

A scroll with a yellowish-gold, aged paper texture, held by four golden rings. The text is centered on the scroll.

*2016/17  
Annual Plan*



**Waitaki**

DISTRICT COUNCIL

TE KAUNIHERA Ā ROHE O WAITAKI



# Table of contents



<b>Message from the mayor</b> .....	1
<b>Chief Executive's introduction</b> .....	2
<b>How the 2016/17 Annual Plan was prepared</b> .....	3
<b>New projects for 2016/17</b> .....	4
<b>Financial Information</b> .....	8
Prospective Statement of Comprehensive Revenue and Expense .....	8
Prospective Statement of Changes in Equity .....	9
Prospective Statement of Financial Position .....	10
Prospective Statement of Cash Flows .....	12
Reconciliation of Net Operating Surplus to Cash Flows from Operating Activities .....	13
Notes to the Prospective Financial Statements .....	14
Annual Plan Disclosure Statement for the Year Ending 30 June 2017 .....	18
Rating Base Information .....	19
Reconciliation of Funding Impact Statements by Group of Activities .....	20
Funding Impact Statements .....	22
Statement of Accounting Policies .....	34
Reserve Fund Schedule .....	45
Rating Funding Impact Statement .....	48
2016/17 Rates Schedule .....	57
Rates Examples .....	64
Sundry Rating Policies .....	66

# Message from the mayor



Greetings,

This Annual Plan is the culmination of eight months ongoing work by staff and councillors, with plenty of input from our community. It builds on the 2015-25 Long Term Plan (LTP), and it is a plan which the councillors and I believe gets a good balance between making progress and improving value for money.

The LTP sets out the main activities and projects for the ten years from 2015, and this Annual Plan allows us to make a number of key changes for its second year. One of the most notable changes is the rates increase - the LTP indicated a 2.1% increase but we have identified areas where we can make appreciable savings. So even after we've added in new projects, we have cut that increase down to just 0.41%. The other notable change is the variety of extra projects which we have added to the 2016/17 year. I've listed a number of the key projects below. Many of these changes are a result of submissions from the public, and we are happy

with the 81 submissions we received on a wide range of matters. The councillors and I thoroughly discussed all written and verbal submissions, and were impressed by the level of interest shown by our community. Where we agreed with them, and felt that it was possible to do so, we have included those in the Annual Plan. Everyone who submitted will receive a detailed response, and we appreciate all those who took the time to contribute - thank you for that.

As I mentioned above, we are happy with the final result. We have a good number of extra projects which will help take the district forward, and we have one of the lowest increases in the whole of New Zealand. We have improved our efficiency and we continue to focus on our goal of ensuring that the Waitaki District Council plays its part in our community. We want Waitaki to be the best place to work, live and play.

Here's some of the new projects that we intend to undertake during 2016/17 (all 2016/17 projects are included on pages four to seven):

- Freedom Camping Bylaw implementation funding of \$56k
- An extra fund of \$150k for rural traction seals and seal extensions (subject to availability of funds)
- A new toilet in a new location in Duntroon, rather than upgrading the existing toilet
- Improved walkways for Palmerston
- Re-introduction for late-season, half season passes for lakes camping
- A programme in conjunction with Plunket, to provide free swimming lessons to families in need
- Erosion control for the Kakanui River within the Kakanui township
- Installation of an irrigation bore at Weston Domain
- A contribution of \$80k over five years to cover the majority of interest on the Whitestone Civic Trust loan
- River control work on the lower part of the Otematata River
- \$7,500 annual funding to help maintain the Kurow Island
- Provide \$150k for the new Palmerston Medical Centre
- Funding of \$9k per year for Film Otago Southland to promote Waitaki to film and commercial producers
- \$5k per year extra funding for Waihemo Wastebusters
- An extra \$100k funding as the final contribution required to get A2O off-road between Duntroon and Oamaru

Warm regards

Gary Kircher



# Chief Executive's introduction



In preparing this 2016/17 Annual Plan a number of changes have been made, primarily in relation to changes to the Local Government Act 2002 (LGA).

The last time an Annual Plan was adopted was in 2014/15, prior to the legislative changes. That plan included significantly more information, including detailed information about our activities, levels of service, past performance and future performance targets.

Last year we adopted the 2015-25 Long Term Plan. This plan contains similar information – groups of activities, key strategies, significant forecasting assumptions and general policies.

Legislative changes now require local authorities to produce Annual Plans without duplication of this information, hence the reason why this Annual Plan is significantly different to the 2014/15 Annual Plan.

For example, key strategies and groups of activities are not included. We have listed all the projects we plan to undertake for the 2016/17 financial year, how much they will cost and where the money is being sourced.

What remains the same is the financial and rating information, starting on page eight. There have not been any changes under the Local Government (Rating) Act which is explicit in stating that financial information must be included in Annual Plans.

What you will find in the 2016/17 Annual Plan is a brief overview of how the 2016/17 Annual Plan was prepared, the projects we will be undertaking over the next 12 months and all the relevant financial information and policies.

If you would like more detailed information please refer to our 2015-25 Long Term Plan which can be found at [www.waitaki.govt.nz/our-council/plans-reports-strategies](http://www.waitaki.govt.nz/our-council/plans-reports-strategies).

Michael Ross  
**Chief Executive**

# How the 2016/17 Annual Plan was prepared



Council started discussing the 2016/17 Annual Plan in October 2015, considering ways to help the district grow with minimal impact on rates.



Following on from the adoption of the 2015-25 Long Term Plan, some new projects were introduced – these would form the basis of our public consultation.



Council also discussed using \$280,000 from a dividend we received from CCO Whitestone Contracting Ltd and using money from the Oamaru Water Reserve and the Oamaru Sewer Reserve for Oamaru residents.



Based on these discussions it was agreed that a consultation document would be prepared and distributed to Waitaki households. Public consultation commenced on Friday 18 March and ended on Friday 22 April.



We wrote to 100 stakeholders inviting them to make a submission, some of whom did so. They were also encouraged to invite elected members to attend a meeting of their choice should they want to discuss any issues.



At the end of the consultation process we had received submissions from 81 individuals and organisations, 40 of which asked to be heard on either 9 or 11 May 2016.



Council listened and considered all submissions, had further discussions on 8 June 2016 before making their final decisions.



As a result, new projects have been included (see next four pages) and the 2016/17 Annual Plan has been adopted.

# New projects for 2016/17



We started the 2016/17 Annual Plan process by looking at projects we had already approved last year during the 2015-25 Long Term Plan and then we discussed some new projects. All the projects for the 2016/17 year (known as Year 2 of the Long Term Plan) are listed on the following four pages.

Project	Description	Cost	Funding Source
Indigenous biodiversity fund	Funding for a contestable fund for community-based biodiversity projects	\$30,000	Rates
Biodiversity Co-ordinator	Funding of a part-time position	\$20,000	Rates
Toilet improvements	Improving the public toilets at Roberts Park	\$90,000	Depreciation
Recreation Centre	A feasibility study of the centre	\$40,000	Rates
Cultural Facility project	The credit relates to receiving estimated external funding in excess of Council spend for 2016/17	-\$431,000	Internal loan
Emergency Management office	Provide a fit-for-purpose Emergency Operations Centre for civil defence emergency management	\$500,000	Internal loan
Replacement of phone system	New software and hardware is required to update Council's phone system	\$120,000	Depreciation
Rural Resilience project	Rural resilience drainage project completion	\$418,000	Rates
Beach Road realignment	Realigning Beach Road due to coastal erosion	\$117,000	Depreciation
Information Service project	The second part of the Information Service project	\$200,000	Internal loan
Earthquake prone buildings	Recording and management	\$5,000	Rates
	Assessment of buildings	-	User Pays
Economic development		\$20,000	Rates



Project	Description	Cost	Funding Source
Anzac Day commemorations		\$8,000	Rates
Breakwater prevention	Maintain the breakwater	\$200,000	Depreciation
Minor improvement capital component	Making improvements to roads with financial assistance from NZTA	\$299,000	Rates
Otago Rural Fire capital funding		\$197,000	Depreciation
Falstone Camp wastewater management	A new wastewater treatment system without the need to truck waste from the site	\$150,000	Internal loan
Sailors Cutting wastewater discharge field	Replace the sand filter field	\$80,000	Depreciation and Annual Asset Replacement
Aquatic Centre skylights	Replacement of skylights	\$40,000	Depreciation Reserve
Regulatory Services	Increase capacity and capability within the Regulatory Services Unit	\$222,000	General Reserve and Rates
Radio-frequency Identification Installation (RFID)	Introduce RFID and reconfigure spaces and staffing at libraries	\$137,000	Internal loan and Depreciation Reserve
Chief Executive replacement	Recruitment of a new Chief Executive when the current contract expires in January 2018	\$20,000	Rates
Campbells Bay toilet	Additional toilet block at Campbells Bay	\$60,000	Internal loan
BMX Track	Establishment of a new BMX track at the former Oamaru landfill (once closed)	Nil	Resource Management Act Reserve
Oamaru Whitestone Civic Trust	A five year extension to the existing grant	\$20,000	Rates





<b>Projects</b>	<b>Description</b>	<b>Cost</b>	<b>Funding source</b>
Palmerston Walking Improvements	Construction of a walkway bridge to complete the trail on Horse Range Road including the purchase of a walkway connection, Larnach Lane, to link with the Brough Street block	\$36,000	Resource Management Act Reserve
Township improvements – Maheno, Hampden, Dunback and Duntroon	Provide a plan of improvements for Maheno, Hampden, Dunback and Duntroon	\$15,000 (plus an additional \$15,000 from a Whitestone Contracting dividend if available)	Whitestone Contracting Dividend
Oamaru Creek bridge replacement	Build a new pedestrian-only bridge across Oamaru Creek	\$50,000	Oamaru Amenity Rates
East Otago Palmerston Health Trust	Provide a grant to the East Otago Palmerston Health Trust for a new medical centre in Palmerston	\$150,000	Palmerston Reserves and future Whitestone Contracting dividend
Warren Street footpath	Construct a footpath on Warren Street	\$28,000	Oamaru Amenity Rates
Oamaru Public Gardens Playground	Upgrade the playground in the Oamaru Public Gardens	Existing budgets	Resource Management Act Reserve and Depreciation
Local Government Act Section 17A review	Otago councils to work together to carry out Section 17A service review	\$25,000	Rates
Duntroon public toilets	New toilets will be built in Duntroon	\$150,000	Internal loan
Harbour rubbish bins	New rubbish bins will be provided around the harbour area in Oamaru	\$5,000	Rates
Kakanui River Mouth Erosion Control	Control the extent of erosion being caused at the mouth of the Kakanui River	\$25,000	Internal loan
Former Kurow playcentre	Upgrade the house to be suitable for rental purposes	\$25,000	Internal loan



<b>Projects</b>	<b>Description</b>	<b>Cost</b>	<b>Funding source</b>
Kurow Island	Maintain Kurow Island including weed control and cutting grass	\$7,500	Ahuriri Ward Rate
Waihemo Wastebusters	Continue to support Waihemo Wastebusters through waste minimisation projects	\$5,000	Rates
Promotion of district in films and TV	Fund Film Otago Southland to help promote Waitaki as a destination for films and TV commercials	\$9,000	Economic Development Fund
Alps2Ocean Cycle Trail	Allocate funds so that the section between Duntroon and Oamaru can be moved off-road	\$100,000	Reserve Management Act Funds
Otematata Control Work	To protect the camping ground	\$30,000	Camping ground fees and rates
Weston Domain irrigation	Determine the availability of aquifer/ground water at the Weston Domain	\$30,000	Sportsfields rate
Irrigation of Harbour Reserve	Installation of in-ground irrigation at the Harbour Reserve (playground and surround)	\$10,000 (capital) + \$2,000 (operating expenditure)	Rates

# Financial information



## Prospective Statement of Comprehensive Revenue and Expense

Projected for the year ended 30 June 2017

2015 Actual \$000	Notes	2017 Annual Plan \$000	2017 LTP \$000	2016 LTP \$000
<b>Revenue</b>				
29,491	1	29,904	30,408	29,715
5,721	2	4,540	5,430	6,129
1,176		1,354	1,393	1,359
583		595	641	641
6,161	3	8,009	6,783	6,464
773	4	1,105	1,232	232
1,134	5	1,137	1,288	1,274
190		190	200	195
49		54	48	46
-		120	120	120
146		-	-	-
(1,534)		-	-	-
<b>43,890</b>		<b>47,008</b>	<b>47,543</b>	<b>46,175</b>
<b>Expenditure</b>				
9,387	6	10,665	10,363	10,192
11,169	7	11,380	11,506	11,343
-	5	-	-	-
20,342	8	22,307	24,388	24,204
<b>40,898</b>		<b>44,352</b>	<b>46,257</b>	<b>45,739</b>
<b>2,992</b>		<b>2,656</b>	<b>1,286</b>	<b>436</b>
<b>Other Comprehensive Revenue and Expense</b>				
(88)		5,250	5,250	-
(2,588)		-	-	-
-		-	-	(212)
-		-	-	-
<b>(2,676)</b>		<b>5,250</b>	<b>5,250</b>	<b>(212)</b>
<b>\$316</b>		<b>\$7,906</b>	<b>\$6,536</b>	<b>\$224</b>



## Prospective Statement of Changes in Equity

Projected for the year ended 30 June 2017

<b>2015 Actual \$000</b>		<b>2017 Annual Plan \$000</b>	<b>2017 LTP \$000</b>	<b>2016 LTP \$000</b>
741,528	<b>Public Equity at 1 July</b>	757,781	738,168	737,944
316	Total Comprehensive Revenue and Expense	7,906	6,536	224
<u>\$ 741,844</u>	<b>Public Equity at 30 June</b>	<u>\$ 765,687</u>	<u>\$ 744,704</u>	<u>\$ 738,168</u>



## Prospective Statement of Financial Position

Projected as at 30 June 2017

2015 Actual \$000	Notes	2017 Annual Plan \$000	2017 LTP \$000	2016 LTP \$000
<b>Public Equity</b>				
308,299	Ratepayers' Equity	310,208	309,403	308,631
403,451	Revaluation Reserve	414,526	415,772	410,522
17,260	Operating Reserve	26,378	6,786	5,603
12,834	Other Reserves	14,575	12,743	13,412
<b>\$741,844</b>	<b>Total Public Equity</b>	<b>\$765,687</b>	<b>\$744,704</b>	<b>\$738,168</b>
<b>Non-Current Assets</b>				
705,489	Property Plant and Equipment	726,558	711,001	699,782
992	Intangible Assets	839	1,175	1,185
402	Forestry	72	588	588
2,223	Inventory	1,735	-	-
Other Financial Assets				
4,912	- Investments in CCO's	4,912	4,912	4,912
145	- Investments in other entities	145	145	145
660	- Loans to other entities	25,650	22,430	22,430
714,823		759,911	740,251	729,042
<b>Current Assets</b>				
6,818	Cash and Cash Equivalents	1,775	4,520	6,360
3,926	Receivables	4,125	5,921	5,756
317	Prepayments	340	316	310
65	Inventory	15	10	10
Other Financial Assets				
9,250	- Term deposits	6,500	2,500	4,500
13,050	- Loans to other entities	1	-	-
253	Non-current Assets held for Sale	-	-	-
33,679		12,756	13,267	16,936
<b>748,502</b>	<b>Total Assets</b>	<b>772,667</b>	<b>753,518</b>	<b>745,978</b>





## Prospective Statement of Financial Position (continued)

Projected as at 30 June 2017

2015 Actual \$000		Notes	2017 Annual Plan \$000	2017 LTP \$000	2016 LTP \$000
<b>Non-Current Liabilities</b>					
382	Provisions	10	285	544	452
-	Borrowings		-	-	-
382			285	544	452
<b>Current Liabilities</b>					
5,093	Trade and Other Payables		5,545	7,254	6,224
-	Short Term Borrowings		-	-	-
949	Employee Entitlement Liabilities		975	981	965
234	Provisions	10	175	35	169
6,276			6,695	8,270	7,358
6,658	<b>Total Liabilities</b>		6,980	8,814	7,810
<b>\$741,844</b>	<b>Net Assets</b>		<b>\$765,687</b>	<b>\$744,704</b>	<b>\$738,168</b>



## Prospective Statement of Cash Flows

Projected for the year ended 30 June 2017

2015 Actual \$000	Notes	2017 Annual Plan \$000	2017 LTP \$000	2016 LTP \$000
<b>Cash flows from Operating Activities</b>				
29,235	Receipts from Rates Revenue	29,721	30,223	29,602
584	Interest received	934	1,288	1,274
-	Dividends/subvention payments received	120	120	120
15,829	Receipts from other revenues	17,095	16,326	15,892
(30,214)	Payments to suppliers and employees	(33,366)	(33,990)	(34,223)
-	Interest paid	-	-	-
2	Income Tax Refund Received / (Paid)	-	-	-
321	Net GST	-	-	-
15,757	<b>Net Cash from Operating Activities</b>	14,504	13,967	12,665
<b>Cash flows from Investing Activities</b>				
532	Proceeds from Sale of PP&E	135	138	121
9,158	Proceeds from Sale of Investments	17,892	26,373	26,187
(10,705)	Purchase of PP&E	(19,135)	(17,388)	(12,140)
(9,545)	Acquisition of Investments	(14,486)	(24,930)	(26,930)
(10,560)	<b>Net Cash from Investing Activities</b>	(15,594)	(15,807)	(12,762)
<b>Cash flows from Financing Activities</b>				
-	Proceeds from Borrowing	-	-	-
(3)	Repayment of Borrowing	-	-	-
(3)	<b>Net Cash from Financing Activities</b>	-	-	-
5,194	Net Increase / (Decrease) in Cash	(1,090)	(1,840)	(97)
1,624	Total Cash Resources at 1 July	2,865	6,360	6,457
<b>\$6,818</b>	<b>Total Cash Resources at 30 June</b>	<b>\$1,775</b>	<b>\$4,520</b>	<b>\$6,360</b>



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

Projected for year ended 30 June 2017

2015 Actual \$000	Notes	2017 Annual Plan \$000	2017 LTP \$000	2016 LTP \$000
2,992	Net Operating Surplus	2,656	1,286	436
	<u>Add/(Less) Non-cash items</u>			
11,169	Depreciation/Amortisation	11,380	11,506	11,343
(550)	Interest compounded	(203)	-	-
(77)	Increase/(Decrease) in Doubtful Debts Provision	17	-	-
(260)	Increase/(Decrease) in Landfill Closure and other Provisions	(149)	(42)	(144)
902	Net Loss/(Profit) on sale of Assets	-	-	-
632	Loss/(Gain) on Forestry revaluation	(15)	-	-
(146)	Vested Assets	-	-	-
8	Surrender of Carbon Credits	6	-	-
11,678		11,036	11,464	11,199
	<u>Add/(Less) movement in other Working Capital items</u>			
1,014	Decrease/(Increase) in Receivables	1,065	165	401
(19)	Decrease/(Increase) in Prepayments	(5)	6	45
(55)	Decrease/(Increase) in Inventories	-	-	-
127	Increase/(Decrease) in Trade and other Payables	(245)	1,030	529
18	Increase/(Decrease) in Employee Entitlements	(3)	16	55
2	Increase/(Decrease) in Provision for Taxation	-	-	-
1,087		812	1,217	1,030
<b>15,757</b>	<b>Net Cash from Operating Activities</b>	<b>14,504</b>	<b>13,967</b>	<b>12,665</b>



## Notes to the prospective Financial Statements

Projected for the year ended 30 June 2017

2015 Actual \$000	2017 Annual Plan \$000	2017 LTP \$000	2016 LTP \$000
-------------------------	------------------------------	----------------------	----------------------

### Note 1: Rates Revenue

2,162	General Rates	1,834	1,939	1,900
1,639	District Services Rates	1,495	1,322	1,301
4,354	Uniform Annual General Charge	5,068	4,780	4,649
6,343	Ward Rates	6,574	6,645	6,433
9,375	Separate Rates	9,514	9,868	9,724
5,265	Targeted Rates for water supply	5,236	5,669	5,595
582	Rates Penalties charged	425	436	425
(229)	Less Rates remitted	(242)	(251)	(312)
<u>29,491</u>		<u>29,904</u>	<u>30,408</u>	<u>29,715</u>

### Note 2: User Charges

535	User charges for water supply by meter	481	451	440
1,450	Property rentals	1,419	1,468	1,429
1,175	Landfill and waste disposal	356	765	746
562	Proceeds of forestry logging	-	408	1,233
2,534	Other user charges	2,765	2,789	2,721
<u>5,721</u>		<u>4,540</u>	<u>5,430</u>	<u>6,129</u>

### Note 3: Government Grants and Subsidies

6,025	New Zealand Transport Agency subsidies	6,674	6,663	6,344
75	Ministry for the Environment	75	60	60
14	Ministry for Youth Development	-	-	-
47	Other Government grants and subsidies	1,260	60	60
<u>6,161</u>		<u>8,009</u>	<u>6,783</u>	<u>6,464</u>

### Note 4: Other Grants and Subsidies

347	Alps2Ocean Cycletrail construction	125	-	-
112	Moeraki community - Haven Street rebuild	-	-	-
-	Cultural Facility upgrade	788	1,000	-
314	Other Grants & Subsidies	192	232	232
<u>773</u>		<u>1,105</u>	<u>1,232</u>	<u>232</u>



## Notes to the prospective Financial Statements

Projected for the year ended 30 June 2017

2015 Actual \$000	2017 Annual Plan \$000	2017 LTP \$000	2016 LTP \$000
-------------------------	------------------------------	----------------------	----------------------

### Note 5: Finance

#### - Finance Income

568	Interest - Bank	412	131	117
550	Interest - North Otago Irrigation Company Ltd	592	872	872
-	Interest - Observatory Village Charitable Trust	121	263	263
16	Interest - Other community loans	12	22	22
<u>1,134</u>	<b>Total Finance Income</b>	<u>1,137</u>	<u>1,288</u>	<u>1,274</u>

#### - Finance expense

-	Interest on bank borrowings	-	-	-
-	Interest on bank overdraft	-	-	-
-	Use of money interest charges	-	-	-
<u>-</u>	<b>Total Finance Costs</b>	<u>-</u>	<u>-</u>	<u>-</u>

### Note 6: Personnel Costs

9,095	Salaries and wages	10,398	10,093	9,927
220	Defined contribution plan employer contributions	229	226	222
42	Fringe Benefit Tax	38	44	43
30	Redundancy and severance payments	-	-	-
<u>9,387</u>		<u>10,665</u>	<u>10,363</u>	<u>10,192</u>

### Note 7: Depreciation by Group of Activities

5,120	Roads & Footpaths	5,094	5,096	5,079
903	Sewerage (Treatment & Disposal)	998	969	969
208	Stormwater Drainage	223	208	208
1,528	Water Supply	1,645	1,731	1,731
57	Waste Management & Minimisation	54	57	57
188	Arts, Heritage & Community	180	190	190
871	Parks & Recreation	903	913	870
-	Democracy, Accountability & Planning	-	-	-
1,100	Commercial & Development Activities	1,147	1,155	1,093
35	Regulation & Safety	23	24	24
1,160	Support Services	1,113	1,163	1,122
<u>11,169</u>		<u>11,380</u>	<u>11,506</u>	<u>11,343</u>



## Notes to the prospective Financial Statements

Projected for the year ended 30 June 2017



2015 Actual \$000	2017 Annual Plan \$000	2017 LTP \$000	2016 LTP \$000
-------------------------	------------------------------	----------------------	----------------------

### Note 8: Other Operating costs

110 Audit Fees - Annual Report	127	127	125
73 Audit Fees - Long Term Plan	-	-	-
906 Community grants and donations	923	794	792
(58) Change in Provision for Bad Debts	150	256	250
100 Renting and Leasing	110	118	115
(260) Change in Provision for Closed Landfill	(12)	(28)	(144)
1,604 Electricity	1,675	1,573	1,573
407 Insurance	362	510	495
427 Forestry management, harvesting and replanting costs	172	446	994
17,033 Other Expenditure	18,800	20,592	20,004
<b>20,342</b>	<b>22,307</b>	<b>24,388</b>	<b>24,204</b>



## Notes to the prospective Financial Statements

Projected for the year ended 30 June 2017

2015 Actual \$000	2017 Annual Plan \$000	2017 LTP \$000	2016 LTP \$000
-------------------------	------------------------------	----------------------	----------------------

### Note 9: Loans to Other Entities

#### - Non-current portion

- North Otago Irrigation Company Ltd	17,000	17,000	17,000
- Observatory Village Charitable Trust	7,987	5,000	5,000
365 Oamaru Whitestone Civic Trust	365	420	420
295 Other entities	298	109	10
<b>660</b>	<b>25,650</b>	<b>22,529</b>	<b>22,430</b>

#### - Current portion

13,043 North Otago Irrigation Company	-	-	-
7 Other entities	1	-	-
<b>13,050</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>13,710</b>	<b>25,651</b>	<b>22,529</b>	<b>22,430</b>

The advance to the North Otago Irrigation Company was repaid during the 2015/16 financial year, and a new advance provided. Council will advance up to \$8 million to the Observatory Village Charitable Trust to support the development of a retirement village. These funds will be made available as required over the 2016/17 and 2017/18 financial years, and repayments will commence during the 2017/18 financial year.

### Note 10: Provision for Closed Landfills

876 Opening balance	472	607	765
- Additional provision made	141	141	79
(260) Provision used	(153)	(169)	(223)
<b>616 Closing balance</b>	<b>460</b>	<b>579</b>	<b>621</b>
<u>Analysed as</u>			
382 - Non-current portion	285	544	452
234 - Current portion	175	35	169
<b>616</b>	<b>460</b>	<b>579</b>	<b>621</b>

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



## Annual Plan Disclosure Statement for the year ending 30 June 2017

### 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
<b>1 Rates affordability benchmark</b>				
For this benchmark —				
(a) planned rates income for the year is compared with quantified limits on rates contained in the financial strategy included in the long-term plan; and				
(b) planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the council's long-term plan.				
The rates affordability benchmark is achieved when —				
(a) planned rates income for the year equals or is less than each quantified limit on rates; and				
(b) planned rates increases for the year equal or are less than each quantified limit on rates increases.				
Rates affordability benchmark				Yes
• income	Rates fund 70% or less of total operating cost	<70% of operating costs	67.01% of operating costs	Yes
• income	The rate on an average home in Oamaru is less than 10% of married national superannuation	<10% of married superannuation	7.34% of projected married super	Yes
• increases	Projected rate increases will not exceed the projected Local Government Cost Index, plus 2%	<4.5% increase	0.41% increase	Yes
<b>2 Debt affordability benchmark</b>				
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	59.89% of revenue	Yes
<b>3 Balanced budget benchmark</b>				
Planned revenue (excluding development and financial contributions, vested assets and revaluations of property, plant and equipment) is presented as a proportion of planned operating expenses (excluding losses on revaluations of property, plant, or equipment). Council meets the balanced budget benchmark when its revenue equals or exceeds its operating expenses.				
Balanced budget benchmark	Revenue, net of development contributions and vested assets exceeds operating costs	>100% of operating costs	104.65% of operating costs	Yes
<b>4 Essential services benchmark</b>				
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 on those assets	>100% of depreciation	189.98% of depreciation	Yes
<b>5 Debt servicing benchmark</b>				
Planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).				
Because Statistics New Zealand projects that population in the District will grow more slowly than the national population growth rate, Council meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.				
Debt servicing benchmark	Debt servicing is less than 10% of total revenue, less development contributions and vested assets	<10% of total revenue	1.74% of total revenue	Yes

## Rating Base Information

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



	<b>Actual 30 June 2015</b>	<b>Projected 30 June 2016</b>
Number of Rating Units in the District	14,292	13,949
Total Land Value of rating units	\$ 3,799,956,450	\$ 3,796,956,450
Total Capital Value of rating units	\$ 7,158,051,900	\$ 7,203,247,450



## Reconciliation of Funding Impact Statements by Group of Activities

### Summary Income and Expenditure by Group of Activities

	2014/15 Actual \$(000)	2016/17 Annual Plan \$(000)	2016/17 LTP \$(000)	2015/16 LTP \$(000)
<b>Operating Revenue</b>				
Roads & Footpaths	3,609	3,588	4,257	4,251
Sewerage (Treatment & Disposal)	770	659	736	729
Stormwater Drainage	9	-	-	-
Water Supply	1,037	832	826	815
Waste Management & Minimisation	1,251	431	825	806
Arts, Heritage & Community	594	663	673	652
Parks & Recreation	1,511	944	1,414	2,212
Democracy, Accountability & Planning	27	87	87	31
Commercial & Development Activities	2,239	2,340	2,431	2,432
Regulation & Safety	1,237	1,449	1,475	1,441
Support Services (Net Allocated)	14,803	16,736	16,507	16,160
<b>Operational Revenue per Activity FIS</b>	<b>27,087</b>	<b>27,729</b>	<b>29,231</b>	<b>29,529</b>
<b>Total Sources of Capital Funding</b>				
Roads & Footpaths	3,247	3,931	3,323	2,992
Sewerage (Treatment & Disposal)	67	110	116	116
Stormwater Drainage	-	-	-	-
Water Supply	245	295	275	275
Waste Management & Minimisation	-	-	-	-
Arts, Heritage & Community	7	788	1,000	-
Parks & Recreation	8	-	-	-
Democracy, Accountability & Planning	-	-	-	-
Commercial & Development Activities	(832)	1,350	53	46
Regulation & Safety	434	90	110	110
Support Services (Net Allocated)	30	85	85	74
<b>Capital Revenue per Activity FIS</b>	<b>3,206</b>	<b>6,649</b>	<b>4,962</b>	<b>3,613</b>
Add total Rates	29,138	29,722	30,218	29,601
Less Internal recoveries included	(14,784)	(16,713)	(16,484)	(16,137)
<b>Revenue per Total Activities FIS</b>	<b>44,647</b>	<b>47,387</b>	<b>47,927</b>	<b>46,606</b>
Remove increase/decrease in debt	3	-	-	1
Adjust Sales contra account	(532)	(134)	(138)	(121)
Adjust Rate remissions offset against revenue	(229)	(242)	(251)	(312)
Adjust internal revenue	1	(3)	5	1
<b>Revenue per Statement of Comprehensive Income</b>	<b>43,890</b>	<b>47,008</b>	<b>47,543</b>	<b>46,175</b>





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

### Summary Income and Expenditure by Group of Activities

	2014/15 Actual \$(000)	2016/17 Annual Plan \$(000)	2016/17 LTP \$(000)	2015/16 LTP \$(000)
<b>Total Applications of Operating Funding</b>				
Roads & Footpaths	6,055	6,800	7,987	7,864
Sewerage (Treatment & Disposal)	1,667	1,504	1,732	1,899
Stormwater Drainage	143	185	193	190
Water Supply	4,310	4,218	4,544	4,540
Waste Management & Minimisation	1,344	1,338	1,713	1,636
Arts, Heritage & Community	3,782	3,990	4,064	3,933
Parks & Recreation	4,494	4,568	4,820	5,175
Democracy, Accountability & Planning	3,152	3,798	3,597	3,410
Commercial & Development Activities	2,597	3,340	3,185	3,016
Regulation & Safety	3,593	4,210	4,124	3,953
Support Services (Net Allocated)	14,135	16,172	15,925	15,628
<b>Total Operational expenditure per FIS</b>	<b>45,272</b>	<b>50,123</b>	<b>51,884</b>	<b>51,244</b>
Less internal recoveries	(14,784)	(16,712)	(16,484)	(16,139)
<b>Expenditure per Total Activities FIS</b>	<b>30,488</b>	<b>33,411</b>	<b>35,400</b>	<b>35,105</b>
Less internal charges included in capital	(530)	(198)	(402)	(398)
Adjust internal charges	-	1	3	-
Adjust Rate remissions offset against revenue	(229)	(242)	(251)	(312)
Add Depreciation and Amortisation (See Note 7)	11,169	11,380	11,507	11,344
<b>Expenditure per Statement of Comprehensive Income</b>	<b>40,898</b>	<b>44,352</b>	<b>46,257</b>	<b>45,739</b>
<b>Depreciation and Amortisation</b>				
Roads & Footpaths	5,120	5,094	5,096	5,079
Sewerage (Treatment & Disposal)	903	998	969	969
Stormwater Drainage	208	223	208	208
Water Supply	1,528	1,645	1,731	1,731
Waste Management & Minimisation	57	54	57	57
Arts, Heritage & Community	188	180	190	190
Parks & Recreation	871	903	913	870
Democracy, Accountability & Planning	0	-	-	-
Commercial & Development Activities	1,100	1,147	1,155	1,093
Regulation & Safety	35	23	24	24
Support Services (Net Allocated)	1,154	1,112	1,165	1,124
<b>Total Depreciation and Amortisation charges</b>	<b>11,163</b>	<b>11,380</b>	<b>11,507</b>	<b>11,344</b>

## Funding Impact Statement for Annual Plan 2016/17



2014/15 Actual \$(000)		2016/17 Annual Plan \$(000)	2016/17 LTP \$(000)	2015/16 LTP \$(000)
<b>Roads &amp; Footpaths</b>				
<b>Sources of Operating Funding</b>				
234	General Rates, Uniform Annual General Charge, Rates Penalties	244	198	196
6,116	Targeted Rates	6,433	6,447	6,380
6,350	<b>Rates Revenue</b>	6,677	6,645	6,576
3,032	Subsidies and Grants for Operating Purposes	2,830	3,479	3,491
240	Fees and Charges	239	228	222
-	Interest and Dividends from Investments	-	-	-
31	Internal Charges and Overheads Recovered	25	44	44
306	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	494	506	494
3,609	<b>Operating Revenue</b>	3,588	4,257	4,251
9,959	<b>Total Sources of Operating Funding</b>	10,265	10,902	10,827
<b>Applications of Operating Funding</b>				
4,717	Payments to Staff and Suppliers	5,194	6,350	6,254
-	Finance Costs	-	-	-
1,338	Internal Charges and Overheads Applied	1,606	1,637	1,610
-	Other Operating Funding Applications	-	-	-
6,055	<b>Total Applications of Operating Funding</b>	6,800	7,987	7,864
3,904	<b>Surplus / (Deficit) of Operating Funding</b>	3,465	2,915	2,963
<b>Sources of Capital funding</b>				
3,124	Subsidies and Grants for Capital Expenditure	3,831	3,184	2,853
123	Development and Financial Contributions	100	139	139
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
3,247	<b>Total Sources of Capital Funding</b>	3,931	3,323	2,992
<b>Applications of Capital funding</b>				
Capital Expenditure				
-	Meet Additional Demand	-	-	-
550	Improve Levels of Service	1,561	387	453
6,034	Replace Existing Assets	5,655	5,754	5,094
567	Increase / (Decrease) in Reserve	180	97	408
-	Increase / (Decrease) in Investments	-	-	-
7,151	<b>Total Applications for Capital Funding</b>	7,396	6,238	5,955
(3,904)	<b>Surplus / (Deficit) of Capital Funding</b>	(3,465)	(2,915)	(2,963)
-	<b>Funding Balance</b>	-	-	-

### Commentary on Major Changes

The impact of the New Zealand Transport Agency (NZTA) subsidy reducing by 1% was allowed for in the Long Term Plan, and is reflected in this Annual Plan. The focus of the work programme has shifted somewhat to include more capital expenditure to improve services across the district.

## Funding Impact Statement for Annual Plan 2016/17



<b>Sewerage (Treatment &amp; Disposal)</b>				
2014/15 Actual \$(000)		2016/17 Annual Plan \$(000)	2016/17 LTP \$(000)	2015/16 LTP \$(000)
	<b>Sources of Operating Funding</b>			
-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
1,733	Targeted Rates	1,607	1,836	1,742
1,733	<b>Rates Revenue</b>	1,607	1,836	1,742
-	Subsidies and Grants for Operating Purposes	-	-	-
325	Fees and Charges	270	276	270
-	Interest and Dividends from Investments	-	-	-
445	Internal Charges and Overheads Recovered	389	439	439
-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	21	20
770	<b>Operating Revenue</b>	659	736	729
2,503	<b>Total Sources of Operating Funding</b>	2,266	2,572	2,471
	<b>Applications of Operating Funding</b>			
1,145	Payments to Staff and Suppliers	946	1,132	1,366
-	Finance Costs	-	-	-
522	Internal Charges and Overheads Applied	558	600	533
-	Other Operating Funding Applications	-	-	-
1,667	<b>Total Applications of Operating Funding</b>	1,504	1,732	1,899
836	<b>Surplus / (Deficit) of Operating Funding</b>	762	840	572
	<b>Sources of Capital funding</b>			
-	Subsidies and Grants for Capital Expenditure	-	-	-
67	Development and Financial Contributions	110	116	116
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
67	<b>Total Sources of Capital Funding</b>	110	116	116
	<b>Applications of Capital funding</b>			
-	Capital Expenditure			
-	Meet Additional Demand	-	-	-
35	Improve Levels of Service	580	580	100
51	Replace Existing Assets	200	200	300
817	Increase / (Decrease) in Reserve	92	176	288
-	Increase / (Decrease) in Investments	-	-	-
903	<b>Total Applications for Capital Funding</b>	872	956	688
(836)	<b>Surplus / (Deficit) of Capital Funding</b>	(762)	(840)	(572)
-	<b>Funding Balance</b>	-	-	-

### Commentary on Major Changes

Levels of service and activity are in line with those anticipated in the Long Term Plan. Decreased rate requirement is due both to reduced depreciation and electricity charges and to the decision made to utilise accumulated reserves to benefit ratepayers.

## Funding Impact Statement for Annual Plan 2016/17



<b>Stormwater Drainage</b>				
2014/15 Actual \$(000)		2016/17 Annual Plan \$(000)	2016/17 LTP \$(000)	2015/16 LTP \$(000)
	<b>Sources of Operating Funding</b>			
-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
471	Targeted Rates	428	438	433
471	<b>Rates Revenue</b>	428	438	433
-	Subsidies and Grants for Operating Purposes	-	-	-
-	Fees and Charges	-	-	-
-	Interest and Dividends from Investments	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-
9	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
9	<b>Operating Revenue</b>	-	-	-
480	<b>Total Sources of Operating Funding</b>	428	438	433
	<b>Applications of Operating Funding</b>			
42	Payments to Staff and Suppliers	59	68	66
-	Finance Costs	-	-	-
101	Internal Charges and Overheads Applied	126	125	124
-	Other Operating Funding Applications	-	-	-
143	<b>Total Applications of Operating Funding</b>	185	193	190
337	<b>Surplus / (Deficit) of Operating Funding</b>	243	245	243
	<b>Sources of Capital funding</b>			
-	Subsidies and Grants for Capital Expenditure	-	-	-
-	Development and Financial Contributions	-	-	-
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
-	<b>Total Sources of Capital Funding</b>	-	-	-
	<b>Applications of Capital funding</b>			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
20	Improve Levels of Service	-	-	-
-	Replace Existing Assets	-	-	-
317	Increase / (Decrease) in Reserve	243	245	243
-	Increase / (Decrease) in Investments	-	-	-
337	<b>Total Applications for Capital Funding</b>	243	245	243
(337)	<b>Surplus / (Deficit) of Capital Funding</b>	(243)	(245)	(243)
-	<b>Funding Balance</b>	-	-	-

### Commentary on Major Changes

Levels of service and activity are in line with those anticipated in the Long Term Plan. This area has been affected by the changes in costs described in the Waste Water section.

## Funding Impact Statement for Annual Plan 2016/17



2014/15 Actual \$(000)		2016/17 Annual Plan \$(000)	2016/17 LTP \$(000)	2015/16 LTP \$(000)
<b>Water Supply</b>				
<b>Sources of Operating Funding</b>				
1	General Rates, Uniform Annual General Charge, Rates Penalties Targeted Rates	1	1	1
5,266		5,236	5,669	5,596
5,267	<b>Rates Revenue</b>	5,237	5,670	5,597
-	Subsidies and Grants for Operating Purposes	-	-	-
629	Fees and Charges	481	451	440
-	Interest and Dividends from Investments	-	-	-
400	Internal Charges and Overheads Recovered	351	375	375
8	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
1,037	<b>Operating Revenue</b>	832	826	815
6,304	<b>Total Sources of Operating Funding</b>	6,069	6,496	6,412
<b>Applications of Operating Funding</b>				
2,847	Payments to Staff and Suppliers	2,917	2,952	2,902
-	Finance Costs	-	-	-
1,463	Internal Charges and Overheads Applied	1,301	1,592	1,638
-	Other Operating Funding Applications	-	-	-
4,310	<b>Total Applications of Operating Funding</b>	4,218	4,544	4,540
1,994	<b>Surplus / (Deficit) of Operating Funding</b>	1,851	1,952	1,872
<b>Sources of Capital funding</b>				
-	Subsidies and Grants for Capital Expenditure	-	-	-
245	Development and Financial Contributions	295	275	275
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
245	<b>Total Sources of Capital Funding</b>	295	275	275
<b>Applications of Capital funding</b>				
Capital Expenditure				
-	Meet Additional Demand	-	-	-
859	Improve Levels of Service	5,600	5,600	-
728	Replace Existing Assets	1,280	1,280	2,475
652	Increase / (Decrease) in Reserve	(4,734)	(4,653)	(328)
-	Increase / (Decrease) in Investments	-	-	-
2,239	<b>Total Applications for Capital Funding</b>	2,146	2,227	2,147
(1,994)	<b>Surplus / (Deficit) of Capital Funding</b>	(1,851)	(1,952)	(1,872)
-	<b>Funding Balance</b>	-	-	-

### Commentary on Major Changes

Levels of service and activity are in line with those anticipated in the Long Term Plan. Decreased rate requirement is due both to reduced depreciation and electricity charges and to the decision made to utilise accumulated reserves to benefit ratepayers. Drinking Water Standard upgrade projects anticipated in the 2016/17 year have significantly increased capital expenditure, but this will be funded initially from reserves and internal loans.

## Funding Impact Statement for Annual Plan 2016/17



2014/15 Actual \$(000)		2016/17 Annual Plan \$(000)	2016/17 LTP \$(000)	2015/16 LTP \$(000)
<b>Waste Management &amp; Minimisation</b>				
	<b>Sources of Operating Funding</b>			
688	General Rates, Uniform Annual General Charge, Rates Penalties	1,051	1,046	982
-	Targeted Rates	-	-	-
688	<b>Rates Revenue</b>	1,051	1,046	982
75	Subsidies and Grants for Operating Purposes	75	60	60
1,175	Fees and Charges	356	765	746
-	Interest and Dividends from Investments	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-
1	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
1,251	<b>Operating Revenue</b>	431	825	806
1,939	<b>Total Sources of Operating Funding</b>	1,482	1,871	1,788
	<b>Applications of Operating Funding</b>			
1,122	Payments to Staff and Suppliers	1,062	1,428	1,350
-	Finance Costs	-	-	-
222	Internal Charges and Overheads Applied	276	285	286
-	Other Operating Funding Applications	-	-	-
1,344	<b>Total Applications of Operating Funding</b>	1,338	1,713	1,636
595	<b>Surplus / (Deficit) of Operating Funding</b>	144	158	152
	<b>Sources of Capital funding</b>			
-	Subsidies and Grants for Capital Expenditure	-	-	-
-	Development and Financial Contributions	-	-	-
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
-	<b>Total Sources of Capital Funding</b>	-	-	-
	<b>Applications of Capital funding</b>			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
2	Improve Levels of Service	-	-	-
230	Replace Existing Assets	-	-	-
363	Increase / (Decrease) in Reserve	144	158	152
-	Increase / (Decrease) in Investments	-	-	-
595	<b>Total Applications for Capital Funding</b>	144	158	152
(595)	<b>Surplus / (Deficit) of Capital Funding</b>	(144)	(158)	(152)
-	<b>Funding Balance</b>	-	-	-

### Commentary on Major Changes

Council continues to respond to the changes in this area. The volumes of waste going into the Oamaru landfill will reduce after the closure of the facility in November 2016, resulting in reduced revenue and operating costs. Ongoing landfill capping and monitoring costs will be funded largely from the Provision established for that purpose.

## Funding Impact Statement for Annual Plan 2016/17



<b>Arts, Heritage &amp; Community</b>				
2014/15 Actual \$(000)		2016/17 Annual Plan \$(000)	2016/17 LTP \$(000)	2015/16 LTP \$(000)
	<b>Sources of Operating Funding</b>			
237	General Rates, Uniform Annual General Charge, Rates Penalties	316	286	280
3,057	Targeted Rates	3,170	3,297	3,169
3,294	<b>Rates Revenue</b>	3,486	3,583	3,449
86	Subsidies and Grants for Operating Purposes	111	109	109
364	Fees and Charges	395	397	377
-	Interest and Dividends from Investments	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-
144	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	157	167	166
594	<b>Operating Revenue</b>	663	673	652
3,888	<b>Total Sources of Operating Funding</b>	4,149	4,256	4,101
	<b>Applications of Operating Funding</b>			
2,540	Payments to Staff and Suppliers	2,643	2,664	2,616
-	Finance Costs	-	-	-
1,242	Internal Charges and Overheads Applied	1,347	1,400	1,317
-	Other Operating Funding Applications	-	-	-
3,782	<b>Total Applications of Operating Funding</b>	3,990	4,064	3,933
106	<b>Surplus / (Deficit) of Operating Funding</b>	159	192	168
	<b>Sources of Capital funding</b>			
-	Subsidies and Grants for Capital Expenditure	788	1,000	-
-	Development and Financial Contributions	-	-	-
-	Increase / (Decrease) in Debt	-	-	-
7	Gross Proceeds from Sale of Assets	-	-	-
7	<b>Total Sources of Capital Funding</b>	788	1,000	-
	<b>Applications of Capital funding</b>			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
112	Improve Levels of Service	445	1,505	755
128	Replace Existing Assets	136	136	136
(127)	Increase / (Decrease) in Reserve	366	(449)	(723)
-	Increase / (Decrease) in Investments	-	-	-
113	<b>Total Applications for Capital Funding</b>	947	1,192	168
(106)	<b>Surplus / (Deficit) of Capital Funding</b>	(159)	(192)	(168)
-	<b>Funding Balance</b>	-	-	-

### Commentary on Major Changes

The levels of service are consistent with those anticipated in the Long Term Plan. The Annual Plan anticipates that revenue sourced for the redevelopment of the Forrester Gallery and Museum will start to be received in the budget year.

## Funding Impact Statement for Annual Plan 2016/17



Parks & Recreation		2016/17	2016/17	2015/16
2014/15		Annual Plan	LTP	LTP
Actual		\$ (000)	\$ (000)	\$ (000)
685	<b>Sources of Operating Funding</b>			
	General Rates, Uniform Annual General Charge, Rates Penalties	678	656	565
3,063	Targeted Rates	3,389	3,313	3,221
3,748	<b>Rates Revenue</b>	4,067	3,969	3,786
51	Subsidies and Grants for Operating Purposes	4	4	4
864	Fees and Charges	920	981	955
-	Interest and Dividends from Investments	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-
596	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	20	429	1,253
1,511	<b>Operating Revenue</b>	944	1,414	2,212
5,259	<b>Total Sources of Operating Funding</b>	5,011	5,383	5,998
	<b>Applications of Operating Funding</b>			
3,792	Payments to Staff and Suppliers	3,688	3,905	4,291
-	Finance Costs	-	-	-
702	Internal Charges and Overheads Applied	880	915	884
-	Other Operating Funding Applications	-	-	-
4,494	<b>Total Applications of Operating Funding</b>	4,568	4,820	5,175
765	<b>Surplus / (Deficit) of Operating Funding</b>	443	563	823
	<b>Sources of Capital funding</b>			
8	Subsidies and Grants for Capital Expenditure	-	-	-
-	Development and Financial Contributions	-	-	-
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
8	<b>Total Sources of Capital Funding</b>	-	-	-
	<b>Applications of Capital funding</b>			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
11	Improve Levels of Service	342	77	356
259	Replace Existing Assets	243	158	461
503	Increase / (Decrease) in Reserve	(142)	328	6
-	Increase / (Decrease) in Investments	-	-	-
773	<b>Total Applications for Capital Funding</b>	443	563	823
(765)	<b>Surplus / (Deficit) of Capital Funding</b>	(443)	(563)	(823)
-	<b>Funding Balance</b>	-	-	-

### Commentary on Major Changes

The levels of service are consistent with those anticipated in the Long Term Plan.  
New public toilets are planned during the budget year.



## Funding Impact Statement for Annual Plan 2016/17



<b>Democracy, Accountability &amp; Planning</b>				
2014/15 Actual \$(000)		2016/17 Annual Plan \$(000)	2016/17 LTP \$(000)	2015/16 LTP \$(000)
	<b>Sources of Operating Funding</b>			
1,960	General Rates, Uniform Annual General Charge, Rates Penalties	1,968	1,921	1,899
1,544	Targeted Rates	1,529	1,527	1,508
3,504	<b>Rates Revenue</b>	3,497	3,448	3,407
24	Subsidies and Grants for Operating Purposes	31	31	31
-	Fees and Charges	-	-	-
-	Interest and Dividends from Investments	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-
3	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	56	56	-
27	<b>Operating Revenue</b>	87	87	31
3,531	<b>Total Sources of Operating Funding</b>	3,584	3,535	3,438
	<b>Applications of Operating Funding</b>			
855	Payments to Staff and Suppliers	1,156	954	791
-	Finance Costs	-	-	-
2,297	Internal Charges and Overheads Applied	2,642	2,643	2,619
-	Other Operating Funding Applications	-	-	-
3,152	<b>Total Applications of Operating Funding</b>	3,798	3,597	3,410
379	<b>Surplus / (Deficit) of Operating Funding</b>	(214)	(62)	28
	<b>Sources of Capital funding</b>			
-	Subsidies and Grants for Capital Expenditure	-	-	-
-	Development and Financial Contributions	-	-	-
-	Increase / (Decrease) in Debt	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-
-	<b>Total Sources of Capital Funding</b>	-	-	-
	<b>Applications of Capital funding</b>			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
-	Improve Levels of Service	-	-	-
-	Replace Existing Assets	-	-	-
379	Increase / (Decrease) in Reserve	(214)	(62)	28
-	Increase / (Decrease) in Investments	-	-	-
379	<b>Total Applications for Capital Funding</b>	(214)	(62)	28
(379)	<b>Surplus / (Deficit) of Capital Funding</b>	214	62	(28)
-	<b>Funding Balance</b>	-	-	-

### Commentary on Major Changes

The levels of service are generally consistent with those anticipated in the long term plan. The review of the District Plan is now underway and will continue in the budget year, and these additional costs will be met from reserves and internal loans.

## Funding Impact Statement for Annual Plan 2016/17



<b>Commercial &amp; Development Activities</b>				
2014/15 Actual \$(000)		2016/17 Annual Plan \$(000)	2016/17 LTP \$(000)	2015/16 LTP \$(000)
	<b>Sources of Operating Funding</b>			
889	General Rates, Uniform Annual General Charge, Rates Penalties	617	656	710
869	Targeted Rates	540	452	498
1,758	<b>Rates Revenue</b>	1,157	1,108	1,208
35	Subsidies and Grants for Operating Purposes	-	-	-
1,336	Fees and Charges	1,325	1,407	1,373
1,134	Interest and Dividends from Investments	1,257	1,408	1,394
(876)	Internal Charges and Overheads Recovered	(765)	(858)	(858)
610	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	523	474	523
2,239	<b>Operating Revenue</b>	2,340	2,431	2,432
3,997	<b>Total Sources of Operating Funding</b>	3,497	3,539	3,640
	<b>Applications of Operating Funding</b>			
2,652	Payments to Staff and Suppliers	3,287	3,460	3,308
-	Finance Costs	-	-	-
(55)	Internal Charges and Overheads Applied	53	(275)	(292)
-	Other Operating Funding Applications	-	-	-
2,597	<b>Total Applications of Operating Funding</b>	3,340	3,185	3,016
1,400	<b>Surplus / (Deficit) of Operating Funding</b>	157	354	624
	<b>Sources of Capital funding</b>			
351	Subsidies and Grants for Capital Expenditure	1,300	-	-
145	Development and Financial Contributions	-	-	-
(3)	Increase / (Decrease) in Debt	-	-	(1)
(1,325)	Gross Proceeds from Sale of Assets	50	53	47
(832)	<b>Total Sources of Capital Funding</b>	1,350	53	46
	<b>Applications of Capital funding</b>			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
605	Improve Levels of Service	1,675	90	195
-	Replace Existing Assets	-	-	800
(37)	Increase / (Decrease) in Reserve	(168)	317	(325)
-	Increase / (Decrease) in Investments	-	-	-
568	<b>Total Applications for Capital Funding</b>	1,507	407	670
(1,400)	<b>Surplus / (Deficit) of Capital Funding</b>	(157)	(354)	(624)
-	<b>Funding Balance</b>	-	-	-

### Commentary on Major Changes

Interest rates have reduced well below the levels anticipated when preparing the Long Term Plan, resulting in decreased Interest income. Secure capital funding will allow Council to make further progress in completing the construction of the Alps2Ocean Cycleway.

## Funding Impact Statement for Annual Plan 2016/17



<b>Regulation &amp; Safety</b>				
2014/15 Actual \$(000)		2016/17 Annual Plan \$(000)	2016/17 LTP \$(000)	2015/16 LTP \$(000)
	<b>Sources of Operating Funding</b>			
1,822	General Rates, Uniform Annual General Charge, Rates Penalties	2,028	1,954	1,917
503	Targeted Rates	487	521	504
2,325	<b>Rates Revenue</b>	2,515	2,475	2,421
2	Subsidies and Grants for Operating Purposes	-	-	-
1,176	Fees and Charges	1,404	1,443	1,409
-	Interest and Dividends from Investments	-	-	-
21	Internal Charges and Overheads Recovered	-	-	-
38	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	45	32	32
1,237	<b>Operating Revenue</b>	1,449	1,475	1,441
3,562	<b>Total Sources of Operating Funding</b>	3,964	3,950	3,862
	<b>Applications of Operating Funding</b>			
1,172	Payments to Staff and Suppliers	1,237	1,413	1,267
-	Finance Costs	-	-	-
2,421	Internal Charges and Overheads Applied	2,973	2,711	2,686
-	Other Operating Funding Applications	-	-	-
3,593	<b>Total Applications of Operating Funding</b>	4,210	4,124	3,953
(31)	<b>Surplus / (Deficit) of Operating Funding</b>	(246)	(174)	(91)
	<b>Sources of Capital funding</b>			
-	Subsidies and Grants for Capital Expenditure	-	-	-
149	Development and Financial Contributions	90	110	110
-	Increase / (Decrease) in Debt	-	-	-
285	Gross Proceeds from Sale of Assets	-	-	-
434	<b>Total Sources of Capital Funding</b>	90	110	110
	<b>Applications of Capital funding</b>			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
6	Improve Levels of Service	500	500	-
1	Replace Existing Assets	-	-	-
396	Increase / (Decrease) in Reserve	(656)	(564)	19
-	Increase / (Decrease) in Investments	-	-	-
403	<b>Total Applications for Capital Funding</b>	(156)	(64)	19
31	<b>Surplus / (Deficit) of Capital Funding</b>	246	174	91
-	<b>Funding Balance</b>	-	-	-

### Commentary on Major Changes

Levels of service are generally in line with those anticipated in the Long Term Plan. Projected income from Development and Financial Contributions has been reduced as fewer development projects are predicted in the district in the budget year.

## Funding Impact Statement for Annual Plan 2016/17



<b>Support Services (Net Allocated)</b>				
2014/15 Actual \$(000)		2016/17 Annual Plan \$(000)	2016/17 LTP \$(000)	2015/16 LTP \$(000)
	<b>Sources of Operating Funding</b>			
-	General Rates, Uniform Annual General Charge, Rates Penalties Targeted Rates	-	-	-
-	<b>Rates Revenue</b>	-	-	-
14	Subsidies and Grants for Operating Purposes	-	-	-
8	Fees and Charges	6	6	6
-	Interest and Dividends from Investments	-	-	-
14,763	Internal Charges and Overheads Recovered	16,713	16,484	16,137
18	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	17	17	17
14,803	<b>Operating Revenue</b>	16,736	16,507	16,160
14,803	<b>Total Sources of Operating Funding</b>	16,736	16,507	16,160
	<b>Applications of Operating Funding</b>			
9,604	Payments to Staff and Suppliers	11,222	11,074	10,894
-	Finance Costs	-	-	-
4,531	Internal Charges and Overheads Applied	4,950	4,851	4,734
-	Other Operating Funding Applications	-	-	-
14,135	<b>Total Applications of Operating Funding</b>	16,172	15,925	15,628
668	<b>Surplus / (Deficit) of Operating Funding</b>	564	582	532
	<b>Sources of Capital funding</b>			
-	Subsidies and Grants for Capital Expenditure	-	-	-
-	Development and Financial Contributions	-	-	-
-	Increase / (Decrease) in Debt	-	-	-
30	Gross Proceeds from Sale of Assets	85	85	74
30	<b>Total Sources of Capital Funding</b>	85	85	74
	<b>Applications of Capital funding</b>			
	Capital Expenditure			
-	Meet Additional Demand	-	-	-
61	Improve Levels of Service	235	355	285
399	Replace Existing Assets	485	365	331
238	Increase / (Decrease) in Reserve	(71)	(53)	(10)
-	Increase / (Decrease) in Investments	-	-	-
698	<b>Total Applications for Capital Funding</b>	649	667	606
(668)	<b>Surplus / (Deficit) of Capital Funding</b>	(564)	(582)	(532)
-	<b>Funding Balance</b>	-	-	-

### Commentary on Major Changes

There has been little change in this area from the service levels predicted in the Long Term Plan. Replacement and upgrading of computer networks and the vehicle fleet continue as previously forecast.

## Funding Impact Statement for Annual Plan 2016/17



<b>Funding Impact Statement - Total Activities</b>				
2014/15 Actual \$(000)		2016/17 Annual Plan \$(000)	2016/17 LTP \$(000)	2015/16 LTP \$(000)
	<b>Sources of Operating Funding</b>			
6,516	General Rates, Uniform Annual General Charge, Rates Penalties	6,903	6,718	6,550
22,622	Targeted Rates	22,819	23,500	23,051
29,138	<b>Rates Revenue</b>	29,722	30,218	29,601
3,319	Subsidies and Grants for Operating Purposes	3,051	3,683	3,695
6,117	Fees and Charges	5,396	5,954	5,798
1,134	Interest and Dividends from Investments	1,257	1,408	1,394
14,784	Internal Charges and Overheads Recovered	16,713	16,484	16,137
1,733	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	1,312	1,702	2,505
27,087	<b>Operating Revenue</b>	27,729	29,231	29,529
56,225	<b>Total Sources of Operating Funding</b>	57,451	59,449	59,130
	<b>Applications of Operating Funding</b>			
30,488	Payments to Staff and Suppliers	33,411	35,400	35,105
-	Finance Costs	-	-	-
14,784	Internal Charges and Overheads Applied	16,712	16,484	16,139
-	Other Operating Funding Applications	-	-	-
45,272	<b>Total Applications of Operating Funding</b>	50,123	51,884	51,244
10,953	<b>Surplus / (Deficit) of Operating Funding</b>	7,328	7,565	7,886
	<b>Sources of Capital funding</b>			
3,483	Subsidies and Grants for Capital Expenditure	5,919	4,184	2,853
729	Development and Financial Contributions	595	640	640
(3)	Increase / (Decrease) in Debt	-	-	(1)
(1,003)	Gross Proceeds from Sale of Assets	135	138	121
3,206	<b>Total Sources of Capital Funding</b>	6,649	4,962	3,613
	<b>Applications of Capital funding</b>			
-	Capital Expenditure	-	-	-
-	Meet Additional Demand	-	-	-
2,261	Improve Levels of Service	10,938	9,094	2,144
7,830	Replace Existing Assets	7,999	7,893	9,597
4,068	Increase / (Decrease) in Reserve	(4,960)	(4,460)	(242)
-	Increase / (Decrease) in Investments	-	-	-
14,159	<b>Total Applications for Capital Funding</b>	13,977	12,527	11,499
(10,953)	<b>Surplus / (Deficit) of Capital Funding</b>	(7,328)	(7,565)	(7,886)
-	<b>Funding Balance</b>	-	-	-

### Commentary on Major Changes

Levels of service are generally consistent with those anticipated in the Long Term Plan. Council has now commenced the review of the District Plan, and now has secure funding for the completion of the Alps2Ocean Cycleway. Decisions made in relation to the use of accumulated reserves to assist in reducing water and sewerage rates will benefit many ratepayers in the district.



## Statement of Accounting Policies

### Reporting entity

These prospective financial statements of the Waitaki District Council are for the year ended 30 June 2017.

We are a territorial local authority governed by the provisions of the Local Government Act 2002.

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

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

### Basis of preparation

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

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

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.

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

The prospective financial statements comply with PBE FRS-42 (prospective financial statements).

### Specific accounting policies

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

#### Income 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.
- 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 income is recognised when earned.
- Dividends are recognised when received.
- Vested infrastructural assets are recognised when we accept their transfer from the



subdivider. 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 to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale.

#### **Revenue from non-exchange transactions**

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

- Rates, which fund services that may not be accessed equally, or at all, by all ratepayers, or which 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 us but for which no service is provided

#### **Revenue from exchange transactions**

We also derive revenue from exchange transactions, where a measurable service is provided by us in exchange for the revenue earned by us. Examples of such transactions include:

- User charges for use of the Waitaki Aquatic Centre, landfill and similar charges
- Regulatory charges for building consents, liquor licences, 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, we have policies which require certain revenues arising from non-exchange transactions to

be held in special reserves until the funds are required.

#### **Borrowing costs**

We have 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**

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

##### **Operating leases**

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

#### **Trade and other receivables**

Receivables from non-exchange transactions and receivables 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.

#### **Goods and Services Tax (GST)**

These prospective financial statements have been prepared on a GST exclusive basis. Any net GST due or owing at balance date is included in trade and other payables or receivables from non-exchange transactions or receivables from exchange transactions (as appropriate). Receivables from non-exchange transactions, receivables from exchange transactions and trade and other payables are stated inclusive of GST.





Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call and 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 approximate 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**

We classify our financial assets in four categories: financial assets at fair value through surplus or deficit, held to maturity investments, loans and receivables and available for sale. The classification depends on the purpose for acquiring the investments. Management determines the classification of investments at initial recognition and re-evaluates this designation at every reporting date.

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

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

The fair value of financial instruments traded in active markets is based on quoted market prices at balance sheet date. The quoted market price used is the current bid price. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. We use a variety of methods and make assumptions based on market conditions existing at each balance date. Techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

Of the four categories of financial assets, only two are relevant to us.

#### **Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

#### **Available for sale financial assets**

These financial assets are either designated as *available-for-sale* or cannot be classified in the other categories above. This category encompasses:

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

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





### **Impairment of financial assets**

At each balance date we assess whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in surplus or deficit.

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

### **Financial liabilities**

Interest bearing borrowings are classified as other non-derivative financial instruments and are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest rate method.

### **Trade and other payables**

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### **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.

We currently have no properties that would be 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 our forests as at date of valuation. The valuation method adopted is net present value based on the age and condition of the trees. Our forests are revalued annually as at 30 June each year. The costs to maintain the forestry assets are included in the reported surplus or deficit. Our forestry plantations are professionally managed, and we adhere strictly to a replanting plan developed by our advisers to ensure we have no liability under the Emissions Trading Scheme.

### **Property, plant and equipment**

Property, Plant and Equipment 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 and reserves owned by us to provide benefit or service to the community and which cannot be disposed of because of legal or other restrictions.



**Infrastructure assets** – the fixed utility systems owned by us. Each class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations. Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

### **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 us 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.

### **Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are 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 when it is probable that future economic benefits or service potential associated with the item will flow to us and the cost of the item can be measured reliably.

### **Revaluations**

Certain classes of assets, as detailed below, are revalued. Revaluations are made 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 2017 financial year and accordingly are projected as part of this annual plan.

### **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. Vested infrastructural assets are initially recorded at valuation based on engineers' certificates. This Annual Plan does not include the receipt of any vested assets.

### **Infrastructural assets – work in progress**

Capital projects that are incomplete at balance date are regarded as work in progress. The value of work in progress is included in fixed assets, but is not depreciated until it has been commissioned. Movements into work in progress represent the value of work done on incomplete capital projects, while movements out of work in progress represent the final capitalisation of the completed project.

### **Harbour assets**

Harbour wharves and structures and the Oamaru Harbour breakwater were valued 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.

## Accounting for revaluations

Results of revaluations of property, plant and equipment are reflected in other comprehensive income and are held in an asset revaluation reserve for that class of asset. Where a revaluation causes a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income 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 in other comprehensive income.

## Depreciation

### General

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

### Land

Land is not depreciated.

### Buildings

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

## Cultural and heritage assets

Other than library resources, cultural and heritage assets are not depreciated. Library resources are depreciated over their expected lives of seven years.

## Depreciation

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

<b>Asset Category</b>	<b>Depreciation Base</b>
<b>Infrastructural Assets</b>	
Roothing	
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
streetlights, 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:

Motor vehicles .....	3 – 10 years
Office equipment .....	2 – 5 years
Office furniture and fittings .....	2 – 10 years

#### **Intangible assets**

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

##### **Software**

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring into use. Costs associated with maintaining computer software are expensed when incurred. The useful life of software is three to 10 years and the cost is amortised on a straight-line basis.

##### **Emissions Trading Scheme – carbon credits**

Carbon credits received under the Emissions Trading Scheme were assessed at their fair value at 30 June 2013, while carbon credits purchased since that time are valued at their cost price. Carbon credits are not amortised, as they represent current expenditure relating to a known future event, and market pricing for these commodities is generally trending upwards. Carbon credits surrendered to meet our obligations relating to assessed landfill emissions are treated as disposals.

#### **Other**

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

#### **Impairment of property, plant and equipment, and intangible assets**

Intangible assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that have 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. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's 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.

#### **Employee entitlements**

##### **Short-term benefits**

Employee benefits that we expect to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken, at balance date, and long service leave entitlements expected to be



settled within 12 months.

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

### **Long service leave**

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave are calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows, 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**

We belong 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**

We recognise 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. We own Oamaru and Palmerston operational landfills, and are also responsible for several closed landfills throughout the district. We have a legal obligation to apply for resource consents when the landfills reach the end of their operating life and are to be closed.

These resource consents set out the closure requirements including an obligation for on-going maintenance and monitoring at the landfill site after closure. 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**

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



All financial instruments are recognised in the Balance Sheet, while related income and expenditure is recognised in the surplus or deficit.

## Equity

Equity is the community's interest in us, 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 we make of its accumulated surpluses.

The components of equity are:

- Ratepayers equity
- Restricted reserves (Special Funds)
- Operating reserves
- Asset revaluation reserves

## Reserves

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

Restricted reserves are subject to specific conditions accepted as binding by us and which may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Operating reserves are established by Council decision, and may be altered without reference to any third parties or the Courts. Transfers to and from these reserves are at our discretion.

Asset revaluation reserves represent unrealised gains on assets owned by us. The

gains are held in the reserve 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), comprising retained earnings and reserves. Net equity is represented by net assets.

The Act requires us to manage our 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 us. Intergenerational equity requires today's ratepayers to meet the costs of utilising our assets but does not expect them to meet the full cost of long term assets that will benefit ratepayers in future generations. We have 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 us to make adequate and effective provision in our Long Term Plan to meet the expenditure needs identified in those plans, and sets out factors that we must consider when determining the most appropriate sources of funding for each activity. The sources and levels of funding are set out in the funding and financial policies in this Annual Plan.

## Comparative figures

Figures presented for the 2014/15 financial year are sourced directly from the audited annual report for the year ended 30 June 2015, and are subject to minor changes as





outlined in the section *Changes in Accounting Policy*.

Figures presented for the 2015/16 and 2016/17 financial years identified as 'LTP' are sourced from our audited 2015-25 Long Term Plan.

### **Groups of activities**

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

### **Cost allocation**

We derive the net cost of service for each significant activity using a cost allocation system whereby direct costs are charged directly to those activities, while indirect costs are charged to those activities based on cost drivers and related activity/usage information.

### **Criteria for direct and indirect costs**

*Direct costs* are directly attributable to an activity. *Indirect costs* are costs that cannot be attributed in an economically feasible manner to a specific significant activity.

### **Cost drivers for allocation of indirect costs**

Internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers, and floor area.

### **Critical accounting estimates and assumptions**

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

### **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 we 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. We minimise 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 we 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 our asset management planning activities to give further assurance over the estimates of useful life.

### **Critical judgements in applying our accounting policies**

Management has exercised the following critical judgements in applying accounting policies for this Annual Plan.

### **Classification of property**

#### **Community housing**

We own and maintain 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 our social housing policy, and are accounted for as property, plant and equipment.



### **Unoccupied land**

We own unoccupied land. Given the uncertainty over the future intended use of the land, we, in applying our judgement, have not classified the property 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.

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

It should be noted that there is potential for all the PBE Standards to be reviewed and changed in the future and it is likely that some of these future revisions may impact our 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.





## Reserve Fund Schedule

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

We have five types of reserves. Three of the reserve types are restricted reserves. These are reserves that have rules set by legal obligation that restrict the use that we may put the funds towards. These are described as Trust Reserves, Development Reserves and Special Reserves.

The remaining Council-created reserves are discretionary reserves which we have established for the fair and transparent use of monies. The two 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.

On the following pages are summaries of the current reserves outlining the purpose for holding each type of reserve, together with summary financial information across the ten years of the Long Term Plan.

<b>Other reserves – trust reserves</b>	<b>Projected Opening Balance July 2016 \$000s</b>	<b>Deposits \$000s</b>	<b>Expenditure \$000s</b>	<b>Projected Closing Balance June 2017 \$000s</b>
This is a collection of 39 individual reserves. They have all been funded from sources outside of Council and are subject to specific conditions accepted as binding by us. These include bequests, specific donations and similar funds. The largest single item is the funds received from Resource Management Act financial contributions. Most of the other funds are for cultural facilities including the North Otago Museum, Oamaru Public Library and Forrester Gallery. Further details of these reserves are available at <a href="http://www.waitaki.govt.nz">www.waitaki.govt.nz</a> .	2,844	587	(652)	2,779



<b>Other reserves – development reserves</b>	<b>Projected Opening Balance July 2016 \$000s</b>	<b>Deposits \$000s</b>	<b>Expenditure \$000s</b>	<b>Projected Closing Balance June 2017 \$000s</b>
These are reserves that have been created to properly record and allocate the funds received under the Development Contributions Policy. Further details of these reserves are available at <a href="http://www.waitaki.govt.nz">www.waitaki.govt.nz</a> .	4,447	674	(1,650)	3,471

<b>Other reserves – special reserves</b>	<b>Projected Opening Balance July 2016 \$000s</b>	<b>Deposits \$000s</b>	<b>Expenditure \$000s</b>	<b>Projected Closing Balance June 2017 \$000s</b>
This is a collection of 19 different funds. These are similar to trust funds in that they are for a specific purpose. However, these funds are Council-created and we have greater discretion about how they are funded and used. The largest fund is the Disaster Fund. These funds can be both ongoing or of limited duration. An example is the Community Housing fund. This was created by the sale of some community houses and will be reinvested in a similar development. Further details of these reserves are available at <a href="http://www.waitaki.govt.nz">www.waitaki.govt.nz</a> .	6,074	279	(128)	6,225



<b>Council created reserves – separate rate operating</b>	<b>Projected Opening Balance July 2016 \$000s</b>	<b>Deposits \$000s</b>	<b>Expenditure \$000s</b>	<b>Projected Closing Balance June 2017 \$000s</b>
We use a large number of separate rates. These are described in the Funding Impact Section over the page. As we set rates to match the funding required for each rate each year, there is no budgeted movement in these reserves. The movement occurs when there is a difference between budget and actual expenditure and revenue. The only exception is when we consider the surplus or deficit in the reserve is too large and make a specific decision to fund or reduce the amount. Only these amounts are recorded in the deposits and expenditure columns to the right. This balance forms part of the overall operating reserves.	8,930	1,800	(1,550)	9,180
<b>Council created reserves – renewal (depreciation)</b>	<b>Projected Opening Balance July 2016 \$000s</b>	<b>Deposits \$000s</b>	<b>Expenditure \$000s</b>	<b>Projected Closing Balance June 2017 \$000s</b>
We maintain a number of depreciation reserves to fund the renewal of existing assets that are owned by us when the assets reach the end of their economic lives. The deposits to these reserves are based upon the annual depreciation expense calculations less any unfunded depreciation on assets where we decide it is not necessary to cash-fund the depreciation expense in full or in part. The current assets that have depreciation unfunded are included in a schedule at the end of the Financial Strategy (pages 198 to 200). The expenditure is where depreciation reserves are used to fund either replacement assets or to maintain the economic life and service potential of existing assets	33,600	7,640	(6,990)	34,250



## Rating Funding Impact Statement

### Background

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

### Introduction

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

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

- The basis of setting the general rate ie land value, annual value or capital value (Section 13)
- Any category or categories that will be used for differentiating the general rate (Section 14)
- The function or functions for which a targeted rate will be set (Section 16)
- Any category or categories of land that will be used to set a targeted rate on a differential basis or determine whether a property will be liable for a targeted rate (Section 16)
- Any factor or factors that will be used to calculate liability for a targeted rate (Section 18)

- An indication that we wish to set a charge for water supply by volume of water consumed if we are intending to do so (Section 19)

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

### General rates

#### General Rate

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

The general rate will contribute to the funding for:

Council and Community Boards	Community Planning and Consultation
Economic Development	Waitaki Lakes Camping Grounds
Sports Fields	Oamaru Harbour – Port Operations
Resource Consents Processing	Health Licensing
Otago Museum Grant	Community Grants and Forestry
District Planning	Waitaki Community Recreation Centre Grant
Noxious Plants	Forestry

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

#### Uniform Annual General Charge

We will charge a Uniform Annual General Charge on each Separately Used or Inhabited



Part (SUIP) of a rating unit in the district.

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

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

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

## Targeted rates

### Targeted rate – district services

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

The District Services rate will contribute to the funding for:

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

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

### Targeted rates by ward

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

#### Ahuriri Ward Services Rate

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

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

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

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

#### Ahuriri Ward Community Board Rate

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

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

#### Ahuriri Ward Services Charge

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



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

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

#### **Corriedale Ward Services Rate**

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

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

Community Safety	Greenspaces and Playgrounds
Township Works	Reserves
Development and Grants	

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

#### **Corriedale Ward Services Charge**

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

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

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

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

#### **Oamaru Ward Services Rate**

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

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

Reserves	Greenspaces and Playgrounds
Township Works	Community Safety
Development and Grants	

#### **Oamaru Ward Services Charge**

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

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

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

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

#### **Waihemo Ward Services Rate**

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



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

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

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

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

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

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

#### **Waihemo Ward Services Charge**

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

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

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

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

### **Targeted rates by locality**

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

We set a targeted rate for services to the Oamaru Business Areas, based on the capital value of each rating unit in the Oamaru Business Areas that is not used exclusively for residential purposes. We have established two Oamaru Business Areas, 'A' and 'B'. The targeted rates will be set at a uniform rate in the dollar. The rate in dollars for area 'B' will be set at 50% of the rate for area 'A'.

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

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

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

#### **Oamaru Urban Area**

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

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



## Loan Rates

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

## Targeted rates by activity

### Roading and Civil Defence Rate

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

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

The differential categories are defined thus:

Differential Category	Description of Category	% of Roothing Activity funded from Differentials	% of Civil Defence 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	5%	25%
Mining and Mineral Extraction	All rating units with an area greater than 30 hectares used primarily or predominantly for the purposes of mining or mineral extraction	5%	12.5%

Other Uses	All rating units not either used primarily or predominantly for the generation of hydro-electric power from Lakes Aviemore, Benmore, Ohau or Waitaki or with an area greater than 30 hectares used primarily or predominantly for the purposes of mining or mineral extraction	90%	12.5%
------------	--	-----	-------

### Lakes Camping Rate

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

The differential categories are defined thus:

Differential Category	Description of Category	% of Lakes Camping Rate funded from Differentials
Hydroelectric Power Generation Installations	All rating units used primarily or predominantly for the generation of hydro-electric power from Lakes Aviemore, Benmore, Ohau or Waitaki	70%





Other Uses	All rating units not used primarily or predominantly for the generation of hydro-electric power from Lakes Aviemore, Benmore, Ohau or Waitaki	30%
------------	---	-----

### Local Amenity Rates

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

The separate targeted rates are:

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

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

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

### Public Hall and Community Centre Rates

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

are specified on the maps available from our offices in either Oamaru or Palmerston.

The separate uniform targeted rates for public halls:

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

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

### Sewerage (Waste Water) Rates

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

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

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



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

Duntroon	Kakanui	Kurow
Lake Ohau Village	Moeraki	Oamaru
Omarama	Otematata	Palmerston

#### Water Rates – Urban

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

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

Some rates will be set on a differentiated basis:

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

Individual urban water rates are based on the following:

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

#### Water Rates – Rural

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

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

Township/locality	Activity and basis for charge	Unit Volume (litres/day)
Awamoko	Supply per unit	1,818
Dunback	Supply per unit	1,818
Duntroon	Supply per unit	1,818
Enfield	Supply per unit	1,818
Goodwood	Supply per unit	1,818
Herbert/Waianakarua	Supply per unit	1,818



Kauru Hill	Supply per unit	1,818
Lower Waitaki	Supply per unit	1,818
Bushy Creek Water Supply	Supply per unit	1,818
Stoneburn	Supply per unit	1,000
Tokarahi	Supply per unit	1,818
Weston	Supply per unit	1,818
Windsor	Supply per unit	1,818

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

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

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

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

The specified volumes of water for connected properties are:

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

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

### Construction Loan Rates

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

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

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

The uniform targeted rates are:

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

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

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

For example:

- Not separately used parts of a rating unit:
  - A residential sleep-out or 'granny flat' without independent kitchen facilities
  - An hotel room with or without independent kitchen facilities
  - A motel room with or without independent kitchen facilities



- o Rooms in a residential dwelling or hostel with common kitchens
- o Separately leased commercial areas with shared access, reception or other facilities
- These are separately used parts of a rating unit:
  - o Flats, apartments and other residential units with independent kitchen facilities
  - o Separately leased commercial areas with separate access, sanitary or other facilities.



## 2016/17 Rates Schedule

This table specifies, with reference to the revenue and financing mechanism used to cover the estimated expenses of Council, the 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:

LV	=	Land Value	CRU	=	Connected Rating Unit
CV	=	Capital Value	Unit	=	Type of connection
RU	=	Rating Unit	m3	=	Cubic Metre
SRU	=	Serviceable Rating Unit	SUIP	=	Separately Used or Inhabited Part of a Rating Unit
WC	=	Water Closet			

	2016/17		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
General Rate	\$0.0556	LV	\$2,109,125
Uniform Annual General Charge	\$441	SUIP	\$5,828,458
District Services Rate	\$0.0240	CV	\$1,719,055
Ahuriri Ward Services Rate	\$0.0212	CV	\$345,171
Ahuriri Community Board Rate	\$0.0067	LV	\$37,769
Ahuriri Ward Services Charge	\$178	SUIP	\$278,269
Corriedale Ward Services Rate	\$0.0094	CV	\$270,894
Corriedale Ward Services Charge	\$324	SUIP	\$895,036
Oamaru Ward Services Rate	\$0.0675	CV	\$1,250,919
Oamaru Ward Services Charge	\$505	SUIP	\$3,491,011
Waihemo Ward Services Rate	\$0.0623	CV	\$529,148
Waihemo Community Board Rate	\$0.0209	LV	\$112,267



	2016/17		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
Waihemo Ward Services Charge	\$178	SUIP	\$351,374
Oamaru Business Area Rate A	\$0.4586	CV	\$574,863
Oamaru Business Area Rate B	\$0.2293	CV	\$103,856
Oamaru Urban Area	\$0.0182	CV	\$267,021
			<b>\$18,164,237</b>
<b>Township Amenity Rates</b>			
Township Amenity - Duntroon	\$0.0606	LV	\$1,725
Township Amenity - Hampden	\$0.2183	LV	\$34,500
Township Amenity - Herbert	\$0.0547	LV	\$1,725
Township Amenity - Kakanui	\$0.0121	LV	\$5,750
Township Amenity - Kurow	\$0.1426	LV	\$20,930
Township Amenity - Maheno	\$0.0915	LV	\$1,725
Township Amenity - Moeraki	\$0.0190	LV	\$5,877
Township Amenity - Oamaru	\$0.1298	LV	\$603,246
Township Amenity - Ohau	\$0.0251	LV	\$3,985
Township Amenity - Omarama	\$0.0564	LV	\$20,822
Township Amenity - Otematata	\$0.1253	LV	\$62,515
Township Amenity - Palmerston	\$0.0979	LV	\$17,912
Township Amenity - Shag Point	\$0.0163	LV	\$1,725
Township Amenity - Weston	\$0.1351	LV	\$48,230
			<b>\$830,667</b>



	2016/17		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
<b>Civil Defence and Roothing Rate</b>			
CD & Roothing - General	\$0.0947	CV	\$6,081,880
CD & Roothing - Electrical Generation	\$0.0597	CV	\$439,004
CD & Roothing - Mineral Extraction	\$3.2250	CV	\$386,998
			<b>\$6,907,882</b>
<b>Lakes Camping Rates</b>			
General, Mineral Extraction	\$0.0019	LV	\$71,350
Electrical Generation	\$1.3894	LV	\$166,483
			<b>\$237,833</b>
<b>Public Hall Rates</b>			
Airedale Public Hall Rate	\$20	SUIP	\$540
Ardgowan Public Hall Rate	\$20	SUIP	\$2,380
Awamoko Public Hall Rate	\$30	SUIP	\$2,460
Dunback Public Hall Rate	\$30	SUIP	\$3,870
Duntroon Public Hall Rate	\$20	SUIP	\$2,760
Enfield Public Hall Rate	\$20	SUIP	\$2,660
Five Forks Public Hall Rate	\$20	SUIP	\$1,480
Hampden Public Hall Rate	\$30	SUIP	\$8,220
Kakanui Public Hall Rate	\$20	SUIP	\$7,280
Kurow Public Hall Rate	\$50	SUIP	<b>\$15,000</b>



	2016/17		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
Lower Waitaki Public Hall Rate	\$60	SUIP	\$10,980
Macraes Public Hall Rate	\$60	SUIP	\$3,120
Maheno Public Hall Rate	\$30	SUIP	\$5,580
Moeraki Public Hall Rate	\$40	SUIP	\$8,600
Ngapara Public Hall Rate	\$20	SUIP	\$1,580
Omarama Public Hall Rate	\$50	SUIP	\$16,600
Otekaieke Public Hall Rate	\$20	SUIP	\$1,040
Otematata Public Hall Rate	\$40	SUIP	\$18,480
Otepopo Public Hall Rate	\$20	SUIP	\$3,260
Palmerston Public Hall Rate	\$30	SUIP	\$20,430
Pukeuri Public Hall Rate	\$20	SUIP	\$1,940
Tokarahi Public Hall Rate	\$30	SUIP	\$3,270
Totara Public Hall Rate	\$40	SUIP	\$8,680
Waianakarua Public Hall Rate	\$30	SUIP	\$1,740
Waitaki Bridge Public Hall Rate	\$20	SUIP	\$2,940
Weston Public Hall Rate	\$40	SUIP	\$20,800
Windsor Public Hall Rate	\$30	SUIP	\$1,920
			<b>\$177,610</b>





	2016/17		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
<b>Water Rates</b>			
<b>Oamaru</b>		<b>Oamaru Total</b>	\$3,573,118
Oamaru Water - Supply	\$182	CRU	\$1,181,938
Oamaru Water - Reticulation	\$181	CRU	\$1,108,684
Oamaru Water Treatment Loan (excludes businesses with water meters)	\$93	CRU	\$523,186
Oamaru Water - Enfield Zone	\$456	Unit	\$120,286
Oamaru Water - Weston Zone	\$456	Unit	\$431,616
Oamaru Water - Kakanui ordinary supply	\$456	Unit	\$190,231
Oamaru Water - Kakanui crib unit supply	\$365	Unit	\$17,176
Oamaru Water - metered supply	\$0.98	m3	N/A
* Loan lump sum repayment option	\$782	CRU	N/A
<b>Waihemo Water</b>		<b>Waihemo Total</b>	<b>\$661,356</b>
Waihemo Water - Palmerston Zone	\$695	CRU	\$362,802
Waihemo Water - Dunback Zone	\$695	Unit	\$139,018
Waihemo Water - Goodwood Zone	\$695	Unit	\$159,536
Waihemo Water - Palmerston Zone - metered supply	\$0.98	m3	N/A
<b>Other Urban Water</b>			
Kurow Water Supply	\$487	CRU	\$138,940
Kurow metered supply	\$0.47	m3	N/A
Lake Ohau Village Water Supply	\$234	CRU	\$13,821



	2016/17		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
Lake Ohau Village - connection availability	\$117	SRU	\$8,316
Omarama Water Supply	\$538	CRU	\$164,457
Omarama - metered supply	\$0.87	m3	N/A
Omarama Water Upgrade Loan rate	\$99	CRU	\$15,503
* Loan lump sum repayment option	\$181	CRU	N/A
Otematata Water Supply	\$397	CRU	\$197,148
Otematata - metered supply	\$0.47	m3	N/A
<b>Other Rural Water</b>			
Awamoko Water Supply	\$450	Unit	\$113,330
Duntroon Water Supply	\$465	Unit	\$34,646
Hampden/Moeraki Domestic Water Supply	\$334	Unit	\$161,699
Hampden/Moeraki Water Supply	\$419	Unit	\$40,005
Hampden/Moeraki - metered supply	\$0.29	m3	N/A
Herbert/Waianakarua Water Supply	\$317	Unit	\$187,977
Kauru Hill Water Supply	\$419	Unit	\$78,168
Lower Waitaki Water Supply	\$484	Unit	\$207,067
Bushy Creek Water Supply	\$130	Unit	\$12,727
Stoneburn Water Supply	\$301	Unit	\$95,180
Tokarahi Water Supply	\$369	Unit	\$254,776
Windsor Water Supply	\$341	Unit	\$63,033
			<b>\$6,021,264</b>

\* Lump sum loan repayment options are available only if paid by 30 June 2016 and are in addition to the current year's rates



	2016/17		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
<b>Sewerage Rates and Charges</b>			
Sewerage - Oamaru	\$140	WC	\$1,069,463
Sewerage - Kakanui	\$140	WC	\$44,526
Sewerage - Duntroon	\$81	WC	\$814
Sewerage - Kurow	\$210	WC	\$57,854
Sewerage - Lake Ohau Village	\$231	WC	\$13,189
Sewerage - Lake Ohau Village - connection availability	\$116	SRU	\$8,214
Sewerage - Moeraki	\$740	WC	\$132,537
Sewerage - Moeraki - connection availability	\$370	SRU	\$18,511
Sewerage - Moeraki Reticulation Construction Loan Rate	\$325	RU	\$33,486
* Loan lump sum repayment option	\$599	RU	
Sewerage - Moeraki Treatment Construction Loan Rate	\$209	RU	\$20,039
* Loan lump sum repayment option	\$383	RU	
Sewerage - Omarama	\$241	WC	\$122,423
Sewerage - Otematata	\$302	WC	\$140,366
Sewerage - Palmerston	\$309	WC	\$186,529
			<b>\$1,847,950</b>
* Lump sum loan repayment options are available only if paid by 30 June 2017 and are in addition to the current year's rates			
<b>Total Rate Required (GST inclusive)</b>			<b>\$34,187,443</b>



## Rates Examples

	Rates				Capital Value \$'000			
	2015/16 Rates	2016/17 Rates	Change \$	Change %	2015/16 Rates	2016/17 Rates	Change \$	Change %
<b>Agriculture properties</b>								
Ahuriri	14,552	14,690	138	1.0	7,200	7,200	-	-
Awamoko	6,820	6,248	(572)	(8.4)	2,365	2,360	(5)	(0.2) a
Maerewhenua	9,490	9,796	307	3.2	3,020	3,020	-	- a
Papakao	31,097	31,577	481	1.5	15,640	15,640	-	-
Waihemo	5,403	5,469	66	1.2	1,410	1,410	-	-
Waitaki Bridge	14,775	14,999	224	1.5	7,698	7,700	2	0.0 a
a = amalgamated assessments grouped together to show like-for-like property								
<b>Commercial properties</b>								
Oamaru	4,578	4,461	(117)	(2.6)	395	395	-	-
Oamaru	33,735	33,278	(457)	(1.4)	4,350	4,350	-	-
Omarama	7,046	7,094	48	0.7	1,230	1,230	-	-
Otematata	4,385	4,226	(159)	(3.6)	740	740	-	-
Palmerston	7,083	6,811	(272)	(3.8)	650	650	-	-
<b>Residential properties</b>								
Goodwood	1,536	1,585	49	3.2	120	120	-	-
Hampden	1,496	1,533	37	2.5	230	230	-	-
Herbert	1,294	1,355	61	4.7	180	180	-	-



## Rates Examples (continued)

	Rates				Capital Value \$'000			
	2015/16 Rates	2016/17 Rates	Change \$	Change %	2015/16 Rates	2016/17 Rates	Change \$	Change %
<b>Residential properties (continued)</b>								
Kakanui	1,924	1,899	(25)	(1.3)	350	350	-	-
Kurow	1,696	1,737	42	2.4	190	190	-	-
Lake Ohau	1,548	1,594	46	3.0	295	295	-	-
Maheno	990	1,038	48	4.8	170	170	-	-
Moeraki	2,266	2,197	(69)	(3.0)	200	200	-	-
Oamaru	2,497	2,476	(20)	(0.8)	315	315	-	-
Oamaru	1,817	1,789	(27)	(1.5)	89	89	-	-
Oamaru	2,258	2,233	(26)	(1.1)	250	250	-	-
Omarama	1,857	1,876	19	1.0	210	210	-	-
Otematata	1,905	1,871	(33)	(1.8)	245	245	-	-
Palmerston	2,168	2,133	(36)	(1.6)	230	230	-	-
Weston	2,269	2,256	(13)	(0.6)	280	280	-	-



## Sundry Rating Policies

### Postponement of Rates

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

### Postponement of rates for extreme financial hardship

#### Objective

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

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

#### Conditions and criteria

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

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

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

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

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

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

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

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

Any postponed rates will be postponed until:

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

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

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

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



have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title.

This means that we will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

### **Rights of appeal**

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

### **Postponement of rates on Maori freehold land**

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

### **Objectives**

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

### **Conditions and criteria**

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

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

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

- Details of the property

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

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

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

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

### **Remission of rates**

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

### **Remission of rates – general**

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

### **Remission of rates on bare land**

#### **Objectives**

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

#### **Criteria and conditions**

Our policy is that where properties are occupied by the same ratepayer (as stated on the district valuation roll) we will not charge a uniform annual general charge or ward targeted rate on properties considered to be bare land, provided that the ratepayer pays at least one uniform annual general charge within the district. Bare land is defined as



properties with no improvements other than fences and irrigation. For the purposes of this policy forestry blocks (without buildings or other constructions) are deemed to be bare land. To receive and retain this remission the property must be maintained and kept safe, and not present a hazard of any kind that may require our action or attention.

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

#### **Objectives**

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

#### **Criteria and conditions**

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

### **Remission of rates on rating units with multiple single bedroom inhabitable parts**

#### **Objectives**

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

#### **Criteria and conditions**

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

### **Remission of rates on properties with mixed residential and other uses in the Oamaru business areas**

#### **Objectives**

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

#### **Criteria and conditions**

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

### **Remission of rates on Maori freehold land**

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

This policy aims to:

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

#### **Objectives**

The objectives of the policy are to:

- Recognise situations where there is no occupier or person gaining an economic or





financial benefit from the land

- Set aside land that is better set aside for non-use because of its natural features
- Recognise matters related to physical accessibility of the land
- Recognise and take into account of the presence of waahi tapu that may affect the use of the land for other purposes

#### **Conditions and criteria**

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

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

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

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

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

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

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

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

#### **Remission of rates penalties**

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

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

#### **Arrears – penalty remissions**

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

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

1. The remission does not go back for more than three years
2. That the rates are paid



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

## **Remission of sewerage charges on schools**

### **Objectives**

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

### **Conditions and criteria**

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

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

## **General remission – extraordinary circumstances**

### **Objectives**

The objective of this policy is to give us an option to respond to extraordinary events that

affect a ratepayer or group of ratepayers that could not be foreseen or mitigated against at the start of the rating year.

### **Conditions and criteria**

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

## **General Matters**

### **Council Discretion**

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

### **Information to be supplied**

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

### **Deadline for application of remissions**

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

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

### **Delegation to the Chief Executive**

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



## **Administration of rates**

### **Payment methods and places**

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

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

Rates may be paid by any of the following methods:

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

Rates may be paid at Council offices:

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

### **Minimum economic rate**

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

## **Rates penalties**

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

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

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

Payments are applied to the oldest debt first.

### **Rates refund policy**

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

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

Only one refund per ratepayer per year will be made.

### **Public availability of information**

We will charge a fee for supplying any person with a copy of information from the rating



information database except when requested in person at our offices in Oamaru and Palmerston. For more information please go to [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

**Early payment of loan rates for subsequent financial years**

We will allow early payment of loan rates by lump sum for subsequent financial years.

We will accept early payment of construction charge rates by lump sum at any time.

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

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

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



---

***Growing strong communities.***

**Phone** 03 433 0300 **Email** [service@waitaki.govt.nz](mailto:service@waitaki.govt.nz) **Web** [www.waitaki.govt.nz](http://www.waitaki.govt.nz)  
**Office** 20 Thames Street, Private Bag 50058, Oamaru 9444



**Waitaki**

DISTRICT COUNCIL  
TE KAUNIHERA Ā ROHE O WAITAKI