

WAITAKI DISTRICT COUNCIL
2020/21
ANNUAL PLAN



Waitaki

DISTRICT COUNCIL

TE KAUNIHERA A ROHE O WAITAKI

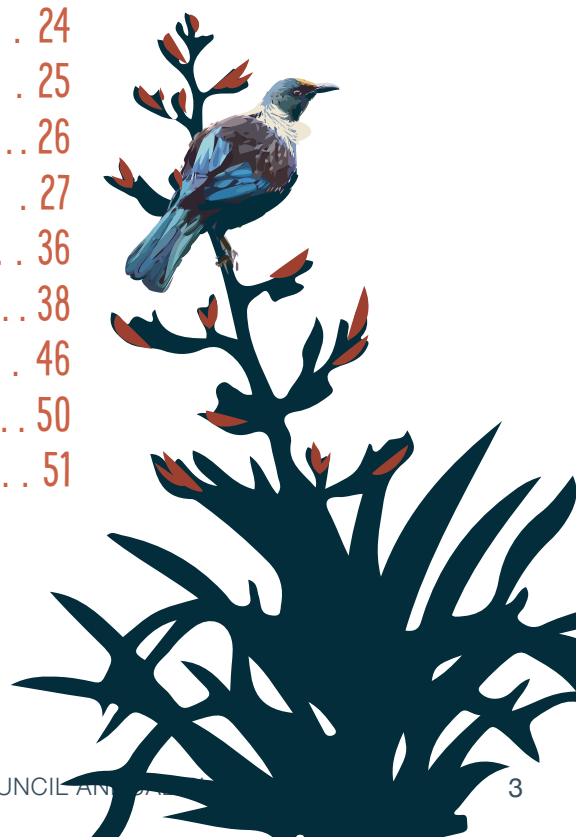


**WE
LOVE
THIS
PLACE**

→ WAITAKI ←

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MESSAGE FROM THE MAYOR

Extraordinary times call for extraordinary measures, and these are indeed extraordinary times. The COVID-19 pandemic has swept the world and caused huge disruption to everyday life everywhere. Across New Zealand, this has been true as well, though Waitaki has so far fared better than many districts.

However, we are very aware that this is still a challenging time for a number of our residents, and we have responded with a major change to our finances for the coming year. Instead of the Long Term Plan's predicted 3.5% increase, our Councillors and I have worked towards an average zero percent change instead. Because of different work being done in activities in the 2020/21 year compared to the previous year, many rate accounts will see small increases or decreases, but overall the amounts will balance out.

Because there is to be no increase in rates, the decision has been made to forego the usual consultation on this year's Annual Plan and instead work on the recovery and with building resilience in our economy and in our wider community. I want to take this opportunity to thank Councillors and staff for the work and difficult decisions that had to be made to get us to this point, and acknowledge that we have even more difficult decisions to be made in the next year as we work on the 2021-31 Long Term Plan.

Importantly, having a zero average rates increase doesn't mean we will be doing less. In fact, the opposite will be true. There have been a significant number of calls for local and central government to fund more work than it normally would do, to aid

the re-employment of people whose jobs have been affected by the impact of COVID-19. For us, that is largely in the hospitality, tourism and retail sectors, but the losses aren't limited to those industries.

The Waitaki District Council is also joining the Local Government Funding Agency, a lending institution designed for the local government market. Although Waitaki is still a nett investor, ratepayers are better off if we leave our investments where they are, earning higher interest returns, and borrow from the Local Government Funding Agency at lower rates. As we head into the new financial year and are looking to accelerate projects to help stimulate the Waitaki economy, being able to borrow at these preferential rates will bring greater benefits to our ratepayers.

The Waitaki District Council is looking hard at which projects can be brought forward to help stimulate the economy and to keep Waitaki working. We have introduced a specific fund – the Support and Stimulus Fund to assist us in bringing those projects forward, and to also help organisations, businesses and individuals make Waitaki a better place to live in. The fund has been set up utilising reserves in the Disaster Fund and will be repaid in due course. As we said, these are extraordinary times...



We are also working hard to improve our governance and the systems within Council, having agreed to undergo the CouncilMARK assessment programme in the 2020/21 year. This programme is in its third year now and is proving to be an excellent way to improve the public's knowledge of the work councils are doing in their communities and to support individual councils to further improve the service and value they provide. The programme provides an independent assessment system that assesses how councils are performing and the work they're undertaking to grow the value they deliver. We will receive an overall performance

rating from an Independent Assessment Board and commentary on our performance which will be freely available to the public.

This will be one of the most significant assessments that the Waitaki District Council has been through, and the results will form the basis of a work programme which will inform the public and drive better performance in our Council.

2020 has already been a significant year for our Waitaki community, and we will be working hard to make it all the more significant for all the right reasons.



A handwritten signature in black ink, appearing to read 'Gary Kircher'.

Gary Kircher **Mayor for Waitaki**

CHIEF EXECUTIVE'S INTRODUCTION

Hello, Kia ora koutou, Mālō e lelei, ofa lava, Kia orana, Ni sa bula vinaka, Fakatalofa atu, Malo Ni, Fakaalofa sahi atu, Mabuhay, Hola, Nǐ hǎo.

Welcome to this year's Annual Plan – Year 3 of our Long Term Plan 2018-28. The coming year (1 July 2020 – 30 June 2021) will see a significant shift in focus in our economic development space, with our Pandemic Economic Recovery Manager progressing the task of facilitating the social and economic recovery of the district. The tourism, hospitality and accommodation sectors have been particularly hard hit by the COVID-19 pandemic, and the retail sector has also suffered a significant economic shock (amongst others). We each have a part to play in maximising domestic awareness of the attractiveness/uniqueness of our district for new business activities, new residents, domestic tourism, corporate rewards and conferences, and special events. As both residents and servants of the public, our goal is to focus support on the retail, tourism, hospitality and accommodation sectors of this place we all love.

We are water rich – and there are opportunities for encouragement of viticultural, agricultural and horticultural diversification.

All of these will strengthen our future resilience and increase employment opportunities for our people.

COVID-19 Response and Digitalisation of Council's Functions

I wish to record my enormous appreciation for the selfless and professional manner in which staff responded to the pandemic of 2020. One of our great successes during the COVID-19 pandemic was the highly efficient way in

which Council was able to adapt to a remote working environment. Our building consent processes, for example (with the exception of field inspections), were able to continue uninterrupted during Pandemic Alert Levels 3 and 4 lockdown/s, due to our fully digital consent processing environment. We aim to further increase Council's resilience in the face of any future disruption (flood, earthquake or pandemic) by investing in the latest technologies.

Climate Action

In the last 12 months, the Council acknowledged another defining factor for our community and is taking a more proactive role in responding to climate change. We have undertaken a Greenhouse Gas Emissions Analysis. Council has a total of 165 hectares of forest. Emissions under the Land Use and Land Use Forestry sector total -4,902 tonnes, meaning that forests act as a 'net sink'. Taking into account Council's gross emissions of 2,876 tonnes and removal of that -4,902 tonnes, the result is net emissions of -2,026 tonnes. This means that the Council is making a positive contribution overall towards climate change.

Mackenzie Basin Alignment Programme

The first alignment of its kind, this partnering of five agencies with an ethos of Kaitiakitanga (guardianship and conservation) will monitor and safeguard one of the country's most unique landscapes – and is a chance for the Waitaki to take a strong stance. I acknowledge the need to lift performance in relation to the environmental



protection afforded this spectacular and irreplaceable part of Aotearoa New Zealand. Over the past two years, Council has increased its commitment to monitoring and enforcement, and launched prosecutions against landowners breaching the provisions of the District Plan. The environment, and our areas of natural significance, are also a large part of the District Plan Review currently being undertaken. Council already actively pursues prosecutions of those who offend against our bylaws and consents.

Aerospace Goes Stratospheric

The Waitaki District Council, the New Zealand Airline Academy, and Dawn Aerospace are reframing what our airport can mean for the district. Having beat out bids from much larger cities like Melbourne, the Ōamaru Airport is rapidly becoming a hive of activity. This means jobs, and the diversification of our economy.

Nature-based Employment

We are pursuing opportunities for collaboration following recent government announcements regarding nature-based employment. Existing high-profile initiatives such as the Mackenzie Basin Alignment Programme have the potential to assist with the creation of green jobs in our district and to simultaneously achieve our goal of sustainable environmental management.

The Best Little Harbour in New Zealand

The Annual Plan sets out ways in which we can achieve the goal of ensuring that Ōamaru Harbour becomes recognised as 'the best little harbour in New Zealand'.

Preparation for our Draft Long Term Plan (LTP)

Later this year, we will begin preparation for the 2021-31 Long Term Plan (LTP) which sets the Council's strategic direction and work programme for a 10 year period. We will start talking to all of our communities in the next few months to tell you about our recommended priorities for the next 10 years, and to find out what your priorities are. There will be plenty of opportunities for you to talk to us about what you would like before the LTP is adopted in June 2021.

Finally, we acknowledge that this is an extremely difficult time for many, and we wish to reassure you that we will continue to spare no effort to support our community in whatever way we can during the pandemic recovery phase.



Fergus Power
Chief Executive



WHAT IS AN ANNUAL PLAN?

Council has two main budget documents: The Long Term Plan (LTP) and the Annual Plan. Our LTP sets the Council's strategic direction and work programme for a 10 year period and is reviewed every three years. Our Annual Plan sets out Council's work programme for a 12 month period and is produced in years 2 and 3 of the LTP cycle.

OUR 2020/21 ANNUAL PLAN HAS TWO MAIN PURPOSES:

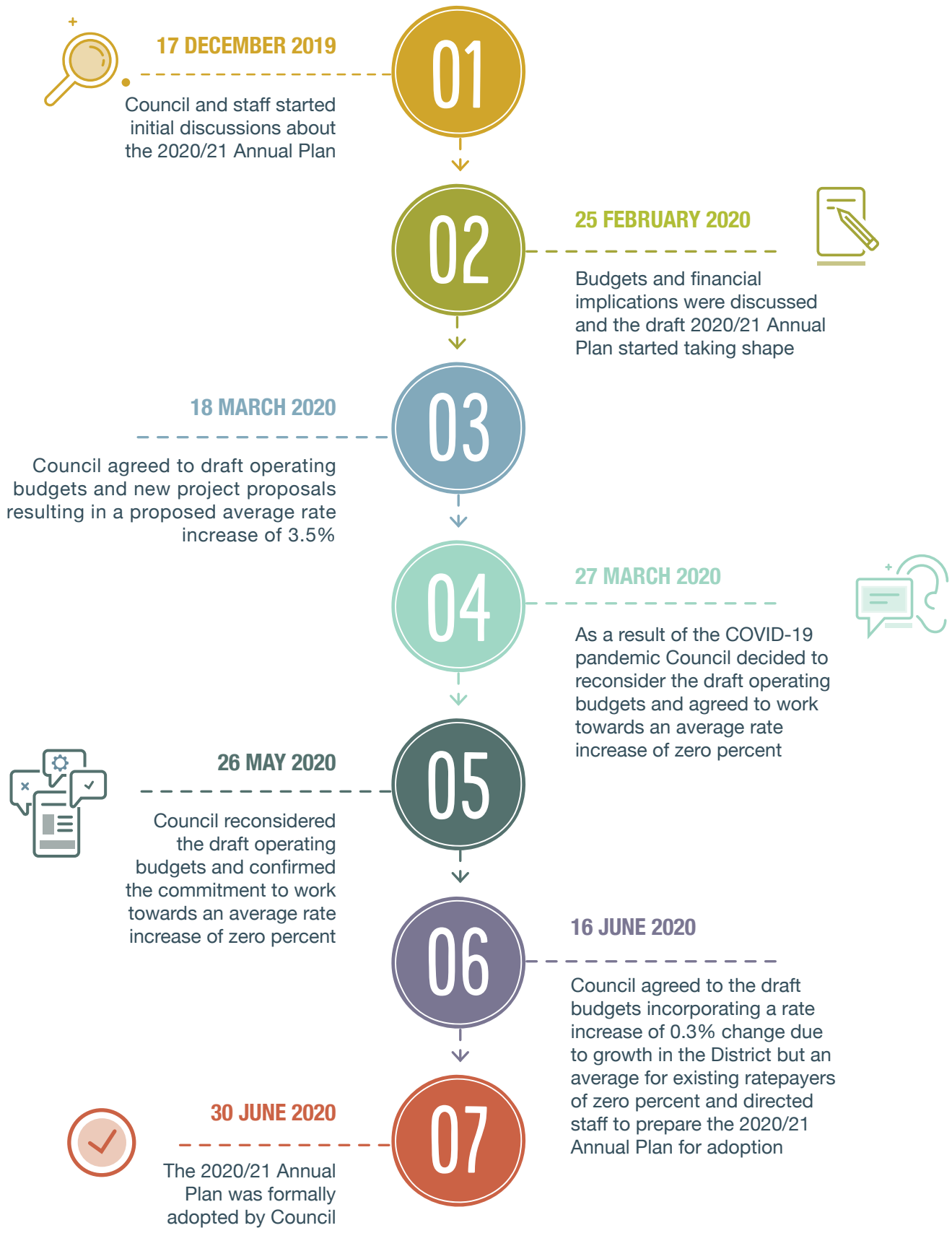
1

It sets our budget for the next financial year (1 July 2020 to 30 June 2021), providing information about how much our activities will cost and how they will be funded, including the setting of rates.

2

It highlights any key changes from year 3 of the 2018-28 Long Term Plan.

How the 2020/21 ANNUAL PLAN was prepared



WHAT WE DO


WAITAKI DISTRICT COUNCIL PROVIDES, MAINTAINS, PROTECTS & MANAGES:



114 HECTARES
of FORESTRY



1,200 HECTARES
of PARKS & RESERVES



13
CEMETERIES



1 CENTRAL LIBRARY
& **5** District Branch LIBRARIES
with over **50,000**
educational resources



6
CAMPGROUNDS



22
PLAYGROUNDS



45
PUBLIC TOILET facilities



4 SKATE PARKS
 **3** BIKE PARKS




CULTURAL FACILITIES
Libraries, Gallery, Museum, Archive & Opera House




95% of our population with access to a
PUBLIC WATER SUPPLY



1 AQUATIC CENTRE Providing learn to swim & water safety programmes



15 individual WATER SUPPLIES in Waitaki
 **10** restricted water supplies and **5** on-demand water supplies



1,800 KM
of LOCAL ROADS

70% of our population with access to a public
RETICULATED WASTE WATER SYSTEM



164 KM of FOOTPATHS



8 WASTE WATER SYSTEMS at
Duntroon, Kurow, Lake Ohau, Moeraki, Ōamaru, Ōmārama, Otematata & Palmerston.



167 BRIDGES & **10** major CULVERTS



2,553 STREET LIGHTS

FOR EVERY OF RATES:

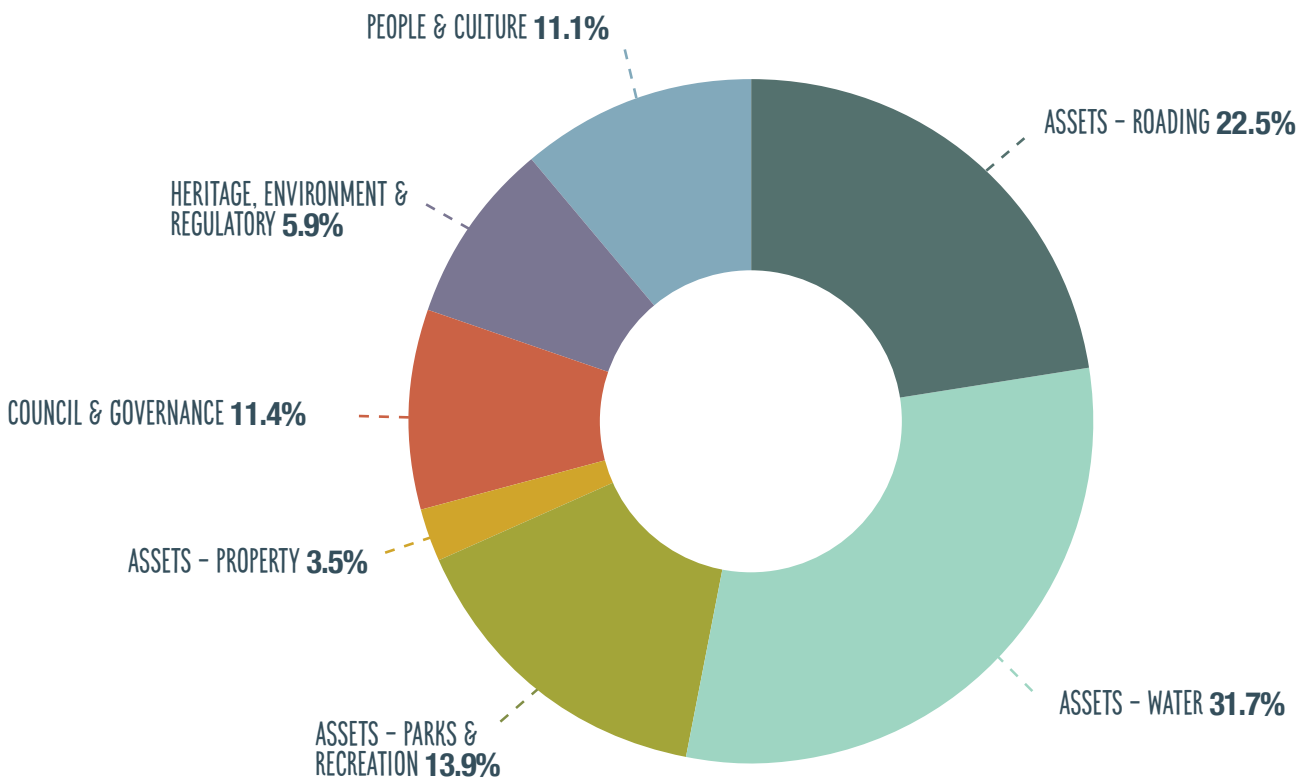
<p>18c </p> <p>COMMUNITY DEVELOPMENT</p>	<p>18c </p> <p>REGULATORY & BUILDING CONTROL</p> <p>Food safety, building inspections, environmental protection, animal control, and parking enforcement.</p>	<p>\$2.25 </p> <p>ROADS, BRIDGES & FOOTPATHS</p>	<p>65c </p> <p>WASTEWATER TREATMENT</p>
<p>44c </p> <p>LIBRARIES</p>	<p>01c CIVIL DEFENCE</p>	<p>31c </p> <p>SOLID WASTE</p>	<p>82c </p> <p>LEADERSHIP, GOVERNANCE & CONSULTATION</p>
<p>15c </p> <p>STORMWATER DISPOSAL</p>	<p>67c </p> <p>GALLERY, MUSEUM & OPERA HOUSE</p>	<p>23c DISTRICT PLANNING</p>	<p>35c </p> <p>PROPERTY & BUILDINGS</p>
<p>31c </p> <p>ECONOMIC DEVELOPMENT</p>	<p>\$1.39 </p> <p>RECREATION SERVICES</p> <p>Aquatic Centre, cemeteries, parks & gardens, toilets, camping grounds, A20</p>	<p>\$2.06 </p> <p>WATER SUPPLY</p>	

Examples only – does not apply to every ratepayer

RATES

The below graph depicts the percentage of rates required for each of Council's significant groups of activities. The majority of our spending (71.6%) is related to our \$831 million asset base.

PERCENTAGE OF RATES ALLOCATED TO GROUPS OF ACTIVITIES



2020/21 PROJECT *Highlights*

For a full list of our projects for 2020/21, please refer to our 2018-28 Long Term Plan available on the Waitaki District Council website



HOUSING UNITS UPGRADE – HEALTHY HOMES

[Cost \$392,000]

The Healthy Homes Guarantee Act 2017 requires all residential properties to meet insulation and ventilation standards by 1 July 2024. All of our 91 community housing units and 7 residential houses will need to be assessed and upgraded between now and 1 July 2024.

BEACH ROAD LANDFILL

[Cost \$200,000]

Former landfill sites at Beach Road Kakanui have been exposed by wave action and will require work to remedy this situation.



HOLMES WHARF

[Cost \$2.25 million]

This key structure requires more work than originally budgeted as the extent of the pile and deck deterioration is greater than estimated.



WESTON FOOTPATHS

[indicative cost \$500,000]

We are currently working on a plan to deliver a footpath network for every developed residential street in the Weston township.

DISTRICT WIDE WI-FI

[Cost \$75,000]

We are proposing the introduction of free Wi-Fi for the community and tourists. Initially we would like to establish free Wi-Fi at a number of key locations across the District and eventually provide free Wi-Fi across the whole District.

Council, community, local business and tourists will benefit from the implementation of Wi-Fi in the District. For example tourists who access the public Wi-Fi network will have the ability to discover information about the District; what is on, where to eat, and places to stay.



RENEWAL OF WATER MAINS ŌAMARU AND WAIHEMO

[Cost \$1.1 million]

We are spending \$1.1 million on renewing water mains in Ōamaru and Waihemo as part of an ongoing programme to replace water assets. We are required to upgrade water supplies to meet drinking water standards.

Council VISION

Waitaki
**THE BEST PLACE
TO LIVE, WORK AND PLAY**

Community OUTCOMES

**We enable
opportunities for
new and existing
businesses**

**We keep our
district affordable**

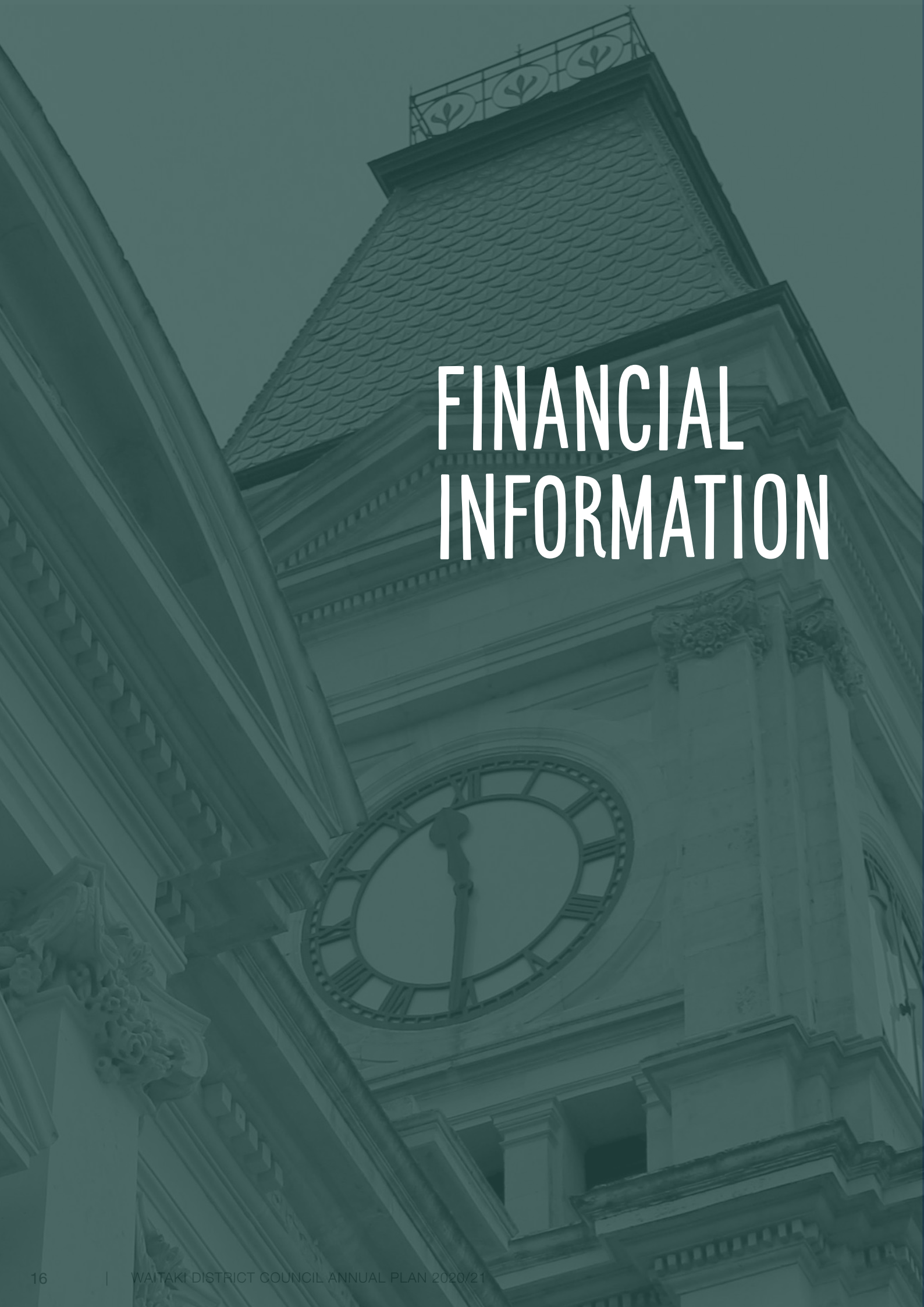
**We provide and
enable services and
facilities so people
want to stay and
move here**

**We understand the
diverse needs of
our community**

**We maintain the
safest community
we can**

**Waitaki's distinctive
environment is valued
and protected**

The community outcomes describe how we want our community to be. The activities of Council contribute to a variety of community outcomes.



FINANCIAL INFORMATION

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Projected for the year ended 30 June 2021

2019 Actual \$000	Notes	2020 Annual Plan \$000	2021 LTP Yr 3 \$000	2021 Annual Plan \$000
Revenue				
32,116	1	32,931	34,291	33,106
4,950	2	5,057	4,572	5,207
1,744		2,195	1,881	1,831
1,570		885	693	954
9,191	3	9,560	12,085	11,426
504	4	357	2,439	2,187
1,064	5	1,065	1,435	1,044
214		215	213	205
48		89	51	60
672		500	500	500
459		-	-	-
52,532	Total Revenue	52,854	58,160	56,520
Expenses				
11,562	6 **	12,294	12,238	13,099
14,185	7	14,258	14,486	16,255
1	5	10	2	245
26,827	8 **	24,621	24,095	27,805
1,539		-	-	-
54,114	Total Expenses	51,183	50,821	57,404
(1,582)	Surplus / (Deficit) before Tax	1,671	7,339	(884)
Other Comprehensive Revenue and Expense				
22,690		-	37,843	56,500
-		5,354	-	-
-		-	-	-
22,690	Total Other Comprehensive Revenue and Expense	5,354	37,843	56,500
\$21,108	Total Comprehensive Revenue and Expense	\$7,025	\$45,182	\$55,616

** As the 2020/21 Annual Plan offsets staff time and overheads recovered from capital projects against Personnel costs rather than Other Expenses, 2019 Actual, 2020 Annual Plan and 2021 LTP Year 3 comparatives have been changed

STATEMENT OF CHANGES IN EQUITY

Projected for the year ended 30 June 2021

2019 Actual \$000	Notes	2020 Annual Plan \$000	2021 LTP Yr 3 \$000	2021 Annual Plan \$000
809,601		834,150	865,686	869,750
21,108		7,025	45,182	55,616
\$ 830,709	Public Equity at 30 June	\$ 841,175	\$ 910,868	\$ 925,366

STATEMENT OF FINANCIAL POSITION

Projected as at 30 June 2021

2019 Actual \$000	Notes	2020 Annual Plan \$000	2021 LTP Yr 3 \$000	2021 Annual Plan \$000
Public Equity				
310,208	Ratepayers' Equity	310,208	310,208	310,208
480,934	Revaluation Reserve	488,494	547,174	576,287
24,255	Operating Reserve	26,598	33,642	22,996
15,312	Other Reserves	15,875	19,844	15,875
\$ 830,709	Total Public Equity	\$ 841,175	\$ 910,868	\$ 925,366
Non-Current Assets				
793,768	Property Plant and Equipment	798,459	870,872	896,272
908	Intangible Assets	572	790	833
269	Forestry	345	185	394
1,150	Inventory	1,150	1,150	1,150
Other Financial Assets				
4,912	- Investments in CCO's	4,912	4,912	4,912
145	- Investments in other entities	145	145	145
29,252	- Loans to other entities	30,564	6,940	25,859
830,404		836,147	884,994	929,565
Current Assets				
365	Cash and Cash Equivalents	967	1,161	1,049
6,408	Receivables	6,325	3,871	6,365
443	Prepayments	480	255	663
14	Inventory	10	15	12
Other Financial Assets				
600	- Term deposits	4,250	9,500	1,250
40	- Loans to other entities	1,430	18,365	3,447
787	Assets held for Sale	-	-	-
8,657		13,462	33,167	12,786
839,061	Total Assets	849,609	918,161	942,351
Non-Current Liabilities				
364	Provisions	493	363	505
-	External Borrowings	-	-	5,000
364		493	363	5,505
Current Liabilities				
6,447	Trade and Other Payables	6,725	5,763	6,985
1,249	Employee Entitlement Liabilities	1,200	1,152	1,430
292	Provisions	16	15	65
-	External Borrowings	-	-	3,000
7,988		7,941	6,930	11,480
8,352	Total Liabilities	8,434	7,293	16,985
\$ 830,709	Net Assets	\$ 841,175	\$ 910,868	\$ 925,366

STATEMENT OF CASH FLOWS

Projected for the year ended 30 June 2021

2019 Actual \$000	Notes	2020 Annual Plan \$000	2021 LTP Yr 3 \$000	2021 Annual Plan \$000
Cash Flows from Operating Activities				
32,123		32,155	33,610	32,327
1,064		1,065	1,435	968
672		500	500	500
18,804		19,793	22,515	23,634
(40,708)		(36,665)	(36,203)	(40,213)
(1)		(10)	(2)	(245)
(525)		(35)	(40)	(165)
11,429		16,803	21,815	16,806
Cash Flows from Investing Activities				
532		498	258	68
5,452		13,362	11,365	15,557
(16,872)		(15,321)	(24,119)	(20,307)
(2,392)		(16,650)	(9,250)	(15,000)
(13,280)		(18,111)	(21,746)	(19,682)
Cash Flows from Financing Activities				
-		-	-	13,750
-		-	-	(10,450)
-		-	-	3,300
(1,851)		(1,308)	69	424
2,216		2,275	1,092	625
\$ 365		\$ 967	\$ 1,161	\$ 1,049

RECONCILIATION OF NET OPERATING SURPLUS TO CASH FLOWS FROM OPERATING ACTIVITIES

Projected for the year ended 30 June 2021

2019 Actual \$000	Notes	2020 Annual Plan \$000	2021 LTP Yr 3 \$000	2021 Annual Plan \$000
(1,582)		1,671	7,339	(883)
Add/Less non-cash items				
14,185		14,258	14,486	16,255
-		-	-	(71)
27		-	-	-
(372)		5	3	77
1,555		-	-	-
(16)		(97)	(40)	(55)
(459)		-	-	-
2		2	-	2
14,922		14,168	14,449	16,208
Add/(Less) movements in Other Working Capital items				
178		832	(100)	596
(98)		(55)	(5)	(50)
(4)		-	-	-
(2,110)		122	113	850
123		65	19	85
(1,911)		964	27	1,481
\$ 11,429		\$ 16,803	\$ 21,815	\$ 16,806

NOTES TO THE PROJECTED FINANCIAL STATEMENTS

2019 Actual \$000		2020 Annual Plan \$000	2021 LTP Yr 3 \$000	2021 Annual Plan \$000
Note 1: Operational Revenue - Rates				
2,079	General Rates	2,302	1,863	2,118
2,162	District Services Rates	2,034	2,053	2,012
4,829	Uniform Annual General Charge	4,729	5,097	4,162
6,505	Ward Rates	6,752	6,891	6,623
10,275	Separate Rates	10,423	11,408	10,679
5,505	Targeted Rates for water supply	5,915	6,351	6,658
31,355		32,155	33,663	32,252
	<i>Change in Rates (for growth) %</i>			0.3%
536	User charges for water supply by meter	641	493	719
478	Rates Penalties charged	375	375	390
(253)	Less Rates Remitted	(240)	(240)	(255)
32,116		32,931	34,291	33,106
Note 2: Operational Revenue - User charges				
1,573	Property rentals	2,300	1,877	2,251
617	Aquatic Centre operations	607	628	624
126	Cemetery operations	127	119	136
256	Lakes Camping Ground operations	244	232	262
218	Landfill operations	177	175	85
425	Water and sewer connection charges	317	339	470
1,735	Other user charges	1,285	1,202	1,379
4,950		5,057	4,572	5,207
Note 3: Operational Revenue - Government Grants				
7,640	New Zealand Transport Agency subsidies	7,940	11,762	8,338
737	Ministry of Business, Innovation and Employment	1,375	156	765
645	Ministry of Justice	-	-	-
85	Ministry for the Environment	97	96	87
34	Oranga Tamariki - Ministry for Children	68	-	68
-	Grants for the Cultural Facilities development	-	-	2,064
50	Other Government Grants and Subsidies	148	71	104
9,191		9,560	12,085	11,426
Note 4: Operational Revenue - Other Grants and Subsidies				
175	Grants for the Alps2Ocean Cycletrail Construction	77	137	80
-	Grants for the Cultural Facilities development	-	2,000	1,762
33	North Otago Rugby Club	30	31	34
296	Other Grants and Subsidies	250	271	311
504		357	2,439	2,187

Notes to the Projected Financial Statements (continued)

2019 Actual \$000		2020 Annual Plan \$000	2021 LTP Yr 3 \$000	2021 Annual Plan \$000
Note 5: Finance Revenue and Costs				
Finance Revenue				
93	Bank deposits	95	370	30
567	North Otago Irrigation Company Ltd	475	680	518
386	Observatory Village Lifecare Ltd	366	370	357
-	Kurow-Dunroon Irrigation Co Ltd	109	-	101
1	NZ Airline Academy Ltd	5	-	2
-	Waitaki District Health Services Ltd	-	-	22
15	Other community loans	15	15	14
2	Sundry interest	-	-	-
<u>1,064</u>	Total Finance Revenue	<u>1,065</u>	<u>1,435</u>	<u>1,044</u>
Less Finance costs				
-	Interest on bank borrowings	-	-	-
1	Interest on bank overdraft	10	2	5
-	Interest on bank borrowings	-	-	240
<u>1</u>	Total Finance Costs	<u>10</u>	<u>2</u>	<u>245</u>
<u>1,063</u>	Net Finance Revenue / (Expense)	<u>1,055</u>	<u>1,433</u>	<u>799</u>
Note 6: Personnel Costs				
11,926	Salaries and Wages	12,975	12,556	14,413
34	Redundancy and Severance payments	-	-	-
327	Defined Contribution Plan - employer contribution	366	324	410
38	Fringe Benefit Taxes	41	41	41
(763)	Recoveries from capital projects	(1,088)	(683)	(1,765)
<u>11,562</u>		<u>12,294</u>	<u>12,238</u>	<u>13,099</u>
** In the 2020-21 Annual Plan, staff time and associated overheads recovered from capital projects have been offset against Personnel Costs rather than Other Expenses as has previously been the case. To enable better comparison to be made figures sourced from the 2019 Annual Report, the 2019-20 Annual Plan and the 2021 LTP Year 3 have been adjusted				
Note 7: Depreciation expense				
6,737	Roads & Footpaths	6,717	7,120	7,841
1,183	Sewerage (Treatment & Disposal)	1,194	1,069	1,203
272	Stormwater Drainage	272	222	273
1,980	Water Supply	1,980	1,923	2,145
45	Waste Management & Minimisation	45	62	59
160	Arts, Heritage & Community	165	169	164
883	Parks & Recreation	939	1,044	917
-	Democracy, Accountability & Planning	-	-	-
1,485	Commercial & Development Activities	1,515	1,503	1,920
34	Regulation & Safety	71	26	59
1,406	Support Services (Net Allocated)	1,360	1,348	1,674
<u>14,185</u>		<u>14,258</u>	<u>14,486</u>	<u>16,255</u>
Note 8: Other Expenses				
133	Audit Fees - Annual Report	131	134	161
7	Audit Fees - Prior year Annual Report	-	-	-
-	Audit Fees - Long Term Plan	-	90	112
1,006	Community Grants and Donations	786	924	1,071
108	Renting and Leasing	121	120	136
568	Insurance	604	458	767
45	Bad Debts written off/change in Provision for Doubtful Debts	150	150	150
(372)	Change in Provision for Closed Landfill	3	3	(63)
25,332	Other Expenditure	22,826	22,216	25,471
<u>26,827</u>		<u>24,621</u>	<u>24,095</u>	<u>27,805</u>

** Please refer to commentary in Note 6 regarding changes in the treatment of Staff time and overheads recovered from capital projects

Notes to the Projected Financial Statements (continued)

2019 Actual \$000		2020 Annual Plan \$000	2021 LTP Yr 3 \$000	2021 Annual Plan \$000
Note 9: Loans to other entities				
Non-current portion				
17,000	North Otago Irrigation Company Ltd	17,000	-	13,000
11,657	Observatory Village Lifecare Ltd	10,058	6,450	9,241
-	Kurow-Dunroon Irrigation Company Ltd	3,000	-	3,151
525	Oamaru Whitestone Civic Trust	496	480	457
60	NZ Airline Academy Ltd	-	-	-
10	Corriedale Water Management Ltd	10	10	10
<u>29,252</u>		<u>30,564</u>	<u>6,940</u>	<u>25,859</u>
Current portion				
-	North Otago Irrigation Company Ltd	-	17,000	1,000
-	Observatory Village Lifecare Ltd	1,367	1,350	1,708
-	Waitaki District Health Services Ltd	-	-	700
39	Oamaru Whitestone Civic Trust	39	15	39
-	NZ Airline Academy Ltd	24	-	-
1	Oamaru Steam & Rail Society	-	-	-
<u>40</u>		<u>1,430</u>	<u>18,365</u>	<u>3,447</u>

The loan to the North Otago Irrigation Company will be repaid over the ten year period commencing 1 July 2020

The loan to Observatory Village Lifecare Ltd will be repaid over the seven year period commencing 1 July 2020

The loan to the Kurow-Dunroon Irrigation Company will be repaid over the ten year period commencing 1 July 2022

Note 10: Provision for Closed Landfill

1,028	Opening balance	527	376	633
(239)	Reassess remaining provision required	20	22	14
(133)	Provision utilised	(38)	(19)	(77)
<u>656</u>	Closing balance	<u>509</u>	<u>379</u>	<u>570</u>
<u>Analysed as</u>				
364	- Non-current portion	493	363	505
292	- Current portion	16	16	65
<u>656</u>		<u>509</u>	<u>379</u>	<u>570</u>

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.

Note 11: External Borrowings

-	Bank of New Zealand	-	-	3,000
-	Local Government Funding Agency	-	-	5,000
<u>-</u>		<u>-</u>	<u>-</u>	<u>8,000</u>
<u>Analysed as</u>				
-	- Non-current portion	-	-	5,000
-	- Current portion	-	-	3,000
<u>-</u>		<u>-</u>	<u>-</u>	<u>8,000</u>

Council intends joining the Local Government Funding Agency during the 2020/21 financial year. Current funding arrangements with the BNZ will be retained, and the intention is to utilise external funding sources sparingly. For the purposes of this Annual Plan, projected borrowings from the BNZ have been assumed to be repayable within one year and those from the LGFA have been regarded as Term Liabilities.

ANNUAL PLAN DISCLOSURE STATEMENT PROJECTED FOR THE YEAR ENDING 30 JUNE 2021

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
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				
income	Rates fund 70% or less of total operating cost	<70% of operating costs	56.18% 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	6.98% of married superannuation	Yes
increases	Projected rate increases will not exceed the projected Local Government Cost Index, plus 2%	<4.2% increase	0.3% 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	14.15% of revenue	Yes
3 Balanced budget benchmark				
Planned revenue (excluding development and financial contributions, vested assets and revaluations of property, plant and equipment) 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	96.8% of operating costs	No
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 planned capital 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 of those assets	>100% of depreciation	104.86% of depreciation	Yes
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 growth in the District will be below 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	0.43% of total revenue	Yes

RATING BASE INFORMATION

Council must include in its annual plan, in accordance with Section 20A of the Local Government Act 2002, information related to its projected rating base.

	Actual 30 June 2019	Projected 30 June 2020
Number of rating units in the District	13,810	13,853
Total Land Value of rating units	\$4,242,786,450	\$4,253,186,950
Total Capital Value of rating units	\$8,375,309,100	\$8,444,255,400

RECONCILIATION OF FUNDING IMPACT STATEMENTS BY GROUP OF ACTIVITIES

Summary Income and Expenditure by Group of Activities

2018/19 Actual \$000		2019/20 Annual Plan \$000	2020/21 LTP Yr 3 \$000	2020/21 Annual Plan \$000
Operating Revenue				
4,662	Roads & Footpaths	4,369	4,533	4,261
801	Sewerage (Treatment & Disposal)	703	719	665
-	Stormwater Drainage	-	-	-
695	Water Supply	955	832	861
304	Waste Management & Minimisation	274	271	182
546	Arts, Culture & Community	627	683	648
1,201	Parks & Recreation	892	1,172	993
2	Democracy & Accountability	52	1	-
3,539	Commercial & Development Activities	4,102	3,396	4,281
2,594	Heritage, Environment & Regulation	2,832	1,980	2,534
18,954	Support Services (Net Allocated)	20,741	20,086	22,290
33,298	Operational Revenue per Activity FIS	35,547	33,672	36,715
Total Sources of Capital Funding				
4,037	Roads & Footpaths	4,291	8,224	4,925
251	Sewerage (Treatment & Disposal)	126	96	133
5	Stormwater Drainage	-	-	-
775	Water Supply	286	222	441
-	Waste Management & Minimisation	-	-	-
-	Arts, Culture & Community	3	2,000	3,828
102	Parks & Recreation	195	21	428
-	Democracy & Accountability	-	-	-
996	Commercial & Development Activities	1,347	529	472
423	Heritage, Environment & Regulation	200	175	210
21	Support Services (Net Allocated)	40	95	58
6,610	Capital Revenue per Activity FIS	6,488	11,362	10,495
31,357	Add total Rates	32,155	33,663	32,252
(17,161)	Less Internal recoveries included	(21,001)	(20,039)	(22,618)
54,104	Revenue per Total Activities FIS	53,190	58,658	56,844
(1,319)	Proceeds from sale of assets	(96)	(258)	(68)
(253)	Adjust Rate remissions offset against revenue	(240)	(240)	(255)
52,532	Revenue per Statement of Comprehensive Revenue and Expenditure	52,854	58,160	56,521

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

Summary Income and Expenditure by Group of Activities

2018/19 Actual \$000		2019/20 Annual Plan \$000	2020/21 LTP Yr 3 \$000	2020/21 Annual Plan \$000
	Total Applications of Operating Funding			
8,607	Roads & Footpaths	7,061	7,619	7,175
1,853	Sewerage (Treatment & Disposal)	2,098	1,946	4,695
245	Stormwater Drainage	424	434	453
5,455	Water Supply	4,583	4,759	5,562
1,074	Waste Management & Minimisation	1,016	987	1,401
4,664	Arts, Culture & Community	4,183	4,528	4,338
4,749	Parks & Recreation	4,979	4,919	4,884
3,591	Democracy & Accountability	4,493	4,066	4,488
3,977	Commercial & Development Activities	3,648	3,340	3,821
5,570	Heritage, Environment & Regulation	6,117	5,560	6,783
18,473	Support Services (Net Allocated)	19,555	18,537	20,421
58,258	Total Operational expenditure per FIS	58,157	56,695	64,022
(17,313)	Less internal recoveries	(19,914)	(19,356)	(20,854)
40,945	Expenditure per Total Activities FIS	38,243	37,339	43,169
(763)	Less internal charges included in capital	(1,078)	(764)	(1,765)
(253)	Adjust Rate remissions offset against revenue	(240)	(240)	(255)
14,185	Add Depreciation and Amortisation (See Note 7)	14,258	14,486	16,255
54,114	Expenditure per Statement of Comprehensive Revenue and Expenditure	51,183	50,821	57,404

FUNDING IMPACT STATEMENT FOR ANNUAL PLAN 2020/21

Funding Impact Statement - Whole of Council

2018/19 Actual \$000		2019/20 Annual Plan \$000	2020/21 LTP \$000	2020/21 Annual Plan \$000
	Sources of Operating Funding			
7,040	General Rates, Uniform Annual General Charge, Rates Penalties	7,170	7,090	6,438
24,317	Targeted Rates	24,985	26,573	25,814
31,357	Rates Revenue	32,155	33,663	32,252
4,325	Subsidies and Grants for Operating Purposes	4,427	4,035	4,261
6,325	Fees and Charges	7,200	6,430	6,929
1,735	Interest and Dividends from Investments	1,565	1,935	1,544
1,300	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	1,356	1,233	1,363
13,685	Operating Revenue	14,548	33,672	14,097
45,042	Total Sources of Operating Funding	46,704	67,335	46,349
	Applications of Operating Funding			
38,644	Payments to Staff and Suppliers	37,146	36,656	41,159
1	Finance Costs	10	-	245
-	Other Operating Funding Applications	-	-	-
38,645	Total Applications of Operating Funding	37,156	56,695	41,404
6,397	Surplus / (Deficit) of Operating Funding	9,548	10,640	4,945
	Sources of Capital funding			
4,647	Subsidies and Grants for Capital Expenditure	5,505	10,411	9,473
2,045	Development and Financial Contributions	885	693	954
-	Increase / (Decrease) in Debt	-	-	-
(82)	Proceeds from Sale of Assets	98	258	68
6,610	Total Sources of Capital Funding	6,488	11,362	10,495
	Applications of Capital funding			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
6,321	Improve Levels of Service	5,253	8,060	13,350
10,929	Replace Existing Assets	10,067	15,978	11,721
(4,243)	Increase / (Decrease) in Reserve	716	(2,036)	(9,632)
-	Increase / (Decrease) in Investments	-	-	-
13,007	Total Applications for Capital Funding	16,036	22,002	15,440
(6,397)	Surplus / (Deficit) of Capital Funding	(9,548)	(10,640)	(4,945)
-	Funding Balance	-	-	-

Levels of service are generally consistent with those anticipated in the Long Term Plan. Council has been impacted by new legislation related to water issues which has necessitated increased staffing and water rates. However this has been offset by Council's decision, in response to the Covid-19 pandemic, to set rates at a level relatively similar to those set for the 2019-20 financial year.

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

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

Council's consolidated group consists of the ultimate parent, Waitaki District Council, and its subsidiaries: Whitestone Contracting Limited (100% owned), Waitaki District Health Services Limited (100% owned) and Tourism Waitaki Limited (100% owned). The investment in Ōmārama Airfield Limited (50% owned) is treated as a joint venture. All companies are incorporated and domiciled in New Zealand.

Council is also required to include within its consolidated group the operating results of the Waitaki Whitestone Geopark Trust, while Waitaki District Health Services Ltd is required to consolidate the operations of the Observatory Village Lifecare Trust and its associated entities.

The primary objective of Council is to provide local infrastructure and public services, and to perform regulatory functions in the community for social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice.

The prospective financial statements presented here are for the year ended 30 June 2021.

Basis of Preparation

The prospective financial statements have been prepared on the going concern basis on the basis of best-estimate assumption as to future events in accordance with Tier 1 Public Benefit Entity Financial Reporting Standard 42 and are for Council itself.

Consolidated group prospective financial statements have not been provided as Council believes Council's prospective financial statements are of greater relevance and benefit to users of the Annual Plan.

Statement of Compliance

The prospective financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and the requirements of the Act, particularly section 98, part 6, and part 3 of Schedule 10 of the Act, and comply with NZ IFRS PBE, and other applicable Financial Reporting Standards as appropriate for Public Benefit Entities. All requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with (NZ GAAP), have been complied with.

The prospective financial statements have been prepared on an historical cost basis, modified by the revaluation of certain property, plant and equipment: land and buildings, infrastructural and biological assets, in accordance with Tier 1 PBE accounting standards, and are fully compliant with those accounting standards.

Presentation currency and rounding

The prospective financial statements are presented in New Zealand dollars and all values, unless otherwise stated, are rounded to the nearest thousand dollars (\$000). The functional currency of Council and the group is New Zealand dollars.

Specific Accounting Policies

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Comparative and Budget Figures

Figures presented for the 2018/19 financial year are sourced directly from the audited Annual Report for the year ended 30 June 2019.

Annual Plan figures presented for 2019/20 are those approved by Council in its unaudited 2019/20 Annual Plan,

Figures provided for 2020/21 (LTP Year 3) have been sourced from the audited 2018-28 Long Term Plan.

All comparative and budget figures presented have been prepared in accordance with NZ GAAP, using accounting policies consistent with those adopted by Council for the preparation of these prospective financial statements.

Groups of Activities

Groups of Activities report the net cost of services for each significant activity of Council, and are represented by the costs of providing the service less all revenue that can be allocated to these activities. The net cost of service for each significant Council activity is derived using the cost allocation system outlined below.

Direct costs are 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, floor area occupied, etc.

Foreign Currency Transactions

Council does not undertake significant transactions in foreign currencies. Foreign currency transactions are translated into New Zealand dollars upon receipt or payment at the prevailing spot rate. Council does not recognise gains or losses on such transactions, and holds no assets or liabilities denominated in foreign currencies.

Goods and Services Tax

The 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.

Revenue from non-exchange transactions

Council derives revenue from non-exchange transactions, where monies are received in relation to services which may not be provided specifically to the payer, or which may not be provided for some time, or which may not reflect a value equivalent to the revenue earned. Examples include:

- ▶ Rates, which fund services that may not be accessed equally, or at all, by all ratepayers, or may not be expended in the year in which they are received;
- ▶ Development Contributions, which are held for future infrastructure requirements;
- ▶ Infringements and fines, which are charged by Council, but for which no service is provided.

Revenue from exchange transactions

Council also derives revenue from exchange transactions, where a measurable service is provided in exchange for the revenue earned by Council. Examples include:

- ▶ User charges for use of the Aquatic Centre, landfill and similar charges;
- ▶ Regulatory charges for building consents, liquor licenses, dog registration and similar charges;
- ▶ Interest received in relation to funds deposited, invested or lent externally.

While all revenues are recognised in accordance with the principles outlined above, Council has policies requiring certain revenues arising from non-exchange transactions to be held in special reserves until the funds are required.

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

Council has elected to defer the application of PBE IPSAS 5 Borrowing Costs. Borrowing costs are recognised as an expense in the period in which they are incurred, and are not capitalised.

Leases

Finance Leases:

The lease transfers 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:

The lease does not transfer substantially all the risks and rewards of ownership. These are charged on a straight-line basis over the term of the lease.

Trade and Other Receivables

Receivables from both Non-exchange and from Exchange Transactions are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call, 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 with maturities less than three months approximates fair value.

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.

Financial Assets

Financial assets, other than shares in subsidiaries, are initially recognised at fair value plus transaction costs, if any, unless they are carried at fair value through surplus or deficit, in which case transaction costs are expensed when incurred.

Term deposits, community and other loans (Loans and Receivables)

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.

Loans made at no or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between loan balance and the present value of future cash flows for the loan is recognised in the surplus or deficit as a grant expense.

After initial recognition, term deposits, community and other loans are measured at amortised cost using the effective interest method. Where applicable, interest accrued is added to the outstanding balance of the investment

At year end, all assets are assessed for indicators of impairment. Impairment is established when Council and the group will not be able to collect amounts due according to the original terms of the investment. Indicators of impairment include: significant financial difficulties of the debtor, the probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments due. If assets are considered impaired, the amount of the impairment is recognised in the surplus or deficit.

Listed and unlisted shares (available for sale)

Council may hold shares in businesses, whether listed or unlisted, for strategic or other reasons. The intention at the time of acquisition is normally to hold long term, but the assets may be realised prior to maturity. Shares held at year end are classified as Non-Current Assets unless disposal is contemplated within the following twelve month period.

After initial recognition, unlisted shares (other than those in subsidiaries) are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. When sold, any cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit. For shares, a significant or prolonged decline in fair value provides objective evidence of impairment. If such evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit. Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

Shares in subsidiaries

Council consolidates in the group financial statements all entities where Council can control financing and operating policies so as to obtain benefits from the activities of the subsidiaries, or has established entities for the purpose of achieving Council's goals. This right exists through the exercise of majority voting power on the governing body, where such policies have been irreversibly determined by Council, or where the determination of such policies would not materially affect the potential ownership benefits arising from the subsidiary. The investment in subsidiaries is carried at cost in Council's parent entity financial statements

Investment Properties

Investment Properties are held to earn income or for capital appreciation, do not include properties held for strategic purposes or to provide a social service, and are initially measured at cost including transaction costs unless acquired at less than fair value when they are recognised at fair value. They are not depreciated and are de-recognised when disposed of or permanently withdrawn from use and no future benefit is expected. Gains or losses on de-recognition are recognised in the surplus or deficit in the year of de-recognition.

Council currently holds no properties classified as investment properties.

Non-current Assets Held for Sale

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

Any 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.

Forestry

Forestry is the estimated worth of maturing tree stocks in Council's forests as at 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 as at 30 June each year.

The cost of maintaining forestry assets is included in the reported surplus or deficit. Forestry holdings 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 is shown at cost or valuation, less accumulated depreciation and impairment losses, and consists of:

- ▶ Operational assets – including land, buildings, landfill (post closure), library books, plant and equipment, furniture and fittings, and motor vehicles.
- ▶ Restricted assets – including parks, reserves and other property which provide benefit or service to the community and which cannot be disposed of because of legal or other restrictions.
- ▶ Infrastructure assets – fixed utility systems owned by Council. Each class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Additions

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

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

Vested Infrastructural Assets are initially recorded at valuation based on engineers' certificates. This Long Term Plan does not include the receipt of any vested assets.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset, and are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent Costs

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

Revaluations

The classes of assets below are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from fair value

Land and Buildings

Property holdings are valued every three years – the results of the next such revaluation will be recognised in the 2020 financial year

Infrastructural Assets

Infrastructural assets are utility assets that provide a continuing service to the community. They are recorded at valuation, based on optimised depreciated replacement cost, with subsequent additions recorded at cost until the next revaluation. Valuations are performed every three years.

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.

Infrastructural Assets – Work in Progress

Capital projects that are incomplete at balance date are regarded as Work in Progress, and included in Fixed Assets. These items are not depreciated until fully 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 Ōamaru Harbour Breakwater were valued at June 1992. This value represents deemed cost, with subsequent additions recorded at cost. These assets are not revalued.

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.

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, as follows:

Asset Category	Depreciation Base
Infrastructural Assets	
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
Harbour Assets	
Wharves and Breakwater	40 – 100 years
Other Assets	
Other assets are depreciated over their expected useful lives:	
Land	Not depreciated
Buildings	15 – 100 years
Motor vehicles	3 – 10 years
Office equipment	2 – 5 years
Office furniture and fittings	2 – 10 years
Library collections	5 – 7 years
Cultural & heritage assets	Not depreciated

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 implement. Costs related to maintaining computer software are expensed when incurred. The useful life of software is 3 to 10 years and the cost is amortised on a straight-line basis.
- ▶ **Carbon Credits**
Carbon credits are not amortised, as they represent current expenditure relating to a known future event and market pricing is generally trending upwards. Carbon credits surrendered to meet Council's obligations relating to assessed landfill emissions are treated as disposals.
- ▶ **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 finite useful lives are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets having a finite useful life are reviewed for indicators of impairment at each balance date. When 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 carrying value exceeds the likely recoverable amount (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.

For revalued assets the impairment loss is recognised against other comprehensive income and the revaluation reserve for that class of asset. If that would result 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, but not yet taken, at balance date, and long service leave entitlements expected to be settled within 12 months. Council recognises a liability and expense for bonuses if contractually obliged or where a past practice has created a constructive obligation.

Long Service Leave

Entitlements payable beyond 12 months, such as long service leave, are calculated on an actuarial basis based on:

- ▶ Likely future entitlements accruing to staff, based on years of service, years to entitlement;
- ▶ The likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- ▶ The present value of the estimated future cash flows, using an appropriate discount rate and inflation factor.

Superannuation Schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes 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), 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 use 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, as there is no prescribed basis for allocation. The scheme is therefore 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 expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

The most significant provisions relate to landfill post closure costs. Council owns both the Palmerston and Ōamaru landfills, and has responsibility for other closed landfills throughout the District. Resource consents obtained when landfills reach the end of their operating life and are closed set out closure requirements, including on-going maintenance and monitoring at the landfill site. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured on the present value of future cash flows expected, taking into account future events, including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure. The calculations assume no change in the legislative requirements for post-closure treatment.

Amounts provided for landfill post-closure are capitalised to the landfill assets where they give rise to future economic benefits. The capitalised landfill asset is depreciated over the life of the landfill based on the anticipated capacity used.

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 Statement of Financial Position. Revenue and expenditure in relation to all financial instruments is recognised in the surplus or deficit.

Equity

Equity is the Community's interest in the Council, measured as the difference between total assets and total liabilities. Public Equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that Council makes of its accumulated surpluses.

The components of equity are Ratepayers' Equity, Restricted Reserves (Special Funds), Operating Reserves and Asset Revaluation Reserves.

Reserves

Reserves generally represent a particular purpose to which elements of equity have been assigned. These may be legally restricted or created by Council.

Restricted reserves are subject to specific conditions accepted as binding by the Council which may only be revised by 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, and may be altered without reference to any other parties. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserves represent unrealised gains on assets owned by Council, which are held until the gain is realised and a transfer can be made to operating reserves.

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 2018-28 LTP.

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 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 reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities over the term of the Long Term Plan 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 Council may be carrying an asset at an amount that does not reflect its actual condition, especially for those assets that are not visible, such as stormwater, wastewater and water supply pipes that are underground.

Council minimises this risk by:

- ▶ Performing a combination of physical inspections and condition modelling assessments of 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 Council could over- or under-state the annual depreciation charge recognised as an expense in arriving at the surplus or deficit. 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.

Classification of Property

Community housing

Council owns and maintains properties for 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.

Unoccupied land

Council owns unoccupied land. Given the uncertainty over the future intended use of the land, Council has not classified these holdings as investment property.

Forestry

Reliance has been placed on the advice of external forestry managers in determining the likely timing of harvesting operations related to forestry. The proceeds of forestry harvesting do not have an impact on the determination of rates requirements, and so have not been allowed for in this Long Term Plan.

Changes in Accounting Policies

These prospective financial statements have been prepared in accordance with the PBE standards, implying compliance with NZ GAAP.

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 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 2020/21 financial year, are presented in the following tables, and are available on Council's website, www.waitaki.govt.nz.

	Projected Opening Balance at 1 July 2020 \$000	Forecast deposits and transfers to reserves \$000	Forecast withdrawals and transfers from reserves \$000	Projected Closing Balance at 30 June 2021 \$000
Restricted Reserves				
Trust Reserves				
Funded from sources external to Council, with binding conditions as to their use. Includes bequests, specific donations and similar funds, such as the Resource Management Act financial contributions. Many funds are to support cultural facilities, particularly the North Otago Museum and Forrester Gallery, and the Ōamaru Public Library	2,326	234	(400)	2,160
Development Reserves				
Created to record and allocate funds received under Council's Development Contributions policy	3,630	846	(650)	3,826
Special Reserves				
Similar to Trust Funds, with a specific purpose, but created by Council, so Council has more discretion about their use. Includes the Disaster Fund and the Community Housing Reserve.	9,457	262	(185)	9,534

Reserve Fund Schedule (continued)

	Projected Opening Balance at 1 July 2020 \$000	Forecast deposits and transfers to reserves \$000	Forecast withdrawals and transfers from reserves \$000	Projected Closing Balance at 30 June 2021 \$000
Discretionary Reserves				
Separate Rate Operating				
Council strikes many separate rates, described in the Funding Impact section of this Annual Plan. These are set to match required funding so there is no budgeted movement in these reserves. Any movement arises if actual income and expenditure varies 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	4,392	568	(1,161)	3,799
Renewal (Depreciation) Reserves				
These are held to fund the renewal of existing assets at the end of their economic lives. Amounts credited represent the annual depreciation charge, less any element Council has decided not to fund. Assets for which depreciation is fully or partially un-funded are listed in the Financial Strategy in the 2018-28 Long Term Plan. Transfers from these reserves are used to fund replacement assets or to maintain the economic lives and service potential of the existing assets.	36,995	16,255	(16,509)	36,741

RATING FUNDING IMPACT STATEMENT

Background

Council has 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 the disclosure of 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.

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 the rates Council will charge, the basis of the rate, the 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 Council wishes to set a charge for water supply by volume of water consumed if it intends to do so (Section 19)

Within this document there is further information on Council policies relating to rate remissions, postponements and relief for Māori land that may be in effect.

Maps showing boundaries of targeted rates based on locality are available on request.

General Rates

Council sets 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
- ▶ Sports Grounds
- ▶ Resource Consents Processing
- ▶ Community Planning & Accountability
- ▶ District Planning
- ▶ Ōamaru Harbour – Port Operations

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

Uniform Annual General Charge

Council charges 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
- ▶ Otago Museum Grant
- ▶ Cemeteries
- ▶ Sports Grounds
- ▶ Public Toilets
- ▶ Building Control
- ▶ Environmental Health
- ▶ Environmental Monitoring and Enforcement
- ▶ Liquor Licensing
- ▶ Civil Defence
- ▶ Tourism Development and Visitor Services
- ▶ Waste Management and Minimisation

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

Targeted Rates – District Services

Council sets 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 Boards
- ▶ Economic Development
- ▶ Ōamaru Harbour – Coastal Protection
- ▶ Waitaki Community Recreation Centre
- ▶ Community Housing
- ▶ Commercial Property
- ▶ Community Planning and Accountability
- ▶ Town Centres – Christmas Decorations
- ▶ Waitaki Lakes Camping

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

Council sets 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:

- ▶ Reserves and Open Spaces
- ▶ Playgrounds
- ▶ Township Works

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

Ahuriri Ward Community Board Rate

Council sets a targeted rate 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

Council sets 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
- ▶ Ōamaru Public Gardens
- ▶ Ōamaru Opera House
- ▶ Streetscapes and Town Centres
- ▶ Waitaki Aquatic Centre

Corriedale Ward Services Rate

Council sets a targeted rate 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:

- ▶ Reserves and Open Spaces
- ▶ Playgrounds
- ▶ Township Works

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

Corriedale Ward Services Charge

Council sets 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
- ▶ Ōamaru Public Gardens
- ▶ Ōamaru Opera House
- ▶ Streetscapes and Town Centres
- ▶ Waitaki Aquatic Centre

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

Ōamaru Ward Services Rate

Council sets a targeted rate based on the capital value of each rating unit in the Ōamaru Ward. The targeted rate will be set at a uniform rate in the dollar.

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

- ▶ Reserves and Open Spaces
- ▶ Playgrounds
- ▶ Township Works

Ōamaru Ward Services Charge

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

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

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

Waihemo Ward Services Rate

Council sets 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:

- ▶ Reserves and Open Spaces
- ▶ Playgrounds
- ▶ Township Works
- ▶ Waihemo Service Centre

Waihemo Ward Community Board Rate

Council sets a targeted rate 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

Council sets 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
- ▶ Ōamaru Public Gardens
- ▶ Ōamaru Opera House
- ▶ Streetscapes and Town Centres
- ▶ Waitaki Aquatic Centre

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

TARGETED RATES BY LOCALITY

Ōamaru Business Area Rates

Council sets a targeted rate for services to the Ōamaru Business Area, based on the capital value of each rating unit in the Ōamaru Business Area that is not used exclusively for residential purposes. Two Ōamaru Business Areas have been established, area 'A' and area 'B'.

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

The Ōamaru 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
- ▶ Ōamaru Public Gardens
- ▶ Christmas Decorations
- ▶ Ōamaru Opera House
- ▶ Community Development

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

Ōamaru Urban Area

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

The Ōamaru Urban Area Rate will be used to fund 80% of the cost of coastal protection works at the Ōamaru 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. Council does not intend to invite, or to provide the opportunity for, lump sum settlement of such loans.

TARGETED RATES BY ACTIVITY

Roading Rate

Council sets a targeted rate for roads and bridges based on the capital value of each rating unit in the district. The Roothing Rate will be set on a differential basis based on land use and area, as defined below:

DIFFERENTIAL CATEGORY	DESCRIPTION OF CATEGORY	% OF ROADING ACTIVITY FUNDED FROM DIFFERENTIALS
Hydroelectric Power General Installations	All rating units used primarily or predominantly for the generation of hydroelectric power from Lakes Aviemore, Benmore, Ohau or Waitaki	8% of activity funded from this differential
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% of activity funded from this differential
General Purposes	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, or primarily used for forestry activities	87% of activity funded from this differential
Forestry	All rating units used primarily or predominantly for commercial forestry purposes	4x "General Purposes" base rate

Local Amenity Rates

Council sets 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
- ▶ Ōamaru
- ▶ Weston
- ▶ Kurow
- ▶ Ōmārama

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. The Ōamaru Amenity Rate provides funding for the Ōamaru Drill Hall.

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

Public Hall and Community Centre Rates

Council, in consultation with 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 Ōamaru 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
- ▶ Ōmārama
- ▶ 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

Council sets 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 Council 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
- ▶ Ōamaru
- ▶ Ōmārama
- ▶ Otematata
- ▶ Palmerston

Water Rates – Urban

Council will use several different rating tools to charge 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 within 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:

Urban Town/ Township	BASIS FOR CHARGE
Ōamaru Supply	Connections per rating unit
Ōamaru 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
Ōmārama	Connections per rating unit
Otematata	Connections per rating unit
Palmerston zone – Waihemo water	Connections per rating unit

Water Rates – Rural

Council sets 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 zone – Waihemo Water	Supply per unit	1,818
Duntroon	Supply per unit	1,818
Enfield zone – Oamaru Water	Supply per unit	1,818
Goodwood zone – Waihemo Water	Supply per unit	1,818
Herbert/ Waianakarua zone – Oamaru Water	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 zone – Oamaru Water	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 zone – Oamaru Water	Domestic supply per unit (crib)	909
	Rural Supply per unit	1,818
Kakanui zone – Oamaru Water	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

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

The targeted rates for the only such construction loan, 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, and are subject to annual review.

Council will not invite or accept lump sum contributions in settlement of targeted construction loan rates.

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:
 - A residential sleep-out or 'granny flat' without independent kitchen facilities
 - A hotel room with or without independent kitchen facilities
 - A motel room with or without independent kitchen facilities
 - Rooms in a residential dwelling or hostel with common kitchens
 - Separately leased commercial areas with shared access, reception or other facilities.
- ▶ These are separately used parts of a rating unit:
 - Flats, apartments and other residential units with independent kitchen facilities
 - Separately leased commercial areas with separate access, sanitary or other facilities.

2020/21 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	SRU = Serviceable Rating Unit	Unit = Type of connection
CV = Capital Value	WC = Water Closet	M3 = Cubic Metres
RU = Rating Unit	CRU = Connected Rating Unit	SUIP = Separately used or inhabited Part of a Rating Unit

RATE NAME	2020/21		
	PROPOSED RATE	BASIS FOR RATE	BUDGETED TOTAL REVENUE
General Rate	\$0.0573	LV	\$2,435,794
Uniform Annual General Charge	\$348	SUIP	\$4,786,814
District Services Rate	\$0.0274	CV	\$2,314,234
Ahuriri Ward Services Rate	\$0.0213	CV	\$474,392
Ahuriri Community Board Rate	\$0.0062	LV	\$39,405
Ahuriri Ward Services Charge	\$119	SUIP	\$240,250
Corriedale Ward Services Rate	\$0.0104	CV	\$289,189
Corriedale Ward Services Charge	\$324	SUIP	\$836,229
Ōamaru Ward Services Rate	\$0.0476	CV	\$1,150,354
Ōamaru Ward Services Charge	\$521	SUIP	\$3,751,217
Waihemo Ward Services Rate	\$0.0467	CV	\$470,971
Waihemo Community Board Rate	\$0.0205	LV	\$128,370
Waihemo Ward Services Charge	\$119	SUIP	\$235,519
Ōamaru Business Area Rate A	\$0.3713	CV	\$560,792
Ōamaru Business Area Rate B	\$0.1857	CV	\$106,821
Ōamaru Urban Area	\$0.0229	CV	\$429,501

Township Amenity Rates

Township Amenity - Duntroon	\$0.0421	LV	\$1,725
Township Amenity - Hampden	\$0.1423	LV	\$34,500
Township Amenity - Herbert	\$0.0383	LV	\$1,725
Township Amenity - Kakanui	\$0.0111	LV	\$5,750
Township Amenity - Kurow	\$0.1200	LV	\$20,747
Township Amenity - Lake Ohau	\$0.0128	LV	\$3,807
Township Amenity - Maheno	\$0.0496	LV	\$1,725
Township Amenity - Moeraki	\$0.0275	LV	\$7,086
Township Amenity - Ōamaru	\$0.1217	LV	\$662,397
Township Amenity - Ōmārama	\$0.0582	LV	\$23,723
Township Amenity - Otematata	\$0.1307	LV	\$70,402
Township Amenity - Palmerston	\$0.2338	LV	\$53,621
Township Amenity - Shag Point	\$0.0157	LV	\$1,725
Township Amenity - Weston	\$0.1045	LV	\$45,301

2020/21 Rates Schedule (continued)

RATE NAME	2020/21		BUDGETED TOTAL REVENUE
	PROPOSED RATE	BASIS FOR RATE	
Roading Rate			
Roading – General	\$0.0861	CV	\$6,557,571
Roading – Electrical Generation	\$0.0661	CV	\$506,575
Roading – Mineral Extraction	\$2.6659	CV	\$381,355
Roading – Forestry	\$0.3444	CV	\$181,591
Public Hall Rates			
Airedale Public Hall Rate	\$20	SUIP	\$540
Ardgowan Public Hall Rate	\$20	SUIP	\$2,760
Awamoko Public Hall Rate	\$30	SUIP	\$2,550
Dunback Public Hall Rate	\$30	SUIP	\$3,900
Duntroun Public Hall Rate	\$20	SUIP	\$3,020
Enfield Public Hall Rate	\$20	SUIP	\$2,760
Five Forks Public Hall Rate	\$20	SUIP	\$1,600
Hampden Public Hall Rate	\$30	SUIP	\$8,370
Kakanui Public Hall Rate	\$20	SUIP	\$7,560
Kurow Public Hall Rate	\$50	SUIP	\$15,800
Lower Waitaki Public Hall Rate	\$80	SUIP	\$15,360
Macraes Public Hall Rate	\$60	SUIP	\$3,180
Maheno Public Hall Rate	\$30	SUIP	\$5,880
Moeraki Public Hall Rate	\$40	SUIP	\$9,040
Ngapara Public Hall Rate	\$20	SUIP	\$1,720
Ōmārama Public Hall Rate	\$50	SUIP	\$18,550
Otekaieke Public Hall Rate	\$20	SUIP	\$1,700
Otematata Public Hall Rate	\$40	SUIP	\$20,640
Otepopo Public Hall Rate	\$30	SUIP	\$5,400
Palmerston Public Hall Rate	\$40	SUIP	\$27,840
Pukeuri Public Hall Rate	\$20	SUIP	\$2,060
Tokarahi Public Hall Rate	\$30	SUIP	\$3,210
Totara Public Hall Rate	\$40	SUIP	\$8,880
Waianakarua Public Hall Rate	\$30	SUIP	\$1,800
Waitaki Bridge Public Hall Rate	\$20	SUIP	\$3,100
Weston Public Hall Rate	\$40	SUIP	\$23,680
Windsor Public Hall Rate	\$50	SUIP	\$3,300

2020/21 Rates Schedule (continued)

RATE NAME	2020/21		BUDGETED TOTAL REVENUE
	PROPOSED RATE	BASIS FOR RATE	
Water Rates - Urban			
Ōamaru			
Ōamaru Water – Supply	\$240	CRU	\$1,601,837
Ōamaru Water – Reticulation	\$227	CRU	\$1,426,221
Ōamaru Water Treatment Loan (excludes businesses with water meters)	\$92	CRU	\$513,358
Ōamaru Water – Enfield Zone	\$559	CRU	\$150,060
Ōamaru Water – Weston Zone	\$559	CRU	\$562,236
Ōamaru Water – Kakanui ordinary supply	\$559	CRU	\$246,249
Ōamaru Water – Kakanui crib unit supply	\$439	CRU	\$21,054
Ōamaru Water - Hampden/Moeraki Domestic supply	\$439	Unit	\$217,343
Ōamaru Water - Hampden/Moeraki Water Supply	\$559	Unit	\$77,819
Ōamaru Water - Herbert/Waianakarua Water Supply	\$559	Unit	\$338,214
Waihemo Water			
Waihemo Water – Palmerston Zone	\$824	CRU	\$438,560
Waihemo Water – Dunback Zone	\$824	CRU	\$171,323
Waihemo Water – Goodwood Zone	\$824	CRU	\$198,929
Other Urban Water			
Kurow Water Supply	\$594	CRU	\$177,215
Lake Ohau Village Water Supply	\$320	CRU	\$23,987
Lake Ohau Village – connection availability	\$160	SRU	\$8,795
Ōmārama Water Supply	\$624	CRU	\$203,786
Otematata Water Supply	\$482	CRU	\$253,899
Other Rural Water			
Awamoko Water Supply	\$530	Unit	\$134,095
Dunroon Water Supply	\$627	Unit	\$51,744
Kauru Water Supply	\$445	Unit	\$86,942
Lower Waitaki Water Supply	\$595	Unit	\$248,251
Bushy Creek Water Supply	\$186	Unit	\$18,186
Stoneburn Water Supply	\$352	Unit	\$116,188
Tokarahi Water Supply	\$421	Unit	\$292,069
Windsor Water Supply	\$416	Unit	\$78,194
Metered Water Rates (per cubic meter)			
Ōamaru - all zones	\$1.19	m3	N/A
Waihemo - all zones	\$1.19	m3	N/A
Kurow	\$0.52	m3	N/A
Ōmārama	\$0.96	m3	N/A
Otematata	\$0.52	m3	N/A

2020/21 Rates Schedule (continued)

RATE NAME	2020/21		BUDGETED TOTAL REVENUE
	PROPOSED RATE	BASIS FOR RATE	
Sewerage Rates and Charges			
Sewerage – Ōamaru	\$187	WC	\$1,498,342
Sewerage – Kakanui	\$187	WC	\$62,236
Sewerage – Duntroon	\$93	WC	\$1,020
Sewerage – Kurow	\$239	WC	\$71,905
Sewerage – Lake Ohau Village	\$312	WC	\$22,183
Sewerage – Lake Ohau Village - connection availability	\$156	SRU	\$8,905
Sewerage – Moeraki	\$896	WC	\$172,897
Sewerage – Moeraki - connection availability	\$449	SRU	\$20,201
Sewerage – Ōmārama	\$332	WC	\$180,471
Sewerage – Otematata	\$284	WC	\$155,922
Sewerage – Palmerston	\$365	WC	\$224,548

RATES EXAMPLES

RATE NAME	CAPITAL VALUE 2020 \$	ANNUAL RATES			
		2019/20 RATES \$	2020/21 RATES \$	CHANGE \$	CHANGE %
Agricultural Properties					
Ahuriri	7,200,000	16,511	15,736	(775)	-4.69%
Awamoko	2,360,000	6,433	6,259	(174)	-2.70%
Maerewhenua	3,020,000	5,324	5,412	88	1.65%
Papakao	15,640,000	32,918	31,510	(1,408)	-4.28%
Waihemo	1,410,000	5,659	5,579	(80)	-1.41%
Waitaki Bridge	7,700,000	15,163	14,477	(686)	-4.52%
Commercial Properties					
Ōamaru	440,000	4,398	4,389	(9)	-0.20%
Ōamaru	4,350,000	33,845	33,649	(196)	-0.58%
Ōmārama	1,230,000	8,201	8,573	372	4.54%
Otematata	740,000	4,064	4,173	109	2.68%
Palmerston	650,000	7,517	7,631	114	1.52%
Residential Properties					
Goodwood	120,000	1,569	1,580	11	0.70%
Hampden	230,000	1,503	1,477	(26)	-1.73%
Herbert	180,000	1,627	1,623	(4)	-0.25%
Kakanui	350,000	1,948	1,990	42	2.16%
Kurow	190,000	1,755	1,772	17	0.97%
Lake Ohau	295,000	1,808	1,814	6	0.33%
Maheno	170,000	1,067	1,000	(67)	-6.28%
Moeraki	200,000	2,329	2,315	(14)	-0.60%
Ōamaru	315,000	2,636	2,636	-	0.00%
Ōamaru	89,000	1,924	1,931	7	0.36%
Ōamaru	250,000	2,401	2,401	-	0.00%
Ōmārama	210,000	2,017	2,039	22	1.09%
Otematata	245,000	1,858	1,879	21	1.13%
Palmerston	230,000	2,210	2,229	19	0.86%
Weston	280,000	2,385	2,373	(12)	-0.50%

SUNDRY RATING POLICIES

POSTPONEMENT OF RATES

These policies comply with 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 – To assist ratepayers experiencing extreme financial hardship that affects their ability to pay rates by way of the postponement of rates arrears. Such 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) are eligible for consideration for rates postponement for extreme financial circumstances. Properties used for business, intensive agriculture or greater than 8ha in area 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 their authorised agent) must make written application to Council. Council will consider, on a case-by-case basis, all applications received that meet the criteria described in paragraphs 1 and 2 under this section.
- ▶ Council 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, Council 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 Council decides 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.
- ▶ Council will only postpone rates to a value up to the capital value of the property as recorded in the Rating Information Database.
- ▶ Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is intended 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 Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Rights Of Appeal – Ratepayer(s) may appeal any decision made by Council under this policy. The appeal must be in writing (verbal presentation of the written appeal will be accepted). Council will hear the appeal.

Postponement Of Rates On Māori Freehold Land

Māori 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 Māori Land Court. Only land that is subject to such an order may qualify for a postponement of rates under this policy.

Objectives – To facilitate the development and use of the land for economic use where it is considered that utilisation would be uneconomic if full rates are required during the years of development or establishment of a crop.

Conditions And Criteria –

- ▶ Council 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.
- ▶ Council 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.
- ▶ Council may, at its sole discretion, partially remit rates that are otherwise subject to postponement.

REMISSION OF RATES

Remission Of Rates – General

Remission policies comply with 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 – Council 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 – Council’s policy is that where properties are occupied by the same ratepayer (as stated on the district valuation roll) it 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 – 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 – Council 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 – To recognise the potential inequity of charging properties with multiple single bedroom inhabitable parts on the same basis as other residential inhabited parts.

Conditions and Criteria – Council 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 Ōamaru Business Areas

Objectives – To recognise the potential inequity of charging properties that are used for residential and another purpose in the Ōamaru Business area on the same basis as those used for business purposes.

Criteria And Conditions – Council may remit, on application from the ratepayer, all or part of the Ōamaru 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 Māori Freehold Land

Māori 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 Māori 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 Māori 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 Māori land pursuant to Section 108 of the Local Government Act 2002.

Objectives

- ▶ 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 wahi tapu that may affect the use of the land for other purposes.

Conditions and Criteria

Council 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 Māori freehold land.

The extent of any relief provided is at Council's sole discretion and may be cancelled or reduced at any time.

Council 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 AND WATER METER CHARGES PENALTIES

Council delegates to the Chief Executive or his/her nominee 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 rates instalment or water meter charge 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 or water meter charge 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 of rates or water meter charges from previous years, negotiations 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 or water meter charges are paid
3. That Council prefers 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. Council's outgoings are always recovered
5. The ratepayer's entire relationship with Council 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 Council
6. The remission of the penalty will facilitate the sale of the property, on the basis that Council is better off with a future revenue stream.

COVID 19 HARDSHIP REMISSIONS

On application and with proof of hardship, the Chief Executive and Finance and Corporate Development Group Manager can remit all penalties (instalment and arrears) as part of a payment arrangement that can have a term of up to three years.

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 – To give Council the ability 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, setting 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 any relief provided is at Council's sole discretion and may be cancelled or reduced at any time.

Information To Be Supplied

Council 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 for Council to 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.

Council 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, has 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.

Payment Methods and Places

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

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

Water meter charges will be collected by quarterly invoices based on volume of water consumed due on the following due dates in each year or the first working day thereafter:

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

Rates and water meter charges may be paid by any of the following methods:

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

Rates may be paid at Council offices:

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

Minimum Economic Rate

Council will exercise its 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. Council has 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, Council may impose penalties.

- ▶ Under Section 58(1)(a) a 5% penalty will be added on the next business day to so much of any rates instalment or water meter charges not paid by due date.
- ▶ As authorised under section 58(1)(b) the Local Government (Rating) Act 2002, a further charge of 10% of any amount of rates or metered water charges that remain unpaid from the previous financial years on [the later of 1 July or five working days after the resolution is made] will be added on 25 August 2020. In addition, a further charge of 10% on any amount of rates or metered water charges to which a penalty is added on 25 August 2020 that remains unpaid from the previous financial years will be added on 1 March 2021.

Payments are applied to the oldest debt first.

Rates Refund Policy

Council 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 of water meter charges has been made twice, or for some other reason the water meter account is in credit 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 or Finance and Corporate Development Group Manager, 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

Council will charge a fee for supplying any person with a copy of information from the rating information database except when requested in person at one of its offices in Ōamaru and Palmerston. For more information please go to www.waitaki.govt.nz.

growing strong communities

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DISTRICT COUNCIL
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