



**Waitaki**

DISTRICT COUNCIL

TE KAUNIHERA Ā ROHE O WAITAKI

*Growing strong communities.*

# 2017 / 18 Annual Plan





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# Message from the mayor



We started developing the 2017/18 Annual Plan with a list of projects – investing in systems and processes to improve customer services, particularly in the Regulatory area; repairing the Severn Street wall; improving street lighting in Kurow; injecting more money into infrastructure to meet the needs of the growth we’re experiencing in the tourism sector; and having more development in the Oamaru harbour area.

During our consultation period (March to April) we decided to take a different approach. Rather than have formal hearings for people to speak to their submissions in front of a full Council, we held informal community forums in Oamaru, Otematata and Palmerston. We had a good turnout at these forums – they gave everyone an opportunity to raise issues, and discuss our projects in a way that, we believe, promoted good participation from people who would ordinarily not engage with Council in the more formal way when we hold hearings. I felt it gave us much more quality information, as we sat together around a table and had a proper conversation about the issues people wanted to raise.

The key message to take from the 2017/18 Annual Plan is keeping rates increases to an absolute minimum whilst getting the important things done. We have some exciting projects planned for the next 12 months, and we believe we’re still growing the district at a modest rate. There remain some key areas that I want us to focus on during the coming year and into the future. We need to do these things to be a successful, vibrant district that looks after its people. The Council plays an important part in the community and we can always do better.

This Annual Plan looks at the 2017/18 year, but we have already begun our planning for the next 10-year Long Term Plan (LTP), and we’ll be consulting the public on this around April next year. We will look at our longer term issues and opportunities, with expenditure and projects that will take us forward. I thank everyone involved in putting together this Annual Plan, and encourage you to take part in next year's LTP.

Gary Kircher  
**Mayor for Waitaki**

# Chief Executive's introduction



It is with considerable satisfaction that I sign off on my final Annual Plan chapter as your CEO. Having been in the role for more than 13 years I am proud of what this organisation has achieved. The Waitaki District has grown significantly over this period – we've seen many changes over the years including a significant increase in the economic value of our agriculture and, more recently, our tourism industry. Both these contribute to our community and have improved our economic resilience as a community. And, as a result the value of most of our properties has increased.

All industries contribute to helping our district grow but they also bring challenges. One such challenge is making sure our infrastructure is fit for purpose. With this in mind, some of our projects for the next 12 months will see more money being spent on infrastructure such as roads, public toilets and Regulatory systems that will help us improve our services to our customers.

From the outset of our planning for this next Annual Plan we were mindful of keeping rates increases as low as possible. Three years ago when we were consulting on our 2015-25 Long Term Plan, we predicted a rates increase of 2.1%. With careful planning, we've managed to almost halve that increase to 1.2%. We believe we've struck a good balance between providing the services our community want without placing too high a burden on our ratepayers.

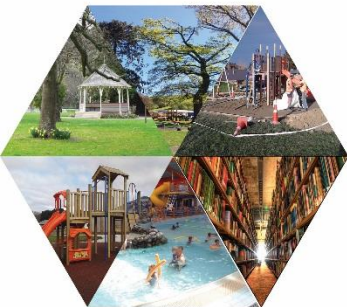
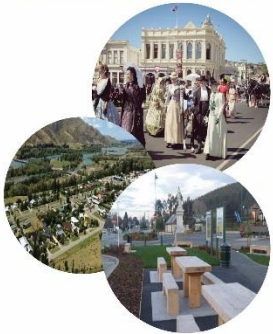
The coming year is really about 'continuing to steer a common course' and keeping the momentum we have already built. Our 2017/18 Annual Plan includes a mix of projects (see pages six to nine for more information) that will help grow our district without major subsequent rate increases being required.

On a personal note, I'd like to thank everyone for their support over my time as Chief Executive. This is a great community and you have a great team at Council working together for your interests, both as staff and as elected members. The Waitaki District has changed considerably over my time here and I feel that I am leaving it in a much better space than it was when I arrived. I guess you will ultimately be the judge of that! There is, however, no doubt in my mind that Waitaki is one of the best places to live, work and play!

Best wishes for the future and thanks for giving me the opportunity to finish my career in the community that I was born in.

Michael Ross  
**Chief Executive**

# How the 2017/18 Annual Plan was prepared



**December 2016**  
Council and staff started initial discussions about the 2017/18 Annual Plan.



**February 2017**  
Budgets and financial implications were discussed and the draft 2017/18 Annual Plan started taking shape.



**March 2017**  
Public consultation commenced including informal community forums.



**May 2017**  
Public consultation concluded and submissions and feedback from community forums were considered.



**May 2017**  
Staff reviewed and presented budgets and projects to Council for further consideration.



**June 2017**  
2017/18 Annual Plan was formally adopted by Council.

# 2017/18 Projects

As well as the projects included in the 2015-25 Long Term Plan, we have added some new projects for the 2017/18 year. The complete list of projects are summarised below.

<b>Project</b>	<b>Description</b>	<b>Cost</b>	<b>Primary Funding Source</b>
Regulatory Systems and Processes	To improve systems and processes with a view to providing better customer service in the Regulatory area.	\$389,000	External Funding/Internal Loans
Regulatory – Code Compliance Certificates project	This project will address the backlog in outstanding Code Compliance Certificates.	\$170,000	Internal Loan
Severn Street terrace wall	Address issues with Severn Street terrace wall following failure of a section of the wall after heavy rains in 2016.	\$200,000	External funding/Depreciation
Harbour Roads	To close the current Arun Street access to Tyne Street and realign the road with a new intersection off Tyne Street. This is to address a potential traffic conflict between new vehicle access being constructed by McKeown Group to Arun Street and the Harbourview Rest Home.	\$300,000	Internal Loan/Reserves
Business Park Road	To provide a link road allowing full access between Kororo Road and TY Duncan Road in the North Oamaru Business Park.	\$400,000	Internal Loan/Reserves
Severn Street heritage trees	To replace 24 faulty ground lights and cable under Severn Street heritage trees. Originally installed and gifted to Council by the Lions Club in 2007.	\$50,000	External Funding/Rates
Parsons Creek stormwater	To investigate and analyse storm water options in Parsons Creek catchment area with options for improvements to be included in 2018-28 Long Term Plan (LTP).	\$15,000	Separate Rate Account
Kurow street lighting	To replace all Kurow township street light fittings with heritage lights on State Highway between Ranfurly and Liverpool Streets.	\$60,000	Internal Loans



Ward-based discretionary fund establishment	To provide a discretionary fund of \$20,000 to each ward to address roading activities that fall outside of normal operational activities, for eg roading maintenance and township work.	\$80,000	Rates
Corbett Road seal extension	The project will seal the portion of road from Steward Road to the Quarry entrance and be funded by stakeholders at the financial assistance rate of 56% and Council will fund the local share. Corbett Road is a link from SH1 (Hilderthorpe-Pukeuri Road) east to the quarry at the end of the road. The road is currently unsealed and there are dust issues dependent on the time of year.	\$220,000	External Funding/Rates
Coastal protection	To provide protection for Oamaru's roading network affected by coastal erosion, including Weaver, Foyle and Caledonian Road. Subject to resource consent by Otago Regional Council.	\$50,000	Reserves/Rates
Streetscape landscaping	To carry out landscaping works in Duntroon, Dunback and Herbert.	\$60,000	Rates
Harbour Street toilet grant	To provide an annual grant towards the cost of servicing the Harbour Street toilet, which is maintained by the Oamaru Whitestone Civic Trust.	\$5,000	Rates
Recreation water connections	To install restrictors and water tanks in park and toilet connections where required to align with the Water Supply Bylaw.	\$60,000	Internal Loans
Pool hoist replacement	To replace three disability hoists in the Aquatic Centre in response to feedback from users.	\$40,000	External Funding/Reserves
Harbour Area development	Development in the Harbour area, including an urban park on the harbour market site.	\$215,000	Reserves
Finalise A2O Cycle Trail	Complete the section of trail from Sailor's Cutting to Otematata. \$250,000 is to be sourced from external funders.	\$450,000	External Funding/Reserves
Mini bike parks in Ahuriri and Waihemo	To construct children's bike parks in the Ahuriri and Waihemo wards	\$100,000	Reserves

Turf Replacement Centennial Park	Funding to North Otago Recreation Turf Trust towards turf replacement at Centennial Park	\$36,000	Rates
Phoenix Mill Water Wheel Grant	Funding to Phoenix Mill Restoration Trust to support restoration of the water wheel	\$10,000	Reserves
South Hill Water Booster Pump	Installation of a booster pump as part of South Hill improvement works to address low water pressure	\$85,000	Reserves/Separate Rate Account
Papakaio Cemetery Trust	Funding to Papakaio Cemetery Trust to support maintenance of Papakaio Cemetery	\$3,000	Rates
North Otago Sustainable Land Management (NOSLM) Biodiversity Partnership	Partnership funding to NOSLM to progress biodiversity work in the district	\$10,000	Reserves
Moeraki Millenium Walkway Weed Control	Funding to address weed issues on Moeraki Millenium Walkway	\$5,000	Rates
Free Swimming Lessons	Free swimming lessons made available each term to vulnerable families identified through Family Start programme (Anglican Family Care)	Managed Internally	Managed Internally

# Financial Information

## Statement of Comprehensive Revenue and Expense

Projected for the year ended 30 June 2018

2016 Actual \$000	Notes	2018 Budget \$000	2018 LTP Yr 3 \$000	2017 Budget \$000
<b>Revenue</b>				
30,375	1	30,717	31,495	30,387
6,410	2	3,907	4,727	4,037
1,289		1,557	1,430	1,354
545		692	641	595
6,574	3	7,163	6,487	8,009
677	4	2,388	2,253	1,125
1,264	5	1,354	1,308	1,137
192		196	205	190
38		57	50	54
562		120	120	120
63		-	-	-
(2,672)		-	-	-
<b>45,317</b>		<b>48,151</b>	<b>48,716</b>	<b>47,008</b>
<b>Expenses</b>				
9,914	6	11,314	10,515	10,665
11,463	7	12,119	11,826	11,380
-	5	-	-	-
22,620	8	21,286	23,304	22,307
<b>43,997</b>		<b>44,719</b>	<b>45,645</b>	<b>44,352</b>
<b>1,320</b>		<b>3,432</b>	<b>3,071</b>	<b>2,656</b>
<b>Other Comprehensive Revenue and Expense</b>				
5,824		14,315	14,315	-
-		-	-	5,250
-		-	-	-
<b>5,824</b>		<b>14,315</b>	<b>14,315</b>	<b>5,250</b>
<b>\$7,144</b>		<b>\$17,747</b>	<b>\$17,386</b>	<b>\$7,906</b>

## Statement of Changes in Equity

Projected for the year ended 30 June 2018

<b>2016 Actual \$000</b>		<b>2018 Budget \$000</b>	<b>2018 LTP Yr 3 \$000</b>	<b>2017 Budget \$000</b>
743,753	<b>Public Equity at 1 July</b>	763,303	744,704	757,781
7,144	Total Comprehensive Revenue and Expense	17,747	17,386	7,906
<b>\$ 750,897</b>	<b>Public Equity at 30 June</b>	<b>\$ 781,050</b>	<b>\$ 762,090</b>	<b>\$ 765,687</b>

## Statement of Financial Position

Projected as at 30 June 2018

2016 Actual \$000	Notes	2018 Budget \$000	2018 LTP Yr 3 \$000	2017 Budget \$000
<b>Public Equity</b>				
310,208		310,208	311,246	310,208
407,181		426,746	430,087	414,526
19,271		25,448	7,854	26,378
14,237		15,648	12,903	14,575
750,897		778,050	762,090	765,687
<b>Non-Current Assets</b>				
709,232		740,550	727,565	726,558
895		820	1,165	839
253		100	588	72
2,519		1,150	-	1,735
Other Financial Assets				
4,912		4,912	4,912	4,912
145		145	145	145
17,663	9	25,032	22,430	25,650
735,619		772,709	756,805	759,911
<b>Current Assets</b>				
2,463		2,150	4,641	1,775
4,259		3,275	6,037	4,125
356		285	322	340
29		14	10	15
Other Financial Assets				
14,750		6,750	3,000	6,500
1	9	1	-	1
441		-	-	-
22,299		12,475	14,010	12,756
757,918		785,184	770,815	772,667

## Statement of Financial Position (continued)

Projected as at 30 June 2018

2016 Actual \$000	Notes	2018 Budget \$000	2018 LTP Yr 3 \$000	2017 Budget \$000	
<b>Non-Current Liabilities</b>					
387	Provisions	10	390	528	285
<u>387</u>			<u>390</u>	<u>528</u>	<u>285</u>
<b>Current Liabilities</b>					
5,270	Trade and Other Payables		5,620	7,162	5,545
1,015	Employee Entitlement Liabilities		1,050	995	975
349	Provisions	10	74	40	175
<u>6,634</u>			<u>6,744</u>	<u>8,197</u>	<u>6,695</u>
7,021	<b>Total Liabilities</b>		7,134	8,725	6,980
<u>750,897</u>	<b>Net Assets</b>		<u>778,050</u>	<u>762,090</u>	<u>765,687</u>

## Statement of Cash Flows

Projected for the year ended 30 June 2018

2016 Actual \$000	Notes	2018 Budget \$000	2018 LTP Yr 3 \$000	2017 Budget \$000
<b>Cash Flows from Operating Activities</b>				
30,156	Receipts from Rates Revenue	30,101	30,845	29,721
1,264	Interest received	1,001	1,308	934
562	Dividends/subvention payments received	120	120	120
16,160	Receipts from other revenues	17,131	16,559	17,095
(32,619)	Payments to suppliers and employees	(32,350)	(33,902)	(33,366)
-	Interest paid	-	-	-
(37)	Net GST	(35)	-	-
<u>15,486</u>	Net Cash from Operating Activities	<u>15,968</u>	<u>14,930</u>	<u>14,504</u>
<b>Cash Flows from Investing Activities</b>				
1,725	Proceeds from sale of Property, Plant & Equipment	666	78	135
22,300	Proceeds from sale of Investments	27,940	24,686	17,892
(12,112)	Purchase of Property, Plant & Equipment	(22,257)	(14,143)	(19,135)
(31,754)	Acquisition of Investments	(24,094)	(25,430)	(14,486)
<u>(19,841)</u>	Net Cash from Investing Activities	<u>(17,745)</u>	<u>(14,809)</u>	<u>(15,594)</u>
<b>Cash Flows from Financing Activities</b>				
-	Proceeds from Borrowing	-	-	-
-	Repayment of Borrowing	-	-	-
<u>-</u>	Net Cash from Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
(4,355)	Net Increase / (Decrease) in Cash	(1,777)	121	(1,090)
6,818	Total Cash Resources at 1 July	3,927	4,520	2,865
<u>2,463</u>	Total Cash resources at 30 June	<u>2,150</u>	<u>4,641</u>	<u>1,775</u>

## Reconciliation of Net Operating Surplus to Cash Flows from Operating Activities

Projected for the year ended 30 June 2018

2016 Actual \$000	Notes	2018 Budget \$000	2018 LTP Yr 3 \$000	2017 Budget \$000
1,320	Net Operating Surplus	3,432	3,071	2,656
	<b>Add/Less non-cash items</b>			
11,463	Depreciation/Amortisation	12,119	11,826	11,380
-	Interest compounded	(94)	-	(203)
3,206	Net Loss/(Profit) on sale of Assets	-	-	-
(432)	Gain on forestry harvesting	-	-	-
(102)	Loss/(Gain) on forestry revaluation	(15)	-	(15)
(63)	Vested Assets	-	-	-
18	Surrender of carbon credits	-	-	6
116	Increase/(Decrease) in Provision for Closed Landfill	(151)	(11)	(149)
11	Increase/(Decrease) in Provision for Doubtful Debts	(23)	-	17
<u>14,217</u>		<u>11,836</u>	<u>11,815</u>	<u>11,036</u>
	<b>Add/(Less) movements in Other Working Capital items</b>			
(344)	Decrease/(Increase) in Trade & Other Receivables	749	116	1,065
(39)	Decrease/(Increase) in Prepayments	(55)	6	(5)
36	Decrease/(Increase) in Inventory	6	-	-
226	Increase/(Decrease) in Trade & Other Payables	(75)	(92)	(245)
70	Increase/(Decrease) in Employee Entitlements	75	14	(3)
<u>(51)</u>		<u>700</u>	<u>44</u>	<u>812</u>
<u>15,486</u>	Net Cash Flow from Operating Activities	<u>15,968</u>	<u>14,930</u>	<u>14,504</u>



## Notes to the Projected Financial Statements

2016 Actual \$000	2018 Budget \$000	2018 LTP Yr 3 \$000	2017 Budget \$000
<b>Note 1: - Operational Revenue - Rates</b>			
1,898 General Rates	1,757	1,835	1,834
1,301 District Services Rates	1,615	1,243	1,495
4,656 Uniform Annual General Charge	5,211	4,945	5,068
6,436 Ward Rates	6,437	6,850	6,576
9,748 Separate Rates	9,678	9,822	9,513
5,610 Targeted Rates for water supply	5,378	6,148	5,236
495 User charges for water supply by meter	481	463	481
552 Rates Penalties charged	400	447	425
(321) Less Rates Remitted	(240)	(258)	(241)
30,375	30,717	31,495	30,387
<b>Note 2: Operational Revenue - User charges</b>			
1,573 Property rentals	1,656	1,582	1,445
1,362 Landfill operations	76	627	356
1,215 Proceeds of Forestry activities	-	-	-
2,260 Other user charges	2,175	2,518	2,236
6,410	3,907	4,727	4,037
<b>Note 3: Operational Revenue - Government Grants</b>			
6,296 New Zealand Transport Agency subsidies	6,776	6,368	6,674
129 Ministry of Business, Innovation and Employment	250	-	1,200
82 Ministry for the Environment	82	60	75
67 Other Government Grants and Subsidies	55	59	60
6,574	7,163	6,487	8,009
<b>Note 4: Operational Revenue - Other Grants and Subsidies</b>			
- Grants for the Cultural Facility redevelopment	2,000	2,000	788
32 North Otago Rugby Club	20	21	20
402 Grants for the Alps2Ocean Cycletrail Construction	-	-	100
242 Other Grants and Subsidies	368	232	217
676	2,388	2,253	1,125

## Notes to the Projected Financial Statements (continued)

2016 Actual \$000	2018 Budget \$000	2018 LTP Yr 3 \$000	2017 Budget \$000
<b>Note 5: Finance Revenue and Costs</b>			
<b>Finance Revenue</b>			
521 Interest - bank deposits	506	151	412
727 Interest - North Otago Irrigation Company Ltd	558	872	592
- Interest - Observatory Village Charitable Trust	273	263	121
16 Interest - other community loans	17	22	12
<u>1,264</u> Total Finance Revenue	<u>1,354</u>	<u>1,308</u>	<u>1,137</u>
<b>Finance costs</b>			
- Interest on bank borrowings	-	-	-
- Interest on bank overdraft	-	-	-
<u>-</u> Total Finance Costs	<u>-</u>	<u>-</u>	<u>-</u>
<b>Note 6: Personnel Costs</b>			
9,588 Salaries and Wages	10,969	10,240	10,398
248 Defined Contribution Plan - employer contribution	307	231	229
42 Fringe Benefit Taxes	38	44	38
36 Redundancy and Severance payments	-	-	-
<u>9,914</u>	<u>11,314</u>	<u>10,515</u>	<u>10,665</u>
<b>Note 7: Depreciation expense</b>			
5,130 Roads & Footpaths	5,309	5,246	5,094
1,011 Sewerage (Treatment & Disposal)	1,013	971	998
223 Stormwater Drainage	222	208	223
1,671 Water Supply	1,649	1,797	1,645
79 Waste Management & Minimisation	56	59	56
186 Arts, Heritage & Community	169	190	180
872 Parks & Recreation	971	914	905
1,138 Commercial & Development Activities	2,194	1,981	1,825
30 Regulation & Safety	34	25	25
1,123 Support Services (Net Allocated)	502	435	429
<u>11,463</u>	<u>12,119</u>	<u>11,826</u>	<u>11,380</u>

## Notes to the Projected Financial Statements (continued)

2016 Actual \$000	2018 Budget \$000	2018 LTP Yr 3 \$000	2017 Budget \$000
<b>Note 8: Other Expenses</b>			
112 Audit Fees - Annual Report	127	130	127
- Audit Fees - Long Term Plan	85	78	-
1,034 Community Grants and Donations	840	1,085	923
109 Renting and Leasing	113	121	110
1,656 Electricity	1,703	1,690	1,675
340 Insurance	318	521	362
24 Bad Debts written off/change in Provision for Doubtful Debts	175	263	150
120 Change in Provision for Closed Landfill	(151)	(9)	(12)
1,184 Forestry management, harvesting and replanting costs	104	113	172
18,041 Other Expenditure	17,972	19,312	18,800
<u>22,620</u>	<u>21,286</u>	<u>23,304</u>	<u>22,307</u>
<b>Note 9: Loans to other entities</b>			
<b>Non-current portion</b>			
17,000 Loan to North Otago Irrigation Company Ltd	17,000	17,000	17,000
- Loan to Observatory Village Charitable Trust	7,180	5,000	7,987
365 Loan to Oamaru Whitestone Civic Trust	555	420	365
10 Loan to Corriedale Water Management Ltd	10	10	10
285 Loan to Otago Rural Fire Authority	285	-	285
3 Loan to Oamaru Steam & Rail Society	2	-	3
<u>17,663</u>	<u>25,032</u>	<u>22,430</u>	<u>25,650</u>
<b>Current portion</b>			
1 Loan to Oamaru Steam & Rail Society	1	-	1
<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>

The loan to the North Otago Irrigation Company will mature in the 2021/22 financial year.

The loan to the Observatory Village Charitable Trust is capped at an initial sum of \$8 million, and repayments will commence in the 2017/18 financial year.

## Notes to the Projected Financial Statements (continued)

2016 Actual \$000	2018 Budget \$000	2018 LTP Yr 3 \$000	2017 Budget \$000
<b>Note 10: Provision for Closed Landfill</b>			
616 Opening balance	615	579	472
377 Additional provision	30	24	141
(257) Provision utilised	(181)	(35)	(153)
736 Closing balance	464	568	460
<u>Analysed as</u>			
387 - Non-current portion	390	528	285
349 - Current portion	74	40	175
736	464	568	460

The provision for closed landfills has been established to recognise Council's obligation to restore the land formerly used for landfill operations, and to monitor those sites to ensure that adverse effects are mitigated. The provision represents the net present value of Council's projected costs over the thirty year period commencing at the closure date.

It should be noted that actual, and anticipated, movements in the provision have been affected by changes in the date of the expected closure of the Oamaru landfill. The landfill facility closed in April 2017, and this annual plan anticipates that the provision will decline in value as the landfill is firstly capped, and is then monitored.

## Annual Plan Disclosure Statement for the year ending 30 June 2018

### What is the purpose of this statement?

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

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

Benchmark	Detail of quantified limit	Quantified Limit	Projected Performance	Met
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#### 1 Rates affordability benchmark

For this benchmark —

- (a) planned rates income for the year is compared with quantified limits on rates contained in the financial strategy included in the long-term plan; and
- (b) planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the council's long-term plan.

The rates affordability benchmark is achieved when —

- (a) planned rates income for the year equals or is less than each quantified limit on rates; and
- (b) planned rates increases for the year equal or are less than each quantified limit on rates increases.

Rates affordability benchmark				Yes
• income	Rates fund 70% or less of total operating cost	<70% of operating costs	67.26% of operating costs	Yes
• income	The rate on an average home in Oamaru is less than 10% of projected married national superannuation, net of tax	<10% of married superannuation	7.17% of married superannuation	Yes
• increases	Projected rate increases will not exceed the projected Local Government Cost Index, plus 2%	<4.5% increase	1.19% increase	Yes

#### 2 Debt affordability benchmark

Borrowing is compared with a quantified limit contained in the financial strategy included in the long-term plan. Council meets the debt affordability benchmark when planned borrowing is within the limit.

Debt affordability benchmark	Debt, both internal and external, will not exceed total projected revenue	<100% of revenue	62.5% of revenue	Yes
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#### 3 Balanced budget benchmark

Planned revenue (excluding development and financial contributions, vested assets and revaluations of property, plant and equipment) is presented as a proportion of planned operating expenses (excluding losses on revaluations of property, plant, or equipment). Council meets the balanced budget benchmark when its revenue equals or exceeds its operating expenses.

Balanced budget benchmark	Revenue, net of development contributions and vested assets, exceeds operating costs	>100% of operating costs	106.13% of operating costs	Yes
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## Annual Plan Disclosure Statement for the year ending 30 June 2018 (continued)

Benchmark	Detail of quantified limit	Quantified Limit	Projected Performance	Met
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### 4 Essential services benchmark

Planned capital expenditure on network services is presented as a proportion of expected depreciation on network services. Council meets the essential services benchmark if expenditure on network services equals or is greater than expected depreciation on network services.

Essential services benchmark	Expenditure on infrastructure exceeds the cost of depreciation on those assets	>100% of depreciation	158.91% of depreciation	Yes
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### 5 Debt servicing benchmark

Planned borrowing costs are presented 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 that population in the District will grow more slowly than the national population growth rate, Council meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

Debt servicing benchmark	Debt servicing is less than 10% of total revenue, less development contributions and vested assets	<10% of total revenue	1.99% of total revenue	Yes
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As Council anticipates carrying no external debt during the 2017/18 financial year, the cost of servicing that debt is zero. This measure is based solely on the costs related to internal debt servicing. These costs are charged against specific departments and are not a cost on Council as a whole.

## Rating Base Information

Council is required to include in its annual plan, in accordance with Section 20A of the Local Government Act 2002, information related to its projections concerning Council's rating base.

	Actual 30 June 2016	Projected 30 June 2017
Number of rating units in the District	13,790	13,827
Total Land Value of rating units	\$3,796,956,450	\$3,810,957,400
Total Capital Value of rating units	\$7,203,247,450	\$7,254,164,400

## Reconciliation of Funding Impact Statements by Group of Activities

### Summary Income and Expenditure by Group of Activities

	2015/16 Actual \$000	2017/18 Annual Plan \$000	2017/18 LTP Yr 3 \$000	2016/17 Annual Plan \$000
<b>Operating Revenue</b>				
Roads & Footpaths	3,364	3,611	3,781	3,588
Sewerage (Treatment & Disposal)	723	673	744	659
Stormwater Drainage	-	-	-	-
Water Supply	966	717	838	832
Waste Management & Minimisation	1,470	158	687	431
Arts, Heritage & Community	563	612	694	663
Parks & Recreation	2,280	1,047	1,046	944
Democracy, Accountability & Planning	44	34	31	87
Commercial & Development Activities	3,139	2,747	2,498	2,340
Regulation & Safety	1,343	1,681	1,517	1,449
Support Services (Net Allocated)	15,330	17,990	16,815	16,736
<b>Operational Revenue per Activity FIS</b>	<b>29,222</b>	<b>29,270</b>	<b>28,651</b>	<b>27,729</b>
<b>Total Sources of Capital Funding</b>				
Roads & Footpaths	3,369	4,226	3,519	3,931
Sewerage (Treatment & Disposal)	83	100	116	110
Stormwater Drainage	-	-	-	-
Water Supply	242	218	275	295
Waste Management & Minimisation	-	-	-	-
Arts, Heritage & Community	14	2,000	2,000	788
Parks & Recreation	687	20	-	-
Democracy, Accountability & Planning	-	-	-	-
Commercial & Development Activities	(855)	489	52	1,350
Regulation & Safety	76	175	110	90
Support Services (Net Allocated)	79	26	26	85
<b>Capital Revenue per Activity FIS</b>	<b>3,695</b>	<b>7,254</b>	<b>6,098</b>	<b>6,649</b>
Add total Rates	29,650	30,076	30,842	29,722
Less Internal recoveries included	(15,203)	(17,943)	(16,797)	(16,713)
<b>Revenue per Total Activities FIS</b>	<b>47,364</b>	<b>48,657</b>	<b>48,794</b>	<b>47,387</b>
Remove increase/decrease in debt	-	-	-	-
Proceeds from sale of assets	1,048	(265)	(78)	(134)
Adjust Sales contra account	(2,774)	-	-	-
Adjust Rate remissions offset against revenue	(321)	(242)	-	(242)
Adjust internal revenue	-	1	-	(3)
<b>Revenue per Statement of Comprehensive Revenue and Expenditure</b>	<b>45,317</b>	<b>48,151</b>	<b>48,716</b>	<b>47,008</b>



## Reconciliation of Funding Impact Statements by Group of Activities (continued)

### Summary Income and Expenditure by Group of Activities

	2015/16 Actual \$000	2017/18 Annual Plan \$000	2017/18 LTP Yr 3 \$000	2016/17 Annual Plan \$000
<b>Total Applications of Operating Funding</b>				
Roads & Footpaths	5,990	7,072	7,118	6,800
Sewerage (Treatment & Disposal)	2,249	1,529	1,803	1,504
Stormwater Drainage	164	224	197	185
Water Supply	4,546	4,212	4,851	4,218
Waste Management & Minimisation	1,940	1,041	1,622	1,338
Arts, Heritage & Community	3,736	4,097	4,170	3,990
Parks & Recreation	5,351	4,586	4,966	4,568
Democracy, Accountability & Planning	3,184	3,993	3,642	3,798
Commercial & Development Activities	3,063	2,924	2,200	3,340
Regulation & Safety	3,511	4,338	4,232	4,210
Support Services (Net Allocated)	14,847	17,267	16,221	16,172
<b>Total Operational expenditure per FIS</b>	<b>48,581</b>	<b>51,283</b>	<b>51,022</b>	<b>50,123</b>
Less internal recoveries	(15,203)	(17,941)	(16,797)	(16,712)
<b>Expenditure per Total Activities FIS</b>	<b>33,378</b>	<b>33,342</b>	<b>34,225</b>	<b>33,411</b>
Less internal charges included in capital	(523)	(503)	(406)	(198)
Adjust internal charges	-	1	-	1
Adjust Rate remissions offset against revenue	(321)	(240)	-	(242)
Add Depreciation and Amortisation (See Note 7)	11,463	12,119	11,826	11,380
<b>Expenditure per Statement of Comprehensive Revenue and Expenditure</b>	<b>43,997</b>	<b>44,719</b>	<b>45,645</b>	<b>44,352</b>

## Funding Impact Statement for Annual Plan 2017/18

Funding Impact Statement - Total Activities				Commentary on Major Changes
2015/16 Actual \$000		2017/18 Annual Plan \$000	2017/18 LTP \$000	2016/17 Annual Plan \$000
	<b>Sources of Operating Funding</b>			
6,554	General Rates, Uniform Annual General Charge, Rates Penalties	6,969	6,781	6,903
23,096	Targeted Rates	23,107	24,061	22,819
29,650	<b>Rates Revenue</b>	30,076	30,842	29,722
3,092	Subsidies and Grants for Operating Purposes	3,155	3,213	3,051
6,593	Fees and Charges	5,570	5,949	5,396
1,827	Interest and Dividends from Investments	1,474	1,428	1,257
15,203	Internal Charges and Overheads Recovered	17,943	16,797	16,713
2,507	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	1,128	1,264	1,312
29,222	<b>Operating Revenue</b>	29,270	28,651	27,729
58,872	<b>Total Sources of Operating Funding</b>	59,346	59,493	57,451
	<b>Applications of Operating Funding</b>			
33,378	Payments to Staff and Suppliers	33,342	34,224	33,411
-	Finance Costs	-	-	-
15,203	Internal Charges and Overheads Applied	17,941	16,798	16,712
-	Other Operating Funding Applications	-	-	-
48,581	<b>Total Applications of Operating Funding</b>	51,283	51,022	50,123
10,291	<b>Surplus / (Deficit) of Operating Funding</b>	8,063	8,471	7,328
	<b>Sources of Capital funding</b>			
4,033	Subsidies and Grants for Capital Expenditure	6,296	5,380	5,919
710	Development and Financial Contributions	693	640	595
-	Increase / (Decrease) in Debt	-	-	-
(1,048)	Proceeds from Sale of Assets	265	78	135
3,695	<b>Total Sources of Capital Funding</b>	7,254	6,098	6,649
	<b>Applications of Capital funding</b>			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
3,947	Improve Levels of Service	11,809	5,441	10,938
7,594	Replace Existing Assets	10,187	8,295	7,999
2,445	Increase / (Decrease) in Reserve	(6,679)	833	(4,960)
-	Increase / (Decrease) in Investments	-	-	-
13,986	<b>Total Applications for Capital Funding</b>	15,317	14,569	13,977
(10,291)	<b>Surplus / (Deficit) of Capital Funding</b>	(8,063)	(8,471)	(7,328)
-	<b>Funding Balance</b>	-	-	-

Levels of service are generally consistent with those anticipated in the Long Term Plan. Council anticipates the receipt of external funding for the redevelopment of the Museum and Forrester Gallery, and will continue to use accumulated reserves to reduce water and sewerage rates which will benefit many ratepayers in the District.

## Funding Impact Statement for Annual Plan 2017/18

Roads & Footpaths				Commentary on Major Changes
2015/16 Actual \$000		2017/18 Annual Plan \$000	2017/18 LTP \$000	2016/17 Annual Plan \$000
	<b>Sources of Operating Funding</b>			
196	General Rates, Uniform Annual General Charge, Rates Penalties	56	150	244
6,383	Targeted Rates	6,663	6,319	6,433
6,579	<b>Rates Revenue</b>	6,719	6,469	6,677
2,822	Subsidies and Grants for Operating Purposes	2,898	2,988	2,830
249	Fees and Charges	284	233	239
-	Interest and Dividends from Investments	-	-	-
24	Internal Charges and Overheads Recovered	20	44	25
269	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	409	516	494
3,364	<b>Operating Revenue</b>	3,611	3,781	3,588
9,943	<b>Total Sources of Operating Funding</b>	10,330	10,250	10,265
	<b>Applications of Operating Funding</b>			
4,490	Payments to Staff and Suppliers	5,261	5,494	5,194
-	Finance Costs	-	-	-
1,500	Internal Charges and Overheads Applied	1,811	1,624	1,606
-	Other Operating Funding Applications	-	-	-
5,990	<b>Total Applications of Operating Funding</b>	7,072	7,118	6,800
3,953	<b>Surplus / (Deficit) of Operating Funding</b>	3,258	3,132	3,465
	<b>Sources of Capital funding</b>			
3,225	Subsidies and Grants for Capital Expenditure	4,026	3,380	3,831
144	Development and Financial Contributions	200	139	100
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
3,369	<b>Total Sources of Capital Funding</b>	4,226	3,519	3,931
	<b>Applications of Capital funding</b>			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
1,144	Improve Levels of Service	2,233	654	1,561
4,901	Replace Existing Assets	6,233	5,995	5,655
1,277	Increase / (Decrease) in Reserve	(982)	2	180
-	Increase / (Decrease) in Investments	-	-	-
7,322	<b>Total Applications for Capital Funding</b>	7,484	6,651	7,396
(3,953)	<b>Surplus / (Deficit) of Capital Funding</b>	(3,258)	(3,132)	(3,465)
-	<b>Funding Balance</b>	-	-	-

Levels of service are consistent with those anticipated in the Long Term Plan. The level of NZ Transport Agency subsidy will reduce by 1% in the budget year - this has been allowed for in both this budget and in the LTP

## Funding Impact Statement for Annual Plan 2017/18

Sewerage (Treatment & Disposal)				Commentary on Major Changes
2015/16 Actual \$000		2017/18 Annual Plan \$000	2017/18 LTP \$000	2016/17 Annual Plan \$000
	<b>Sources of Operating Funding</b>			
-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
1,745	Targeted Rates	1,628	1,926	1,607
1,745	<b>Rates Revenue</b>	1,628	1,926	1,607
-	Subsidies and Grants for Operating Purposes	-	-	-
318	Fees and Charges	319	284	270
-	Interest and Dividends from Investments	-	-	-
399	Internal Charges and Overheads Recovered	333	439	389
6	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	21	21	-
723	<b>Operating Revenue</b>	673	744	659
2,468	<b>Total Sources of Operating Funding</b>	2,301	2,670	2,266
	<b>Applications of Operating Funding</b>			
1,716	Payments to Staff and Suppliers	959	1,172	946
-	Finance Costs	-	-	-
533	Internal Charges and Overheads Applied	570	631	558
-	Other Operating Funding Applications	-	-	-
2,249	<b>Total Applications of Operating Funding</b>	1,529	1,803	1,504
219	<b>Surplus / (Deficit) of Operating Funding</b>	772	867	762
	<b>Sources of Capital funding</b>			
-	Subsidies and Grants for Capital Expenditure	-	-	-
83	Development and Financial Contributions	100	116	110
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
83	<b>Total Sources of Capital Funding</b>	100	116	110
	<b>Applications of Capital funding</b>			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
14	Improve Levels of Service	525	525	580
66	Replace Existing Assets	525	525	200
222	Increase / (Decrease) in Reserve	(178)	(67)	92
-	Increase / (Decrease) in Investments	-	-	-
302	<b>Total Applications for Capital Funding</b>	872	983	872
(219)	<b>Surplus / (Deficit) of Capital Funding</b>	(772)	(867)	(762)
-	<b>Funding Balance</b>	-	-	-

Levels of service are consistent with those anticipated in the Long Term Plan. The reduction in rates is due to the decision made by Council to utilise accumulated reserves to benefit ratepayers, as was also done in the 2015-16 and

## Funding Impact Statement for Annual Plan 2017/18

Stormwater Drainage		Commentary on Major Changes			
2015/16 Actual \$000		2017/18 Annual Plan \$000	2017/18 LTP \$000	2016/17 Annual Plan \$000	
	<b>Sources of Operating Funding</b>				
-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-	Levels of service are consistent with those anticipated in the Long Term Plan.
434	Targeted Rates	471	442	428	
434	<b>Rates Revenue</b>	471	442	428	
-	Subsidies and Grants for Operating Purposes	-	-	-	
-	Fees and Charges	-	-	-	
-	Interest and Dividends from Investments	-	-	-	
-	Internal Charges and Overheads Recovered	-	-	-	
-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-	
-	<b>Operating Revenue</b>	-	-	-	
434	<b>Total Sources of Operating Funding</b>	471	442	428	
	<b>Applications of Operating Funding</b>				
57	Payments to Staff and Suppliers	60	70	59	
-	Finance Costs	-	-	-	
107	Internal Charges and Overheads Applied	164	127	126	
-	Other Operating Funding Applications	-	-	-	
164	<b>Total Applications of Operating Funding</b>	224	197	185	
270	<b>Surplus / (Deficit) of Operating Funding</b>	247	245	243	
	<b>Sources of Capital funding</b>				
-	Subsidies and Grants for Capital Expenditure	-	-	-	
-	Development and Financial Contributions	-	-	-	
-	Increase / (Decrease) in Debt	-	-	-	
-	Gross Proceeds from Sale of Assets	-	-	-	
-	<b>Total Sources of Capital Funding</b>	-	-	-	
	<b>Applications of Capital funding</b>				
	Capital Expenditure				
-	Meet Additional Demand	-	-	-	
-	Improve Levels of Service	-	-	-	
57	Replace Existing Assets	15	-	-	
213	Increase / (Decrease) in Reserve	232	245	243	
-	Increase / (Decrease) in Investments	-	-	-	
270	<b>Total Applications for Capital Funding</b>	247	245	243	
(270)	<b>Surplus / (Deficit) of Capital Funding</b>	(247)	(245)	(243)	
-	<b>Funding Balance</b>	-	-	-	

## Funding Impact Statement for Annual Plan 2017/18

Water Supply				Commentary on Major Changes	
2015/16 Actual \$000		2017/18 Annual Plan \$000	2017/18 LTP \$000	2016/17 Annual Plan \$000	
	<b>Sources of Operating Funding</b>				
1	General Rates, Uniform Annual General Charge, Rates Penalties	1	1	1	Levels of service are consistent with those anticipated in the Long Term Plan. The reduction in rates is due to the decision made by Council to utilise accumulated reserves to benefit ratepayers, as with Sewer rates, but loan servicing and other costs related to Drinking Water Standards upgrades have resulted in rates increasing over those in 2016/17.
5,610	Targeted Rates	5,378	6,148	5,236	
5,611	<b>Rates Revenue</b>	5,379	6,149	5,237	
-	Subsidies and Grants for Operating Purposes	-	-	-	
585	Fees and Charges	481	463	481	
-	Interest and Dividends from Investments	-	-	-	
364	Internal Charges and Overheads Recovered	236	375	351	
17	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-	
966	<b>Operating Revenue</b>	717	838	832	
6,577	<b>Total Sources of Operating Funding</b>	6,096	6,987	6,069	
	<b>Applications of Operating Funding</b>				
3,140	Payments to Staff and Suppliers	2,848	3,075	2,917	
-	Finance Costs	-	-	-	
1,406	Internal Charges and Overheads Applied	1,364	1,776	1,301	
-	Other Operating Funding Applications	-	-	-	
4,546	<b>Total Applications of Operating Funding</b>	4,212	4,851	4,218	
2,031	<b>Surplus / (Deficit) of Operating Funding</b>	1,884	2,136	1,851	
	<b>Sources of Capital funding</b>				
-	Subsidies and Grants for Capital Expenditure	-	-	-	
242	Development and Financial Contributions	218	275	295	
-	Increase / (Decrease) in Debt	-	-	-	
-	Gross Proceeds from Sale of Assets	-	-	-	
242	<b>Total Sources of Capital Funding</b>	218	275	295	
	<b>Applications of Capital funding</b>				
	Capital Expenditure				
-	Meet Additional Demand	-	-	-	
705	Improve Levels of Service	1,840	1,840	5,600	
1,592	Replace Existing Assets	1,935	1,300	1,280	
(24)	Increase / (Decrease) in Reserve	(1,673)	(729)	(4,734)	
-	Increase / (Decrease) in Investments	-	-	-	
2,273	<b>Total Applications for Capital Funding</b>	2,102	2,411	2,146	
(2,031)	<b>Surplus / (Deficit) of Capital Funding</b>	(1,884)	(2,136)	(1,851)	
-	<b>Funding Balance</b>	-	-	-	

## Funding Impact Statement for Annual Plan 2017/18

Waste Management & Minimisation				Commentary on Major Changes	
2015/16 Actual \$000		2017/18 Annual Plan \$000	2017/18 LTP \$000	2016/17 Annual Plan \$000	
	<b>Sources of Operating Funding</b>				
983	General Rates, Uniform Annual General Charge, Rates Penalties	1,116	1,100	1,051	Levels of service are not consistent with those anticipated in the Long Term Plan, following the closure of the Oamaru landfill in April 2017, which has resulted in significantly reduced revenue from user charges and a matching reduction in operating costs. Council continues to be responsible for landfill capping and monitoring, and waste minimisation activities.
-	Targeted Rates	-	-	-	
983	<b>Rates Revenue</b>	1,116	1,100	1,051	
82	Subsidies and Grants for Operating Purposes	82	60	75	
1,362	Fees and Charges	76	627	356	
-	Interest and Dividends from Investments	-	-	-	
-	Internal Charges and Overheads Recovered	-	-	-	
26	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-	
1,470	<b>Operating Revenue</b>	158	687	431	
2,453	<b>Total Sources of Operating Funding</b>	1,274	1,787	1,482	
	<b>Applications of Operating Funding</b>				
1,742	Payments to Staff and Suppliers	783	1,338	1,062	
-	Finance Costs	-	-	-	
198	Internal Charges and Overheads Applied	258	284	276	
-	Other Operating Funding Applications	-	-	-	
1,940	<b>Total Applications of Operating Funding</b>	1,041	1,622	1,338	
513	<b>Surplus / (Deficit) of Operating Funding</b>	233	165	144	
	<b>Sources of Capital funding</b>				
-	Subsidies and Grants for Capital Expenditure	-	-	-	
-	Development and Financial Contributions	-	-	-	
-	Increase / (Decrease) in Debt	-	-	-	
-	Gross Proceeds from Sale of Assets	-	-	-	
-	<b>Total Sources of Capital Funding</b>	-	-	-	
	<b>Applications of Capital funding</b>				
	Capital Expenditure				
-	Meet Additional Demand	-	-	-	
-	Improve Levels of Service	-	-	-	
3	Replace Existing Assets	-	-	-	
510	Increase / (Decrease) in Reserve	233	165	144	
-	Increase / (Decrease) in Investments	-	-	-	
513	<b>Total Applications for Capital Funding</b>	233	165	144	
(513)	<b>Surplus / (Deficit) of Capital Funding</b>	(233)	(165)	(144)	
-	<b>Funding Balance</b>	-	-	-	

## Funding Impact Statement for Annual Plan 2017/18

Arts, Heritage & Community				Commentary on Major Changes	
2015/16 Actual \$000		2017/18 Annual Plan \$000	2017/18 LTP \$000	2016/17 Annual Plan \$000	
	<b>Sources of Operating Funding</b>				
280	General Rates, Uniform Annual General Charge, Rates Penalties	361	292	316	Levels of service are consistent with those anticipated in the Long Term Plan. Council continues to anticipate the receipt of external funding for the redevelopment of the museum and other cultural facilities based on the Forrester Gallery.
3,180	Targeted Rates	3,323	3,392	3,170	
3,460	<b>Rates Revenue</b>	3,684	3,684	3,486	
84	Subsidies and Grants for Operating Purposes	117	109	111	
340	Fees and Charges	359	412	395	
-	Interest and Dividends from Investments	-	-	-	
-	Internal Charges and Overheads Recovered	-	-	-	
139	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	136	173	157	
563	<b>Operating Revenue</b>	612	694	663	
4,023	<b>Total Sources of Operating Funding</b>	4,296	4,378	4,149	
	<b>Applications of Operating Funding</b>				
2,481	Payments to Staff and Suppliers	2,653	2,719	2,643	
-	Finance Costs	-	-	-	
1,255	Internal Charges and Overheads Applied	1,444	1,451	1,347	
-	Other Operating Funding Applications	-	-	-	
3,736	<b>Total Applications of Operating Funding</b>	4,097	4,170	3,990	
287	<b>Surplus / (Deficit) of Operating Funding</b>	199	208	159	
	<b>Sources of Capital funding</b>				
4	Subsidies and Grants for Capital Expenditure	2,000	2,000	788	
-	Development and Financial Contributions	-	-	-	
-	Increase / (Decrease) in Debt	-	-	-	
10	Gross Proceeds from Sale of Assets	-	-	-	
14	<b>Total Sources of Capital Funding</b>	2,000	2,000	788	
	<b>Applications of Capital funding</b>				
	Capital Expenditure				
-	Meet Additional Demand	-	-	-	
312	Improve Levels of Service	2,255	2,255	445	
130	Replace Existing Assets	135	136	136	
(141)	Increase / (Decrease) in Reserve	(191)	(183)	366	
-	Increase / (Decrease) in Investments	-	-	-	
301	<b>Total Applications for Capital Funding</b>	2,199	2,208	947	
(287)	<b>Surplus / (Deficit) of Capital Funding</b>	(199)	(208)	(159)	
-	<b>Funding Balance</b>	-	-	-	



## Funding Impact Statement for Annual Plan 2017/18

Parks & Recreation		Commentary on Major Changes			
2015/16 Actual \$000		2017/18 Annual Plan \$000	2017/18 LTP \$000	2016/17 Annual Plan \$000	
	<b>Sources of Operating Funding</b>				
566	General Rates, Uniform Annual General Charge, Rates Penalties	713	629	678	Levels of service are consistent with those anticipated in the Long Term Plan. Council anticipates significantly reduced operating costs for parks, sportsfields and the public gardens following the awarding of a new maintenance contract. Development of new public toilets continues in the budget year.
3,227	Targeted Rates	3,094	3,432	3,389	
3,793	<b>Rates Revenue</b>	3,807	4,061	4,067	
36	Subsidies and Grants for Operating Purposes	24	25	4	
1,015	Fees and Charges	1,015	1,014	920	
-	Interest and Dividends from Investments	-	-	-	
-	Internal Charges and Overheads Recovered	-	-	-	
1,229	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	8	7	20	
2,280	<b>Operating Revenue</b>	1,047	1,046	944	
6,073	<b>Total Sources of Operating Funding</b>	4,854	5,107	5,011	
	<b>Applications of Operating Funding</b>				
4,651	Payments to Staff and Suppliers	3,565	4,036	3,688	
-	Finance Costs	-	-	-	
700	Internal Charges and Overheads Applied	1,021	930	880	
-	Other Operating Funding Applications	-	-	-	
5,351	<b>Total Applications of Operating Funding</b>	4,586	4,966	4,568	
722	<b>Surplus / (Deficit) of Operating Funding</b>	268	141	443	
	<b>Sources of Capital funding</b>				
7	Subsidies and Grants for Capital Expenditure	20	-	-	
-	Development and Financial Contributions	-	-	-	
-	Increase / (Decrease) in Debt	-	-	-	
680	Gross Proceeds from Sale of Assets	-	-	-	
687	<b>Total Sources of Capital Funding</b>	20	-	-	
	<b>Applications of Capital funding</b>				
	Capital Expenditure				
-	Meet Additional Demand	-	-	-	
280	Improve Levels of Service	93	102	342	
158	Replace Existing Assets	468	163	243	
971	Increase / (Decrease) in Reserve	(273)	(124)	(142)	
-	Increase / (Decrease) in Investments	-	-	-	
1,409	<b>Total Applications for Capital Funding</b>	288	141	443	
(722)	<b>Surplus / (Deficit) of Capital Funding</b>	(268)	(141)	(443)	
-	<b>Funding Balance</b>	-	-	-	

## Funding Impact Statement for Annual Plan 2017/18

Democracy, Accountability & Planning				Commentary on Major Changes
2015/16 Actual \$000		2017/18 Annual Plan \$000	2017/18 LTP \$000	2016/17 Annual Plan \$000
	<b>Sources of Operating Funding</b>			
1,896	General Rates, Uniform Annual General Charge, Rates Penalties	2,187	1,963	1,968
1,508	Targeted Rates	1,682	1,560	1,529
3,404	<b>Rates Revenue</b>	3,869	3,523	3,497
36	Subsidies and Grants for Operating Purposes	34	31	31
-	Fees and Charges	-	-	-
-	Interest and Dividends from Investments	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-
8	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	56
44	<b>Operating Revenue</b>	34	31	87
3,448	<b>Total Sources of Operating Funding</b>	3,903	3,554	3,584
	<b>Applications of Operating Funding</b>			
784	Payments to Staff and Suppliers	983	943	1,156
-	Finance Costs	-	-	-
2,400	Internal Charges and Overheads Applied	3,010	2,699	2,642
-	Other Operating Funding Applications	-	-	-
3,184	<b>Total Applications of Operating Funding</b>	3,993	3,642	3,798
264	<b>Surplus / (Deficit) of Operating Funding</b>	(90)	(88)	(214)
	<b>Sources of Capital funding</b>			
-	Subsidies and Grants for Capital Expenditure	-	-	-
-	Development and Financial Contributions	-	-	-
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
-	<b>Total Sources of Capital Funding</b>	-	-	-
	<b>Applications of Capital funding</b>			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
-	Improve Levels of Service	-	-	-
-	Replace Existing Assets	-	-	-
264	Increase / (Decrease) in Reserve	(90)	(88)	(214)
-	Increase / (Decrease) in Investments	-	-	-
264	<b>Total Applications for Capital Funding</b>	(90)	(88)	(214)
(264)	<b>Surplus / (Deficit) of Capital Funding</b>	90	88	214
-	<b>Funding Balance</b>	-	-	-

Levels of service are consistent with those anticipated in the Long Term Plan. The review of the District Plan will continue into the budget year, and associated costs will be partially met from reserves and internal loans.

## Funding Impact Statement for Annual Plan 2017/18

Commercial & Development Activities				Commentary on Major Changes	
2015/16 Actual \$000		2017/18 Annual Plan \$000	2017/18 LTP \$000	2016/17 Annual Plan \$000	
	<b>Sources of Operating Funding</b>				
714	General Rates, Uniform Annual General Charge, Rates Penalties	206	545	617	Interest rates have reduced well below levels anticipated in the Long Term Plan, but the deferral of capital projects and proceeds of property sales result in Council having more funds available for investment. Development of the RSA building and the Oamaru Courthouse will result in improved rental returns
505	Targeted Rates	800	278	540	
1,219	<b>Rates Revenue</b>	1,006	823	1,157	
31	Subsidies and Grants for Operating Purposes	-	-	-	
1,421	Fees and Charges	1,430	1,436	1,325	
1,827	Interest and Dividends from Investments	1,474	1,428	1,257	
(786)	Internal Charges and Overheads Recovered	(590)	(858)	(765)	
646	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	433	492	523	
3,139	<b>Operating Revenue</b>	2,747	2,498	2,340	
4,358	<b>Total Sources of Operating Funding</b>	3,753	3,321	3,497	
	<b>Applications of Operating Funding</b>				
3,104	Payments to Staff and Suppliers	2,749	2,726	3,287	
-	Finance Costs	-	-	-	
(41)	Internal Charges and Overheads Applied	175	(526)	53	
-	Other Operating Funding Applications	-	-	-	
3,063	<b>Total Applications of Operating Funding</b>	2,924	2,200	3,340	
1,295	<b>Surplus / (Deficit) of Operating Funding</b>	829	1,121	157	
	<b>Sources of Capital funding</b>				
797	Subsidies and Grants for Capital Expenditure	250	-	1,300	
165	Development and Financial Contributions	-	-	-	
-	Increase / (Decrease) in Debt	-	-	-	
(1,817)	Gross Proceeds from Sale of Assets	239	52	50	
(855)	<b>Total Sources of Capital Funding</b>	489	52	1,350	
	<b>Applications of Capital funding</b>				
	Capital Expenditure				
-	Meet Additional Demand	-	-	-	
1,310	Improve Levels of Service	4,828	30	1,675	
115	Replace Existing Assets	700	-	-	
(985)	Increase / (Decrease) in Reserve	(4,210)	1,143	(168)	
-	Increase / (Decrease) in Investments	-	-	-	
440	<b>Total Applications for Capital Funding</b>	1,318	1,173	1,507	
(1,295)	<b>Surplus / (Deficit) of Capital Funding</b>	(829)	(1,121)	(157)	
-	<b>Funding Balance</b>	-	-	-	

## Funding Impact Statement for Annual Plan 2017/18

Regulation & Safety				Commentary on Major Changes
2015/16 Actual \$000		2017/18 Annual Plan \$000	2017/18 LTP \$000	2016/17 Annual Plan \$000
	<b>Sources of Operating Funding</b>			
1,918	General Rates, Uniform Annual General Charge, Rates Penalties	2,329	2,101	2,028
504	Targeted Rates	68	564	487
2,422	<b>Rates Revenue</b>	2,397	2,665	2,515
-	Subsidies and Grants for Operating Purposes	-	-	-
1,289	Fees and Charges	1,605	1,479	1,404
-	Interest and Dividends from Investments	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-
54	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	76	38	45
1,343	<b>Operating Revenue</b>	1,681	1,517	1,449
3,765	<b>Total Sources of Operating Funding</b>	4,078	4,182	3,964
	<b>Applications of Operating Funding</b>			
933	Payments to Staff and Suppliers	1,469	1,396	1,237
-	Finance Costs	-	-	-
2,578	Internal Charges and Overheads Applied	2,869	2,836	2,973
-	Other Operating Funding Applications	-	-	-
3,511	<b>Total Applications of Operating Funding</b>	4,338	4,232	4,210
254	<b>Surplus / (Deficit) of Operating Funding</b>	(260)	(50)	(246)
	<b>Sources of Capital funding</b>			
-	Subsidies and Grants for Capital Expenditure	-	-	-
76	Development and Financial Contributions	175	110	90
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
76	<b>Total Sources of Capital Funding</b>	175	110	90
	<b>Applications of Capital funding</b>			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
-	Improve Levels of Service	-	-	500
-	Replace Existing Assets	-	-	-
330	Increase / (Decrease) in Reserve	(85)	60	(656)
-	Increase / (Decrease) in Investments	-	-	-
330	<b>Total Applications for Capital Funding</b>	(85)	60	(156)
(254)	<b>Surplus / (Deficit) of Capital Funding</b>	260	50	246
-	<b>Funding Balance</b>	-	-	-

Levels of service are not consistent with those anticipated in the Long Term Plan. Council has been required to undertake more responsibility for building, liquor licensing and food hygiene regulations, leading to increased costs and increased revenue from user charges. Council is no longer responsible for rural fire and civil defence activities, leading to reduced costs in these areas.

## Funding Impact Statement for Annual Plan 2017/18

Support Services (Net Allocated)		Commentary on Major Changes		
2015/16 Actual \$000		2017/18 Annual Plan \$000	2017/18 LTP \$000	2016/17 Annual Plan \$000
	<b>Sources of Operating Funding</b>			
-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
-	Targeted Rates	-	-	-
-	<b>Rates Revenue</b>	-	-	-
1	Subsidies and Grants for Operating Purposes	-	-	-
14	Fees and Charges	1	1	6
-	Interest and Dividends from Investments	-	-	-
15,202	Internal Charges and Overheads Recovered	17,944	16,797	16,713
113	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	45	17	17
15,330	<b>Operating Revenue</b>	17,990	16,815	16,736
15,330	<b>Total Sources of Operating Funding</b>	17,990	16,815	16,736
	<b>Applications of Operating Funding</b>			
10,280	Payments to Staff and Suppliers	12,012	11,255	11,222
-	Finance Costs	-	-	-
4,567	Internal Charges and Overheads Applied	5,255	4,966	4,950
-	Other Operating Funding Applications	-	-	-
14,847	<b>Total Applications of Operating Funding</b>	17,267	16,221	16,172
483	<b>Surplus / (Deficit) of Operating Funding</b>	723	594	564
	<b>Sources of Capital funding</b>			
-	Subsidies and Grants for Capital Expenditure	-	-	-
-	Development and Financial Contributions	-	-	-
-	Increase / (Decrease) in Debt	-	-	-
79	Gross Proceeds from Sale of Assets	26	26	85
79	<b>Total Sources of Capital Funding</b>	26	26	85
	<b>Applications of Capital funding</b>			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
182	Improve Levels of Service	35	35	235
572	Replace Existing Assets	176	176	485
(192)	Increase / (Decrease) in Reserve	538	409	(71)
-	Increase / (Decrease) in Investments	-	-	-
562	<b>Total Applications for Capital Funding</b>	749	620	649
(483)	<b>Surplus / (Deficit) of Capital Funding</b>	(723)	(594)	(564)
-	<b>Funding Balance</b>	-	-	-

Levels of service are consistent with those anticipated in the Long Term Plan. Replacement and upgrading of computer networks continues to be a priority for the organisation.

# ***Statement of Accounting Policies***

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## **Reporting Entity**

Waitaki District Council (Council) is a territorial local authority governed by the provisions of the Local Government Act 2002 (the LGA, the Act), and is domiciled and operates in New Zealand. Relevant legislation governing Council's operations include the LGA and the Local Government (Rating) Act 2002.

These prospective financial statements of the Waitaki District Council are for the year ended 30 June 2018.

These prospective financial statements are for Council itself. Consolidated group financial reports have not been provided. The consolidated group consists of Council and its subsidiaries: Whitestone Contracting Limited, Waitaki District Health Services Limited, and Tourism Waitaki Limited (all 100% owned), and Omarama Airfield Limited (50% owned). The investment in Omarama Airfield Limited is treated as a joint venture. All companies are incorporated and domiciled in New Zealand.

The primary objective of Council is to provide goods or services for community and social benefit rather than making a financial return. Accordingly, these prospective financial statements comply with Public Benefit Entity (PBE) reporting standards and have been prepared in accordance with Tier 1 PBE standards.

## **Basis of Preparation**

The prospective financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and the requirements of the Local Government Act 2002, particularly Section 98, Part 6, and Part 3 of Schedule 10 of the Act. They comply with PBE IPSAS, and other applicable financial reporting standards as appropriate for public benefit entities.

The prospective financial statements comply with PBE FRS-42 (Prospective Financial Statements), and have been prepared on an historic cost basis, modified by the revaluation of certain property, plant and equipment: land and buildings, infrastructural and biological assets. The prospective financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Council and the group is New Zealand dollars.

The accounting policies, set out below, have been applied consistently in the preparation of these prospective financial statements.

# ***Statement of Accounting Policies***

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## **Specific Accounting Policies**

The following specific accounting policies that significantly affect the measurement of operating results, cash flows and financial position have been applied:

### **Revenue Recognition**

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

- Rates are recognised when set
- Water billing revenue is recognised when earned
- Government grants and subsidies are recognised when eligibility has been established
- Other grants are recognised as revenue when received, unless there is an obligation in substance to return the funds should conditions of the grant not be met, in which case the grants are initially recorded as revenue in advance, and only recognised as revenue when all conditions are satisfied
- Operating revenues represent the gross revenue from commercial operations in the ordinary course of business and are recognised when earned
- Fees and charges are recognised when invoiced
- Rebates are recognised when received
- Interest revenue is recognised when earned
- Dividends are recognised when received
- Vested Infrastructural Assets are recognised when Council accepts their transfer from the sub-divider. The value recognised is based on certified engineers' certificates
- Development and financial contributions are recognised at the later of invoicing or the event that will give rise to a requirement for a development or financial contribution under the relevant legislation
- Sales of goods are recognised when a product is sold or a service is provided to the customer

### **Borrowing Costs**

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

# ***Statement of Accounting Policies***

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## **Leases**

### *Finance Leases*

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The leased assets and corresponding liabilities are recognised and the leased assets are depreciated over the period benefit is expected from their use.

### *Operating Leases*

Operating leases are all other leases, ie leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset. These are charged on a straight-line basis over the term of the lease.

## **Goods and Services Tax**

These prospective financial statements have been prepared on a GST exclusive basis and any net GST due or owing at balance date is included in Trade and Other Payables or Trade and Other Receivables (as appropriate). Trade and Other Receivables and Trade and Other Payables are stated inclusive of GST. Any GST that is not recoverable as an input tax is recognised as part of the related asset or expense.

## **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. The carrying value of cash at bank and term deposits maturing within three months approximates fair value.

## **Trade and Other Receivables**

Trade and other receivables are initially measured at their face value, less any provision for impairment.

## **Inventories**

Inventories, comprising materials on hand, are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis. Any write down from cost to net realisable value is recognised immediately in the surplus or deficit.



# ***Statement of Accounting Policies***

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## **Financial Assets**

Financial assets may be classified into one of the following four categories: financial assets at fair value through surplus or deficit, held to maturity investments, loans and receivables and fair value through other comprehensive revenue and expense. The classification depends on the purpose for which the investments were acquired. Council determines the classification at initial recognition and re-evaluates the designation at every reporting date.

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

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council 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 sheet date. The quoted market price used is the current bid price. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

Of the four categories of financial assets, the following are relevant to Council.

- **Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are reported as current assets except for those with maturities greater than twelve months after balance date, which are included in non-current assets.

- **Fair Value through other revenue and expense**

Available-for-sale financial assets are those that are designated as “available-for-sale” at initial recognition, or that are not classified in the other categories above. This category encompasses:

- investments that Council intends to hold long-term but which may be realised before maturity; and
- shareholdings held for strategic purposes.

# ***Statement of Accounting Policies***

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After initial recognition these investments are measured at their fair value. Gains and losses are recognised in other comprehensive revenue except for impairment losses, which are recognised in the surplus or deficit. In the event of impairment, any cumulative losses previously recognised in other revenue will be reclassified from equity and recognised in the surplus or deficit even though the asset has not been de-recognised. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue is recognised in the surplus or deficit.

## **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 a surplus or deficit.

A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

## **Investment Properties**

Investment Properties are properties held to earn revenue or for capital appreciation. These do not include properties held for strategic purposes or to provide a social service. Initially, investment properties are measured at cost including transaction costs unless acquired at less than fair value when they are recognised at fair value. Council has no properties that would be classified as investment properties.

## **Non-current Assets Held for Sale**

Non-current assets held for sale are separately recognised as a current asset when the sale of an asset is highly probable, management is committed to a plan to sell the asset, and that sale is expected to occur within one year. Non-current assets held for sale are valued at the lower of the carrying value and their fair value less disposal costs.

Impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated while they are classified as held for sale.

# Statement of Accounting Policies

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## Forestry

Forestry is the estimated worth of the maturing tree stocks in Council's forests as at the date of valuation. The valuation method adopted is Net Present Value based on the age and condition of the trees. Council's forests are revalued annually at 30 June. Costs of maintaining the forestry assets are included in the reported surplus or deficit. Council's forestry plantations are professionally managed, and Council adheres strictly to a replanting plan developed by its advisers to ensure it has no liability under the Emissions Trading Scheme.

## Property, Plant and Equipment

Property, Plant and Equipment consists of:

*Operational assets* – includes land, buildings, landfill (post closure), library books, plant and equipment, furniture and fittings, and motor vehicles.

*Restricted assets* – includes parks, reserves and other property owned by Council to provide a benefit or service to the community and which cannot be disposed of because of legal or other restrictions.

*Infrastructure assets* – the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

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

## Infrastructure Assets – Work in Progress

Capital projects that are incomplete at balance date are regarded as Work in Progress, and are included in Fixed Assets, but are not depreciated until they are complete and have been commissioned. Movements into Work in Progress represent the value of work done on incomplete capital projects, while movements out of Work in Progress represent the final capitalisation of the completed project.

## Harbour Assets

Harbour Wharves and structures and the Oamaru Harbour Breakwater were valued in June 1992. This value represents deemed cost, and any subsequent additions are recorded at cost. These assets are not revalued.

# ***Statement of Accounting Policies***

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## **Library Collection**

Library collections are carried at depreciated replacement cost. Valuations are performed annually by the Head Librarian and are not subject to independent review because they are based on readily available market prices.

## **Cultural and Heritage Assets**

These assets provide a cultural or heritage service to the community, and include North Otago Museum artefacts, the Forrester Gallery art collection and the Libraries' resources. They are recorded at valuation, based on net current value, with subsequent additions recorded at cost.

## **Accounting for Revaluations**

Results of revaluations of property, plant and equipment are reflected in other comprehensive revenue and expense, and are held in an asset revaluation reserve for that class of asset. Where a revaluation results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

## **Depreciation**

### **General**

Unless otherwise stated, fixed assets are depreciated on a straight-line basis at rates that will write-off their cost or valuation, less any estimated realisable value, over their expected useful lives.

### **Land**

Land is not depreciated.

### **Buildings**

Buildings are depreciated over their expected lives of 15 to 100 years, dependent on the method of construction.

### **Cultural and Heritage Assets**

Other than Library resources, Cultural and Heritage assets are not depreciated. Library resources are depreciated over their expected lives of 7 years.

# Statement of Accounting Policies

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## Depreciation rates

Depreciation has been calculated on a straight-line basis as follows:

<u>Asset Category</u>	<u>Depreciation Base</u>
<b>Infrastructural Assets</b>	
- Roading	
- formation, base course	not depreciated
- pavement structure	30 – 70 years
- surfacing	4 – 17 years
- drainage, footpaths	10 – 100 years
- bridges, retaining structures	50 – 100 years
- street lights, railings	4 – 35 years
- Water schemes	
- head works	10 – 100 years
- reservoirs	10 – 150 years
- pumps	10 – 20 years
- reticulation	40 – 150 years
- Sewerage schemes	
- reticulation	50 – 120 years
- pumps	10 – 20 years
- treatment works	10 – 100 years
- stormwater reticulation	80 – 150 years
- transfer stations and landfill developments	3 – 25 years
- Alps2Ocean Cycle Trail	
- track formation, base course	not depreciated
- track surface	10 years
- bridges, retaining structures	50 – 60 years
- facilities: signage	12 years
- facilities: livestock proofing (gates, fencing, etc.)	35 years

# Statement of Accounting Policies

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## Depreciation rates (continued)

<u>Asset Category</u>	<u>Depreciation Base</u>
<b>Harbour Assets</b>	
Wharves and Breakwater	40 – 100 years
<b>Other Assets</b>	
Other assets are depreciated over their expected useful lives:	
Motor vehicles	3 – 10 years
Office equipment	2 – 5 years
Office furniture and fittings	2 – 10 years

Residual values and useful lives of assets are reviewed and, if necessary, adjusted at each year end.

## Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance. The main categories of intangible assets are:

### *Software*

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring into use. Costs, including employee costs and related overheads, associated with the development of software for internal use are recognised as an intangible asset. Costs related to staff training, maintaining computer software and developing and maintaining Council's website are recognised as an expense when incurred. The useful life of software is 3 to 10 years and the cost is amortised on a straight-line basis.

### *Carbon Credits*

Purchased carbon credits are recognised at cost on acquisition. Carbon credits received from the Crown under the Emissions Trading Scheme were assessed at their fair value at 30 June 2013, while carbon credits purchased since that time are valued at their cost price. Carbon credits are not amortised, but are tested for impairment annually, and are derecognised when they are used to satisfy carbon emission obligations.

# ***Statement of Accounting Policies***

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## *Other Intangible Assets*

These are other intangible assets with an identifiable useful life of 25 years, and are amortised on a straight-line basis.

## **Impairment of Property, Plant and Equipment, and Intangible Assets**

Intangible assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable, and at each balance date. If there is an indication of impairment the asset's recoverable amount is estimated, and an impairment loss is recognised for 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 entity would, if deprived of the asset, replace its remaining future economic benefits or service.

If an asset's carrying amount exceeds its recoverable amount, the asset is assessed as impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against other comprehensive revenue and expense and 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.

## **Trade and Other Payables**

Trade and other payables are recorded at their face value.

## **Employee Entitlements**

### *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 to, but not yet taken at balance date, and long service leave entitlements expected to be settled within 12 months.

Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

# Statement of Accounting Policies

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## Employee Entitlements (continued)

### Long Service Leave

Entitlements that are payable beyond 12 months, such as long service leave, 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 estimated future cash flows, applying an appropriate discount rate and inflation factor. 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 the employees.

### Superannuation Schemes

#### *Defined contribution schemes*

Obligations for contributions to Kiwisaver are accounted for as a defined contribution superannuation scheme, and are recognised as an expense in the surplus or deficit as incurred.

#### *Multi-employer defined benefit schemes*

Council belongs to a Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme. Insufficient information is available to allow the use of defined benefit accounting, as it is not possible to determine, from the terms of the scheme, the extent to which the surplus or deficit will affect future contributions by individual employers, because there is no prescribed basis for allocation. For this reason, the scheme is accounted for as a defined contribution scheme.

### Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of expenditure expected to be required to settle the obligation using a pre-tax discount rate reflecting the current assessment of the time value of money and of the risks specific to the obligation.



# ***Statement of Accounting Policies***

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## **Financial Instruments**

Council is party to financial instrument arrangements as part of everyday operations. These financial instruments include bank overdraft facilities and draw-down facilities, short-term deposits, investments, debtors and creditors.

All financial instruments are recognised in the Balance Sheet. Revenue and expenditure in relation to all financial instruments is recognised in the surplus or deficit.

## **Equity**

Equity is the Community's interest in Council, measured as the difference between total assets and total liabilities. Public Equity is disaggregated and classified into a number of components to better distinguish the specific uses that Council makes of its accumulated surpluses. These components are:

- Ratepayers Equity
- Restricted Reserves (Special Funds)
- Operating Reserves
- Asset Revaluation Reserves

## **Reserves**

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

- Restricted reserves are those reserves subject to specific conditions accepted as binding by Council and which Council may not revise without reference to the Courts or third parties. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.
- Operating reserves are established by Council decision and may be altered by Council without reference to third parties or the Courts. Transfers to and from these reserves are made at Council discretion.
- Asset revaluation reserves represent unrealised gains on assets owned by Council. The gains are held in the reserve until such time as the gain is realised and a transfer can be made to operating reserves.

# ***Statement of Accounting Policies***

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## **Capital Management**

Council's capital is its equity (or ratepayers' funds), which comprises retained earnings and reserves. Net Equity is represented by net assets.

The LGA requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets but does not expect them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the full costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans, and sets out the factors that the Council must consider when determining the most appropriate sources of funding for each activity. The sources and levels of funding are set out in funding and financial policies in Council's LTP.

## **Comparative Figures**

Figures presented for the 2015/16 financial year have been sourced directly from the audited annual report for the year ended 30 June 2016.

Figures presented as "LTP Yr 3" have been sourced from the audited 2015-25 Long Term Plan (the 2017/18 financial year is the third year of the LTP).

Figures presented for the 2016/17 annual plan have been sourced from the unaudited 2016/17 Annual Plan.

In all instances, Council has implemented the foregoing accounting policies consistently in deriving these figures.

# ***Statement of Accounting Policies***

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## **Groups of Activities**

The Groups of Activities report the net cost of services for significant activities of Council, and represent the costs of providing the service less all revenue that can be allocated to these activities.

Council derives the net cost of service for each significant Council activity as follows: Direct costs are charged directly to significant activities, while indirect costs are charged to significant activities based on cost drivers and related activity/usage information.

### *Criteria for Direct and Indirect Costs*

“Direct Costs” are those directly attributable to a significant activity, and are charged accordingly. “Indirect Costs” cannot be attributed in an economically feasible manner to a specific significant activity, and are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers, and floor area.

## **Critical Judgements in Applying Council’s Accounting Policies**

Management has exercised these critical judgements in applying Council’s accounting policies:

- **Classification of Property – Community Housing**  
Council owns and maintains properties to provide community housing. The receipt of market-based rental is incidental to holding these properties, which are held for service delivery objectives as part of Council’s social housing policy, and are accounted for as property, plant and equipment.
- **Classification of Property – Unoccupied Land**  
Council owns unoccupied land which is classified as property, plant and equipment. Given the uncertainty over the future intended use of the land, Council has not classified the land as investment property.
- **Forestry**  
Reliance has been placed on the advice of Council’s external forestry managers in determining the likely timing of harvesting operations. The proceeds of forestry harvesting and related activities do not have an impact on the determination of Council’s rating requirements.

## **Critical Accounting Estimates and Assumptions**

In preparing these prospective financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results.

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. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the 2017/18 financial year are discussed below:

### *Infrastructural Assets*

A number of assumptions and estimates are made when performing depreciated replacement cost valuations of infrastructural assets. These include:

- Assessing the physical deterioration and condition of an asset - for example assets may be being carried at amounts that do not reflect their actual condition, especially for those assets that are not visible, such as stormwater, wastewater and water supply pipes that are underground. A combination of physical inspections and condition modelling assessments are undertaken in relation to underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimating the remaining useful lives over which assets will be depreciated. Such estimates can be affected by local conditions such as weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the annual depreciation charge recognised as an expense in arriving at the surplus or deficit could be over- or under-stated. To minimise this risk, infrastructural assets' useful lives are determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are carried out regularly as part of Council's asset management planning activities to give further assurance over the estimates of useful life.

## **Accounting Standards and interpretations – future changes**

It should be noted that there is potential for any or all of the PBE Standards to be reviewed and changed in the future and it is likely that some of these future revisions may impact Council's financial reporting in future periods. The effect of any such changes arising as a result of the adoption of future revisions to the current suite of PBE standards cannot be foreseen and so has not been allowed for in preparing these prospective financial statements.

## Reserve Fund Schedule

Reserves are held to ensure that funds received for a particular purpose are used for that purpose and that any surplus created is managed in accordance with the reason for which the reserve was originally established. Surpluses held in reserves are credited with interest.

Council has established five types of reserves. Three of the reserve types are restricted reserves, being reserves that have rules set by legal obligation restricting the use to which the funds may be put. These are described as Trust Reserves, Development Reserves and Special Reserves.

The remaining Council-created reserves are discretionary reserves which have been established for the fair and transparent use of monies. These types are Operating Reserves and Renewal (Depreciation) Reserves.

Reserves are not separately held in cash and the funds are managed as part of our treasury management. Details of the separate types of reserves, including their general purposes and projected opening and closing balances, and forecast movements in the 2017-18 financial year, are presented in the following tables, and are available on Council's website, [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

<b>Restricted Reserves</b>	<b>Projected Opening Balance at 1 July 2017 \$000</b>	<b>Forecast deposits and transfers to reserves \$000</b>	<b>Forecast withdrawals and transfers from reserves \$000</b>	<b>Projected Closing Balance at 30 June 2018 \$000</b>
<b>Trust Reserves</b>				
Separate reserves funded from sources external to Council, and subject to binding conditions as to their use, including bequests, specific donations and similar funds. The largest relates to Resource Management Act financial contributions. Many of the funds are to support cultural facilities, particularly the North Otago Museum and Forrester Gallery, and the Oamaru Public Library	8,725	616	(385)	8,956
<b>Development Reserves</b>				
Reserves created to record and allocate funds received under Council's Development Contributions policy	4,375	517	(539)	4,353
<b>Special Reserves</b>				
These are similar to Trust Funds as they have a specific purpose, but are Council-created, so Council has more discretion about their use. The largest of these include the Disaster Fund and the Community Housing Reserve.	1,775	789	(225)	2,339

## Reserve Fund Schedule (continued)

Discretionary Reserves	Projected Opening Balance at 1 July 2017 \$000	Forecast deposits and transfers to reserves \$000	Forecast withdrawals and transfers from reserves \$000	Projected Closing Balance at 30 June 2018 \$000
<b>Separate Rate Operating</b>				
<p>Council strikes a large number of separate rates, which are described in the Funding Impact section of this Annual Plan. These rates are set to match the funding required so there is no budgeted movement in these reserves. Any movement arises when actual revenue and expenditure differs from budget. If Council considers that the surplus or deficit in the reserve is too large it, at its sole discretion, can make a decision to reduce or fund an amount. Such movements are difficult to forecast, but an estimate has been made based on prior history. These reserves form part of overall Operating Reserves</p>	9,675	1,950	(1,725)	9,900
<b>Renewal (Depreciation) Reserves</b>				
<p>Funded depreciation reserves are maintained to fund the renewal of existing assets when these reach the end of their economic lives. Amounts credited to these reserves represent the annual depreciation charge, less any element Council has decided not to fund. Assets for which depreciation is either fully or partially un-funded are detailed in the Financial Strategy in the 2015-25 Long Term Plan. Expenditure from these reserves represents the use of the reserves to fund either replacement assets or to maintain the economic lives and service potential of the existing assets.</p>	33,473	8,116	(9,825)	31,764

# Rating Funding Impact Statement

## Background

We have worked through the requirements of the Revenue and Financing Policy under the Local Government Act 2002. The Local Government Act 2002 and Local Government (Rating) Act 2002 require us to disclose some funding and rating information and policies in this Annual Plan, while other information is disclosed by other means, primarily by being available at [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

## Introduction

Section 95 of the Local Government Act 2002 requires the inclusion of a Funding Impact Statement, the document that supports the setting of the rates for any year. The Funding Impact Statement shows what rates we will charge, what the basis of the rate is, what activities the rate funds and the amount of the rate. This section also includes a number of other policies required by the Local Government Act 2002, which relate to rates collection, remissions, relief and postponement.

The Funding Impact Statement includes the following matters, with the Local Government (Rating) Act 2002 section references:

- The basis of setting the general rate ie land value, annual value or capital value (Section 13)
- Any category or categories that will be used for differentiating the general rate (Section 14)
- The function or functions for which a targeted rate will be set (Section 16)
- Any category or categories of land that will be used to set a targeted rate on a differential basis or determine whether a property will be liable for a targeted rate (Section 16)
- Any factor or factors that will be used to calculate liability for a targeted rate (Section 18)
- An indication that we wish to set a charge for water supply by volume of water consumed if we are intending to do so (Section 19)

Within this document there is further information on our policies relating to rate remissions, postponements and relief for Maori land that may be in effect. Maps showing boundaries of targeted rates based on locality are available on request.

## General rates

### General Rate

We set a general rate based on the land value of each rating unit in the district. The general rate will be set at a uniform rate in the dollar. The general rate will contribute to the funding for:

Council and Community Boards	Community Planning and Consultation
Economic Development	Waitaki Lakes Camping Grounds

Sports Fields	Oamaru Harbour – Port Operations
Resource Consents Processing	Health Licensing
Otago Museum Grant	Community Grants and Forestry
District Planning	Waitaki Community Recreation Centre Grant
Noxious Plants	Forestry

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

### **Uniform Annual General Charge**

We will charge a Uniform Annual General Charge on each Separately Used or Inhabited Part (SUIP) of a rating unit in the district.

The Uniform Annual General Charge will contribute to the funding for:

Community Safety	Development and Grants
Cemeteries	Sports Grounds
Civil Defence	Building Control
District Planning	Environmental Monitoring
Liquor Licensing	Public Toilets
Solid Waste Disposal	Residual Waste Disposal and Waste Minimisation
Tourism Development and Visitor Services	Otago Museum Grant
Health Licensing	Enforcement

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.



### Targeted Rates – District Services

We set a targeted rate for district services, based on the capital value of each rating unit in the district. The targeted rate will be set at a uniform rate in the dollar.

The District Services rate will contribute to the funding for:

Council and Community Board	Economic Development
Oamaru Harbour – Coastal Protection	Rural Fire
Building Control	Community Housing
Property	Community Planning and Consultation
Streetscape and Town Centres	Water Supply

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

### Targeted Rates By Ward

Targeted rates by ward are charged on rating units within the ward boundaries.

#### Ahuriri Ward Services Rate

We set a targeted rate for Ahuriri Ward Services, based on the capital value of each rating unit in the Ahuriri Ward. The targeted rate will be set at a uniform rate in the dollar.

The Ahuriri Ward Services Rate will contribute to the funding for:

Community Boards	Reserves
Greenspaces and Playgrounds	Township Works
Community Safety	Development and Grants

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

### **Ahuriri Ward Community Board Rate**

We set a targeted rate for Ahuriri Community Board, based on the land value of each rating unit in the Ahuriri Ward. The targeted rate will be set at a uniform rate in the dollar.

The Ahuriri Ward Community Board Rate will be used to fund 60% of the costs of the Ahuriri Community Board.

### **Ahuriri Ward Services Charge**

We set a charge on each Separately Used or Inhabited Part (SUIP) of a rating unit in the district differentiated by ward.

The Ahuriri Ward Services Charge will contribute to the funding for:

Forrester Gallery and North Otago Museum	District Libraries
Oamaru Public Gardens	Oamaru Opera House
Streetscapes and Town Centres	Waitaki Aquatic Centre

### **Corriedale Ward Services Rate**

We set a targeted rate for Corriedale Ward Services, based on the capital value of each rating unit in the Corriedale Ward. The targeted rate will be set at a uniform rate in the dollar.

The Corriedale Ward Services Rate will contribute to the funding for:

Community Safety	Greenspaces and Playgrounds
Township Works	Reserves
Development and Grants	

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

### **Corriedale Ward Services Charge**

We set a charge on each Separately Used or Inhabited Part (SUIP) of a rating unit in the District differentiated by ward.

The Corriedale Ward Services Charge will contribute to the funding for:

Forrester Gallery and North Otago Museum	District Libraries
Oamaru Public Gardens	Oamaru Opera House
Streetscapes and Town Centres	Waitaki Aquatic Centre

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

### **Oamaru Ward Services Rate**

We set a targeted rate for Oamaru Ward Services, based on the capital value of each rating unit in the Oamaru Ward. The targeted rate will be set at a uniform rate in the dollar.

The Oamaru Ward Services Rate will contribute to the funding for:

Reserves	Greenspaces and Playgrounds
Township Works	Community Safety
Development and Grants	

### **Oamaru Ward Services Charge**

We set a charge on each Separately Used or Inhabited Part (SUIP) of a rating unit in the district differentiated by ward.

The Oamaru Ward Services Charge will contribute to the funding for:

Forrester Gallery and North Otago Museum	District Libraries
Oamaru Public Gardens	Waitaki Aquatic Centre

Oamaru Opera House	Oamaru Harbour – Port Operations
Streetscapes and Town Centres	

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

### **Waihemo Ward Services Rate**

We set a charge on each Separately Used or Inhabited Part (SUIP) of a rating unit in the district differentiated by ward. The targeted rate will be set at a uniform rate in the dollar.

The Waihemo Ward Services Rate will contribute to the funding for:

Community Board	Waihemo Service Centre
Reserves	Greenspaces and Playgrounds
Township Works	Community Safety
Development and Grants	

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

### **Waihemo Ward Community Board Rate**

We set a targeted rate for Waihemo Community Board, based on the land value of each rating unit in the Waihemo Ward. The targeted rate will be set at a uniform rate in the dollar.

The Waihemo Ward Community Board Rate will be used to fund 60% of the Waihemo Community Board and Waihemo Service Centre.

### **Waihemo Ward Services Charge**

We set a charge on each Separately Used or Inhabited Part (SUIP) of a rating unit in the district differentiated by ward.

The Waihemo Ward Services Charge will contribute to the funding for:

Forrester Gallery and North Otago Museum	District Libraries
Oamaru Public Gardens	Oamaru Opera House
Streetscapes and Town Centres	Waitaki Aquatic Centre

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy and Funding Needs Analysis.

### **Targeted Rates By Locality**

#### **Oamaru Business Area Rates**

We set a targeted rate for services to the Oamaru Business Areas, based on the capital value of each rating unit in the Oamaru Business Areas that is not used exclusively for residential purposes. We have established two Oamaru Business Areas, 'A' and 'B'.

The targeted rates will be set at a uniform rate in the dollar. The rate in dollars for area 'B' will be set at 50% of the rate for area 'A'.

The Oamaru Business Area Rates will contribute to the funding for:

Tourism Development and Visitor Services	Parking Enforcement
Forrester Gallery and North Otago Museum	District Libraries
Waitaki Aquatic Centre	Oamaru Public Gardens
Christmas Decorations	Public Toilets
Oamaru Opera House	Community Safety

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

### **Oamaru Urban Area**

We set a targeted rate for coastal protection and port operations to the Oamaru urban area, based on the capital value of each rating unit in the Oamaru urban area. The boundaries of the Oamaru urban area are available from us. The targeted rate will be set at a uniform rate in the dollar.

The Oamaru Urban Area Rate will be used to fund 80% of the cost of coastal protection works at the Oamaru Harbour.

### **Loan Rates**

For reasons of public safety or due to private benefit we may agree to fund the private benefit of works by specific local rates on targeted properties.

### **Targeted rates by activity**

#### **Roading and Civil Defence Rate**

We set a targeted rate for roads and bridges, and civil defence based on the capital value of each rating unit in the district.

The Roothing and Civil Defence Rate will be set on a differential basis based on land use and area (the categories are Hydro-Electric Power Generation Installations, Mining and Mineral Extraction and Other Uses).

The differential categories are defined thus:

<b>Differential Category</b>	<b>Description of Category</b>	<b>% of Roothing Activity funded from Differentials</b>	<b>% of Civil Defence Activity funded from Differentials</b>
Hydroelectric Power General Installations	All rating units used primarily or predominantly for the generation of hydroelectric power from Lakes Aviemore, Benmore, Ohau or Waitaki	5%	25%
Mining and Mineral Extraction	All rating units with an area greater than 30 hectares used primarily or predominantly for the purposes of mining or mineral extraction	5%	12.5%
Other Uses	All rating units not either used primarily or predominantly for the generation of hydro-electric power from Lakes Aviemore, Benmore, Ohau or Waitaki or with an area greater than 30 hectares used primarily or predominantly for the purposes of mining or mineral extraction	90%	12.5%

### Lakes Camping Rate

We set a targeted rate for Waitaki lakes camping based on the land value of each rating unit in the district. The Lakes Camping Rate will be set on a differential basis based on land use (the categories are Hydro-Electric Power Generation Installations and Other Uses).

The differential categories are defined thus:

Differential Category	Description of Category	% of Lakes Camping Rate funded from Differentials
Hydroelectric Power Generation Installations	All rating units used primarily or predominantly for the generation of hydro-electric power from Lakes Aviemore, Benmore, Ohau or Waitaki	70%
Other Uses	All rating units not used primarily or predominantly for the generation of hydro-electric power from Lakes Aviemore, Benmore, Ohau or Waitaki	30%

### Local Amenity Rates

We set targeted rates for local amenity based on the land value of each rating unit in the defined area. The rates will be set as separate targeted rates for each township that has agreed to establish a local amenity rate. The targeted rates will be set at uniform rate in the dollar.

The separate targeted rates are:

Duntroon	Lake Ohau	Otematata
Herbert	Maheno	Palmerston
Hampden	Moeraki	Shag Point
Kakanui	Oamaru	Weston
Kurow	Omarama	

The targeted rates will contribute to the funding of new footpaths, kerb and channel, off-street car parks, street lighting, stormwater and other improvements, within these boundaries. Oamaru includes the Oamaru Drill Hall.

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy and Funding Needs Analysis.

### **Public Hall and Community Centre Rates**

Council, in consultation with the Public Hall and Community Centre Committees, has set uniform charges for public halls and community centres charged on each Separately Used or Inhabited Part (SUIP) of a rating unit in the defined areas. The defined areas are specified on the maps available from our offices in either Oamaru or Palmerston.

The separate uniform targeted rates for public halls:

Airedale	Kurow	Palmerston
Ardgowan	Macraes	Lower Waitaki
Awamoko	Maheno	Pukeuri
Dunback	Moeraki	Tokarahi
Duntroon	Ngapara	Totara
Enfield	Omarama	Waianakarua
Five Forks	Otekaieke	Waitaki Bridge
Hampden	Otematata	Weston
Kakanui	Otepopo	Windsor

The targeted rates will be used to fund public halls and community centres.

### **Sewerage (Waste Water) Rates**

We set targeted rates for sewerage treatment and disposal based on a fixed amount per water closet. A rating unit used primarily as a residence for one household is not treated as having more than one water closet or urinal.

Some uniform targeted rates will be differentiated based on the following differential categories:

- Connected – all urinals or water closets connected to the sewerage reticulation, provided that the maximum number of charges made for rating units comprising a household used exclusively for residential purposes shall be one
- Serviceable – all rating units within 30 metres of the sewerage reticulation and all rating units with buildings within 60 metres of the sewerage reticulation. No rating units at Duntroon are considered serviceable. Serviceable charges are 50% of the connected charge.



The uniform targeted sewerage rates are charged in the following areas. The charging of a serviceable rate does not require us to make a connection available to the rating unit. The charge confirms the rating unit is within 30 meters of the public sewer. The rating maps are indicative only. Any information regarding a particular rating unit may require a site inspection.

Duntroon	Kakanui	Kurow
Lake Ohau Village	Moeraki	Oamaru
Omarama	Otematata	Palmerston

### **Water Rates – Urban**

We will use several different rating tools to charge the targeted rates for water supply. These tools are:

- A targeted rate for water supply that will be charged based on the number of connections the rating unit has to the system
- A targeted rate for treatment and supply of water to an appropriate standard, based on the number of connections the rating unit has to the system
- A targeted rate to fund the cost of the reticulation network. This will be charged to each connected rating unit
- A uniform targeted rate based on the type of connection that allows a specified volume to be supplied to a rating unit (a unit) or the total volume supplied recorded by a meter.

Some rates will be set on a differentiated basis:

- Geographic supply zone. This is a specific area with a larger rating area
- Connected – all separately used and inhabited portions of rating units connected to the water reticulation
- Serviceable – all rating units within 100 metres of the water reticulation. Serviceable charges are 50% of the connected charge.

Individual urban water rates are based on the following:

<b>Urban Town/Township</b>	<b>Basis for charge</b>
Oamaru Supply	Connections per rating unit
Oamaru Reticulation	Per connected rating unit
Kurow	Connections per rating unit
Lake Ohau Village	Connections per rating unit
Lake Ohau Village availability	Per rating unit located within 100m of water reticulation
Omarama	Connections per rating unit
Otematata	Connections per rating unit
Palmerston zone – Waihemo water	Connections per rating unit

### Water Rates – Rural

We set targeted rates for water supply to rural water schemes based on the type of connection that allows a specified volume of water (a unit) to be supplied to the rating unit. Multiple units can be supplied to a single connected property.

The specified base unit volume of water for connected properties are:

Township/locality	Activity and basis for charge	Unit Volume (litres/day)
Awamoko	Supply per unit	1,818
Dunback	Supply per unit	1,818
Duntroon	Supply per unit	1,818
Enfield	Supply per unit	1,818
Goodwood	Supply per unit	1,818
Herbert/Waianakarua	Supply per unit	1,818
Kauru Hill	Supply per unit	1,818
Lower Waitaki	Supply per unit	1,818
Bushy Creek Water Supply	Supply per unit	1,818
Stoneburn	Supply per unit	1,000
Tokarahi	Supply per unit	1,818
Weston	Supply per unit	1,818
Windsor	Supply per unit	1,818

The Hampden/Moeraki Rural Water Scheme is differentiated by the nature of the connection that allows the supply of a volume using the following definitions:

- Domestic Unit – rating units supplied to the original townships of Hampden and Moeraki
- Rural Unit – rating units supplied outside the original townships of Hampden and Moeraki.

The Kakanui Rural Water Scheme rate is differentiated by the nature of the connection that allows the supply of a volume using the following definitions:

- Unit – uniform volume of water supplied to a connected rating unit.
- Crib Unit – uniform volume of water supplied to a connected rating unit to properties identified as cribs in the rating information database.

The specified volumes of water for connected properties are:

Township/locality	Activity and basis for charge	Unit Volume (litres/day)
Hampden/Moeraki	Domestic supply per unit (crib)	909
	Rural Supply per unit	1,818
Kakanui	Supply per unit	1,818
	Crib supply per unit	909

The metered water rates will be set on all rating units serviced by meter. The targeted rates will be used to fund water supply.

### Construction Loan Rates

We set targeted rates for significant capital upgrades to sewerage and water schemes per serviced rating unit within a defined boundary.

The targeted rates for the Oamaru Water Treatment Upgrade Loan Rate are charged to all non-commercial non-metered rating units connected to the water reticulation system, but are only levied on properties that have not contributed to a lump sum option for the particular scheme.

These rates fund the cost of financing the capital works. We annually review these charges and provide ratepayers the opportunity to pay each rating unit's lump sum share of the outstanding debt.

The uniform targeted rates are:

- Moeraki Sewerage Reticulation Construction Loan Rate
- Moeraki Sewerage Treatment Construction Loan Rate
- Oamaru Water Treatment Loan Rate
- Omarama Water Upgrade Loan Rate (connected)

**Definition of *Separately Used or Inhabited Parts of a rating unit***

Separately used or inhabited parts of a rating unit shall be such parts of a property that can be separately used or occupied in addition to the principal habitation or use, except where the use is an accessory one or is ancillary to principal use. In the situation where a rating unit contains both commercial or industrial uses, and a residential or agricultural use, they will be treated as two or more separate uses except where the ratepayer resides on the rating unit.

For example:

- Not separately used parts of a rating unit:
  - o A residential sleep-out or 'granny flat' without independent kitchen facilities
  - o A hotel room with or without independent kitchen facilities
  - o A motel room with or without independent kitchen facilities
  - o Rooms in a residential dwelling or hostel with common kitchens
  - o Separately leased commercial areas with shared access, reception or other facilities
- These are separately used parts of a rating unit:
  - o Flats, apartments and other residential units with independent kitchen facilities
  - o Separately leased commercial areas with separate access, sanitary or other facilities.

## 2017/18 Rates Schedule

This table specifies, with reference to the revenue and financing mechanism used to meet the estimated expenses of Council, the total amount of revenue to be collected from the rate, and the rate to be charged. All rates and revenues shown are GST inclusive and all value based factors are shown per \$100 of value.

Abbreviations used in this table						
LV	=	Land Value		CRU	=	Connected Rating Unit
CV	=	Capital Value		Unit	=	Type of connection
RU	=	Rating Unit		M3	=	Cubic Metres
SRU	=	Serviceable Rating Unit		SUIP	=	Separately used or inhabited Part of a Rating Unit
WC	=	Water Closet				

Rate Name	2017/18		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
General Rate	\$0.0530	LV	\$2,020,874
Uniform Annual General Charge	\$450	SUIP	\$5,992,987
District Services Rate	\$0.0256	CV	\$1,857,319
Ahuriri Ward Services Rate	\$0.0223	CV	\$362,948
Ahuriri Community Board Rate	\$0.0070	LV	\$39,333
Ahuriri Ward Services Charge	\$175	SUIP	\$280,669
Corriedale Ward Services Rate	\$0.0099	CV	\$285,312
Corriedale Ward Services Charge	\$324	SUIP	\$904,237
Oamaru Ward Services Rate	\$0.0563	CV	\$1,060,105
Oamaru Ward Services Charge	\$508	SUIP	\$3,526,298
Waihemo Ward Services Rate	\$0.0563	CV	\$480,321
Waihemo Community Board Rate	\$0.0214	LV	\$114,994
Waihemo Ward Services Charge	\$175	SUIP	\$348,100
Oamaru Business Area Rate A	\$0.4755	CV	\$592,721
Oamaru Business Area Rate B	\$0.2377	CV	\$110,427
Oamaru Urban Area	\$0.0190	CV	\$281,377

Rate Name	2017/18		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
<b>Township Amenity Rates</b>			
Township Amenity - Duntroon	\$0.0608	LV	\$1,725
Township Amenity - Hampden	\$0.2178	LV	\$34,500
Township Amenity - Herbert	\$0.0546	LV	\$1,725
Township Amenity - Kakanui	\$0.0121	LV	\$5,750
Township Amenity - Kurow	\$0.1428	LV	\$20,932
Township Amenity - Maheno	\$0.0915	LV	\$1,725
Township Amenity - Moeraki	\$0.0208	LV	\$6,445
Township Amenity - Oamaru	\$0.1313	LV	\$609,882
Township Amenity - Ohau	\$0.0252	LV	\$3,994
Township Amenity - Omarama	\$0.0573	LV	\$21,172
Township Amenity - Otematata	\$0.1285	LV	\$64,076
Township Amenity - Palmerston	\$0.1958	LV	\$35,774
Township Amenity - Shag Point	\$0.0163	LV	\$1,725
Township Amenity - Weston	\$0.1328	LV	\$48,414
<b>Civil Defence and Roothing Rate</b>			
CD & Roothing - General	\$0.0968	CV	\$6,294,948
CD & Roothing - Electrical Generation	\$0.0516	CV	\$379,769
CD & Roothing - Mineral Extraction	\$3.0360	CV	\$364,315
<b>Lakes Camping Rates</b>			
General, Mineral Extraction	\$0.0016	LV	\$60,902
Electrical Generation	\$1.1860	LV	\$142,105
<b>Public Hall Rates</b>			
Airedale Public Hall Rate	\$20	SUIP	\$540
Ardgowan Public Hall Rate	\$20	SUIP	\$2,420
Awamoko Public Hall Rate	\$30	SUIP	\$2,460
Dunback Public Hall Rate	\$30	SUIP	\$3,870
Duntroon Public Hall Rate	\$20	SUIP	\$2,780

Rate Name	2017/18		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
<b>Public Hall Rates (continued)</b>			
Enfield Public Hall Rate	\$20	SUIP	\$2,680
Five Forks Public Hall Rate	\$20	SUIP	\$1,480
Hampden Public Hall Rate	\$30	SUIP	\$8,220
Kakanui Public Hall Rate	\$20	SUIP	\$7,320
Kurow Public Hall Rate	\$50	SUIP	\$15,150
Lower Waitaki Public Hall Rate	\$60	SUIP	\$10,980
Macraes Public Hall Rate	\$60	SUIP	\$3,120
Maheno Public Hall Rate	\$30	SUIP	\$5,490
Moeraki Public Hall Rate	\$40	SUIP	\$8,640
Ngapara Public Hall Rate	\$20	SUIP	\$1,660
Omarama Public Hall Rate	\$50	SUIP	\$17,000
Otekaieke Public Hall Rate	\$20	SUIP	\$1,040
Otematata Public Hall Rate	\$40	SUIP	\$18,480
Otepopo Public Hall Rate	\$20	SUIP	\$3,280
Palmerston Public Hall Rate	\$30	SUIP	\$20,520
Pukeuri Public Hall Rate	\$20	SUIP	\$1,980
Tokarahi Public Hall Rate	\$30	SUIP	\$3,270
Totara Public Hall Rate	\$40	SUIP	\$8,760
Waianakarua Public Hall Rate	\$30	SUIP	\$1,740
Waitaki Bridge Public Hall Rate	\$20	SUIP	\$3,000
Weston Public Hall Rate	\$40	SUIP	\$21,280
Windsor Public Hall Rate	\$30	SUIP	\$1,920
<b>Water Rates - Urban</b>			
<b>Oamaru</b>			
Oamaru Water - Supply	\$185	CRU	\$1,201,066
Oamaru Water - Reticulation	\$187	CRU	\$1,148,094
Oamaru Water Treatment Loan (excludes businesses with water meters)	\$98	CRU	\$551,453
Oamaru Water - Enfield Zone	\$470	CRU	\$124,396
Oamaru Water - Weston Zone	\$470	CRU	\$456,667



Rate Name	2017/18		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
<b>Water Rates - Urban (continued)</b>			
<b>Oamaru</b>			
Oamaru Water - Kakanui ordinary supply	\$470	CRU	\$197,397
Oamaru Water - Kakanui crib unit supply	\$378	CRU	\$18,139
Oamaru Water - metered supply	\$0.98	m3	N/A
* Loan lump sum repayment option*	\$713	CRU	N/A
<i>* This lump sum loan repayment option is available only if paid by 30 June 2018, and is in addition to the current year's rates</i>			
<b>Waihemo Water</b>			
Waihemo Water - Palmerston Zone	\$708	CRU	\$370,428
Waihemo Water - Dunback Zone	\$708	CRU	\$142,377
Waihemo Water - Goodwood Zone	\$708	CRU	\$163,994
Waihemo Water - Palmerston Zone - metered supply	\$0.98	m3	N/A
<b>Other Urban Water</b>			
Kurow Water Supply	\$505	CRU	\$145,321
Kurow metered supply	\$0.47	m3	N/A
Lake Ohau Village Water Supply	\$235	CRU	\$14,579
Lake Ohau Village - connection availability	\$118	SRU	\$7,995
Omarama Water Supply	\$537	CRU	\$166,816
Omarama - metered supply	\$0.87	m3	N/A
Omarama Water Upgrade Loan rate	\$95	CRU	\$14,975
Otematata Water Supply	\$404	CRU	\$201,970
Otematata - metered supply	\$0.47	m3	N/A
<b>Rural Water Supplies</b>			
Awamoko Water Supply	\$450	Unit	\$113,338
Bushy Creek Water Supply	\$131	Unit	\$12,802
Duntroon Water Supply	\$465	Unit	\$35,823
Hampden/Moeraki Domestic Water Supply	\$342	Unit	\$166,382
Hampden/Moeraki Water Supply	\$429	Unit	\$41,431

Rate Name	2017/18		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
<b>Rural Water Supplies (continued)</b>			
Hampden/Moeraki - metered supply	\$0.29	m3	N/A
Herbert/Waianakarua Water Supply	\$321	Unit	\$191,691
Kauru Water Supply	\$422	Unit	\$78,193
Lower Waitaki Water Supply	\$484	Unit	\$207,244
Stoneburn Water Supply	\$299	Unit	\$95,324
Tokarahi Water Supply	\$369	Unit	\$253,527
Windsor Water Supply	\$341	Unit	\$63,076
<b>Sewerage Rates and Charges</b>			
Sewerage – Oamaru	\$139	WC	\$1,070,297
Sewerage – Kakanui	\$139	WC	\$44,439
Sewerage - Duntroon	\$85	WC	\$851
Sewerage – Kurow	\$211	WC	\$61,234
Sewerage - Lake Ohau Village	\$242	WC	\$14,257
Sewerage - Lake Ohau Village - connection availability	\$121	SRU	\$8,337
Sewerage – Moeraki	\$760	WC	\$136,772
Sewerage - Moeraki - connection availability	\$380	SRU	\$18,996
Sewerage - Moeraki Reticulation Construction Loan Rate	\$315	RU	\$32,394
Sewerage - Moeraki Treatment Construction Loan Rate	\$202	RU	\$19,388
Sewerage - Omarama	\$246	WC	\$127,118
Sewerage - Otematata	\$308	WC	\$145,421
Sewerage - Palmerston	\$319	WC	\$192,838
<b>Other Urban Water and Sewerage Loans</b>			
** Omarama Water Upgrade Loan rate	\$95	CRU	\$14,975
** Sewerage - Moeraki Reticulation Construction Loan Rate	\$315	RU	\$32,394
** Sewerage - Moeraki Treatment Construction Loan Rate	\$202	RU	\$19,388
<i>** Lump sum loan repayment options are no longer available for these loans</i>			

## Rates Examples

	Capital Value				Annual Rates			
	2016/17 Value	2017/18 Value	Change \$	Change %	2016/17 Rates	2017/18 Rates	Change \$	Change %
<b>Agricultural Properties</b>								
Ahuriri	\$7,200,000	\$7,200,000	-	-	\$14,690	\$14,882	\$192	1.30%
Awamoko	\$2,360,000	\$2,360,000	-	-	\$6,248	\$6,299	\$51	0.81%
Maerewhenua	\$3,020,000	\$3,020,000	-	-	\$9,796	\$9,871	\$75	0.77%
Papakaio	\$15,640,000	\$15,640,000	-	-	\$31,577	\$31,905	\$328	1.04%
Waihemo	\$1,410,000	\$1,410,000	-	-	\$5,469	\$5,442	-\$27	-0.50%
Waitaki Bridge	\$7,700,000	\$7,700,000	-	-	\$14,999	\$15,160	\$161	1.08%
<b>Commercial Properties</b>								
Oamaru	\$395,000	\$395,000	-	-	\$4,460	\$4,523	\$63	1.41%
Oamaru	\$4,350,000	\$4,350,000	-	-	\$33,278	\$33,724	\$446	1.34%
Omarama	\$1,230,000	\$1,230,000	-	-	\$7,094	\$7,222	\$128	1.81%
Otematata	\$740,000	\$740,000	-	-	\$4,226	\$4,302	\$76	1.81%
Palmerston	\$650,000	\$650,000	-	-	\$6,811	\$7,093	\$282	4.14%
<b>Residential Properties</b>								
Goodwood	\$120,000	\$120,000	-	-	\$1,585	\$1,600	\$15	1.98%
Hampden	\$230,000	\$230,000	-	-	\$1,533	\$1,540	\$7	0.48%
Herbert	\$180,000	\$180,000	-	-	\$1,355	\$1,375	\$20	1.47%
Kakanui	\$350,000	\$350,000	-	-	\$1,899	\$1,933	\$34	1.78%
Kurow	\$190,000	\$190,000	-	-	\$1,737	\$1,770	\$33	1.89%
Lake Ohau	\$295,000	\$295,000	-	-	\$1,594	\$1,623	\$29	1.85%
Maheno	\$170,000	\$170,000	-	-	\$1,038	\$1,054	\$16	1.51%
Moeraki	\$200,000	\$200,000	-	-	\$2,197	\$2,226	\$29	1.31%
Oamaru	\$315,000	\$315,000	-	-	\$2,476	\$2,478	\$2	0.07%
Oamaru	\$89,000	\$89,000	-	-	\$1,789	\$1,808	\$19	1.04%
Oamaru	\$250,000	\$250,000	-	-	\$2,233	\$2,240	\$7	0.31%
Omarama	\$210,000	\$210,000	-	-	\$1,876	\$1,894	\$18	0.97%
Otematata	\$245,000	\$245,000	-	-	\$1,871	\$1,902	\$31	1.67%
Palmerston	\$230,000	\$230,000	-	-	\$2,133	\$2,191	\$58	2.72%
Weston	\$280,000	\$280,000	-	-	\$2,255	\$2,255	-	0.00%

# Sundry Rating Policies

## Postponement of Rates

Postponement policies have been prepared under Sections 108 to 110 of the Local Government Act 2002 and Sections 85 to 87 of the Local Government Rating Act 2002.

## Postponement Of Rates For Extreme Financial Hardship

### Objective

The objective of this policy is to assist ratepayers experiencing extreme financial hardship that affects their ability to pay rates.

The assistance will be by way of the postponement of rates arrears. The assistance will generally be only given to any ratepayer once. Properties that have a mortgage will not be considered for postponement.

### Conditions And Criteria

Only rating units used primarily for the residence of the ratepayer(s) will be eligible for consideration for rates postponement for extreme financial circumstances.

Properties used for business, intensive agriculture or greater than 8ha will not be considered to be used primarily for residence of the ratepayer(s).

Only the person(s) entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances. The ratepayer(s) must be the current owner(s) of, and have owned for not less than five years, the rating unit which is the subject of the application. The person(s) entered on our rating information database as the 'ratepayer(s)' must not own any other rating units (whether in the district or in another place).

The ratepayer(s) (or authorised agent) must make written application to Council. We will consider, on a case-by-case basis, all applications received that meet the criteria described in paragraphs 1 and 2 under this section.

We will delegate authority to approve a first application for rates postponement to the Chief Executive.

When considering whether extreme financial circumstances exist, all of the ratepayer(s) personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.

Before approving an application we must be satisfied that the ratepayer(s) is (are) unlikely to have sufficient funds left over, after the payment of overdue rates, for normal health care, as well as making provision for normal day to day living expenses.

Where we decide to postpone rates the ratepayer(s) must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponed rates will be postponed until:

- The death of the ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date specified by us.

We will only postpone rates to a value up to the capital value of the property as recorded in the Rating Information Database.

We will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover our administrative and financial costs and may vary from year to year. The fee will be set annually in our annual plan.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that we will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

### **Rights Of Appeal**

The ratepayer(s) may appeal any decision by us under this policy. The appeal must be in writing (verbal presentation of the written appeal will be accepted). We will hear the appeal.

### **Postponement Of Rates On Maori Freehold Land**

Maori freehold land is defined in the Local Government Rating Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is subject to such an order may qualify for a postponement of rates under this policy.

### **Objectives**

The objective of this policy is to facilitate the development and use of the land for economic use where we consider utilisation would be uneconomic if full rates are required during the years of development or establishment of a crop.

### **Conditions And Criteria**

We will consider postponement of rates where previously unoccupied land is subject to clearing, development or growing of crops.

Application should be made prior to 30 April of each year and will be applied from 1 July of that year.

Owners or Trustees making application should include the following information in their application:

- Details of the property
- The objectives that will be achieved by providing the postponement
- Details of the proposed development.

We will consider postponement for each individual application according to the circumstances of that application.

No postponement will be granted on targeted rates for water supply, sewerage disposal or refuse collection.

We may, at our discretion, partially remit rates that are otherwise subject to postponement.

### **Remission Of Rates**

Remission Policies have been prepared under Sections 108 to 110 of the Local Government Act 2002 and Sections 85 to 87 of the Local Government Rating Act 2002.

### **Remission Of Rates – General**

Remission policies have been prepared under Sections 108 to 110 of the Local Government Act 2002 and Sections 85 to 87 of the Local Government Rating Act 2002.

### **Remission Of Rates On Bare Land**

#### **Objectives**

We may cancel any separate targeted rate or uniform annual general charge in respect of one or more rating units occupied by the same ratepayer (as stated in the district valuation roll) if we consider it reasonable in the circumstances to do so.

#### **Criteria And Conditions**

Our policy is that where properties are occupied by the same ratepayer (as stated on the district valuation roll) we will not charge a uniform annual general charge or ward targeted rate on properties considered to be bare land, provided that the ratepayer pays at least one uniform annual general charge within the district. Bare land is defined as properties with no improvements other than fences and irrigation. For the purposes of this policy forestry blocks (without buildings or other constructions) are deemed to be bare land. To receive and retain this remission the property must be maintained and kept safe, and not present a hazard of any kind that may require our action or attention.

### **Remission of Rates on Waitaki River Kaik, Waitaki Bridge Camp, Gemmell's Crossing Camp and Moeraki Kaik Camp**

#### **Objectives**

The objective of this policy is to recognise the limited opportunity to occupy the various parts of the rating units and other factors in relation to the impact of full charges.

#### **Criteria And Conditions**

We may remit, on application from the ratepayer, all or part of the Uniform Annual General Charges and Ward Charges on the rating units that make up the Waitaki River Kaik, Waitaki Bridge Camp, Gemmell's Crossing Camp and Moeraki Kaik Camp. The level of remission will be set annually.

## **Remission Of Rates On Rating Units With Multiple Single Bedroom Inhabitable Parts**

### **Objectives**

The objective of this policy is to recognise potential inequity of charging properties that have multiple single bedroom inhabitable parts on the same basis as other residential inhabited parts.

### **Criteria And Conditions**

We may remit, on application from the ratepayer, part of the Uniform Annual General Charges and Ward Charges on the rating units that have single bedroom inhabited parts. The level of remission will be set annually.

## **Remission Of Rates On Properties With Mixed Residential And Other Uses In The Oamaru Business Areas**

### **Objectives**

The objective of this policy is to recognise the potential inequity of charging properties that are used for residential and another purpose in the Oamaru Business area on the same basis as a property used for business purposes.

### **Criteria And Conditions**

We may remit, on application from the ratepayer, all or part of the Oamaru Business Area Rates where the majority of a property is used for residential purposes. The level of remission will be determined by a number of factors including but not limited to the floor area and value of the residential portion.

## **Remission Of Rates On Maori Freehold Land**

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a Freehold Order issued by the Maori Land Court. Only land that is subject to such an order may qualify for a remission under this policy.

This policy aims to:

- Ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Maori owned lands have particular conditions, features, ownership structures, or other circumstances, which make it appropriate to provide relief from rates.
- Implement a policy for providing rate relief on Maori land pursuant to Section 108 of the Local Government Act 2002.

### **Objectives**

The objectives of the policy are to:

- Recognise situations where there is no occupier or person gaining an economic or financial benefit from the land
- Set aside land that is better set aside for non-use because of its natural features
- Recognise matters related to physical accessibility of the land
- Recognise and take into account of the presence of waahi tapu that may affect the use of the land for other purposes.

## **Conditions and criteria**

We will consider a remission for property that comes within the following criteria:

- The land is unoccupied and no income is derived from the use or occupation of that land, or
- The land is better set aside for non-use because of its natural features or as unoccupied and no income is derived from the use or occupation of that land
- The land is inaccessible and is unoccupied.

The remission for land meeting the criteria will be 100% of any rates except for targeted rates made for the supply of water, sewerage or waste collection.

Applications for land to be considered for remission must be made by 30 April of each year for the rating year commencing on the following 1 July of that year.

Owners or Trustees making an application should include the following information in their applications:

- Details of the property
- The objectives that will be achieved by providing the remission
- Documentation that proves the land, which is the subject of the application, is Maori freehold land.

The extent of the relief is at the sole discretion of us and may be cancelled or reduced at any time.

We will review the register annually and may require information on whether the circumstances relating to the property receiving the remission have changed, or no longer comply with the policy.

## **Remission Of Rates Penalties**

We grant to the Chief Executive or his/her nominee delegated authority in the following circumstances to approve on receipt of an application the remission of such penalty charges which have been incurred by any ratepayer as a consequence of their payment being received after the due date:

- On a 'one-off' basis where the ratepayer has had a previous satisfactory payment history
- Where a property changes hands (sale or lease) and the new owner/lessee is responsible for an instalment when the original account was issued in the name of the previous owner/lessee
- On compassionate grounds, ie where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type, and has been unable to attend to payment (elderly persons living on their own etc)
- Rate account not received where it can be proved a genuine case exists
- In such instances where an error has been made on our part or arising through an error in the general processing or levying of same which has subsequently resulted in a penalty charge being imposed.

## **Arrears – Penalty Remissions**

In situations where there are arrears from previous years, negotiation may be entered into over the amount of accumulated arrears penalty that is ultimately to be paid on such accounts subject to the proviso that dispensations subsequently granted shall be conditional upon settlement being made of the total account due, and that in implementing this policy the circumstances of each case be taken into consideration on their individual merits and it be conditional upon the full amount of such rates due having been paid.



In considering the application of this policy the following matters shall be considered:

1. The remission does not go back for more than three years
2. That the rates are paid
3. That we prefer those ratepayers who have communicated in advance and reached an agreement or an arrangement by which the base rates will be paid within a period of two years
4. Our outgoings are always recovered
5. The ratepayer's entire relationship with us will be reviewed to ensure a benefit is not provided to a ratepayer when costs are being incurred because of the ratepayer's other interactions with us
6. The remission of the penalty will facilitate the sale of the property, on the basis we are better off with a future revenue stream.

### **Remission Of Sewerage Charges On Schools**

#### **Objectives**

To provide for relief from sewerage charges for rating units used for educational establishments, so that educational establishments shall be required to pay no more for sewerage charges than previously determined under the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001 ('the Donnelly Act').

#### **Conditions And Criteria**

Rating units that meet the criteria under this policy shall receive a remission of sewerage charges so that the total sewerage charges payable shall be no more than that previously determined under the Donnelly Act.

To be eligible for remission, the rating units must be used for the purposes of an educational establishment as defined in the Donnelly Act.

### **General Remission – Extraordinary Circumstances**

#### **Objectives**

The objective of this policy is to give us an option to respond to extraordinary events that affect a ratepayer or group of ratepayers that could not be foreseen or mitigated against at the start of the rating year.

#### **Conditions And Criteria**

Applications must be made in writing. The application should set out the circumstances and impact on the ratepayer(s). We will consider all applications; there will be no right of appeal.

#### **General Matters**

#### **Council Discretion**

The extent of the relief is at our sole discretion and may be cancelled or reduced at any time.

**Information To Be Supplied**

We will review the level of remission annually and may require information to be provided by the ratepayer before the remission is granted.

**Deadline For Application Of Remissions**

In order that we can correctly set the rates, written application for any remission must be received by 31 May of the year prior to the year that the rates are set for.

We may consider granting a remission in the year it is applied for if the remission policy was adopted as part of that year's Long Term Plan or Annual Plan process and the ratepayer would otherwise have been eligible for the remission.

**Delegation to the Chief Executive**

Unless otherwise stated, the Chief Executive or other delegated officer, is delegated authority to determine if ratepayers meet the criteria of any remission applied for, request any further information required to make a decision and grant remission in accordance with the adopted policies.

**Administration Of Rates****Payment Methods And Places**

Rates will be collected by quarterly instalments due on the following due dates of each year or the first working day thereafter:

- 25 August
- 25 November
- 25 February
- 25 May

Rates may be paid by any of the following methods:

- Cash
- Eftpos
- Automatic payment
- Cheque
- Internet banking
- Credit card
- Direct debit

Rates may be paid at Council offices:

- Waitaki District Council Headquarters, 20 Thames Street, Oamaru between the hours of 8.30am to 5pm Monday to Friday except Thursday 8.30am to 4pm
- Waihemo Service Centre, 54 Tiverton Street, Palmerston between the hours of 8.30am to 5pm Monday to Friday except Thursday 9.30am to 5pm.

### **Minimum Economic Rate**

We will exercise our powers under section 54 of the Local Government (Rating) Act 2002 and will not collect the rates payable on a rating unit if the sum of those rates is so small as to be uneconomic to collect. We have determined that it is uneconomic to collect rates owing on any rating unit of less than \$10.00 (including GST) per annum.

### **Rates Penalties**

Under Section 58 of the Local Government (Rating) Act 2002, we may impose penalties. Under Section 58(1)(a) a 10% penalty will be added on the next business day to so much of any instalment not paid by due date.

Under Section 58(1)(b) of the Local Government (Rating) Act 2002, a 10% penalty will be added to rates that remain unpaid from previous years. This will be added on 1 July of each year, or five working days after we have passed the rates resolution (whichever is the later).

Under Section 58(1)(c) of the Local Government (Rating) Act 2002, a further 10% penalty will be added to rates that remain unpaid from previous years. This will be added six months after the penalty made in accordance with Section 58(1) (b).

Payments are applied to the oldest debt first.

### **Rates Refund Policy**

We will only make a refund in any of the following circumstances:

- Rates have been fully paid for the rating year and are in credit for the next rating year or
- Payment has been made into an incorrect account and the other party has consented to a refund or
- A property is sold and a rate refund is requested by both the buyer and seller or
- When in the view of the Chief Executive Officer or Chief Financial Officer, extraordinary circumstances exist, particularly in relation to hardship, and the account is in credit on an instalment basis.

Only one refund per ratepayer per year will be made.

### **Public Availability Of Information**

We will charge a fee for supplying any person with a copy of information from the rating information database except when requested in person at our offices in Oamaru and Palmerston. For more information please go to [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

**Early Payment Of Loan Rates For Subsequent Financial Years**

We will allow early payment of those loan rates specified in the 2017/18 Rates Schedule for subsequent financial years by a single lump sum payment. We will accept such early repayments by lump sum at any time prior to the end of the financial year, as long as the rates for that period have been paid.

We will detail in the Annual Plan the amount of the lump sum as assessed by us to fully discharge each such loan construction charge rate. This charge will apply for each period from 1 July to 30 June of the following year.

The amount of the lump sum required to fully discharge each construction charge rate set and assessed by us will be recalculated annually.

The annual calculation will take account of the prevailing interest rate and the estimated remaining ratepayers paying the loan.



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***Growing strong communities.***

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**Waitaki**

DISTRICT COUNCIL  
TE KAUNIHERA Ā ROHE O WAITAKI