)	Equal to or above NZ benchmark	Not Applicable	Not applicable	Equal to or above NZ benchmark	
	Environmental Indicators							
Council's refuse collection and disposal services meet the needs of the Kawerau Community and help maintain public health and a clean environment	Level of compliance with BOP Regional Council refuse disposal resource consents as reported in annual Consents and Compliance Field Sheet	Achieved No notices, abatement notices, enforcement orders or convictions.	Compliance	Compliance	Compliance	Compliance	Resource Consent Records	

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Zero Waste (Recycling)								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Quality Indicators							
	Council's refuse collection and disposal services meet the needs of the Kawerau Community	Community satisfaction with recycling services (based on user satisfaction) ²⁷	Not applicable (For 2022/23 User satisfaction 78% Target = >92%)	Equal to or above 81%	Not applicable	Not applicable	Equal to or above 81%	Three yearly community survey
Council sustainably manages Kawerau's environment through its stewardship, planning and consents.	Quantity Indicators							
	Material that would otherwise go to landfill as household refuse is collected by the recycling collection service	Average amount of recyclable material collected from each household.	Achieved (210kg per household)	No less than 178kg per annum	Weigh-tracks waste database			

²⁵ The New Zealand Benchmark is provided by SIL Research, Council has selected this target to ensure Council is meeting the New Zealand Benchmark as a minimum standard.

²⁶ The New Zealand Benchmark is provided by SIL Research, Council has selected this target to ensure Council is meeting the New Zealand Benchmark as a minimum standard.

²⁷ The target is based on the 2023 user satisfaction results provided by SIL Research., Council has selected this target of 81% to ensure Council is at a minimum continuing to meet the 2023 user satisfaction target.

Kawerau District Council: Funding Impact Statement for 2025-2034 – Solid Waste

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	1,531,200	1,812,960	1,902,880	1,904,280	1,967,460	2,009,720	2,031,430	2,056,220	2,135,450	2,105,870
Targeted rates	665,840	750,410	775,430	788,030	806,480	826,690	835,780	852,380	873,910	878,790
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,328,500	1,360,700	1,396,760	1,432,820	1,465,000	1,495,910	1,526,820	1,557,730	1,588,640	1,618,260
Internal charges and overheads recovered	29,500	34,270	35,180	36,090	36,900	37,670	38,440	39,210	39,980	40,720
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	3,555,040	3,958,340	4,110,250	4,161,220	4,275,840	4,369,990	4,432,470	4,505,540	4,637,980	4,643,640
Applications of operating funding										
Payments to staff and suppliers	2,377,210	2,687,740	2,772,630	2,834,500	2,911,330	2,963,080	3,036,420	3,086,720	3,160,010	3,206,820
Finance Costs	280	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	1,142,020	1,233,420	1,298,580	1,283,130	1,319,560	1,360,510	1,345,260	1,366,910	1,423,980	1,379,140
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	3,519,510	3,921,160	4,071,210	4,117,630	4,230,890	4,323,590	4,381,680	4,453,630	4,583,990	4,585,960
Surplus (deficit) of operating funding (A - B)	35,530	37,180	39,040	43,590	44,950	46,400	50,790	51,910	53,990	57,680

Funding Impact Statement: Solid Waste (continued)

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0
- to replace existing assets*	65,000	0	10,720	16,610	11,420	58,740	6,040	12,400	6,350	19,510
Increase (decrease) in reserves	(29,470)	37,180	28,320	26,980	33,530	(12,340)	44,750	39,510	47,640	38,170
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	35,530	37,180	39,040	43,590	44,950	46,400	50,790	51,910	53,990	57,680
Surplus (deficit) of capital funding (C- D)	(35,530)	(37,180)	(39,040)	(43,590)	(44,950)	(46,400)	(50,790)	(51,910)	(53,990)	(57,680)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0

Breakdown of Capital Expenditure: Solid Waste

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Recycling Bins	50,000	0	0	0	0	58,740				
Fencing and Gates	5,000	0	5,360	5,540	0	0	6,040	0	0	6,500
Concrete Apron & Reseal	10,000	0	0	11,070	0	0	0	12,400	0	13,010
Weighbridge & POS Systems	0	0	5,360	0	11,420	0	0	0	6,350	0
Total Capital Expenditure	65,000	0	10,720	16,610	11,420	58,740	6,040	12,400	6,350	19,510

Activity Group 9: Leisure and Recreation



What We Do

District Library

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

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

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

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

Lifelong learning: Supporting individuals with lifelong learning and research needs.

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

Museum

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

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

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

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

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

Swimming Pools

The Maurie Kjar Aquatic Centre is a year-round geothermally heated facility. The public has free entry during opening hours. The complex contains a large 30 metre pool divided by a bulkhead into a 25 metre pool and a five metre pool; plus a large spa pool and two small children's pools. Council has added: a splash-pad for children, a jumping pillow and a new barbeque and picnic area.

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

Outside Council operating hours the complex is available for private hire for the swimming club, organised fitness activities, functions and groups.

Public Halls and Facilities

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

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

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

Operating Centre for any civil defence emergency; however all the halls could play a significant role.

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

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

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

The **Rangi Delamere Centre** is a small to medium sized facility that can be used for private functions, sporting events or meetings. This building replaced the netball pavilion which was destroyed by fire, but is intended to be a multi-use facility instead of a building designed to be used solely by a sporting group.

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

Parks and Reserves and Cemetery

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

Rationale for Delivery

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

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

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

Programme of Work

Significant areas of work will be:

Public Library

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

Swimming Pools

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

Parks and Reserves and Cemetery

Over the next 10 years there will be new sections in the cemetery added as well as ongoing renewal of playground equipment, fences, carparks, reserve bins and upgrades to field amenity buildings. Other planned works include:

- Resurfacing of skate park and reinstating the shade sail.
- Ongoing prickly eradication at Prideaux Park and Maurie Kjar Aquatic Centre.
- Turf improvements at all sports fields.
- Removal of dangerous trees and replanting as appropriate.
- Re-establishing the Stoneham Walk herb garden.
- Repairing, reinstallation and mapping of irrigation system.
- Plan and budget for Depot building repair works.

Leisure and Recreation - significant effects from providing this service

Potential Significant Negative effects	 Social	 Cultural	 Economic	 Environmental	Mitigation
Potential poor water quality at the Maurie Kjar Aquatic Centre, could result in causing possible health issues for users.	●			●	Regular water quality monitoring is performed to ensure the water is safe for user of the aquatic centre. Rules in place to minimise water quality contamination by toddlers and processes in place for accidental contamination by users.
Possible disruptions to neighbours or the community caused by sports and recreation activities on Council reserves.	●	●	●	●	Management through the District Plan and Reserves Management Plans helps control where activities can occur. Regular communication is sent out through all communication channels with updates on maintenance projects or events, that may cause disruption.
Under-utilisation of Council facilities due to cost restrictions.	●	●	●	●	Council provides lower facilities fees for residents to ensure the community have access to utilise all Council's facilities.
Kawerau was established with a significant number of trees throughout the district, which may cause shade, drainage issues due to leaves and potential injury or damage if trees or limbs fall during bad weather.	●	●	●	●	Council actively maintain street trees and have a tree strategy to prioritise and manage any issues with trees. Council staff will proactively remove leaves and debris if there are concerns, especially if there is a potential significant weather event.

Statement of Intended Service Provision

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Library								
<p>Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity.</p> <p>Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.</p>	Quality Indicators							
	Council provides public library services and resources which suit Community needs	Community satisfaction with the Public Library (based on user satisfaction) ²⁸	Not applicable (For 2023/22 User satisfaction 90%, Target = 86%. The National Benchmark = 87%)	Equal to or above NZ benchmark	Not applicable	Not applicable	Equal to or above NZ benchmark	Three yearly community survey
		Number of Library programmes provided to the community (includes Holiday and Adult programmes)	New measure	>6	>6	>6	>6	Programme Records
	Quantity Indicators							
The library is accessible to the public	Total number of people visiting the library for the year. ²⁹	New measure (For 2023/24 unaudited = 48,501)	>50,000	>50,000	>50,000	>50,000	Library door counter	
Museum and Archives								
Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity.	Quality Indicators							
	Council provides a museum service which reflects Community needs	Community satisfaction with the Museum	Not applicable (For 2023/22 User satisfaction	>77% user satisfaction	Not applicable	Not applicable	> 77% user satisfaction	Three yearly community survey

²⁸ The New Zealand Benchmark is provided by SIL Research, Council has selected this target to ensure Council is meeting the New Zealand Benchmark as a minimum standard.

²⁹ The target is based on maintaining community engagement with the number of people visiting the library each year.

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.		(based on user satisfaction) ³⁰	77%, Target = 62%.					
	Quantity Indicators							
	Council provides a museum service which reflects Community needs	Number of exhibitions held	6	6	6	6	6	Exhibition Programme
		Number of objects processed	234	200	200	200	200	Vernon database records
Swimming Pools								
Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity.	Quality Indicators							
	Council provides a swimming pool complex which reflects Community needs	Community satisfaction with Public Swimming Pools (based on user satisfaction) ³¹	Not applicable (For 2023/22 User satisfaction 72%, Target = >93%. The National Benchmark 69%)	Equal to or above NZ benchmark	Not applicable	Not applicable	Equal to or above NZ benchmark	Three yearly community survey
	Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Swimming pool water meets water quality standards	Level of compliance with standards	Achieved 97%	Full compliance in 95% of tests	Full compliance in 95% of tests	Full compliance in 95% of tests	Water test results
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Quantity Indicators							
	Council provides a Swimming Pool Complex which is accessible to the Community	Weeks open per year	Achieved Open 49 weeks	At least 48 weeks	At least 48 weeks	At least 48 weeks	At least 48 weeks	Council Booking Records

³⁰ The target is based on the 2023 user satisfaction results provided by SIL Research. Council has selected this target of 77% to ensure Council is at a minimum continuing to meet the 2023 user satisfaction target.

³¹ The New Zealand Benchmark is provided by SIL Research, Council has selected this target to ensure Council is meeting the New Zealand Benchmark as a minimum standard.

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
Public Halls and Facilities								
<p>Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity.</p> <p>Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.</p>	Quality Indicators							
	Council provides public halls and facilities which reflects the community's needs.	User satisfaction with Public Halls	92%	Not applicable	>93% ¹⁸	Not applicable	>93%	Three yearly community survey
		User satisfaction with Public Toilets	95%	Not applicable	>87% ¹⁹	Not applicable	>87%	
	Quantity Indicators							
	All Community Halls and Facilities are available for hire	Number of weeks public halls available for hire	Achieved 52 weeks	Each hall is available for 50 weeks ³²	Each hall is available for 50 weeks	Each hall is available for 50 weeks	Each hall is available for 50 weeks	Council Booking Records
Public toilets are provided in the central business district	Town centre public toilets are open for at least 360 days	Achieved 365 days	Open at least 360 days	Open at least 360 days	Open at least 360 days	Open at least 360 days	Council Records	
Parks and Reserves								
<p>Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity.</p> <p>Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and</p>	Quality Indicators							
	Council provides parks and reserves which meet Community needs	Community satisfaction with Parks and Reserves	93%	Not applicable	>93% ³³	Not applicable	>93%	3 yearly community survey
	Sports field playing surfaces meet requirements of codes for which they are used	Implementation of recommendations of NZ Sports Turf Institute advisory reports.	100%	100%	100%	100%	100%	Advisory Report

³² Each hall is closed for scheduled maintenance for up to two weeks per year.

³³ Average of 2014, 2017 and 2020 Survey Results

Community Outcome	Level of Service	Measure	Current Performance (2023/24)	2025/26	2026/27	2027/28	2028/29 to 2033/34	Data Source
affordable, now and for the future.	Quantity Indicators							
	Bedding displays are attractive and updated to suit the season	Number of bedding displays	2 (1 summer and 1 winter)	2 (1 summer and 1 winter)	Planting Programme			
	Responsiveness Indicators							
	Playground equipment is safe for children to use	Monthly inspections of all playground equipment	11 inspections conducted	12 inspections conducted	12 inspections conducted	12 inspections conducted	12 inspections conducted	Inspection Records
Cemetery								
Council infrastructure and services are accessible, age and disability-friendly, effective, efficient and affordable, now and for the future.	Quality Indicators							
	The Kawerau cemetery meets Community interment needs in the present and the medium term	Community satisfaction with the Cemetery	76%	Not applicable	>78% ²¹	Not applicable	>78%	3 yearly community survey
	Quantity Indicators							
The Kawerau cemetery meets Community interment needs in the present and the medium term	Number of burial plots available	There are enough plots for 10 years	At least enough for the next five years	At least enough for the next five years	At least enough for the next five years	At least enough for the next five years	Council Plot records	

Kawerau District Council: Funding Impact Statement for 2025 – 2034 - Leisure and Recreation

	Annual Plan 2024- 25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of operating funding										
General rates, uniform annual general charges, rates penalties	4,799,880	5,183,600	5,355,810	5,470,430	5,671,100	5,861,850	5,923,330	6,152,240	6,207,670	6,332,180
Targeted rates	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	25,900	920	940	960	980	1,000	1,020	1,040	1,060	1,080
Fees and charges	94,400	96,860	99,320	101,780	103,980	106,100	108,220	110,340	112,460	114,480
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
Total Operating Funding (A)	4,920,180	5,281,380	5,456,070	5,573,170	5,776,060	5,968,950	6,032,570	6,263,620	6,321,190	6,447,740
Applications of operating funding										
Payments to staff and suppliers	2,824,950	3,071,300	3,137,680	3,201,910	3,315,400	3,376,490	3,441,720	3,583,230	3,568,130	3,656,530
Finance Costs	20,930	19,960	18,840	17,670	16,530	15,560	14,550	13,500	12,400	11,270
Internal charges and overheads applied	1,565,320	1,673,010	1,748,750	1,739,140	1,803,270	1,914,450	1,855,950	1,923,780	1,975,060	1,953,870
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	4,411,200	4,764,270	4,905,270	4,958,720	5,135,200	5,306,500	5,312,220	5,520,510	5,555,590	5,621,670
Surplus (deficit) of operating funding (A - B)	508,980	517,110	550,800	614,450	640,860	662,450	720,350	743,110	765,600	826,070

Funding Impact Statement: Leisure and Recreation (continued)

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	409,420	392,690	409,270	358,710	232,690	264,430	290,320	295,730	308,190	245,290
Increase (decrease) in reserves	99,560	124,420	141,530	255,740	408,170	398,020	430,030	447,380	457,410	580,780
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	508,980	517,110	550,800	614,450	640,860	662,450	720,350	743,110	765,600	826,070
Surplus (deficit) of capital funding (C-D)	(508,980)	(517,110)	(550,800)	(614,450)	(640,860)	(662,450)	(720,350)	(743,110)	(765,600)	(826,070)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0

Breakdown of Capital Expenditure: Leisure and Recreation

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Library and Museum										
- Collection Renewals	77,000	79,090	81,180	83,270	85,140	86,940	88,740	90,540	92,340	94,060
- Office Equipment and Furniture	28,600	10,580	10,850	0	0	0	0	0	0	0
- Building	16,000	63,240	10,720	15,140	13,480	11,340	18,770	11,850	14,830	17,240
Swimming Pool	76,000	111,000	163,410	42,300	11,060	22,710	31,120	64,670	39,400	3,660
Recreation Centre	90,000	7,190	27,380	72,980	7,740	40,750	13,820	8,220	43,900	14,650
Town Hall	2,900	2,980	15,130	3,140	3,210	3,280	16,640	3,420	3,490	3,560
Concert Chambers	14,500	3,900	11,680	20,670	12,270	4,280	17,300	18,050	13,380	9,390
Public Toilets	0	0	0	30,000	0	0	0	0	0	0
Sportsfield Buildings & Amenities	33,600	24,240	24,880	25,520	32,730	26,650	34,120	27,750	28,300	28,830
Passive Reserve Renewals	56,800	58,360	59,920	61,480	62,850	64,180	65,510	66,840	68,170	69,430
Playground Renewals	4,020	32,110	4,120	4,210	4,210	4,300	4,300	4,390	4,380	4,470
Cemetery (Building)	10,000	0	0	0	0	0	0	0	0	0
Total Capital Expenditure	409,420	392,690	409,270	358,710	232,690	264,430	290,320	295,730	308,190	245,290

Council Controlled Organisations

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

Council is a member of two CCOs:

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

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

BOPLASS Ltd

Purpose

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

Ownership and Control

The shareholding Councils of BOPLASS are:

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

Nature and Scope of Activities

To investigate, develop and deliver shared back office services and communications where and when that can be done more effectively for any combinations of some, or all of the councils.

BOPLASS Performance Measures and Targets – 2024 to 2027

Target	Measure
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.	Contracts reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.

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

Toi-EDA

About Toi- EDA

In 2024 Council resolved to cease its financial contributions to Toi EDA (also known as the Eastern Bay of Plenty Regional Economic Development Agency). In the same year Ōpōtiki District Council and Whakatāne District Council also ceased financial contributions.

Council remains a settlor to the Trust Deed establishing Toi EDA alongside the Ōpōtiki, Whakatāne, and Bay of Plenty Regional Councils as well as Te Rūnanga o Ngāti Awa on behalf of the Mataatua Iwi Forum. The Trust Deed remains in place.

The current status is that Toi-EDA is in an operational hiatus.

Formerly, the Council supported the primary objectives of Toi-EDA to make a positive difference to the Eastern Bay of Plenty economy by supporting sustainable business and industry into the region to attract people to work, live and play in the Eastern Bay of Plenty.

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



Pūrongo pūtea **Financial statements**

Significant Forecasting Assumptions 2025 to 2034

Financial estimates form part of the Long Term 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 Local Government Act 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 Local Government Act describes these financial estimates as being based on assumptions that 'involve a high level of uncertainty'.

The Long Term Plan must clearly identify:

- All the significant forecasting assumptions and risks underlying the financial estimates
- The assumptions of the Council concerning the useful lives of significant assets and the sources of funds for future replacement of those 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 must be provided.

The assumptions made in preparing the forecasts are discussed below:

Useful Lives of Significant Assets

The following table lists the estimated economic life of Council's significant assets and will be applied to the planned asset acquisitions in this Plan:

Class	Asset	Life (years)
Operational	Buildings	5-50
	Computers/electronic office equipment	3-5
	Fixtures, fittings and equipment	5-50
	Plant (vehicles)	5
	Library lending matter (excluding special collections)	7
	Special Collections	Not depreciated
Infrastructural	Transport Management:	
	Street lighting	5-47
	Kerb, channel and footpath	5-100
	Bridges and Culverts	18-80
	Pavement surface	3-19
	Pavement structure	5-80
	Stormwater	5-100
	Water Supply:	
	Collection and storage	2-80
	Local distribution	5-80
	Wastewater:	
	Reticulation system	5-80
	Pumping and treatment	5-80
	Restricted	Buildings and Other	6-25

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

Risk: Useful lives of assets are greater (or less) than the estimate

Likelihood: Low. Asset management plans are in place for significant assets, with the assets condition monitored and assets well maintained.

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

Sources of Funds for Future Replacement of Significant Assets

Council had fully funded depreciation on all its significant assets (being roading, water and wastewater infrastructure and networks), up until 30 June 2023. From 1 July 2023, following consultation with the community Council reduced the level of depreciation funding, as a mechanism to reduce the significant rates increase, due to the high inflationary impacts. This reduced funding of depreciation (to 65% of depreciation expense) was a temporary approach, with the intention for Council to gradually return to fully funding depreciation on significant assets. The depreciation funds are put into reserves and used for the replacement of significant assets.

However, some buildings are considered non-strategic, and the depreciation is not funded, mostly because the level of utilisation is significantly below the buildings' capacity. As a result, it is unlikely these buildings would be replaced in their present form. Also, their replacement may be by rented accommodation or by buildings funded by way of loans and/or grants. The advantage of not funding depreciation on these buildings is that the community is not rated for depreciation on assets that are unlikely to be replaced with buildings of equivalent value.

Buildings that are unlikely to be replaced in their present form and therefore their depreciation is not funded, include: Council Buildings (including Town Hall, Concert Chamber, Library/Museum and Offices), Tarawera Park Amenity Building, Recreation Centre, Swimming Pool, Depot and Pensioner Houses.

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

Risk: That the community wants the non-strategic assets renewed in their present form and there are no other funding sources available for their renewal

Likelihood: Medium

Impact: Minimal. That Council will need to raise loans to fund the renewals to these non-strategic buildings

Revaluation of Non-current Assets

Council is required per accounting policies that Infrastructural assets (including land and buildings) are revalued on a three-yearly basis. The last revaluation was as at 30 June 2022. Under the current policy, revaluations will occur as at 30 June in the years 2025, 2028, 2031 and 2034.

The effect of the revaluations has been estimated using the forecasts of price level change adjustors prepared by Business and Economic Research Limited (BERL) from the latest revaluation per the Annual Report to 30 June 2022. At the time of preparing the Long Term Plan no new revaluation figures were available.

Risk: That the actual revaluation and the consequential depreciation expense is materially different to the Long Term Plan projections.

Likelihood: Medium

Impact: Low. Council will amend the depreciation budgets accordingly in the preparation of each Annual Plan to reflect any increases in depreciation following the revaluations.

Projected Growth Change Factors (population and development)

The census in 2023 put Kawerau's population at 7,610, a 2% increase (2018 census 7,460). Further population projections provided by Statistics New Zealand indicate Kawerau's projected population in 2033 will be between 8,000 – 8,500. Previous projections had the population declining after a couple of years of small growth. However, due to a number of factors including: the impact of COVID-19, increased cost of housing in other centres, more job opportunities (in the wider area) and ongoing economic development initiatives, the population is projected to continue to have a small rise for at least the next 12 years.

Council remains optimistic of the future growth potential within the district. The recent Local Government Commission's decision to approve a boundary reorganisation has unlocked new land for industrial development, a Council housing development project progresses positively, new industrial investment enquiries continue and all boost confidence for growth and increasing the rating base.

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

The existing infrastructural network has capacity for a District population of at least 10,000. Growth is monitored to determine any potential additional demand on infrastructural services. It is not anticipated that the current

level of service will change over the period of the 2025 - 2034 Long Term Plan.

Risk: That the population projections are not correct

Likelihood: Medium

Impact: Minimal. There is sufficient capacity in the infrastructure to cope with a much higher population than current.

Table: Population of Kawerau District *

Year	Population
2022	7,760
2026	8,266
2028	8,370
2033	8,630
2038	8,760
2043	8,900
2048	8,960
2053	8,971

* Source for 2024 onwards – Population Forecast – MR Cagney BOP Housing needs research – 'Medium' assessed projections have been used.

Inflation

The forecasts in this Plan have been adjusted for inflation using projections of price level change adjustors specifically for local government by Business and Economic Research Limited (BERL) and are listed in the table below.

Table: Inflation adjusters: Percent change per annum

Year ending	Roading	Property	Water	Energy	Staff	Other
June 2026	3.0%	3.0%	5.6%	5.6%	3.5%	2.7%
June 2027	3.0%	2.9%	5.4%	5.4%	3.3%	2.6%
June 2028	3.0%	2.7%	4.9%	4.9%	2.8%	2.6%
June 2029	2.8%	2.4%	4.6%	4.6%	2.6%	2.2%
June 2030	2.7%	2.4%	4.3%	4.3%	2.4%	2.1%
June 2031	2.4%	2.2%	3.3%	3.3%	2.2%	2.1%
June 2032	2.4%	2.2%	3.0%	3.0%	2.1%	2.0%
June 2033	2.4%	2.1%	2.4%	2.4%	2.0%	2.0%
June 2034	2.3%	2.1%	2.3%	2.3%	1.9%	1.9%

Source: BERL Oct 2024

Risk: That the actual inflation adjusters are different to what is projected

Likelihood: Medium

Impact: Low. Inflation assumptions are reviewed each year and Council will amend its budgets as part of preparing each annual plan if required to reflect the impact of inflation movements. Council has used data from BERL, a reputable experienced Local Government provider. However, with a changing global economy, it is difficult to judge the inflationary impacts that will occur.

New Zealand Transport Agency (NZTA) Subsidy Rates

NZTA contributes significantly to the costs of maintaining and renewing roads. The assumption has been made that when roads are due for renewal, NZTA will contribute towards the cost on the currently agreed rates.

The agreed subsidy rates are:

Financial Assistance Rate	%
1 July 2025 to 30 June 2026	75%
1 July 2026 to 30 June 2027	75%

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

Table: Budgeted land transport

2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
585,300	596,568	765,310	792,300	820,340	1,038,695	1,067,480	1,097,275	1,338,948

Risk: Reduction in subsidy rate

Likelihood: Low for the next two years as (recently reviewed by NZTA). Thereafter the risk is considered moderate, as dependent on the funds that will be available.

Impact: See table below

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

The following table shows the impact to revenue if there is a 5% change in the subsidy rates:

2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
40,580	40,580	74,096	75,926	77,833	83,378	85,348	87,385	93,199

Council would continue the existing level of service if the subsidy rate was reduced by up to 5%. The shortfall would be funded from rates, which would add up to a further 0.3% increase to Council's rates for 2025/26.

If NZTA stopped subsidising roading entirely, Council would need to consult with the community about different service levels and the costs of maintaining roads at those different levels. If the projected subsidy for 2025/26 had to be funded from rates, this would add a further 4.2% to total rates and up to 7.2% in 2033/34. Council considers this to be unlikely.

New Zealand Transport Agency (NZTA) Funding for Stormwater

NZTA up until 30 June 2024 contributed towards the cost of stormwater operating and capital costs, on the basis that this activity is solely to address stormwater that comes from the roads and also impacts the roading network. From 1 July 2024 onwards NZTA will no longer subsidise capital expenditure for stormwater, however NZTA will continue to provide subsidy on operational expenditure at the same subsidy rate as roading of 75%. This funding is confirmed for the three year period to 30 June 2027.

The assumption has been made for the Long Term Plan that NZTA will continue to fund the operational costs at the same rate of 75%.

For the purposes of providing estimates, this subsidy rate has been used.

The budgeted stormwater subsidies for the period of this plan are outlined in the table below:

2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/23	2033/34
31,500	32,080	24,320	24,980	25,650	26,270	26,900	27,550	28,170

Risk: NZTA will cease providing subsidy for stormwater costs

Likelihood: Low for next two years, medium for long term as NZTA will review for the period 1 July 2027 onwards.

Impact: If NZTA remove the subsidy from 1 July 2027 onwards, Council would consult with the community regarding rating for this additional cost. The cost on rates equates to 0.1% so not a significant impact.

Expected Interest Rates on Borrowing

During the period of the Long Term Plan Council anticipates it will raise \$6 million in additional external loans (\$6 million as at 30 June 2025) for water pipe renewals and has included the cost of this borrowing in the estimates.

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

- The term will be determined after considering the useful life of the new capital project and the availability of reserve funds over the anticipated term of the internal loan.
- Principal amounts are repaid in monthly instalments. 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 Long Term Plan or Annual Plan

It is anticipated that external borrowing will be done through Local Government Funding Agency (LGFA), and internal borrowing will be from Council's depreciation reserves. The expected interest rates on internal borrowing is forecasted interest rates for investments and the interest rate for external borrowing is the rate which LGFA is currently lending funds. The table below shows the respective interest rates:

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Interest rate (external)	6.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Borrowing (\$)	8,000,000	10,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000

Risk: Change in rate

Likelihood: Medium

Impact: See table below

Sensitivity in interest expense to a 1% change in interest rates (external)

2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
80,000	100,000	100,000	120,000	120,000	120,000	120,000	120,000	120,000

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

Climate Change and Natural Disasters

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

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

- drought potential is projected to increase across the Bay of Plenty.
- annual mean wind speed is projected to slightly decrease in the Bay of Plenty, but there is a mixed direction of change for different seasons.

These projections aren’t dissimilar to the climate change data that international and national bodies have produced since the previous LTP. Council considers how the latest climate change data and projections may affect the integrity of the LTP; the services council has to carry out, and Kawerau district in the future.

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

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

Risk: There is a risk that the predictions on climate change as provided by the International Panel on Climate Change and the MfE are over or underestimated. There is also a risk the impacts of climate change for Council activities will be more significant than planned for. It is unlikely the risk will be lower than planned for.

Likelihood: Moderate

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

Council for 2024/25 budgeted and incurred capital works expenditure to determine engineering works required for the high water table levels in Hardie Ave, which are impacting roading infrastructure. This is the first

capital works that could be attributed to the change in weather events, due to the high water table levels. Where there is particular concern for immediate remediation work with regards to Climate Change these will be identified and work planned. However, at this stage there are no immediate plans, other than the Hardie Ave project which is underway. It is likely that any additional operating and capital expenditure will possibly be required outside the nine year life of this plan. As Climate Change is likely to be gradual, the impacts will be longer term than the current plan. We will need to balance the needs and expectations of our community, so it is able to finance the forecast costs for addressing climate change.

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

Insurance

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

Risk: That an extreme weather event causes significant damage.

Likelihood: Medium

Impact: Could be significant. Council has put in place all reasonable mitigations to reduce the impact of natural disasters.

Societal Changes

It is acknowledged that there will be some minor societal changes over the period of the Long Term Plan. As with the rest of the country the district's population will be getting progressively older and more people will be receiving some form of government benefit. However, Council has assumed that there will not be a significant change to the makeup of the

district's population over the period of the Plan and therefore has not made any provision for additional (or reduced) services.

Risk: That there will be a significant change in the societal makeup of the district requiring different Council services.

Likelihood: Low

Impact: Minimal. Most of the current council services will still be required even if there was a significant societal change.

Resource Consents

During the period of the Long Term Plan 2025 – 2034, Council will be renewing the resource consents that it holds for: disposing of waste onto land (Rapid Infiltration Basins), taking water for the purpose of providing drinking water to residents, taking water from the Tarawera River to irrigate sports fields, taking water from the Ruruanga Stream for the irrigation of sports fields and taking and discharging geothermal steam into the Ruruanga Stream for heating the swimming pool.

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

Risk: Resource consents may not be granted or require additional conditions to be met, which will increase the associated costs.

Likelihood: Low

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

Emissions Trading Scheme (ETS)

Council does not own forestry and does not participate in the emissions trading scheme. Council does not operate a landfill, as this was closed in 2006. While Council does have an on-going liability for the maintenance and monitoring of the closed landfill, there are no Emission Trading Scheme cost implications which Council needs to recognise. Council pays an Emissions Trading Scheme fee for the disposal of its waste at Tirohia which is included in the estimates for solid waste disposal.

Risk: That there will be future emissions costs for Council

Likelihood: Low

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

External Funding Assumptions

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

Risk: That budgeted external funds are not received.

Likelihood: Medium

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

Significant Ratepayers

There are large Industrial ratepayers within the Kawerau District, who contribute significantly to the total rates of Council. Council has assumed for the purposes of preparing the Long Term Plan that all large Industrial ratepayers will continue to operate over the period of the Long Term Plan and their values will not change significantly relative to other property values.

Risk: That one or more significant ratepayers closes.

Likelihood: Medium

Impact: Council would need to consider the impact to other ratepayers and whether to reduce services.

Council Collaboration

Council is a shareholder in Bay of Plenty Local Authority Shared Services (BOPLASS). BOPLASS has managed to achieve a number of significant savings for members through collaborative procurement projects including insurance, printing and copying, telecommunications, courier service costs and others. Council has included the lower cost estimates in the Long Term Plan that have resulted from these procurement projects as it is anticipated that these cost savings will continue when new contracts are negotiated.

Risk: That cost savings previously achieved do not continue.

Likelihood: Low

Impact: There would be additional costs for these shared services, but these are not a large portion of Council's total costs.

Quality of Asset Data

Council has been undertaking water reticulation renewals which has provided quality data on the quality and life of the new assets. This renewals project is to continue for the next four years.

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

Risk: That the asset data is incorrect, and the consequential planned renewals are not correct.

Likelihood: High - Council has only undertaken minimal samples of pipes to date but further investigations are planned.

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

Capital expenditure delivery

The nine-year budget has been developed based on the best available information on the likely timing of capital projects and programmes. The completion of capital projects is impacted by the availability of contractors, as capital works are completed by external contractors. In recent years the impact of Covid19, with increasing costs, materials availability and staffing shortages all contributed to a reduction in the level of capital projects delivered by Council. For the 2023/24 financial year Council completed 73% of major capital projects (prior years comparative 2022/23 = 41%,

2021/22 = 50% and 2020/21 = 86%), which is a return to the expected levels of capital expenditure delivery.

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

Likelihood: Medium

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

Local Government Reforms (excluding three water reforms)

The Government has signalled that as well as the Local Water Done Well reforms, it will also be undertaking a comprehensive review of Local Government, including the priority of getting back to basics, so there could be potential changes. The review into the Future of Local Governments also proposed recommendations that the Government is yet to consider.

There are no definitive statements concerning these reforms, other than the Local Water Done Well. The Long Term Plan has been prepared on the basis that existing services and activities will continue to be provided by Council (business as usual), due to the uncertainties of any of the potential legislative changes. The changes regarding the Local Water Done Well reforms are detailed in a separate point below. Any future changes to legislation will be incorporated into Council's operations as and when required.

- Risk:** Local Government reforms result in Council providing reduced/different activities which could require changes in resources and costs.
- Likelihood:** Low in terms of any immediate impact, as any changes would take some time and consultation before being implemented, except for the Local Water Done Well reforms which are discussed separately below.
- Impact:** Any impact to Council will depend on the extent of legislative change brought about by these reforms. At this time, it is difficult to speculate what these impacts might be. Council will seek to comply with all legislation prudently and for the community's best interest.

Local Water Done Well Reforms

The Government has introduced the new Local Water Done Well legislation. The new Water Services Preliminary Arrangement Act requires Council to develop a Water Service Delivery Plan (WSDP) for Kawerau's delivery of water, wastewater and stormwater activities. Council is in the process of completing the WSDP, which is due for completion by early September 2025, which is following the adoption of this Long Term Plan.

The Long Term Plan anticipates that Council will continue to own and maintain all water, wastewater and stormwater (3 Waters) infrastructure assets and will deliver these services and essentially continue business as usual. However, the business structure that delivers these services may change for the next Long Term Plan being 2027 to 2037, whereby the structure of delivery may be via an in-house business unit or a regional Council Controlled Organisation (CCO).

The Local Water Done Well legislation also introduces the requirement of an Economic Regulator with pricing and possibly new water quality standards that will be monitored by the Commerce Commission. The

requirements of the Economic Regulator are still unknown; therefore, this assumption has a high level of uncertainty.

Council has no control over the legislative changes the Government is making with regards to delivery of three waters; however, Council will ensure compliance with all requirements, with the priority of delivery of these essential services to the community. The full extent and scale of the changes are still unknown; therefore, it is difficult to determine and quantify the financial impacts on Council's operational expenditure, revenue, capital expenditure or debt levels.

Risk: The Local Water Done Well reforms may significantly change the way the three waters services are delivered and funded, with the potential that this change could result in significant funding and resourcing implications for the rest of the Council.

Likelihood: High

Impact: As at 30 June 2024 the Annual rates revenue collected to maintain and renew the Water \$1.4m, Wastewater \$1.68m and Stormwater \$67k. The carrying value of Council's three waters assets as at 30 June 2024 was Water \$15.96m, Wastewater \$14.33m and Stormwater \$5.97m.

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

Possible Impact of Future Legislative Reforms

There are currently a number of legislative reviews underway, including the Resource Management Act, Building Act, Civil Defence Emergency Management Act and Health and Safety Act. As these legislative reviews are still underway, there are no specific details of the impacts and changes they may have on the delivery of Council's services.

There are no definitive statements concerning these possible legislative changes, other than the Local Water Done Well. The Long Term Plan has been prepared on the basis that existing services and activities will continue to be provided by Council (business as usual), due to the uncertainties of any of the potential legislative changes. Any future changes to legislation will be incorporated into Council's operations as and when required.

Risk: That there are significant changes to the legislation that will cause Council to incur additional costs.

Likelihood: High as there are a significant number of legislative reviews underway. However, low impact for the immediate Long Term Plan for years 1 to 3, as legislative changes take time to process.

Impact: Any impact to Council will depend on the extent of legislative changes brought about by the legislation reviews. At this time, it is difficult to speculate what these impacts might be. Council will seek to comply with all legislation prudently and for the community's best interest.

Statement of Responsibility and Cautionary Note

Cautionary Note

The forecast financial statements in this Plan are prepared on the basis of best-estimate assumptions as at 25 June 2025 of the future events Council expects to take place. Council is responsible for the prospective financial statements presented, including appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

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

Estimates

Opening balances in the statement of financial position are based on the figures as at 30 June 2024 and adjusted for anticipated movements for 2024/25.

Authorisation for Issue

This document was adopted and authorised for issue by Council and is dated 25 June 2025.

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

Prospective Statement of Accounting Policies

Reporting Entity

Kawerau District Council is a local authority under the Local Government Act 2002. It designates itself as a Public Benefit Entity with the primary objective of providing goods and services for the benefit of the Kawerau Community rather than for financial return. The purpose of prospective financial statements in this Plan is to provide readers with information about:

- The core services Council intends to provide
- The expected cost of those services, and
- How much Council requires by way of rates to fund the intended levels of service.

The prospective financial statement of Kawerau District Council are for the years 1 July 2025 to 30 June 2034.

Statement of Compliance and Basis of Preparation

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

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

have been prepared in accordance with the reduced disclosure regime of tier 2 public benefit entities, as Council:

- Has total expenses of less than \$33 million per year and
- Has neither debt or equity instruments nor holds assets in a fiduciary duty for a broad group of outsiders.

Measurement Basis

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of land and building, certain infrastructural assets, and financial instruments.

The prospective financial statements are presented in New Zealand dollars, which is the functional currency of Council.

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

Estimates and assumptions are subject to ongoing review and any revisions to the accounting estimates reflected in the period of the revision and any future period(s) that are affected. Actual results may vary from the estimates.

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

Revenue

Revenue is measured at the fair value of consideration received or receivable.

The accounting policies for significant revenue items are explained as follows:

Rates revenue

Rates are set annually by Council resolution and rates revenue (excluding water-by-meter) are recognised at the start of the financial year to which the resolution applies. Rates are recognised at amounts due. Council does not treat any interest revenue generated from payment by instalments as sufficient to discount the amount of rates receivable.

Water meters are read, and the usage billed, on the last day of each quarter. Unbilled usage at year end is accrued based on the actual reading at 30 June.

Rates arising from late payment penalties are recognised as revenue when rates become overdue. Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rate remission policy.

Government Grants and Subsidies

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

Other Grants Revenue

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

Interest Revenue

Interest is recognised as revenue using the effective interest method.

Other Revenue

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.

Vested Assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is also obtained.

Dividends are recognised when the right to receive payment has been established

Amenity Fees

The Occupation Right Agreement (ORA) conferring the right to occupancy are considered leases under PBE IPSAS 13 – Leases. The amenities fee is calculated as a percentage of the ORA amount and accrues monthly, for a set period, based on the terms of the individual contracts and treated as lease income over the period. The current Disclosure Statement and

ORA accrues amenity fees at the rate of 3% per annum for a maximum of 10 years.

The amenities fee is recognised on a straight-line basis in the Statement of Comprehensive Revenue and Expense over the average expected length of stay of residents.

The amenities fee is payable by the resident at the time of repayment (to the resident) of the refundable ORA amount due. At year end, the amenities fee receivable that has yet to be recognised in the Statement of Comprehensive Revenue and Expense as amenities fee revenue is recognised as deferred amenities fee on the Statement of Financial Position.

The timing of the recognition of amenities fee is a critical accounting estimate and judgement. The management fee is recognised on a straight-line bases in the Statement of Comprehensive Revenue and Expenditure over the average expected length of stay of residents is 10 years.

There is uncertainty regarding how long resident stays, as they have complete autonomy to terminate their ORA when and for such reasons as they see fit.

Borrowing Costs

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

Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets specified criteria. These are recognised as expenditure when an application meeting the grant criteria is received.

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

Support Activity Costs

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

Leases

Finance leases

A finance lease is a lease which substantially transfers to the lessee all risks and rewards incidental to ownership of an asset, regardless of whether title is eventually transferred. On entering a lease, Council recognises finance leases in the Statement of Financial Position as assets and liabilities. Lease value is put at the lower of either the fair value of the asset or the current minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The value of a leased asset is depreciated over its useful life. If there is no certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term or its useful life.

Operating leases

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

Cash and Cash Equivalents

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

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

Receivables

Short-term receivables are recorded at the amount due, less an allowance for Expected Credit Losses (ECL). The Council applies the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been assessed on a collective basis as they possess shared credit risk characteristics. A provision matrix is used to establish the expected credit losses, which is based on the days past due date and those debts that have been referred to a Debt Collection Agency.

Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding rates debts, which assist in the high likelihood of recovering rates.

Inventories

Council currently holds two categories of inventory. These are:

- Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis, are measured at the lower of cost and current replacement cost.

- Residential sections which are available for sale. Council has developed residential sections which are currently held for sale and are measured at the lower of cost or net realisable value in accordance with PBE IPSAS 12

The cost of purchased inventory is determined using the FIFO method.

When land is held for development and future resale is transferred from investment property/property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost. Costs directly attributable to the developed land are capitalised to inventory with the exception of infrastructural asset costs, which are capitalised to property, plant and equipment.

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

The write down from cost to current replacement cost is recognised in the surplus or deficit in the period of the write-down.

Financial Assets

Council classifies its financial assets into the following categories; loans and receivables and financial assets at fair value through other comprehensive revenue and expense. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of investments are recognised on trade-date, the date on which KDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the KDC has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. The quoted market price used is the current bid price.

The categories of financial assets are:

1. Loans and receivables: These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the balance date which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Financial assets in this category include cash, cash equivalents, short term deposits (maturities 4 – 12 months) and debtors

2. Fair value through other comprehensive revenue and expense: Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within twelve months of balance date.

This category encompasses:

- Investments that Kawerau District Council intends to hold long-term, but which may be realised before maturity.
- Shareholdings that it holds for strategic purposes.

These investments are measured at their fair value with gains and losses recognised in other comprehensive revenue and expense except for impairment losses, which are recognised in the surplus or deficit. On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Currently, Council has shares in BOPLASS Ltd and Local Government Insurance Corporation (Civic Assurance) which are recorded at cost.

Borrowers Notes

Borrowers notes are subordinated convertible debt instruments that Council is required to subscribe to when borrowing the Local Government Funding Agency (LGFA), which is at a rate of 2.5% of the amount borrowed. LGFA will redeem borrowers notes when Council's related borrowings are repaid or no longer owed to LGFA.

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 surplus or deficit.

Loans and receivables and held-to-maturity investments

Impairment is established when there is evidence that Council will not be able to collect amounts according to the original terms of the receivable. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cashflows discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible it is written off against the allowance amount. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Impairment in term deposits, local authority stock, government bonds and community loans are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measures as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and

expense is reclassified from equity to the surplus or deficit. Equity instrument impairment losses recognised in the surplus or deficit, are not reversed through the surplus or deficit.

Impairment of Property, Plant and Equipment and Intangible 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

Intangible 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 at balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated.

The impairment amount is the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the Council would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the surplus or deficit.

Property, Plant and Equipment

Operational assets

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

Infrastructure assets

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

Restricted assets

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

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

Additions

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

Work in progress is recognised at cost, less impairment and is not depreciated. Property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost (non-exchange transaction), 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 surplus or deficit.

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 the cost of the item can be measured reliably, and it is probable that Council will receive economic benefits or service potential from the item in the future.

Depreciation of Property, Plant and Equipment

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

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

Table: Depreciation of property, plant and equipment

Asset	Estimated useful life (years)	Depreciation Rate %	Method
Operational:			
Buildings	5-50	2.0-20.0	SL
Computers/electronics office equipment	3-15	6.7-33.3	SL
Fixtures, fittings and equipment	5-50	2- 20.0	DV
Plant – including vehicles	5	20.0	DV
Library collections (excludes special collections)	7	15.0	DV
Special Collections	Not depreciated		
Infrastructural:			
Transport Management:-			
- Street lighting	5-47	2.13 – 20.0	SL
- Kerb, channel and footpath	5-100	1.0 - 20.0	SL
- Bridges and culverts	18-80	1.25 – 5.3	SL
- Pavement surface	3-19	5.26 – 33.3	SL
- Pavement structure	5-80	1.25–20.0	SL

Asset	Estimated useful life (years)	Depreciation Rate %	Method
- Stormwater	5-100	1.0 - 20.0	SL
Water Systems:-			
- Collection and storage	2- 80	1.25- 50.0	SL
- Local distribution	5 – 80	1.25- 20.0	SL
Wastewater System:-			
- Reticulation system	5-80	1.25 - 20.0	SL
- Pumping and treatment	5-80	1.25 – 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 infrastructure assets are revalued every three years. The next revaluation is due on 30 June 2025. The asset classes that are revalued are valued on the bases described below. All other asset classes are carried at depreciated historical cost.

Operational land and buildings

Operational land and buildings are reported at fair value as determined from market-based evidence from an independent valuer. These are due to be revalued at 30 June 2025.

Infrastructural assets

Infrastructural assets are reported at fair value, determined on a depreciated replacement costs basis by an independent valuer. The next valuation is 30 June 2025.

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

Restricted land and buildings

Restricted land and buildings are recorded at fair value as determined from market-based evidence by an independent valuer. The next valuation will be as at 30 June 2025.

Land under roads

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

Library collections

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

Accounting for revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Revenue and Expense. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expense will be recognised first up to the amount previously expensed, then credited to the revaluation reserve for that class of asset.

Intangible Assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by Council, are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

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

Payables

Short-term creditors and other payables are recorded at face value.

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.

The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- The present value of the estimated future cash flows. A discount rate of 3.0%, and an inflation factor of 2.0% were used.
- The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation Schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense the statement of comprehensive revenue and expense as incurred.

Retirement Village – Residents Liability

Refundable Occupation Right Agreements

Occupation right agreements (ORA) conferring the right to occupancy are considered leases under PBE IPSAS 13 – Leases. A new resident is charged a refundable security deposit on being issued the right to occupy which is refunded to the resident on termination, after the subtraction of the capital deduction. The Operator (Council) has a legal right to set off any amounts owing to the Operator by a resident against that resident's deposit, including amenities fee, loans receivable, service fees and village fees. As the agreement can be cancelled by the resident with one month's notice, the liability is considered to have a demand feature and is therefore shown at face value and classified in full as a current liability.

The right of residents to occupy the properties of the Operator (Council) are protected by the Statutory Supervisor restricting the ability of the Operator to fully control these assets without undergoing a consultation process with all affected parties. Residents do not have a right to participate in capital gains.

Provisions

Council recognises a provision for future expenditure of an uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event
- it is probable that expenditure will be required to settle the obligation and
- a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are estimated at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the obligation. Any increase in the value of the provision over time is recognised as an interest expense and is included in finance costs.

Landfill

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

Financial guarantee

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

Borrowings

Borrowings are initially recognised at fair value and then measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

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:

- Accumulated funds
- Restricted and Council created reserves
- Asset revaluation reserves

Restricted and Council created reserves

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.

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.

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

Property Revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

Goods and Services Tax (GST)

All items in the financial statements except receivables and payables are stated exclusive of GST. Receivables and payables are GST-inclusive. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

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

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

Estimates and Assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the Long Term Plan are discussed in the Significant Forecasting Assumptions.

Prospective Statement of Comprehensive Revenue and Expense 2025-2034

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Revenue										
Rates	14,583,750	15,811,210	16,228,060	17,019,050	17,675,320	18,197,170	18,687,400	19,268,150	19,559,990	20,255,330
Subsidies and Grants	4,852,850	3,473,480	1,246,110	979,870	1,011,790	1,044,600	1,267,680	1,301,190	1,335,740	1,581,960
Interest Revenue	52,000	85,500	87,410	81,490	75,790	40,610	23,530	45,520	68,040	110,170
Fees and Charges	2,200,180	2,275,830	2,287,110	2,350,050	2,433,820	2,453,830	2,502,450	2,581,860	2,601,190	2,648,070
Other Revenue	640,500	1,462,960	3,294,980	2,493,580	1,425,540	2,151,170	2,819,830	1,908,940	2,710,670	378,360
Total Revenue	22,329,280	23,108,980	23,143,670	22,924,040	22,622,260	23,887,380	25,300,890	25,105,660	26,275,630	24,973,890
Expenditure										
Personnel Costs	7,335,980	7,792,040	8,051,160	8,276,060	8,493,170	8,696,080	8,884,420	9,072,920	9,254,140	9,428,180
Depreciation and amortisation	4,338,620	4,634,610	4,708,210	5,151,290	5,212,150	5,246,110	5,648,870	5,680,700	5,714,320	6,088,150
Finance Costs	350,000	460,500	499,000	607,310	666,800	665,900	664,200	662,700	663,000	667,000
Other Expenses	7,770,210	9,032,370	11,311,000	9,751,850	9,157,400	9,675,710	9,966,110	9,907,010	10,347,550	9,706,640
Total Expenditure	19,794,810	21,919,520	24,569,370	23,786,510	23,529,520	24,283,800	25,163,600	25,323,330	25,979,010	25,889,970
Surplus/(Deficit)	2,534,470	1,189,460	(1,425,700)	(862,470)	(907,260)	(396,420)	137,290	(217,670)	296,620	(916,080)
Other Comprehensive Revenue and Expense	0	0	0	0	0	0	0	0	0	0
Gain on Asset Revaluations	16,391,970	0	0	15,467,550	0	0	13,773,550	0	0	11,044,400
Total Comprehensive Revenue and Expense	18,926,440	1,189,460	(1,425,700)	14,605,080	(907,260)	(396,420)	13,910,840	(217,670)	296,620	10,128,320

Prospective Statement of Changes in Equity 2025-2034

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Total Equity										
Opening Balance*	107,175,610	120,602,030	121,791,490	120,365,790	134,970,870	134,063,610	133,667,190	147,578,030	147,360,360	147,656,980
Total Comprehensive Income	18,926,440	1,189,460	(1,425,700)	14,605,080	(907,260)	(396,420)	13,910,840	(217,670)	296,620	10,128,320
Closing Balance	126,102,050	121,791,490	120,365,790	134,970,870	134,063,610	133,667,190	147,578,030	147,360,360	147,656,980	157,785,300
<i>Made up of:</i>										
Retained Earnings										
Opening Balance*	43,375,700	40,420,575	40,395,342	41,783,422	41,199,867	42,803,814	41,240,528	40,298,132	38,536,046	36,742,171
Total Comprehensive Income	2,534,470	1,189,460	(1,425,700)	(862,470)	(907,260)	(396,420)	137,290	(217,670)	296,620	(916,080)
Movements in Depreciation Reserve	10,100	(1,214,693)	2,813,780	278,915	2,511,207	(1,166,866)	(1,079,686)	(1,544,416)	(2,090,495)	(1,231,093)
Closing Balance	45,920,270	40,395,342	41,783,422	41,199,867	42,803,814	41,240,528	40,298,132	38,536,046	36,742,171	34,594,998
Asset Revaluation Reserve										
Opening Balance	62,100,830	78,492,800	78,492,800	78,492,800	93,960,350	93,960,350	93,960,350	107,733,900	107,733,900	107,733,900
Asset Revaluation	16,391,970	0	0	15,467,550	0	0	13,773,550	0	0	11,044,400
Closing Balance	78,492,800	78,492,800	78,492,800	93,960,350	93,960,350	93,960,350	107,733,900	107,733,900	107,733,900	118,778,300
Depreciation Reserve										
Opening Balance*	1,699,080	1,688,655	2,903,348	89,568	(189,347)	(2,700,554)	(1,533,688)	(454,002)	1,090,414	3,180,909
Movements	(10,100)	1,214,693	(2,813,780)	(278,915)	(2,511,207)	1,166,866	1,079,686	1,544,416	2,090,495	1,231,093
Closing Balance	1,688,980	2,903,348	89,568	(189,347)	(2,700,554)	(1,533,688)	(454,002)	1,090,414	3,180,909	4,412,002

*Revised figure based on anticipated balance at 30 June 2025.

Prospective Statement of Financial Position as at 30 June for 9 years to 2034

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
ASSETS										
Current Assets										
Cash & Cash Equivalents	3,482,150	3,117,720	3,197,425	3,550,715	300,937	1,977,640	2,522,145	4,337,908	7,482,641	8,724,537
Trade & Other Receivables	2,477,970	2,564,490	2,568,340	2,543,970	2,510,480	2,650,870	2,807,740	2,786,070	2,915,910	2,771,450
Inventories	8,742,360	5,211,290	3,322,199	2,086,521	2,817,330	2,096,203	2,339,253	2,273,393	1,455,102	1,435,110
Other Financial Assets	0	0	0	0	0	0	0	0	0	0
Total Current Assets	14,702,480	10,893,500	9,087,964	8,181,206	5,628,747	6,724,713	7,669,138	9,397,371	11,853,653	12,931,097
Non-Current Assets										
Property, Plant and Equipment	129,915,267	131,674,677	134,736,477	151,220,777	152,440,137	150,990,787	163,868,497	161,684,437	159,514,777	168,152,787
Intangible Assets	106,430	112,500	118,620	124,900	131,000	136,770	142,540	148,430	154,440	160,440
Investments in CCOs	286,250	386,250	486,250	586,250	586,250	586,250	586,250	586,250	586,250	586,250
Total Non-Current Assets	130,307,947	132,173,427	135,341,347	151,931,927	153,157,387	151,713,807	164,597,287	162,419,117	160,255,467	168,899,477
Total Assets	145,010,427	143,066,927	144,429,311	160,113,133	158,786,134	158,438,520	172,266,425	171,816,488	172,109,120	181,830,574

Prospective Statement of Financial Position (cont'd)

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
LIABILITIES										
Current Liabilities										
Trade & Other Payables	3,442,727	4,029,580	5,046,150	4,352,961	4,082,510	4,313,750	4,443,297	4,416,934	4,618,711	4,348,189
Provisions	10,000									
Employee Benefit Liabilities	919,050	976,180	1,008,650	1,036,820	1,064,020	1,089,440	1,113,040	1,136,650	1,159,350	1,181,160
Residents Liabilities	8,245,000	7,997,650	7,757,721	7,524,989	7,299,239	7,080,262	6,867,854	6,661,819	6,461,964	6,268,105
Loans / Finance Leases	17,800	17,800	17,800	15,410	20,650	20,650	20,650	20,650	15,410	0
Total Current Liabilities	12,634,577	13,021,210	13,830,321	12,930,180	12,466,419	12,504,102	12,444,841	12,236,053	12,255,435	11,797,454
Non-Current Liabilities										
Provisions/Deferred Revenue	142,080	136,397	130,941	125,703	120,675	115,848	111,214	106,766	102,495	98,395
Employee Benefit Liabilities	62,910	66,820	69,050	70,970	72,840	74,580	76,190	77,810	79,360	80,850
Loans /Finance Leases	6,068,810	8,051,010	10,033,210	12,015,410	12,062,590	12,076,800	12,056,150	12,035,500	12,014,850	12,068,575
Total Non-Current Liabilities	6,273,800	8,254,227	10,233,201	12,212,083	12,256,105	12,267,228	12,243,554	12,220,076	12,196,705	12,247,820
Total Liabilities	18,908,377	21,275,437	24,063,521	25,142,263	24,722,524	24,771,330	24,688,395	24,456,128	24,452,140	24,045,274
Net Assets	126,102,050	121,791,490	120,365,790	134,970,870	134,063,610	133,667,190	147,578,030	147,360,360	147,656,980	157,785,300
RATEPAYER EQUITY										
Retained Earnings	45,920,270	40,395,342	41,783,422	41,199,867	42,803,814	41,240,528	40,298,132	38,536,046	36,742,171	34,594,998
Reserves	80,181,780	81,396,148	78,582,368	93,771,003	91,259,796	92,426,662	107,279,898	108,824,314	110,914,809	123,190,302
Total Ratepayer Equity	126,102,050	121,791,490	120,365,790	134,970,870	134,063,610	133,667,190	147,578,030	147,360,360	147,656,980	157,785,300

Prospective Statement of Cash Flows 2025-2034

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Cash will be provided from										
General Rates	13,078,330	13,997,430	14,203,860	14,586,890	14,724,950	14,524,830	14,306,660	14,234,880	13,487,450	13,275,510
Targeted Rates	1,305,840	1,727,210	2,020,350	2,456,530	2,983,860	3,531,950	4,223,870	5,054,940	5,942,700	7,124,280
Subsidies	4,852,850	3,473,480	1,246,110	979,870	1,011,790	1,044,600	1,267,680	1,301,190	1,335,740	1,581,960
Other Fees & Charges	2,969,740	3,485,757	5,336,705	4,605,661	3,628,582	4,381,196	5,105,238	4,280,316	5,107,735	2,828,471
Interest Income	51,990	85,500	87,410	81,490	75,790	40,610	23,530	45,520	68,040	110,170
Total cash provided	22,258,750	22,769,377	22,894,435	22,710,441	22,424,972	23,523,186	24,926,978	24,916,846	25,941,665	24,920,391
Cash will be spent on										
Payments to Suppliers & Employees	14,859,100	18,161,487	16,427,919	17,464,001	18,623,620	17,398,033	18,944,593	18,921,093	18,568,622	19,383,460
Interest Paid on Debt	350,000	460,500	499,000	607,310	666,800	665,900	664,200	662,700	663,000	667,000
Total cash spent	15,209,100	18,621,987	16,926,919	18,071,311	19,290,420	18,063,933	19,608,793	19,583,793	19,231,622	20,050,460
Net Cash Flow from Operations	7,049,650	4,147,390	5,967,516	4,639,130	3,134,552	5,459,253	5,318,185	5,333,053	6,710,043	4,869,931
Cash will be provided from										
Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Cash will be spent on										
Purchase & Development of Property, Plant & Equipment	5,624,680	6,394,020	7,770,010	6,168,040	6,431,510	3,796,760	4,753,030	3,496,640	3,544,660	3,681,760
Net purchase of investments	3,150,000	100,000	100,000	100,000	0	0	0	0	0	0
Net Cash Flow from Investing	(8,774,680)	(6,494,020)	(7,870,010)	(6,268,040)	(6,431,510)	(3,796,760)	(4,753,030)	(3,496,640)	(3,544,660)	(3,681,760)

Prospective Statement of Cash Flows (cont'd)

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Cash will be provided from										
Loans Raised	6,000,000	2,000,000	2,000,000	2,000,000	62,590	34,860	-	-	-	69,135
Cash will be spent on										
Debt Repayment	4,017,800	17,800	17,800	17,800	15,410	20,650	20,650	20,650	20,650	15,410
Net Cash Flow from Financing	1,982,200	1,982,200	1,982,200	1,982,200	47,180	14,210	(20,650)	(20,650)	(20,650)	53,725
Net Total Cash Inflow (Outflow)	257,170	(364,430)	79,706	353,290	(3,249,778)	1,676,703	544,505	1,815,763	3,144,733	1,241,896
Plus Projected Opening Cash Balances – 1 July	3,224,980	3,482,150	3,117,720	3,197,425	3,550,715	300,937	1,977,640	2,522,145	4,337,908	7,482,641
Projected Closing Cash Balances - 30 June	3,482,150	3,117,720	3,197,425	3,550,715	300,937	1,977,640	2,522,145	4,337,908	7,482,641	8,724,537

Kawerau District Council: Funding Impact Statement for 2025 – 2034 – Whole of Council

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
General rates, uniform annual general charges, rates penalties	13,212,910	14,083,970	14,207,730	14,562,530	14,691,460	14,665,230	14,463,540	14,213,220	13,617,300	13,131,060
Targeted rates	1,370,840	1,727,210	2,020,350	2,456,530	2,983,870	3,531,950	4,223,870	5,054,940	5,942,700	7,124,280
Subsidies and grants for operating purposes	539,600	455,460	465,190	480,630	506,190	532,410	558,690	585,550	613,200	641,640
Fees and charges	2,200,150	2,247,230	2,287,110	2,350,050	2,404,580	2,453,830	2,502,450	2,552,030	2,601,190	2,648,070
Interest and dividends from investments	52,000	85,500	87,420	81,490	75,790	40,620	23,530	45,530	68,030	110,160
Local authorities fuel tax, fines, infringement fees, and other receipts	640,500	1,491,560	3,294,980	2,493,580	1,454,780	2,151,170	2,819,830	1,938,770	2,710,670	378,360
Total Operating Funding (A)	18,016,000	20,090,930	22,362,780	22,424,810	22,116,670	23,375,210	24,591,910	24,390,040	25,553,090	24,033,570
Applications of operating funding										
Payments to staff and suppliers	15,106,180	18,753,960	17,402,064	16,840,860	18,399,960	17,634,480	19,084,540	18,915,800	18,769,740	19,134,890
Finance Costs	350,000	460,500	499,000	607,300	666,800	665,900	664,200	662,700	663,000	667,000
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	15,456,180	19,214,460	17,901,064	17,448,160	19,066,760	18,300,380	19,748,740	19,578,500	19,432,740	19,801,890
Surplus (deficit) of operating funding (A - B)	2,559,820	876,470	4,461,716	4,976,650	3,049,910	5,074,830	4,843,170	4,811,540	6,120,350	4,231,680

Funding Impact Statement – (cont'd)

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Sources of capital funding										
Subsidies and grants for capital expenditure	4,313,250	3,018,020	780,920	499,240	505,600	512,190	708,990	715,640	722,540	940,320
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	1,982,200	1,982,200	1,982,200	1,982,200	47,180	14,210	(20,650)	(20,650)	(20,650)	53,730
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	6,295,450	5,000,220	2,763,120	2,481,440	552,780	526,400	688,340	694,990	701,890	994,050
Applications of capital funding										
Capital expenditure										
- to meet additional demand	0	1,146,430	602,850	161,220	876,150	24,910	1,002,190	248,090	50,940	0
- to improve the level of service	1,000,000	0	1,072,460	0	0	0	0	0	0	0
- to replace existing assets	4,642,470	5,247,590	6,112,490	6,024,610	5,570,760	3,792,500	3,771,490	3,269,200	3,514,370	3,697,170
Increase (decrease) in reserves	212,800	(517,330)	(562,970)	1,272,260	(2,844,220)	1,783,820	757,830	1,989,240	3,256,930	1,528,560
Increase (decrease) of investments	3,000,000	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	8,855,270	5,876,690	7,224,830	7,458,090	3,602,690	5,601,230	5,531,510	5,506,530	6,822,240	5,225,730
Surplus (deficit) of capital funding (C – D)	(2,559,820)	(876,470)	(4,461,710)	(4,976,650)	(3,049,910)	(5,074,830)	(4,843,170)	(4,811,540)	(6,120,350)	(4,231,680)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0

Funding Impact Statement (cont'd)

Annual Plan 2024/25		LTP Estimate 2025/26
GENERAL RATES		
900.00	Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit ** (Incl. GST)	900.00
2,660,400	Revenue sought from the UAGC (Incl GST)	2,661,300
<p>Council sets a Uniform Annual Charge (UAGC) which is determined by Council each year, subject to the maximum allowed under Section 21 of the Local Government (Rating) Act 2002. The UAGC is a <u>fixed</u> amount that provides the minimum contribution for each rating unit towards the costs of Council's group of activities which include Democracy, Economic and Community Development, Environmental Services, Roading, Stormwater, Water Supply, Wastewater, Solid Waste and Leisure and Recreation, that are either fully or partially funded by the General Rate.</p>		
Differential General Rate:		
0.4246	Rateable rating units zoned Residential, Rural Lifestyle and Reserve in terms of Council's operative district plan, a rate per cents in \$ of Capital Value (Incl GST)	0.4884
4,766,600	Revenue sought from Residential, Rural Lifestyle and Reserve Rates (Incl GST)	5,268,260
2.8362	All other rateable rating units zoned "Commercial" or "Industrial in terms of Council's operative district plan, a rate per cents in \$ of Capital Value (Incl GST)	2.9885
7,710,100	Revenue sought from All Other Zones Rates (Incl GST)	8,230,060
<p>Council sets a general rate on capital value on a differential basis on all rateable land in the district. 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, which includes the UAGC and the Differential General Rate.</p>		
<p>** Definition - 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:</p> <ul style="list-style-type: none"> • A residential property that contains units, flats or houses, each of which is separately inhabited or is capable of separate habitation. (NB Where a residential property contains not more than one additional separately inhabited part and where members of the owner's family inhabit the separate part on a rent-free basis, then this will not give rise to an additional separately used or inhabited part). • A commercial, or other non-residential property contains separate residential accommodation in addition to its commercial, farming or other primary use. • A commercial premises that contains separate shops, offices, kiosks or other retail or wholesale outlets, each of which is operated as a separate business or is capable of operation as a separate business. 		

Annual Plan 2024/25		LTP Estimate 2025/26
TARGETED RATES:		
Targeted Rate for Water Supply		
84.50	Water Supply Rate – excluding properties supplied by meter (Incl GST)	129.60
241,500	Revenue sought from Water Supply Rate (Incl GST)	370,270
Water by meter – dollar per cubic metre (Incl GST)		
0.27	Water by meter – dollar per cubic metre (Incl GST)	0.41
74,800	Revenue sought from Water by Meter Rate (Incl GST)	114,630
<p>Council sets targeted rates for the supply of water which funds the costs related to the water supply services and this rate is charged on each separately used or inhabited part of a rating unit, (as defined for the UAGC) which is connected to the water service.</p> <p>The water by meter targeted rate is assessed on the volume of water supplied to those properties with a water meter. The water meter charges will be invoiced quarterly separately from the rates invoice.</p>		
Targeted Rate for Wastewater		
170.00	Wastewater Disposal Rate (Incl GST)	219.40
494,500	Revenue sought from Wastewater Disposal Rate (Incl GST)	638,240
<p>Council sets a targeted rate for wastewater which funds the costs related to the wastewater (sewerage) collection and disposal service and this rate is charged on each separately used and inhabited part of a rating unit (as defined for the UAGC) which is connected to the wastewater service.</p>		
Targeted Rate for Refuse Collection		
267.70	Refuse Collection Rate – per 60 or 80 litre per refuse bin - for rating units to which refuse collections services are provided (Incl GST)	301.70
599,650	Revenue sought from Refuse Collection Rate – 60 or 80 litre refuse bin (Incl GST)	675,810
327.70	Refuse Collection Rate - 120 litre per refuse bin – for rating units to which refuse collection services are available (Incl GST)	361.70
162,870	Revenue sought from Refuse Collection Rate – 120 litre refuse bin (Incl GST)	179,770
<p>Council sets a targeted rate for refuse collection. The refuse collection targeted rate funds the costs related to the refuse collection service and this rate is charged on each rating unit to which the services are available and charged per bin, based on bin size.</p>		
NB: No lump sum contributions are invited in respect to the targeted rates		

Annual Plan 2024/25		LT P Estimate 2025/26
	CAPITAL VALUES (for assessing the General Rate)	
1,121,915,000	Residential	1,078,676,500
301,595,500	Commercial/Industrial	275,391,000
1,423,510,500	Total Capital Values	\$1,354,067,500
540,170,000	Total Land Value (at end of previous financial year)	540,170,000
3,006	Number of rating units (at end of previous financial year)	3,038

Examples of Impact of rating proposals for selected properties

Rating Impact for 2025/26						
	General Rate and UAGC	Targeted Rates			Total Rates (incl GST)	Increase
	(UAGC = \$900.00)	Water Supply	Wastewater	Refuse Collection		%
Residential:						
\$305,000	2,389.62	129.60	219.40	301.70	\$3,040	11.0%
\$390,000	2,804.76	129.60	219.40	301.70	\$3,455	10.7%
\$435,000	3,024.54	129.60	219.40	301.70	\$3,675	11.0%
\$520,000	3,439.68	129.60	219.40	301.70	\$4,090	11.4%
\$650,000	4,074.60	129.60	219.40	301.70	\$4,725	11.8%
Commercial/Industrial:						
\$240,000	8,072.40	129.60	219.40	0	\$8,421	5.8%
\$405,000	13,003.43	129.60	219.40	0	\$13,352	5.6%
\$1,010,000	31,083.85	0	219.40	0	\$31,303	-0.4%
\$11,693,000	350,345.31	0	219.40	0	\$350,565	5.3%
\$19,300,000	577,680.50	0	0	0	\$577,681	-0.3%
\$34,750,000	1,039,403.75	0	219.40	0	\$1,039,623	5.4%
\$46,250,000	1,383,081.25	0	219.40	0	\$1,383,301	5.4%

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

Year	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
No of rating units	3,038	3,038	3,058	3,071	3,079	3,094	3,114	3,126	3,143

Prospective Revenue by Activity 2025-2034

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Democracy	0	28,600	0	0	29,240	0	0	29,830	0	0
Economic Development	4,110,500	4,623,470	4,225,900	3,005,790	1,950,090	2,687,470	3,367,360	2,467,790	3,280,450	958,710
Environmental Services	178,990	191,400	196,450	201,520	206,040	210,370	214,720	219,050	223,410	227,560
Roading	1,705,450	692,260	682,550	853,370	882,320	912,320	1,132,510	1,163,120	1,194,810	1,438,310
Stormwater	61,500	31,500	32,080	24,320	24,980	25,650	26,270	26,900	27,550	28,170
Water Supply	303,000	464,660	601,040	818,560	1,129,030	1,368,050	1,751,370	2,180,340	2,668,310	3,335,280
Wastewater	530,000	660,650	810,660	1,042,300	1,274,780	1,590,920	1,930,100	2,359,210	2,785,880	3,360,450
Solid Waste	2,023,850	2,145,380	2,207,370	2,256,940	2,308,380	2,360,270	2,401,040	2,449,320	2,502,530	2,537,770
Leisure & Recreation	120,300	97,780	100,260	102,740	104,960	107,100	109,240	111,380	113,520	115,560
Sundry	210,960	244,050	246,380	241,500	236,640	202,260	185,740	208,220	231,060	273,340
Eliminations	(128,180)	(154,770)	(166,730)	(185,520)	(215,660)	(242,250)	(280,990)	(322,710)	(369,180)	(432,310)
	9,116,370	9,024,980	8,935,960	8,361,520	7,930,800	9,222,160	10,837,360	10,892,450	12,658,340	11,842,840
General Rates	13,212,910	14,084,000	14,207,710	14,562,520	14,691,460	14,665,220	14,463,530	14,213,210	13,617,290	13,131,050
Total Revenue	22,329,280	23,108,980	23,143,670	22,924,040	22,622,260	23,887,380	25,300,890	25,105,660	26,275,630	24,973,890

Prospective Expenditure by Activity 2025-2034

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Democracy	948,800	1,020,110	1,025,170	1,040,880	1,106,160	1,061,040	1,112,230	1,169,370	1,125,710	1,170,440
Economic Development	2,164,510	3,104,920	5,471,300	3,794,850	2,891,220	3,228,480	3,534,670	3,102,130	3,523,230	2,617,320
Environmental Services	1,556,410	1,676,690	1,565,650	1,655,770	1,640,160	1,742,300	1,737,370	1,818,500	1,810,610	1,886,870
Roading	2,594,480	2,575,750	2,619,760	2,840,580	2,901,290	2,968,130	3,199,540	3,258,420	3,331,640	3,555,260
Stormwater	429,880	389,550	377,570	393,070	394,270	395,620	424,550	425,630	427,050	454,850
Water Supply	2,110,380	2,569,120	2,641,650	2,886,930	3,123,290	3,052,570	3,160,820	3,192,120	3,238,170	3,450,130
Wastewater	2,184,290	2,560,380	2,581,830	2,767,600	2,820,800	2,959,070	3,060,400	3,199,000	3,260,140	3,456,290
Solid Waste	3,561,230	3,964,520	4,115,910	4,166,890	4,280,930	4,374,500	4,436,730	4,509,170	4,640,980	4,646,170
Leisure & Recreation	5,128,190	5,491,740	5,643,630	5,759,660	5,946,560	6,128,660	6,187,990	6,407,330	6,452,600	6,572,390
Sundry	30,000	82,290	83,870	86,190	88,390	90,470	92,410	94,350	96,250	98,060
Eliminations	(913,360)	(1,515,550)	(1,556,970)	(1,605,910)	(1,663,550)	(1,717,040)	(1,783,110)	(1,852,690)	(1,927,370)	(2,017,810)
Total Expenditure	19,794,810	21,919,520	24,569,370	23,786,510	23,529,520	24,283,800	25,163,600	25,323,330	25,979,010	25,889,970

Prospective Operational Shortfall (Surplus) by Activity

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Operating shortfall by activity:										
Economic Development	(3,100,670)	(2,714,730)	11,070	(451,700)	(324,840)	(754,030)	(1,137,380)	(693,270)	(1,117,650)	295,340
Roading	(350,000)	636,400	625,460	555,530	544,350	532,600	410,540	397,980	384,880	238,210
Stormwater	240,000	192,000	144,000	104,950	90,960	80,460	75,620	64,280	52,940	44,600
Water	238,000	245,800	237,490	246,420	228,320	202,460	192,390	163,850	135,480	114,840
Wastewater	224,000	234,500	214,400	215,140	192,880	170,630	161,840	137,560	113,290	95,850
Solid Waste	6,200	6,200	5,670	5,680	5,100	4,510	4,270	3,630	2,990	2,530
Leisure & Recreation	208,000	210,370	187,610	186,450	170,490	159,690	155,430	143,640	131,450	124,710
Total Operating Shortfall/(Surplus)	(2,534,470)	(1,189,460)	1,425,700	862,470	907,260	396,320	(137,290)	217,670	(296,620)	916,080
<i>Made up of:</i>										
Property sales surplus	(317,500)	(1,105,690)	(2,924,170)	(2,115,500)	(1,037,210)	(1,752,180)	(2,415,370)	(1,495,880)	(2,287,040)	48,560
Depreciation not funded:										
Economic Development	216,850	216,980	214,960	229,970	227,890	225,790	238,690	236,550	234,380	246,860
Roading	963,250	978,420	974,380	1,054,760	1,049,950	1,044,800	1,119,530	1,113,630	1,107,420	1,178,530
Stormwater	240,000	192,000	144,000	104,950	90,950	80,460	75,620	64,280	52,930	44,600
Water	238,000	245,800	237,490	246,420	228,320	202,460	192,390	163,850	135,480	114,840
Wastewater	224,000	234,500	214,400	215,140	192,880	170,630	161,840	137,560	113,290	95,850
Solid Waste	6,200	6,200	5,660	5,680	5,100	4,500	4,280	3,630	2,990	2,530
Leisure & Recreation	208,010	210,410	187,600	186,440	170,460	159,680	155,440	143,620	131,440	124,700
Total depreciation not funded	2,096,310	2,084,310	1,978,490	2,043,360	1,965,550	1,888,320	1,947,790	1,863,120	1,777,930	1,807,910
Funding for capital work:										
Roading, Property & Leisure	(4,313,280)	(3,018,080)	(780,930)	(499,230)	(505,590)	(512,120)	(709,030)	(715,480)	(722,620)	(940,390)
Inventory Additions/Disposals		850,000	3,152,310	1,433,840	484,510	772,300	1,039,320	565,910	935,110	0
Total operating shortfall / (Surplus)	(2,534,470)	(1,189,460)	1,425,700	862,470	907,260	396,320	(137,290)	217,670	(296,620)	916,080

Reconciliation from Operating Funding to Operating Surplus/Deficit 2025-2034

	Annual Plan 2024- 25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Funding Impact Statement Surplus/(Deficit) of Operating Funding	2,559,820	876,470	4,461,716	4,976,650	3,049,910	5,074,830	4,843,170	4,811,540	6,120,350	4,231,680
Plus subsidy for capital expenditure	4,313,270	3,018,050	780,920	499,240	505,600	512,190	708,990	715,640	722,540	940,390
Plus net sales of inventory	0	1,929,550	-1,960,126	-1,187,070	749,390	-737,330	234,000	-64,150	-831,950	0
Less depreciation	(4,338,620)	(4,634,610)	(4,708,210)	(5,151,290)	(5,212,160)	(5,246,110)	(5,648,870)	(5,680,700)	(5,714,320)	(6,088,150)
Statement of Comprehensive Revenue and Expense Surplus/(Deficit)	2,534,470	1,189,460	(1,425,700)	(862,470)	(907,260)	(396,420)	137,290	(217,670)	296,620	(916,080)

Prospective Capital Programme 2025-2034

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Economic and Community Development	12,000	1,188,730	615,410	174,130	889,380	38,460	1,016,030	262,230	65,370	14,710
Environmental Services	0	0	0	0	0	0	0	0	0	0
Roading	1,822,900	543,180	555,030	763,620	774,810	780,520	1,051,210	1,062,620	1,068,220	1,367,310
Stormwater	0	0	0	0	0	0	0	0	0	0
Water Supply	2,140,000	2,228,840	3,985,550	2,798,410	2,842,120	211,490	183,110	187,950	386,120	197,170
Wastewater	765,000	1,742,400	1,963,070	1,797,540	1,371,260	1,623,290	1,318,670	1,369,010	1,432,700	1,550,740
Solid Waste	65,000	0	10,720	16,610	11,420	58,740	6,040	12,400	6,350	19,510
Leisure and Recreation	409,420	392,690	409,280	358,720	232,700	264,430	290,320	295,730	308,190	245,290
Plant and Office Equipment	410,360	298,180	230,950	259,010	309,820	819,830	887,650	306,700	277,710	287,030
Total Assets	5,624,680	6,394,020	7,770,010	6,168,040	6,431,510	3,796,760	4,753,030	3,496,640	3,544,660	3,681,760
Funding:										
Government Subsidies	1,313,250	342,020	348,920	499,240	505,600	512,190	708,990	715,640	722,540	940,320
Loans	2,000,000	2,000,000	2,000,000	2,000,000	62,590	34,860	0	0	0	69,135
Depreciation Reserves	2,311,430	4,052,000	5,421,090	3,668,800	5,863,320	3,249,710	4,044,040	2,781,000	2,822,120	2,672,305
Total Funding	5,624,680	6,394,020	7,770,010	6,168,040	6,431,510	3,796,760	4,753,030	3,496,640	3,544,660	3,681,760

Depreciation Expense by Activity 2025-2034

	Annual Plan 2024-25 \$	Forecast 2025-26 \$	Forecast 2026-27 \$	Forecast 2027-28 \$	Forecast 2028-29 \$	Forecast 2029-30 \$	Forecast 2030-31 \$	Forecast 2031-32 \$	Forecast 2032-33 \$	Forecast 2033-34 \$
Democracy	17,440	17,630	18,240	21,320	22,440	22,680	25,630	26,700	27,170	30,200
Economic Development	484,940	472,090	479,510	505,810	512,130	518,230	541,100	546,750	552,460	574,570
Environmental Services	34,490	35,430	36,880	44,270	45,580	47,830	67,120	67,180	66,930	72,390
Roading	1,386,210	1,418,860	1,425,250	1,547,080	1,553,220	1,559,490	1,675,330	1,681,100	1,687,390	1,799,980
Stormwater	320,660	320,410	320,340	350,120	350,120	350,130	378,420	378,420	378,440	405,800
Water Supply	686,280	709,300	748,840	857,200	886,580	888,260	970,660	972,720	976,940	1,054,660
Wastewater	649,880	680,030	680,290	753,990	754,370	755,370	823,920	824,890	825,520	889,560
Solid Waste	41,740	43,380	44,780	49,350	50,140	51,020	55,170	55,660	57,100	60,330
Leisure and Recreation	716,980	727,480	738,520	801,030	811,480	822,240	875,890	886,880	897,200	950,920
Sundry	0	210,000	215,560	221,120	226,090	230,860	235,630	240,400	245,170	249,740
Total Depreciation Expense	4,338,620	4,634,610	4,708,210	5,151,290	5,212,150	5,246,110	5,648,870	5,680,700	5,714,320	6,088,150

Reserve Funds

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

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

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

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

Current reserves, the purpose for holding each reserve and the Council activity to which each reserve relates, together with summary financial information across the nine years of the Long Term Plan are shown below:

Reserves	Balance @ 1 July 2025	Deposits	Expenditure	Balance @ 30 June 2034
Council created Reserves – Purpose of Fund				
Funds set aside for the renewal of council assets	1,688,655	36,237,360	31,200,640	4,412,002
Total Council Created Reserves	1,688,655	33,923,987	31,200,640	4,412,002
Asset Revaluation Reserve				
Revaluation Reserve - records the amount that Council's assets have increased in value.	78,492,800	40,285,500	0	118,778,300
Total Reserves	80,181,455	74,209,487	31,200,640	123,190,302

Disclosure Statement

For period commencing 1 July 2025

Purpose of this Statement

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

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

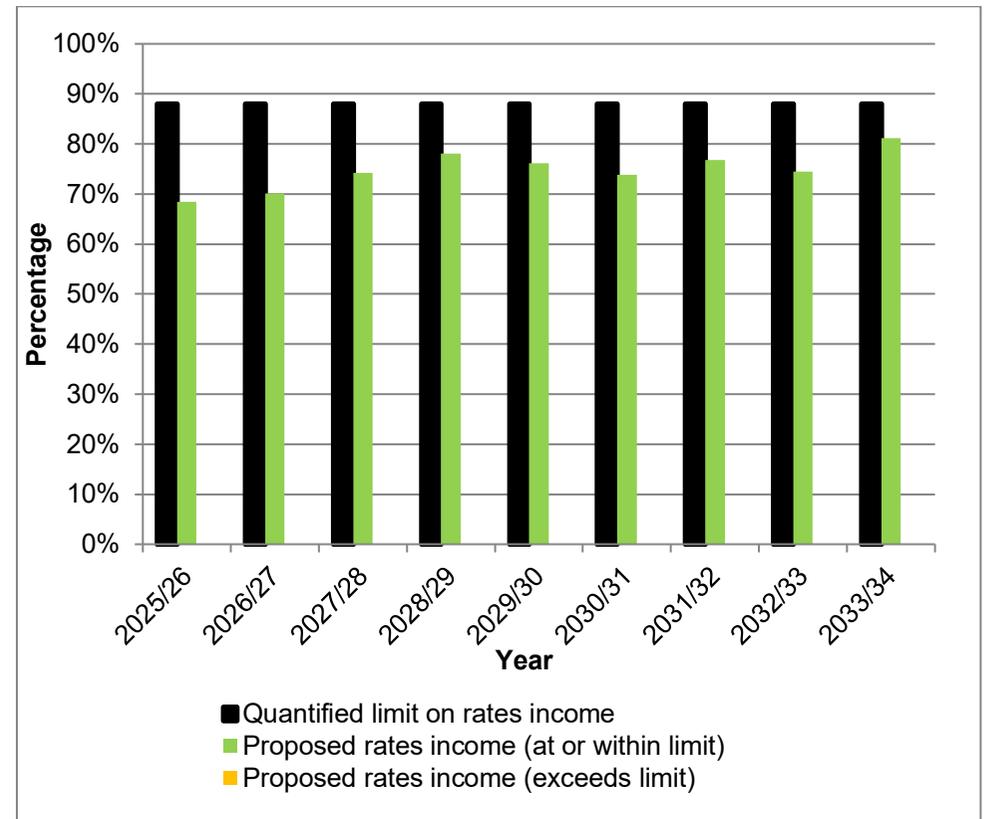
Rates Affordability Benchmark

Council meets the rates affordability benchmark if:

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

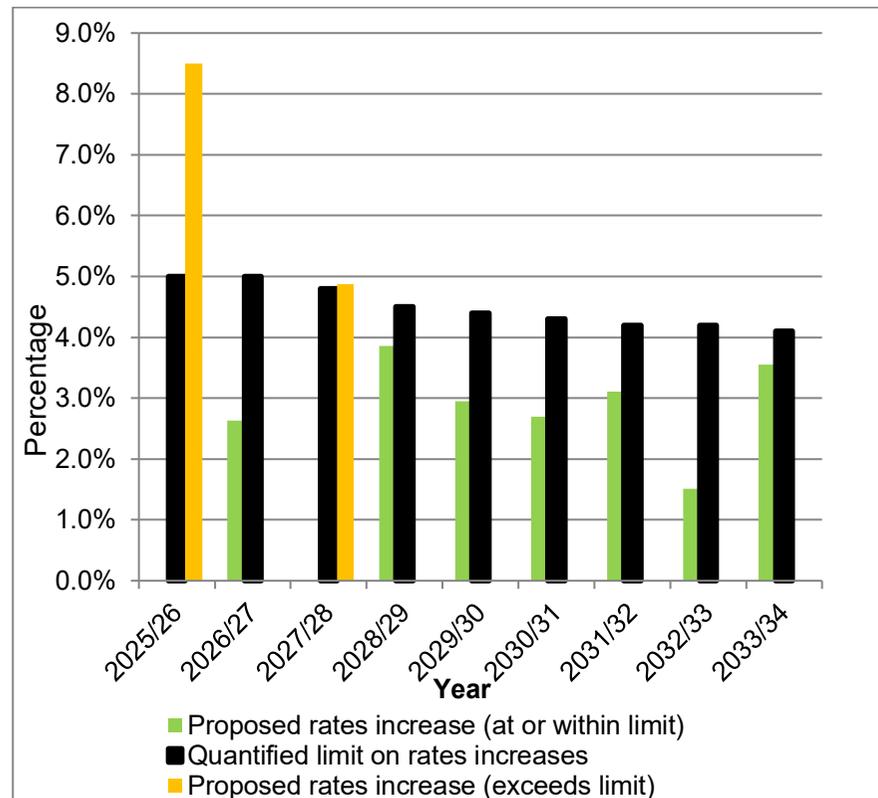
Rates (income) affordability

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



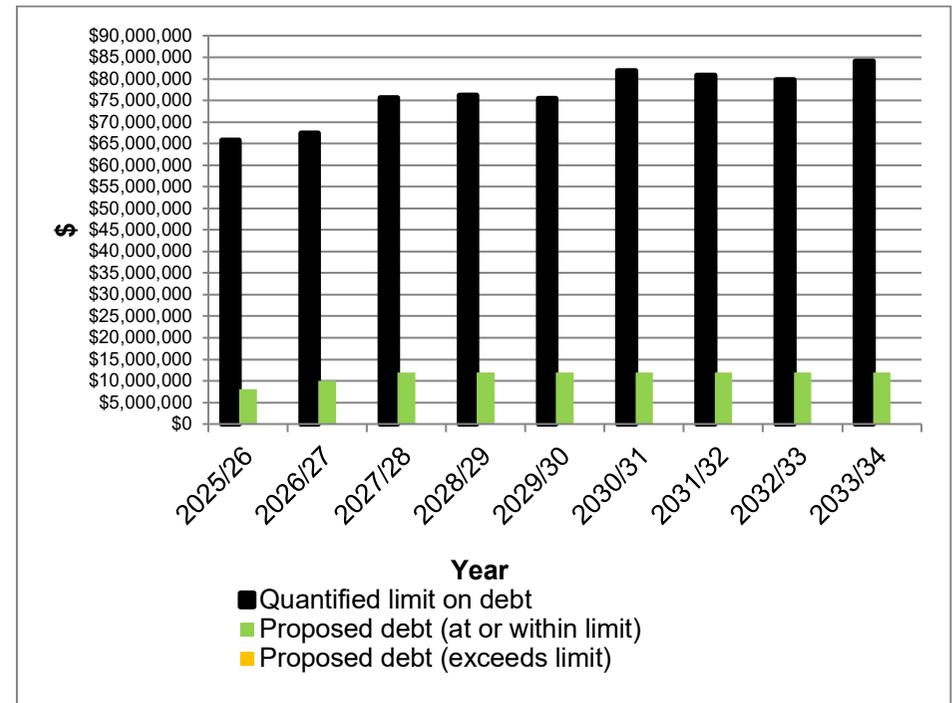
Rates (increases) affordability

The following graph compares Council's planned rates increases with a quantified limit on rates increases included the Financial Strategy contained in this Long Term Plan. The quantified limit is that total rates increase (excluding rates penalties) in any one year will not exceed the underlying rate of inflation for Council costs plus two percent. The costs to deliver the same levels of service to the community have increased, particularly in 2025/26 for personnel, depreciation and finance costs. The increase in 2027/28 is due to increased depreciation expenditure.



Debt Affordability Benchmark

Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan. The quantified limit on borrowing for the period of the Long Term Plan (2025-34) is 50% of fixed assets (excluding finance leases).



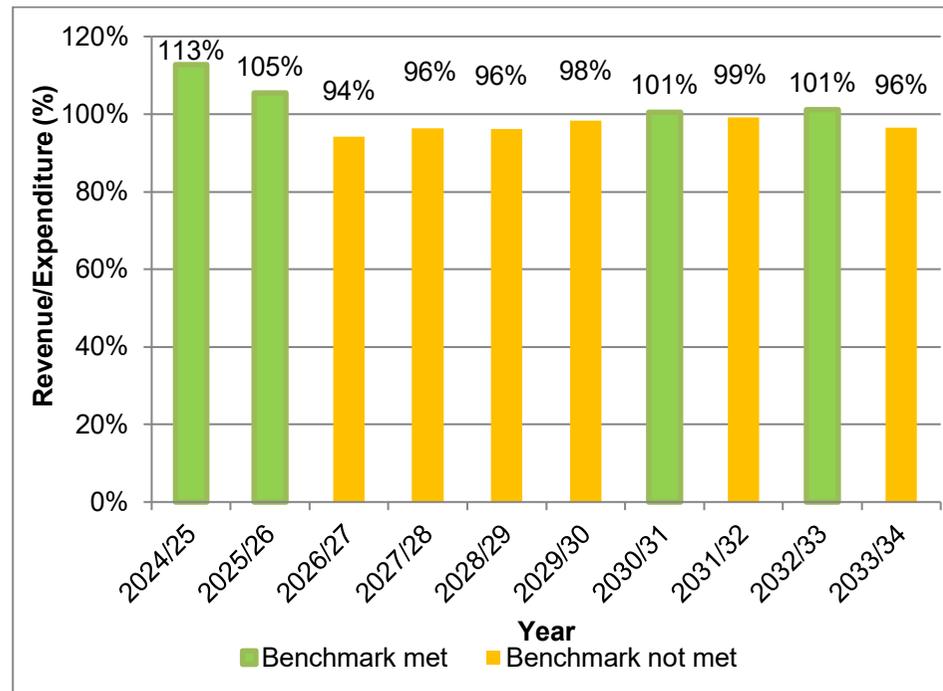
Comment

Council is proposing to borrow \$6 million over the next three years (2025 – 2027) to fund the replacement of AC and steel water pipes. Council has joined the Local Government Funding Agency (LGFA) to obtain the best interest rates and ensures funding is available when needed.

There is no other borrowing anticipated for the period of the 2025 – 2034 Long Term Plan apart from finance leases which are for the funding of Council’s printer/copiers and telephone system.

Balanced Budget Benchmark

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



Comment

Due to significant increases in depreciation expenditure, Council over the past two annual plans and in consultation with the community, lowered the level of depreciation funding on strategic assets. For the Long Term Plan 2025 - 2034 Council will increase the funding of depreciation by 3% each year over the next 12 years. Council believes this is a prudent financial approach based on ratepayer affordability.

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

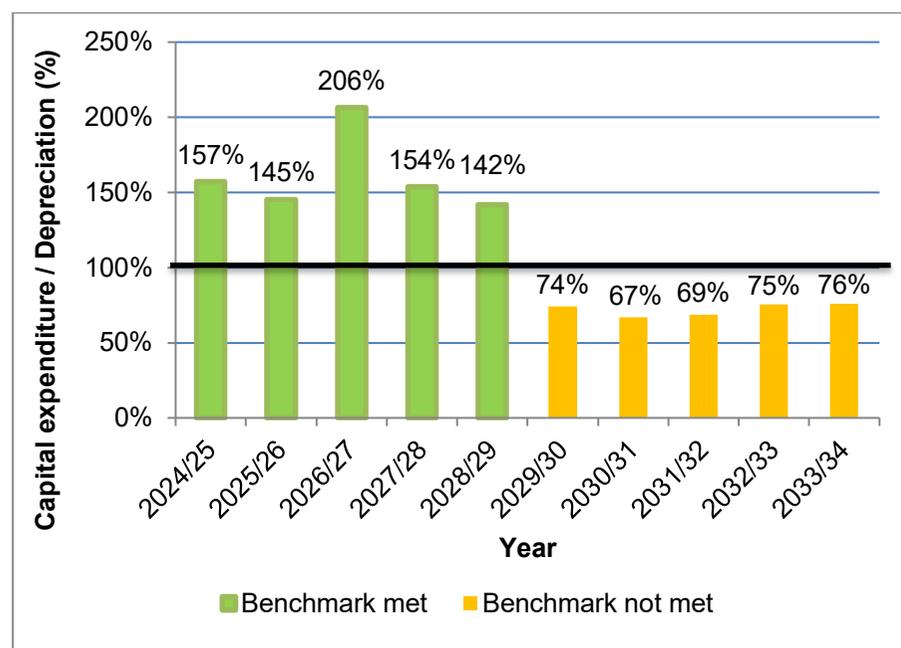
Council also does not fully fund depreciation for buildings and facilities which will not be replaced, at least not as they are now. These ‘non-critical’ assets include the swimming pool complex, Town Hall, Concert Chambers, Library/Museum building, District Office, Tarawera Park Amenity Building, Ron Hardie Recreation Centre, Council Depot and Pensioner Houses. The advantage of not funding depreciation on non-critical assets is that the community is not funding depreciation on assets that are unlikely to be replaced with buildings or facilities of equivalent value.

Essential Services Benchmark

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

Comment

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



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

The following table broadly illustrates the age of Councils infrastructure.

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

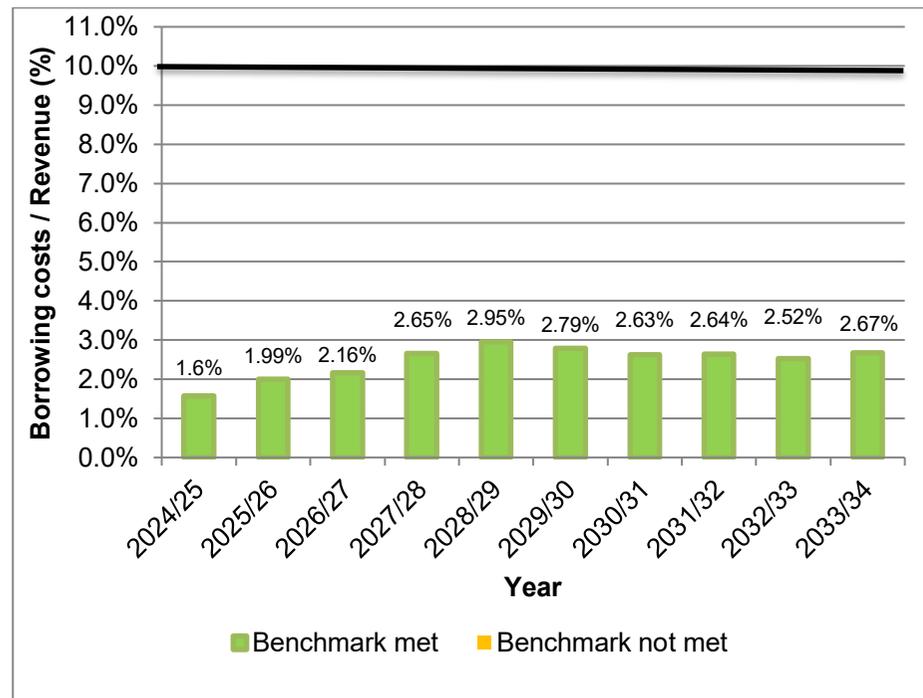
Debt Servicing Benchmark

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

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

Comment

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





Mahere kaupapa **Policies**

Revenue and Financing Policy

Objectives

The Objectives of this policy are to:

- state the funding approach of Council in respect to both operating and capital expenditure
- explain who pays and why
- outline how Council's activities are funded
- meet the requirements of the Local Government Act 2002, under sections 102 and 103; Council must adopt a Revenue and Financing Policy.

Principles

This policy is based on the principles that:

- Council has a responsibility to exercise prudent financial management for the community now and in the future.
- 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 levels of fees and charges.
- Council will endeavour to have a balanced budget with each years operating revenue set at a level sufficient to meet the operating expenditure, unless Council resolves it is financially prudent not to do so. For Council this primarily relates to the non-funding of depreciation expenditure. (See Financial Strategy regarding funding of depreciation expenditure).

Background

The services provided by Council are divided into significant activities.

Legislative requirements

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

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

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

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

Definitions

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

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

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

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

Period of benefits: A statutorily required assessment of the period over which the benefits from each activity will flow. This helps identify the period over which the operating and capital expenditure should be funded. For all activities, operating costs are directly related to providing benefits in the year of expenditure. As such, they are required to be adequately funded on an annual basis.

Assets provide benefits over more than one year and therefore benefits are derived over the useful life of each asset. Useful lives range from a few years in the case of computer equipment to many decades for infrastructural assets such as the water supply network. This introduces

the concept of 'intergenerational equity' whereby the cost of any expenditure should be recovered over the period of time in which the benefits of that expenditure accrue. This is particularly relevant for significant assets such as the wastewater, stormwater, roading and water supply networks.

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

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

Depreciation reserves are used to fund capital expenditure in Council activities for which asset depreciation is funded. It is estimated that Council will continue to borrow externally to fund the infrastructural asset renewals during the current Long Term Plan. A table showing planned renewal expenditure is included in the financial statements.

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

Contributors to the need for an activity (polluter pays): The 'polluter pays' principle is that the person who creates a problem which incurs costs for Council, should contribute some or all of the funds to meet those costs. For example, dog owners who allow their dogs to roam should pay a fine to cover the cost of impounding. However, this is not always practical, as identifying and charging the offender is not always possible. Similarly,

people who do graffiti or dump rubbish illegally are not always caught. Council's policy is to recover these costs where practicable.

Costs and benefits of funding the activity distinctly from other activities: When selecting a particular funding mechanism Council is required to consider the costs and benefits. It is possible to establish specific charges or rates for each service; however this is not the best approach if the cost of establishing and administering a charging system outweighs the benefits, or the revenue gained. This is assessed on a case-by-case basis. Council is also required to consider alternative funding mechanisms in terms of transparency and accountability. One which is targeted for specific cost items is more transparent to users of the activity than general or aggregated funding. However, if the targeted charging approach excessively increases administrative costs then an aggregated charging approach may be better.

Overall impact of the method of funding

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

Policy Statement

Funding for Operating Expenses

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

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

The following are Funding Sources to meet Operating Expenditure:

General Rate:

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

Council charges general rates on a differential basis in accordance with the Local Government (Rating) Act 2002. Council introduced differential rating 1978. The objective of Council's system of differential rating is primarily to retain the ratio between commercial and industrial ratepayers on the one hand and residential ratepayers on the other. The general rate (including the UAGC) is apportioned on a ratio of 52:48 Industrial/Commercial: Residential.

Targeted Rates:

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

Wastewater: Council charges a uniform fixed amount for the collection and treatment of wastewater. The rate is charged to each separately used or inhabited part of a rating unit which is connected to Council's wastewater disposal network.

Refuse Collection: Council charges a uniform fixed amount for the collection of residual refuse. The rate is charged to each separately used

or inhabited part of a rating unit from which Council is prepared to remove residual refuse.

Grants and Subsidies:

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

Interest and Dividends:

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

Interest is received from financial investments. Significant replacement of infrastructure assets will occur in the 2025–2034 period. Council will only have moderate cash surpluses and depreciation reserves. While the reserves are invested in accordance with Council's Investment Policy and are retained for expenditure on asset replacement, there will only be small proceeds from these investments. Interest revenue from the investment of these reserves lowers the amount of depreciation funding required from general rates.

Fees and Charges:

Fees and charges are imposed on a wide range of activities. Council considers a number of matters when setting fees. These include:

- The cost of the service provided, and the private benefits received.
- The ability of users to pay and the possible exclusionary effects to people on low incomes.
- The risk of people not using Council services if charges for those services are perceived to be too high.

- In applicable cases, whether the user lives within or outside the district.

Other Proceeds:

Proceeds from asset sales and cash reserves are generally used to repay debt, funding capital expenditure or are set aside in a reserve for the future acquisition of new assets. Council may consider in specific circumstances it is financially prudent to use such proceeds and reserves to fund operational expenditure.

Funding of Capital Expenditure:

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

- Renewals are funded from depreciation reserves (unless funded by external loan).
- Capital expenditure to improve the level of service or meet additional demand is funded from depreciation reserves.
- External loans – to fund large projects such as the replacement of water pipes.

Other sources of capital funding include:

- NZTA subsidy for Roothing renewals and capital expenditure
- Grants from various funding agencies.

Proceeds from Asset Sales:

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

Reserve Funds:

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

Borrowing:

Council's borrowings are managed per Council's Liability Management Policy. Borrowings are generally used to fund capital projects that include an element of service enhancement or where the project is significant in value greater than depreciation reserves available. Borrowing for significant capital projects allows Council to ensure there is intergenerational equity, enabling the spread of the cost over the life of the asset.

Financial Contributions:

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

Assessment of Overall Impact on Allocation of Funding Needs Contributions:

There is an ability for Council to collect revenue from a range of sources. Council selects funding tools which lead to the most equitable funding of activities in terms of:

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

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

Council has therefore determined that general rates will be used to fund:

- Access to the Public Library / Museum for residents and ratepayers
- Access to the Maurie Kjar Aquatic Centre
- Affordable rental fees for the use of the Town Hall, Concert Chambers, Recreation Centre, Rangi Delamere Centre and Passive Reserves
- Free access to Town Centre Toilets

Table Mix of funding mechanisms for operation expenses and Allocation of costs

Significant Activity	Who Benefits		Funding Ratio		Period of Benefit	Exacerbators	Comments
	Community/ Public Benefit	Private/ Individual Benefit	Community/ Public Benefit (%)	Private/ Individual Benefit (%)			
Democracy	✓		100	0	Short term		
Economic and Community Development	✓	✓	80-100	0-20	Short & Long term		Development to increase rates base
Economic Development	✓	✓	0-10	90 -100	Long term		
Pensioner Housing	✓		100	0-	Long term		
Community, Cultural and Social Residential/Commercial Developments	✓		20-40	60-80	Short term Long term		
Firmin Lodge	✓	✓	40-50	50-60	Short & Long term		
Information Centre	✓	✓	40-50	50-60	Short term		
Porritt Glade Lifestyle Village	✓	✓	0	100	Long term		
Environmental Services							
Resource Management Planning	✓		100	0	Long term	✓	
Resource Management Consents	✓	✓	20-30	70-80	Short term		
Building and Inspection	✓	✓	60-70	30-40	Short term	✓	
Environmental Health	✓	✓	70-90	10-30	Short term	✓	
Dog Control	✓	✓	90	10	Short term	✓	
Dog Registration		✓	0	100	Short term	✓	Balance affordability of fees
Civil Defence	✓		100	0	Long term		
Roading	✓	✓	60-50	40-50	Long term	✓	NZTA subsidy 75% only on subsidised roads
Stormwater	✓		100	0	Long term		
Water Supply	✓	✓	10-20	80-90	Short & Long term		Current targeted water and wastewater rates are low. Council gradually transitioning to higher targeted rates
Wastewater	✓	✓	10-20	80-90	Short & Long term		

Significant Activity	Who Benefits		Funding Ratio		Period of Benefit	Exacerbators	Comments
	Community/ Public Benefit	Private/ Individual Benefit	Community/ Public Benefit (%)	Private/ Individual Benefit (%)			
Solid Waste							
Refuse Collection	✓	✓	10	90	Short & Long term		Targeted rate
Refuse Disposal	✓	✓	20-40	60-80	Long term	✓	Balance fees with illegal disposal
Zero Waste	✓	✓	80-100	0-20	Long term		Subsidies & user fees
Leisure and Recreation							
Library/Museum	✓	✓	90-100	0-10	Short & Long term		Key is community accessibility
Swimming Pools	✓	✓	90-100	0-10	Short & Long term		Key is community accessibility
Public Halls		✓	90-100	0-10	Short & Long term		Key is affordability of hire fees
Public Toilets	✓	✓	100	0	Short & Long term		
Parks and Reserves	✓	✓	90-100	0-10	Long term		
Cemetery	✓	✓	20-40	60-80	Long term		

Activity	Funding of Operational Expenditure				
	General Rates	Targeted Rates	User Fees & Charges	Subsidies & Grants	Petrol Tax
Democracy	✓				
Economic and Community Development					
- Economic Development	✓				
- Pensioner Housing			✓		
- Community, Cultural and Social	✓				
- Residential/Commercial Developments	✓			✓	
- Firmin Lodge	✓		✓		
- Isite	✓		✓		

Activity	Funding of Operational Expenditure				
	General Rates	Targeted Rates	User Fees & Charges	Subsidies & Grants	Petrol Tax
- Porritt Glade Lifestyle Village			✓		
Environmental Services					
- Resource Management	✓				
- Planning Resource Management	✓		✓		
- Building Control	✓		✓		
- Environment Health	✓		✓		
- Dog Control	✓				
- Dog Registration			✓		
- Civil Defence	✓				
Roading	✓		✓	✓	✓
Stormwater	✓			✓	
Water Supply	✓	✓	✓		
Wastewater Supply	✓	✓	✓		
Solid Waste					
- Refuse Collection	✓	✓	✓		
- Refuse Disposal	✓		✓		
- Zero Waste	✓		✓	✓	
Leisure and Recreation					
- Library	✓		✓		
- Swimming Pool	✓		✓		
- Public Halls	✓		✓		
- Public Toilets	✓				
- Parks & Reserves	✓		✓		
- Cemetery	✓		✓	✓	

Rating Policy

Policy Objectives

The objectives of this policy are:

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

Principles

This policy is based on the principle that Council rates should be 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.

Rating unit: For land for which there is a certificate of title, a rating unit is the land comprised in the certificate of title. Where there is no certificate of title, what constitutes a rating unit is either the land described in an instrument which exists or if there is no instrument, the land that the Valuer General considers would be appropriate to sell or transfer as a

separate property or, for crown land, to treat as if comprised in a certificate of title. If land in a rating unit is in two or more districts, the part in each district constitutes a separate rating unit.

Residential land: Land that is zoned as residential, rural lifestyle or reserve under Council's operative District Plan and any other land located in a zone used solely for residential purposes.

Industrial/commercial land: All rateable land other than that classified as residential.

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

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

Background

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

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

Policy Statement

General Rates

Council will levy general rates which comprise: a uniform annual general charge (UAGC) of \$900.00 (incl GST), and a differential rate based on the capital value of the rating unit.

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

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

Water Rates

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

Metered Water Charges

A rate per cubic meter of water used is levied on each separately used or inhabited part of a Commercial/Industrial property connected to the metered water supply. The charge is levied on a quarterly basis. Note – In the future water meter charges could be apply if determined by Government legislation.

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 sets and charge rates for each year from 1 July to 30 June. The due dates for the payment of instalment in the 2025/26 are shown below.

Table: Due dates for rates (except metered water)

Instalment	Payment due date	Penalty date
1	Friday 22 August 2025	Monday 25 August 2025
2	Friday 21 November 2025	Monday 24 November 2025
3	Friday 20 February 2026	Monday 23 February 2026
4	Friday 22 May 2026	Monday 25 May 2026

Table: Due dates for Metered Water

Reading Date	Payment due date
30 September 2025	24 October 2025
31 December 2025	21 January 2026
31 March 2026	22 April 2026
30 June 2026	22 July 2026

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 charges the following penalties on unpaid rates (except metered water):

Rates arrears penalty: A penalty of 5 percent of the value of any part of the rates for the previous year which remains outstanding at 2 July 2025, and a further 5 percent penalty on any portion of this amount (including arrears penalties) which are still not paid by 5 January 2026.

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 Remission and Postponement Policies

Council has adopted the following rate remission and postponement policies:

- Rate remission and postponement for Māori freehold land
- Rates remission for farm properties
- Rates relief for Boundary Adjustment Properties
- Rates relief for developments
- Rate penalty remission
- Rate remission for Sport, Recreation and Community Organisations Leasing Council land.

Rates Remission and Postponement Policy for Māori Freehold Land

Policy Objectives

The objective of this policy is to ensure the fair and equitable collection of rates from all ratepayers, recognising that certain Māori owned lands have particular conditions, features, ownership structures or other circumstances which make it appropriate to provide relief from rates.

Policy Principles

The principles which underpin this policy are:

That, as provided by section 91 of the Local Government (Rating) Act 2002, Māori freehold land is liable for rates in the same manner as if it were general land.

That Council will decide on the provisions of rate relief on Māori Freehold Land should any applications be received.

That the policy does not provide for the permanent remission or postponement of rate on the land concerned.

Definitions

Māori Freehold Land - Means land whose beneficial ownership has been determined by the Māori Land Court by freehold order (that is; the Court has created a title for the land and determined the beneficial owners to that land).

Background

The LGA requires Council to adopt a policy on the remission and postponement of rates on Māori freehold land. A policy adopted under this requirement does not need to provide for the remission and postponement of rates on Māori freehold land, but in determining a policy, Council must consider the following matters:

1. The desirability and importance within the District of each of the objectives listed below.
2. Whether and to what extent, the attainment of any of those objectives could be prejudicially affected if there is no remission of rates or postponement of the requirement to pay rates on Māori freehold land.
3. Whether and to what extent, the attainment of those objectives is likely to be facilitated by the remission of rates or postponement of the requirement to pay rates on Māori freehold land.

4. The extent to which different criteria and conditions for rates relief may contribute to different objectives.

The objectives that Council must consider are:

- a) Supporting the use of the land by the owners for traditional purposes.
- b) Recognising and supporting the relationship of Māori and its culture and traditions with its ancestral lands.
- c) Avoiding further alienation of Māori freehold land.
- d) Facilitating any wish of the owners to develop the land for economic use.
- e) Recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes.
- f) Recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere).
- g) Recognising and taking account of the importance of the land for community goals relating to:
 - i. The preservation of the natural character of the coastal environment.
 - ii. The protection of outstanding natural features.
 - iii. The protection of significant indigenous vegetation and significant habitats of indigenous fauna
- h) Recognising the level of community services provided to the land and its occupiers
- i) Recognising matters related to the physical accessibility of the land.

Policy Statement

Applications for rates remission or postponement should include the following information:

- Details of the rating unit or units involved.
- Documentation that shows that the land qualifies as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court.

Council may, of its own volition, investigate and grant remission or postponement of rates on any Māori freehold land in the District.

Relief and the extent thereof, are at the sole discretion of the Council and may be cancelled and reduced at any time.

Council will give a remission or postponement of up to 100% of all rates for the year for which it is applied, based on the extent to which the remission or postponement of rates will achieve objectives described in the background section of this policy. In addition, Council will consider how an application would provide for an efficient collection of rates and the removal of rating debt

Rates Remission Farm Properties

Policy Objectives

The objectives of this policy are to ensure that the rates charged to farming properties are not unreasonably high and that they are comparable to the rates charged by other Councils for farming properties of similar value.

Policy Principles

The level of rates charged for farming property should be fair and equitable

Background

Council's rating system has two differentials for the general rate:

- Residential (which includes rural lifestyle) and
- Industrial/Commercial

Farming property is classified as 'residential' for the purposes of charging the general rate, but following the last revaluation, it has been recognised that the rates charged to these properties would not be reasonable if they were charged the rates applicable to residential property in full.

Following the revaluation of the district in 2018, Council revisited the portion of the remission and reduced it from 70% to 45% so the contribution by farming properties to the general rate was similar to that prior to the revaluation. Following the next revaluation in 2021, Council has reviewed the quantum of the remission, with a remission of 30% applicable for 2022/23 and 2023/24.

Policy Statement

Council will grant a 30% remission for 2025/26 (30% 2024/25) for the general rate charged to farming properties comprising the following assessment numbers:

07281/002.00
07281/008.01
07281/008.02
07281/008.04
07281/008.05
07281/008.06
07281/008.07
07281/008.08
07284/906.00

This remission is conditional on the properties remaining farming (as the principal use).

It will apply only to the general rate which is charged on capital value. The remission will not apply to the Uniform Annual General Charge nor to any other rates charged.

This policy has been reviewed following the last triennial revaluation of the District (August 2024), and it was determined that it was fair and reasonable to continue providing this remission to these properties. The policy will be further reviewed following the next revaluation of the district in August 2027.

Rates Remission Boundary Reorganisation Properties

Policy Objectives

The objectives of this policy are to ensure that the rates charged to the specific properties that have joined the Kawerau District as of 1 September 2024 are not unreasonably high as these properties transition to the Kawerau District rating system.

Policy Principles

The level of rates charged for boundary adjusted properties should be fair and equitable.

Background

Council's rating system has two differentials for the general rate:

- Residential (which includes rural lifestyle) and
- Industrial/Commercial

In September 2024, following a boundary adjustment, 18 properties were transferred into the Kawerau District. These properties straddled the

boundary of both districts and are largely undeveloped rural properties (described as “Rural Foothills in Whakatāne’s District Plan)

This remission is similar to the farm properties remission that was introduced following the first boundary reorganisation in 2012 and was introduced for the rates charged to be comparable with other Councils’ similar properties.

Policy Statement

Council will grant a 50% remission for 2025/26 for the general rate charged to Boundary Reorganisation properties comprising the following assessment numbers:

07281/010.01
07281/008.00
07281/019.12
07281/019.00
07281/019.10
07281/019.11
07281/024.00
07281/104.00
07281/105.00
07281/103.00
07284/906.00

This remission is conditional on the properties continuing in their current primary use and the remission will apply until such time as the properties use changes and/or property is developed.

The remission will apply only to the general rate which is charged on capital value. The remission will not apply to the Uniform Annual General Charge nor to any other rates charged.

This policy will be reviewed following each district revaluation of the district to determine if it is fair and reasonable to continue providing this remission

to the stated properties. The next district revaluation is due in August 2027.

Rates Relief for Developments

Policy Objectives

The objective of this policy is to encourage land development in the Kawerau District to stimulate employment opportunities and enhance the economic wellbeing of the Community. To ensure the fair and equitable collection of rates from all ratepayers, recognising that certain Māori owned lands have particular conditions, features, ownership structures or other circumstances which make it appropriate to provide relief from rates

Definitions

Development – The development or re-development of any land in the District:

- By constructing, erecting, or altering any one or more buildings on the land for the purpose of providing at least 10 new, or 9 additional household units; or
- By constructing, erecting, or altering any building or buildings, fixed plant and machinery, or other works, intended to be used solely or principally for industrial or commercial or administrative purposes (including hotels, motels and other transient accommodation), or any combination of those purposes;
- Does not include the sub-division of land.

Employment opportunities – Employment creation, employment growth or employment retention in the Kawerau District.

Policy Statement

Eligibility Criteria

Council will consider any application for development in the District which can demonstrate that it will be likely to lead to employment opportunities.

Forms of Rates Relief

Council may remit or postpone (or a combination of these), part or all of the rates otherwise payable on a property for any period subject to an annual application being made. For guidance Council will consider if eligible and subject to all criteria of this policy, applying a minimum of a 50% remission for two years.

Council may impose conditions on the remission of rates and may cancel any remission for non-compliance, or if a project ceases to operate. In those circumstances, Council may require payment of full rates in respect of any year in which rates have been remitted. Council does not consider that granting rates relief according to a strict formula or code is either practical or desirable. This policy is considered to constitute adequate guidelines for the consideration of applications.

Factors to be Considered

Council will have regard to the following matters when considering applications for rates relief:

Whether and to what extent, the development will create employment opportunities. (NB: While actual job creation will be a strong factor in favour of granting rates relief, potential for job creation will also be a positive factor).

Procedures

Applications for rates relief should be addressed to the Chief Executive Officer. Applications will be required to provide statements of intent,

supporting critical statistics and such other information as is reasonably necessary to enable Council to assess the application in relation to this policy. Every decision of Council shall be publicly notified and the notice shall include:

The reasons for the decision to approve or decline the application; and If the application is approved, the identity of the occupier of the land and the estimated amount of the rates remitted or postponed.

Council Policy Affecting Applications

The provisions of this policy constitute guidelines for the consideration of applications, as the granting of rates relief according to a strict formula is neither practical nor desirable. The ability of an applicant to meet the above requirements does not in itself constitute a right to rates relief. Council will consider each application on its merits in relation to Council's Economic Development Strategy

Rates Penalty Remission

Policy Objectives

The objective of this policy is to enable Council to act fairly and reasonably when considering applications for the remission of penalties on rates that have not been received by Council

Background

Council presently charges the following penalties on unpaid rates:

- a) Penalties on current rates that are not paid by the due date during the year.
- b) Penalties on rates charged in the previous financial year, which remain outstanding on the first day of the new financial year or 5 working days after the resolution is made (whichever is the later) and

- c) Further penalties charged on rates to which penalties were added under (b) and remain unpaid 6 months after the day the penalty was added

Council has adopted the following remission policy to remit rates penalties as long as specific criteria are met and the ratepayer has settled the outstanding rates.

Policy Statement

All applications for the remission of rates penalties must be in writing.

Rates must be paid in full before Council remits the penalties charged.

Council will consider applications for the remission of rates penalties in circumstances where:

- Significant disruption to the ratepayer such as the death of a family member; or
- Matters outside the ratepayer's control such as a late sales notice, have contributed to a late payment and it is reasonable to remit the penalty; or
- The ratepayer is new to the District and for whatever reason did not receive a rate invoice; or
- The ratepayer (that is in arrears) entered into an acceptable payment arrangement and complied with those arrangements for the payment of all current rates and arrears.

NB: A ratepayer who has been in arrears and has had penalties remitted will not be eligible for a further remission of rate penalties for a period of 3 years).

The Chief Executive Officer is delegated to approve rate penalty remissions in accordance with the conditions of this policy.

Rates Remission Sport, Recreation and Community Organisations Leasing Council Land

Policy Objectives

The objective of this policy is to facilitate the on-going provision of sporting and cultural opportunities for the Kawerau Community by ensuring that the rates charged to sporting and cultural organisations that lease Council land, are on the same basis as if Council was providing these services.

Policy Principles

The principles which underpin this policy are that the level of rates charged to sporting and cultural organisations should be affordable (for the organisation) as well as fair and equitable, where the provision of the sporting and cultural opportunities are on a non-commercial basis.

Background

There are current leases where Council owned reserve or recreation reserve land is leased to organisations to provide sporting and cultural activities.

From a rates perspective, if the organisations do not hold a liquor license and the organisation is liable for 50% of the general rates plus service charges (water, wastewater & refuse charges), Council considers that it is equitable and efficient to remit the rates excluding the service charges to facilitate and support the sporting and cultural organisations

Policy Criteria

Council will grant a 100% remission for the general rate charged to sporting and cultural organisations that are leasing Council reserve and recreational reserve land and not holding a liquor license.

This remission is conditional on the properties continuing to provide sporting and cultural services to the community, and also not holding a liquor license.

The remission policy will apply to the general rate (charged on capital value and the Uniform Annual General Charge). However, it will not apply to targeted rates for services (water, wastewater & refuse) which will be charged to these organisations on a quarterly basis.

Report of the Auditor

To the reader:

Independent Auditor's Report on Kawerau District Council's 2025-34 Long-term plan

I am the Auditor-General's appointed auditor for Kawerau District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's Long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 25 June 2025.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 171 to 174 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of matter – future of water delivery

Without modifying our opinion, we draw attention to pages 14 and 142 to 143, which outline that the Council has consulted on the future delivery model for water services and is planning to maintain the status quo of delivering water services via an inhouse business unit. The plan reflects these decisions.

There is some uncertainty as the proposal is yet to be accepted by the Secretary for Local Government.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and

- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality management

We have complied with the Auditor-General's independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council.

A handwritten signature in black ink, appearing to read 'René van Zyl', written in a cursive style.

René van Zyl

Audit New Zealand

On behalf of the Auditor-General

Auckland, New Zealand

Glossary

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

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

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

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

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

Council-Controlled Organisation (CCO) A company or organisation in which a council or councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers.

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

Funding Impact Statement (FIS) A document that sets out the funding mechanisms that Council will use, their level, and the reason for their selection.

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

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

Local authority A regional council or territorial authority.

Local Government Act 2002 (the Act) The legislation which states the purpose of local government and provides a framework for the roles, responsibilities and powers of local authorities.

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

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

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

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

Significance In relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:

- a) the district or region
- b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter
- c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

Significant In relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.

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

Strategic asset As defined in Section 5 of the Local Government Act is “an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes—

- a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- c) any equity securities held by the local authority in—
- d) a port company within the meaning of the Port Companies Act 1988:

- ii) an airport company within the meaning of the Airport Authorities Act 1966”

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

Wastewater Sewage and other waste disposed of through the wastewater system.

Wastewater disposal network Sewerage system



**KAWERAU
DISTRICT COUNCIL**
Te Kaunihera ā rohe o Kawerau

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